



INSURANCE
REGULATORY
COMMISSION OF
SRI LANKA

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இலங்கை காப்புறுதி ஒழுங்குமுறைப்படுத்தல் ஆணைக்குழு
INSURANCE REGULATORY COMMISSION OF SRI LANKA

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THE REGULATION OF INSURANCE INDUSTRY ACT, NO. 43 OF 2000 – DIRECTION

15.08.2025

No. 03 of 2025

Direction on compliance with the minimum net capital requirement by insurance brokers

In view of the decision made by the Insurance Regulatory Commission of Sri Lanka (Commission) at its 239th meeting to revise the minimum net capital requirement for insurance brokers, Direction # 19 issued on 24th July 2019 and Direction # 19 (Amended) on 3rd June 2020 are hereby revised. Accordingly, this direction is issued to all insurance brokers in terms of section 96A of the Regulation of Insurance Industry Act, No. 43 of 2000 (RII Act).

1. Insurance brokers shall demonstrate compliance with the minimum net capital requirement of
 - (a) Rupees 4 million if the insurance broker does not carry on re-insurance brokering business; or
 - (b) Rupees 10 million if the insurance broker carries on re-insurance brokering business

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);

2. Where an insurance broker does not demonstrate as above, the Commission may suspend the licence of such insurance broker in terms of the provisions of the RII Act.
3. Where any insurance broker is suspended for a period of 6 months and such insurance broker has not demonstrated compliance with the minimum net capital requirement within said period of 6 months, the licence granted to the said insurance broker may be cancelled, without any further notice to the insurance broker.
4. Where any insurance broker is suspended for more than two times within the immediately preceding 4 quarters for non-compliance with the minimum net capital requirement, and where such non-compliance continues, the Commission may cancel the licence granted to the said insurance broker, without any further notice to the insurance broker.
5. This direction shall come into force with immediate effect and Direction # 19 issued on 24th July 2019 and Direction # 19 (Amended) on 3rd June 2020 shall be repealed.

Hamayaka Fernando

Director General

Signed for and on behalf of the Commission