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## **MASTER CIRCULAR**

# **COMPILING SUBORDINATE LEGISLATION ISSUED UNDER THE REGULATION OF INSURANCE INDUSTRY ACT, NO. 43 OF 2000**



### **Insurance Regulatory Commission of Sri Lanka**

***Disclaimer: This document has been developed to provide a guide to the users and shall not be considered as a legal document or a conclusive document for all legal provisions or legal advice for the topic discussed herein.***



**Master Circular compiling  
Subordinate Legislation issued under Regulation of Insurance Industry Act,  
No. 43 of 2000**

**Insurance Regulatory Commission of Sri Lanka**

**INTRODUCTION**

01. Master Circular consolidates Regulations, Rules, Determinations, Directions, Circulars, Guidelines and Conditions ("Subordinate Legislation") issued by the Insurance Regulatory Commission of Sri Lanka (IRC SL) under different chapters for ease of reference for the general public. The said Master Circular and all the above Subordinate Legislation are available on the website of the IRC SL.
02. All words and explanations used herein and not defined in this Master Circular are defined in the Regulation of Insurance Industry Act, No. 43 of 2000 (RII Act) , as amended or Rules, Regulations, Determinations, Directions, Circulars, Guidelines and Conditions made thereunder shall have the meanings respectively assigned to them in those RII Act or the relevant subordinate legislation mentioned aforesaid.
03. Master Circular covers matters under each chapter referred below:
  1. Insurance policies
  2. Market conduct and development
  3. Approvals for positions of Insurers
  4. Insurance brokers related matters
  5. Licensing of Insurers
  6. Matters related to Agents
  7. Claims
  8. Re-insurance
  9. Co-insurance
  10. Loss Adjuster related matters

## Chapter 1

### **MASTER CIRCULAR ON INSURANCE POLICIES**

#### **Scope**

In terms section 114(1) of the Regulation of Insurance Industry Act No. 43 of 2000(RII Act), an insurance policy includes the following:

- In relation to long term insurance business, an instrument evidencing a contract to pay an annuity upon human life:
- In relation to bond investment business includes a bond, certificate, receipt or other instrument evidencing the contract with the insurer; and
- in relation to other classes of insurance business, includes an instrument under which there is for the time being an existing liability already accrued or under which any liability may accrue

The person who for the time being is the legal holder of the policy for securing the contract with the insurer is defined as the policyholder. In terms of Section 3 of the RII Act, it is the object and responsibility of the IRCSL to ensure that insurance business in Sri Lanka is carried on with integrity and in a professional and prudent manner with a view to safeguarding the interests of the policyholders and potential policy holders.

In view of achieving the said purpose, IRCSL has issued the following subordinate legislations on insurance policies.

This document captures subordinate legislations issued by IRCSL in relation to both general and long-term insurance policies.

<b>No.</b>	<b>Circulars</b>
1	<b>Circular # 03 of 2025 issued on 17.11.2025</b> Requirements on Premium Payment for Policies of General Insurance  <a href="https://irsl.gov.lk/wp-content/uploads/2025/11/Circular-3-of-2025.pdf">https://irsl.gov.lk/wp-content/uploads/2025/11/Circular-3-of-2025.pdf</a>
2	<b>Circular # 04 of 2025 issued on 08.12.2025</b> Extending the time periods specified in Circular # 03 of 2025 on the Requirements on Premium Payment for Policies of General Insurance  <a href="https://irsl.gov.lk/wp-content/uploads/2025/12/Circular-4-of-2025.pdf">https://irsl.gov.lk/wp-content/uploads/2025/12/Circular-4-of-2025.pdf</a>

