



INSURANCE
REGULATORY
COMMISSION OF
SRI LANKA

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இலங்கை காப்புறுதி ஒழுங்குமுறைப்படுத்தல் ஆணைக்குழு
INSURANCE REGULATORY COMMISSION OF SRI LANKA

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BY REGISTERED POST / FAX

24th July 2019

Ref: IRCSL/DG/LEG/19/07/314

Principal Officers of all Insurance Brokering Companies

Not Applicable

Dear Sir / Madam,

Direction #19 - Compliance with minimum net capital requirement

The Commission, at its 191st meeting, having considered the previous Directions issued to some of the Insurance Brokering Companies non-compliant with the minimum net capital requirement of Rs. 2.5 Mn to submit monthly returns for a period of six months in terms of Section 96A of the Regulation of Insurance Industry Act, No.43 of 2000 (RII Act), has decided to issue the following Direction to all Insurance Brokering Companies in terms of the provisions of the RII Act:

1. That insurance brokering companies should demonstrate compliance with net capital requirement within one month from the quarter it became non-compliant by submitting Audited Financial Statements, Form 6 (if capital is infused) and Bank Statements to support the same (if capital is infused); and
2. If the company does not demonstrate as above (by submitting the required documents and/ or meeting the said net capital requirement), the IRCSL will suspend its license in terms of the provisions of the Regulation of Insurance Industry Act, No. 43 of 2000.

Further, if the above non-compliance continues or is repeated, the IRCSL will cancel its license.

This Direction shall come into force with immediate effect.

Kindly acknowledge receipt of this letter.

Yours faithfully

Damayanthi Fernando

DIRECTOR GENERAL

KP/GRN

Cc: Mr. Pritha J Fernando, President - Sri Lanka Insurance Brokers Association