

BY EMAIL

11th August 2025

Ref: IRCSL/DG/ACT/2025/08/447

To: Principal Officers of all Long-term Insurance Companies

Dear Madam / Sir,

Clarification to Circular No. 01 of 2021, issued on 23 March 2021

(1) Long-term insurance products subject to frequent repricing

As mandated by Circular #1 of 2021, all products except group products and riders filed for review shall be certified by the Appointed Actuary.

However, for products subject to frequent repricing, the initial product review and certification shall be performed by the Appointed Actuary who shall explicitly include provisions for repricing in the pricing certificate. The company shall establish clear repricing principles and implement comprehensive checks, validations, and controls to support the Appointed Actuary's certification. In these circumstances, if subsequent amendments to the initial product do not alter its terms and conditions materially, a certification for the repricing from an in-house actuary or the Head of Actuarial is also acceptable.

However, the IRCSL may request an actuarial certificate signed by the Appointed Actuary if deemed necessary for such amendments to existing products.

(2) Riders and Group Products

Group products and riders are exempted from the aforementioned requirements. The circular currently requires the provision of details of the person computing the premiums (Name, qualification), among other items required for pricing to be disclosed.

However, in terms of Circular #1 of 2021, the IRCSL retains the discretion to request an actuarial certificate for riders and group products. In such instances, the certificate must be certified by the Appointed Actuary of the company, consistent with the clarification provided on October 6, 2022, regarding the definition of 'Actuary' in Circular #1 of 2021.

Therefore, for the avoidance of doubt, please be informed that if a pricing certificate is submitted by the Company for Group products or riders, it can originate from the Appointed Actuary, an in-house actuary, or the Head of the Actuarial division.

An in-house actuary is defined as an employee of the insurance company who meets the qualification requirements outlined in Section 114 of the Regulation of Insurance Industry Act, No. 43 of 2000.

Actuaries other than the above named, are not permitted to issue these pricing certificates.

Yours faithfully,



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Director General

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cc: President, Insurance Association of Sri Lanka