3	<p><b>Circular# 4 of 2024 issued on 20.05.2024</b> Circular on Promotion/advertisement of 3rd party Motor Insurance</p> <p><a href="https://ircsl.gov.lk/wp-content/uploads/2024/05/Circular-4-of-2024.pdf">https://ircsl.gov.lk/wp-content/uploads/2024/05/Circular-4-of-2024.pdf</a></p>
4	<p><b>Circular # 03 of 2024 issued on 26.02.2024</b> Circular issued to registered General Insurance Institutions on Optional Compensation Scheme for third party victims of Motor Vehicle Accidents – for Death or Permanent Disability</p> <p><a href="https://ircsl.gov.lk/wp-content/uploads/2025/02/OCS_Circular_with_Application_En.pdf">https://ircsl.gov.lk/wp-content/uploads/2025/02/OCS_Circular_with_Application_En.pdf</a></p>
5	<p><b>Circular # 01 of 2022 issued on 26.01.2022</b> Circular on Prohibition of providing different quotations (reduction in premium) to same policyholder for the same insurance cover</p> <p><a href="https://ircsl.gov.lk/wp-content/uploads/2022/01/Circular-1-of-2022.pdf">https://ircsl.gov.lk/wp-content/uploads/2022/01/Circular-1-of-2022.pdf</a></p>
6	<p><b>Circular # 01 of 2021 issued on 21.03.2021</b> Circular on clearance of insurance products prior to launch issued in terms of section 37(1) &amp; (2) of the RII Act</p> <p><a href="https://ircsl.gov.lk/wp-content/uploads/2021/09/Circular-1-of-2021.pdf">https://ircsl.gov.lk/wp-content/uploads/2021/09/Circular-1-of-2021.pdf</a></p>
7	<p><b>Clarification on Circular # 01 of 2021 issued on 23/03/2021</b> Requirement of Actuarial Certification" referred to in paragraph E(1)(a) in terms of section 46 read with 114 of the RII Act.</p> <p><a href="https://ircsl.gov.lk/wp-content/uploads/2022/10/DG-282-All-ins.pdf">https://ircsl.gov.lk/wp-content/uploads/2022/10/DG-282-All-ins.pdf</a></p>
8	<p><b>Further clarification to Circular No. 01 of 2021 issued on 25.08.2025</b> Circular refers to initial product review and certification of Long-term insurance products subject to frequent repricing and the exemption for Group products and riders from the requirements.</p> <p><a href="https://ircsl.gov.lk/wp-content/uploads/2025/08/IRCSL_DG_ACT_2025_08_-447.pdf">https://ircsl.gov.lk/wp-content/uploads/2025/08/IRCSL_DG_ACT_2025_08_-447.pdf</a></p>
9	<p><b>Circular # 43 issued on 02.07.2020</b> Circular on issuing of insurance policies in three languages</p> <p><a href="https://ircsl.gov.lk/wp-content/uploads/2020/09/Issuing-Insurance-Policies-in-three-languages-Circular-43-1.pdf">https://ircsl.gov.lk/wp-content/uploads/2020/09/Issuing-Insurance-Policies-in-three-languages-Circular-43-1.pdf</a></p>
10	<p><b>Circular # 40 issued on 25.02.2019</b> Circular on Health Insurance Covers Underwritten by Insurers who carry on Long Term Insurance Business</p> <p><a href="https://ircsl.gov.lk/wp-content/uploads/2019/05/Circular-40.pdf">https://ircsl.gov.lk/wp-content/uploads/2019/05/Circular-40.pdf</a></p>
11	<p><b>Clarification on Circular # 40- issued on 10.11.2022</b> Health Insurance covers underwritten by Insurers who carry on Long-Term insurance business</p> <p><a href="https://ircsl.gov.lk/wp-content/uploads/2023/01/DG-317-All-ins.pdf">https://ircsl.gov.lk/wp-content/uploads/2023/01/DG-317-All-ins.pdf</a></p>

