

REGULATION OF INSURANCE INDUSTRY ACT - DIRECTION

12th January 2026

No. 1 of 2026

Direction on Principal Officers of Insurance Companies and Insurance Brokering Companies

The Insurance Regulatory Commission of Sri Lanka (IRCSL), at its 268th meeting, has decided to substitute Direction # 2 of 2023 issued on 27th July 2023 with the following:

1. The Principal Officer of an insurer or an insurance broker shall be the person who is holding the highest executive position of the company, and he/she shall be in charge and be responsible for the general control, direction and supervision of the business activities of the company as per section 94 of the Regulation of Insurance Industry Act, No. 43 of 2000.
2. The Principal Officer of an insurer or an insurance broker shall report directly to the Board of Directors and shall be required to provide all communications with IRCSL for the attention of the Board of Directors, as early as possible.
3. The Principal Officer shall not engage in or undertake any other full-time/part-time employment, consultancy, or professional engagement.
4. The Principal Officer of an insurer shall not be appointed, elected, or nominated as a director of any other insurer except where such insurer is a subsidiary or an associate company of the first mentioned insurer. In case of appointing as a Director of a subsidiary or an associate company of the first mentioned insurer, such appointment shall only be in the non-executive capacity.
5. The appointment of the Principal Officer shall be approved by the Board of Directors of the insurer or insurance broker, subject to the approval of IRCSL.
6. The Principal Officer shall be physically present in Sri Lanka and be available to attend to official matters.
7. In the event of retirement, termination, resignation and/or the post of Principal Officer becomes vacant by any other means, the Board of Directors or the company shall take steps to appoint a suitable person as the Principal Officer in terms of the Regulation of Insurance Industry Act, No. 43 of 2000 forthwith, subject to approval of IRCSL, to ensure continuity of responsibility. In the event the company encounters any delay in making such an appointment, an acting appointment shall be made forthwith, subject to the approval of IRCSL.
8. This Direction shall come into effect from 12th January 2026.
9. In view of this Direction, Direction # 2 of 2023 issued on 27th July 2023 is hereby repealed.

This Direction is issued in terms of Section 96A of the Regulation of Insurance Industry Act, No. 43 of 2000 to Insurance Companies and Insurance Brokering Companies.



Director General
Signed for and on behalf of the Commission