12	<p><b>Circular # 36 of 2015 issued on 09.10.2015</b> Circular on the requirement to be fulfilled when obtaining Overseas Health Insurance in terms of Section 101 of the RII Act</p> <p><a href="https://irsl.gov.lk/wp-content/uploads/2019/01/Circular36_Cancellation_of_Circular32-1.pdf">https://irsl.gov.lk/wp-content/uploads/2019/01/Circular36_Cancellation_of_Circular32-1.pdf</a></p>
13	<p><b>Circular # 33 of 2013 issued on 09.12.2013</b> Requirement on Supply of Proposal Forms</p> <p><a href="https://irsl.gov.lk/wp-content/uploads/2019/05/Circular-33.pdf">https://irsl.gov.lk/wp-content/uploads/2019/05/Circular-33.pdf</a></p>
<b>No.</b>	<b>Rules</b>
1	<p><b>Rule # 9 requirement on maintaining a register of policies</b> Rules of 2005 published in Gazette Extraordinary, No. 1412/30 of September 29, 2005</p> <p><a href="https://irsl.gov.lk/wp-content/uploads/2019/01/ibsl_rules.pdf">https://irsl.gov.lk/wp-content/uploads/2019/01/ibsl_rules.pdf</a></p>
<b>No.</b>	<b>Directions</b>
1	<p><b>Direction No. 5 of 2026 issued on 31.03.2026</b> Direction to limit the General Insurance Companies granting credit for motor insurance policies to a maximum of 30 days from the inception of the cover, effective from 1<sup>st</sup> May 2026.</p> <p><a href="https://irsl.gov.lk/wp-content/uploads/2026/04/Direction-5-of-2026-31st-March-2026-Direction-on-premium-payment-for-policies-of-motor-insurance.pdf">https://irsl.gov.lk/wp-content/uploads/2026/04/Direction-5-of-2026-31st-March-2026-Direction-on-premium-payment-for-policies-of-motor-insurance.pdf</a></p>
2	<p><b>Direction No. 05 of 2025 to all General Insurance Companies issued on 05.12.2025</b> Direction to disclose all types of premium charges any other policy charges separately and comply with SRCC &amp; T requirements</p> <p><a href="https://irsl.gov.lk/wp-content/uploads/2025/12/Direction-5-of-2025-1.pdf">https://irsl.gov.lk/wp-content/uploads/2025/12/Direction-5-of-2025-1.pdf</a></p>
3	<p><b>Direction No. 04 of 2025 issued on 28.10.2025 effective from 01.10.2025</b> Direction on issuing Insurance Product Information Document by Insurance Companies and Insurance Intermediaries The purpose of this Direction is to set forth a framework for the preparation of an IPID that contains key features of the policy documents of Life and General Insurance products and issued pursuant to Section 03 and Section 37 (2) of the RII Act.</p> <p><a href="https://irsl.gov.lk/wp-content/uploads/2025/11/Direction-4-of-2025.pdf">https://irsl.gov.lk/wp-content/uploads/2025/11/Direction-4-of-2025.pdf</a></p>
4	<p><b>Direction No. 02. of 2025 issued on 25.04.2025</b> Direction on Improving the Confidence Level of the Policyholders issued in accordance with Section 03 of the RII Act</p> <p><a href="https://irsl.gov.lk/wp-content/uploads/2025/06/Direction-2-of-2025.pdf">https://irsl.gov.lk/wp-content/uploads/2025/06/Direction-2-of-2025.pdf</a></p>

5	<p><b>Direction No. 01 of 2025 issued on 25.04.2025</b>            Direction on Needs Assessment and Customer Onboarding Process for Long-Term Insurance Business            This direction aims to establish a framework that promotes need-based sales of insurance products by setting standards for customer onboarding and accurate assessment of customer needs of long-term insurance companies.</p> <p><a href="https://ircl.gov.lk/wp-content/uploads/2025/06/Direction-1-of-2025.pdf">https://ircl.gov.lk/wp-content/uploads/2025/06/Direction-1-of-2025.pdf</a></p>
6	<p><b>Direction No. 07 of 2024 issued on 25.09.2024</b>            Overseas Health Insurance: Amendment to Direction #11</p> <p><a href="https://ircl.gov.lk/wp-content/uploads/2024/10/Direction-7-of-2024.pdf">https://ircl.gov.lk/wp-content/uploads/2024/10/Direction-7-of-2024.pdf</a></p>
7	<p><b>Direction No. 05 of 2024 issued on 22.08.2024</b>            Sale of insurance products to customers of Mobile Network Operators' (MNOs) and Fixed Line Operators' (FLOs) through the usage of data and platform of MNOs</p> <p><a href="https://ircl.gov.lk/wp-content/uploads/2024/08/Direction-5-of-2024.pdf">https://ircl.gov.lk/wp-content/uploads/2024/08/Direction-5-of-2024.pdf</a></p>
8	<p><b>Direction No. 03 of 2024 issued on 14.05.2024</b>  <b>Direction on Advertisements Issued by Insurers, Insurance Brokers and Insurance Agents</b>            Issued stressing out section 99(1) in terms of Section 96A of the RII Act, No. 43 of 2000 to set forth minimum standards of all material and relevant information in the advertising and marketing of insurance products to assure full and truthful disclosure to the policyholders and insuring public and to ensure that registered insurers and insurance brokers adopt fair, honest and transparent practices and avoid practices that tend to impair the confidence of the public and create undue competitive advantage in its advertisements.</p> <p><a href="https://ircl.gov.lk/wp-content/uploads/2024/05/Direction-on-Advertisements-No.-03-of-2024.pdf">https://ircl.gov.lk/wp-content/uploads/2024/05/Direction-on-Advertisements-No.-03-of-2024.pdf</a></p>
9	<p><b>Direction No. 01 of 2024 issued on 01.02.2024</b>            Direction in Respect of Long-term Insurance Products</p> <p><a href="https://ircl.gov.lk/wp-content/uploads/2024/03/Direction-1-of-2024.pdf">https://ircl.gov.lk/wp-content/uploads/2024/03/Direction-1-of-2024.pdf</a></p>
10	<p><b>Direction No. 01 of 2023 issued on 19.6.2023</b>            Direction on Condition of Average was issued to all General Insurance Companies on issuance and renewal of motor insurance policies to reflect market values of motor vehicles</p> <p><a href="https://ircl.gov.lk/wp-content/uploads/2023/07/Direction-1-of-2023.pdf">https://ircl.gov.lk/wp-content/uploads/2023/07/Direction-1-of-2023.pdf</a></p>
11	<p><b>Clarification on Direction # 1 of 2023</b> - Condition of Average issued on 25.07.2023</p> <p><a href="https://ircl.gov.lk/wp-content/uploads/2023/07/DG-299-All-Ins-Cos.pdf">https://ircl.gov.lk/wp-content/uploads/2023/07/DG-299-All-Ins-Cos.pdf</a></p> <p><b>Direction No. 01 of 2022 issued on 26.01.2022</b>            Restriction on Providing Codes &amp; Restriction on Changing Codes</p> <p><a href="https://ircl.gov.lk/wp-content/uploads/2022/01/Direction-01-of-2022.pdf">https://ircl.gov.lk/wp-content/uploads/2022/01/Direction-01-of-2022.pdf</a></p>

12	<p><b>Direction # 18 issued on 22.02.2019</b> Unclaimed Benefits of long Term Insurance Business</p> <p><a href="https://irsl.gov.lk/wp-content/uploads/2020/09/Direction-18-pdf.pdf">https://irsl.gov.lk/wp-content/uploads/2020/09/Direction-18-pdf.pdf</a></p>
13	<p><b>Direction # 06- Issued on 26.03.2015</b> Settlement of Insurance Claims</p> <p><a href="https://irsl.gov.lk/wp-content/uploads/2019/01/Direction_06_To_all_insurance_companies_Settlement_of_Insurance_Claims.pdf">https://irsl.gov.lk/wp-content/uploads/2019/01/Direction_06_To_all_insurance_companies_Settlement_of_Insurance_Claims.pdf</a></p>
14	<p><b>Direction No. 06 (A) issued on 21.08.2015</b> Amendment to Direction No.06 on settlement of insurance claims</p> <p><a href="https://irsl.gov.lk/wp-content/uploads/2019/01/Direction_06_A-1.pdf">https://irsl.gov.lk/wp-content/uploads/2019/01/Direction_06_A-1.pdf</a></p>
15	<p><b>Direction#02 (Amendment) issued on 13.03.2020</b> Delivery of Policy Documents Insurers to obtain an acknowledgement in writing from the policyholder within the time as specified in the direction from the date of issue of the policy, that the policyholder has received the policy documents (policy terms and conditions and the schedule etc.) and indicating in the acknowledgement the date of receipt of policy documents.</p> <p><a href="https://irsl.gov.lk/wp-content/uploads/2021/09/Direction-2-Amendment.pdf">https://irsl.gov.lk/wp-content/uploads/2021/09/Direction-2-Amendment.pdf</a></p>
<b>No.</b>	<b>Guidelines</b>
1	<p>Guidelines on Market Conduct of the Insurers issued on 02nd October 2025 effective from 01.10.2026</p> <p><a href="https://irsl.gov.lk/wp-content/uploads/2025/10/GUIDELINES-ON-MARKET-CONDUCT-OF-THE-INSURERS-SENT-TO-LEGAL-1.pdf">https://irsl.gov.lk/wp-content/uploads/2025/10/GUIDELINES-ON-MARKET-CONDUCT-OF-THE-INSURERS-SENT-TO-LEGAL-1.pdf</a></p>
2	<p>Guidelines on Anti Money Laundering and Countering the Financing of Terrorism Programme for Insurance Companies and Brokering Companies Issued on 25.07. 2025</p> <p><a href="https://irsl.gov.lk/wp-content/uploads/2025/07/Guidelines-on-AML-CFT-for-Insurers-and-Brokers.pdf">https://irsl.gov.lk/wp-content/uploads/2025/07/Guidelines-on-AML-CFT-for-Insurers-and-Brokers.pdf</a></p>
3	<p>Guidelines on Incorporating a Framework to Implement Key Pillars: Sustainable Development Goals (SDGs), Environmental, Social, &amp; Governance (ESG) Principles and Sustainable Finance, Initiatives in the Insurance Industry issued on 21.07.2025</p> <p><a href="https://irsl.gov.lk/wp-content/uploads/2025/07/21.07.2025-Guidelines-on-Incorporating.pdf">https://irsl.gov.lk/wp-content/uploads/2025/07/21.07.2025-Guidelines-on-Incorporating.pdf</a></p>

4	<p><b>In terms of section 37, IRCSL is empowered to direct amendments to any policy form in order to safeguard the interest of the policyholders and it shall be the duty of insurers to give effect to such amendments. These guidelines are issued pursuant to Section 37 (2) of the RII Act to ensure that the terms of the contract of insurance products are fair and equitable.</b></p> <p>.....</p> <p>Guidelines on Policy Framework for Long Term Insurance Products applicable to all long-term Insurance Companies effected on 09th August 2024</p> <p><a href="https://ircs.gov.lk/wp-content/uploads/2024/08/Guidelines-on-Policy-Framework-for-Long-Term-Insurance-Products.pdf">https://ircs.gov.lk/wp-content/uploads/2024/08/Guidelines-on-Policy-Framework-for-Long-Term-Insurance-Products.pdf</a></p> <p>Amended Guidelines on Policy Framework for Long-Term Insurance Products Amendment to sections 3.3 and 6.2 of the guidelines issued on 19.05.2025.</p> <p><a href="https://ircs.gov.lk/wp-content/uploads/2025/05/DG-257-All-Ins-Cos.pdf">https://ircs.gov.lk/wp-content/uploads/2025/05/DG-257-All-Ins-Cos.pdf</a></p> <p>Guidelines on Policy framework for general insurance products effected on 24.04.2023</p> <p><a href="https://ircs.gov.lk/wp-content/uploads/2023/04/Guidelines-on-Policy-Framework-for-General-Insurance-Products_Annex.pdf">https://ircs.gov.lk/wp-content/uploads/2023/04/Guidelines-on-Policy-Framework-for-General-Insurance-Products_Annex.pdf</a>.</p>
5	<p>Principles on Fair treatment of customers effected on 26.01.2018</p> <p><a href="https://ircs.gov.lk/wp-content/uploads/2019/01/Principles-on-FTC-26.01.2018-1.pdf">https://ircs.gov.lk/wp-content/uploads/2019/01/Principles-on-FTC-26.01.2018-1.pdf</a></p>
6	<p>Amendment to the Guidelines on Linked Long Term Business effected on 21.10.2016 Amendment to clause # 14.4 on Surrender Value</p> <p><a href="https://ircs.gov.lk/wp-content/uploads/2019/01/unit_link_amendment_to_14.4_ver2-1.pdf">https://ircs.gov.lk/wp-content/uploads/2019/01/unit_link_amendment_to_14.4_ver2-1.pdf</a> on Linked Long Term Business</p>
7	<p>Amendment to the Guidelines on Linked Long Term Business effected on 15.03.2016 Amendment to item# 14.5 on Cooling-off Period / Free-look period incurred.</p> <p><a href="https://ircs.gov.lk/wp-content/uploads/2019/01/Amendment_to_the_Guidelines_on_Linked_Long_Term_Business.pdf">https://ircs.gov.lk/wp-content/uploads/2019/01/Amendment_to_the_Guidelines_on_Linked_Long_Term_Business.pdf</a></p>
8	<p>Guidelines on Linked Long Term Business effected on 01.05.2007 Guidelines apply to existing and new linked long-term products issued by insurers transacting long term insurance business in Sri Lanka</p> <p><a href="https://ircs.gov.lk/wp-content/uploads/2019/01/Guidelines_Linked_Long_Term_Business_updated.pdf">https://ircs.gov.lk/wp-content/uploads/2019/01/Guidelines_Linked_Long_Term_Business_updated.pdf</a></p>
<b>No.</b>	<b>Regulations</b>

1	<p>Control of Insurance (Miscellaneous Provisions) Regulations,1987 REGULATIONS made by the Minister of Trade and Shipping under section 75F and section 79 of the Control of Insurance Act, No. 25 of 1962 and its amendments</p> <p><a href="https://irsl.gov.lk/wp-content/uploads/2019/01/Control of Insurance Gazette 610 4 May 15 1990.pdf">https://irsl.gov.lk/wp-content/uploads/2019/01/Control of Insurance Gazette 610 4 May 15 1990.pdf</a></p>
<b>No.</b>	<b>Conditions</b>
1	<p>Conditions pertaining to co-insurance approved on 26.08.2005 and issued to insurers engaged in co-insurance business</p> <p><a href="https://irsl.gov.lk/wp-content/uploads/2019/01/Conditions pertaining to Co Insurance.pdf">https://irsl.gov.lk/wp-content/uploads/2019/01/Conditions pertaining to Co Insurance.pdf</a></p>
<b>No.</b>	<b>Determination</b>
1	<p>Determination 11 – 30/04/2013</p> <p><b>(Determination No. 11 of 30.10.2002 as amended on 25.05.2009 is repealed and replaced as follows by Determination No. 11 of 30.04.2013)</b></p> <p>For the purposes of section 98 of the Regulation of Insurance Industry Act, No. 43 of 2000 the maximum sum assured for long term insurance business is Rs 100,000,000/= (rupees one hundred million) and for general insurance business Rs. 200,000,000,000/= (rupees two hundred billion).</p> <p><a href="https://irsl.gov.lk/insurance-legislation/determinations/">https://irsl.gov.lk/insurance-legislation/determinations/</a></p>

## Chapter 2

### **MASTER CIRCULAR ON MARKET CONDUCT AND DEVELOPMENT**

In relation to Market Conduct and Development, these subordinate legislations safeguard policyholders through mandatory disclosures, fair marketing and complaint-handling mechanisms. This approach is firmly grounded in **Section 3 of the Regulation of Insurance Industry Act, No. 43 of 2000**, which states that *"the object and responsibility of the Commission shall be, to ensure that insurance business in Sri Lanka is carried on with integrity and in a professional and prudent manner with a view to safeguarding the interests of policyholders and potential policyholders."*

No.	Directions
1	Direction to all general insurers engaged in motor insurance business – No. 6 of 2026  <a href="https://ircsl.gov.lk/wp-content/uploads/2026/04/Direction-No.-6-of-2026-2nd-April-2026-Direction-to-all-general-insurance-engaged-in-motor-insurance-business-1.pdf">https://ircsl.gov.lk/wp-content/uploads/2026/04/Direction-No.-6-of-2026-2nd-April-2026-Direction-to-all-general-insurance-engaged-in-motor-insurance-business-1.pdf</a>
2	Direction to all insurance companies and insurance brokering companies engaged in general insurance business – No. 4 of 2026  <a href="https://ircsl.gov.lk/wp-content/uploads/2026/04/Direction-4-of-2026-31st-March-2026-Direction-to-insurance-companies-and-insurance-brokering-companies-engaged-in-general-insurance-business.pdf">https://ircsl.gov.lk/wp-content/uploads/2026/04/Direction-4-of-2026-31st-March-2026-Direction-to-insurance-companies-and-insurance-brokering-companies-engaged-in-general-insurance-business.pdf</a>
3	Direction on advertisements issued by insurance companies, insurance brokers and insurance agents – No. 2 of 2026  <a href="https://ircsl.gov.lk/wp-content/uploads/2026/03/Direction-No.-2-of-2026-Amended-Direction-No.-3-of-2024.pdf">https://ircsl.gov.lk/wp-content/uploads/2026/03/Direction-No.-2-of-2026-Amended-Direction-No.-3-of-2024.pdf</a>
4	Direction on Issuing Insurance Product Information Document by Insurance Companies and Insurance Intermediaries – No. 4 of 2025  <a href="https://ircsl.gov.lk/wp-content/uploads/2025/11/Direction-4-of-2025.pdf">https://ircsl.gov.lk/wp-content/uploads/2025/11/Direction-4-of-2025.pdf</a>
5	Direction on Improving the Confidence Level of the Policyholders – No. 2 of 2025  <a href="https://ircsl.gov.lk/wp-content/uploads/2025/06/Direction-2-of-2025.pdf">https://ircsl.gov.lk/wp-content/uploads/2025/06/Direction-2-of-2025.pdf</a>
6	Direction on Need Assessment and Customer Onboarding Process for Long-term Insurance Business – No. 1 of 2025  <a href="https://ircsl.gov.lk/wp-content/uploads/2025/06/Direction-1-of-2025.pdf">https://ircsl.gov.lk/wp-content/uploads/2025/06/Direction-1-of-2025.pdf</a>
No.	Guidelines
1	Guidelines on Market Conduct of Insurers – 02.10.2025

Last updated on 15.04.2026

	<a href="https://ircsl.gov.lk/wp-content/uploads/2025/10/GUIDELINES-ON-MARKET-CONDUCT-OF-THE-INSURERS-SENT-TO-LEGAL-1.pdf">https://ircsl.gov.lk/wp-content/uploads/2025/10/GUIDELINES-ON-MARKET-CONDUCT-OF-THE-INSURERS-SENT-TO-LEGAL-1.pdf</a>
2	Guidelines on Incorporating a framework to implement key pillars: SDGs, ESG principles and sustainable finance, initiative in the insurance industry – 21.07.2025 <a href="https://ircsl.gov.lk/wp-content/uploads/2025/07/21.07.2025-Guidelines-on-Incorporating.pdf">https://ircsl.gov.lk/wp-content/uploads/2025/07/21.07.2025-Guidelines-on-Incorporating.pdf</a>
3	Guidelines on Policy Framework for Long Term Insurance Products Applicable to all Long-Term Insurance Companies issued on 09 <sup>th</sup> August 2024 <a href="https://ircsl.gov.lk/wp-content/uploads/2025/05/DG-257-All-Ins-Cos.pdf">https://ircsl.gov.lk/wp-content/uploads/2025/05/DG-257-All-Ins-Cos.pdf</a>
4	Guidelines on Policy Framework for general insurance products – 24.04.2023 <a href="https://ircsl.gov.lk/wp-content/uploads/2023/04/Guidelines-on-Policy-Framework-for-General-Insurance-Products_Annex.pdf">https://ircsl.gov.lk/wp-content/uploads/2023/04/Guidelines-on-Policy-Framework-for-General-Insurance-Products_Annex.pdf</a>

## Chapter 3

### **MASTER CIRCULAR ON APPROVALS FOR POSITIONS OF INSURERS**

This Subordinate Legislation is issued under the provisions of the Regulation of Insurance Industry Act, No. 43 of 2000 (as amended), and sets out the regulatory requirements, procedures, and documentation to be complied with by insurers when seeking prior approval of the Insurance Regulatory Commission of Sri Lanka (IRCSL) for appointments, elections, or nominations to key positions.

This applies to all licensed insurers operating in Sri Lanka and covers, inter alia, approvals relating to Directors, Principal Officers, Appointed Actuaries, Key Management Personnel, and any other positions as may be specified by the IRCSL from time to time. It consolidates and standardizes the applicable subordinate legislation, directions, and regulatory expectations governing such approvals.

No.	Directors
1	<p><b><u>Registration Application</u></b></p> <p><b>Determination 13</b> Information to be provided by the Proposed Director - Every insurer seeking to appoint, elect or nominate a director is required to submit to the Insurance Regulatory Commission of Sri Lanka (IRCSL) information in terms of section 33 B (1) of the Regulation of Insurance Industry Act No. 43 of 2000.</p> <p>Effective date: 01.09.2023</p> <p><a href="https://ircsl.gov.lk/insurance-legislation/determinations/">https://ircsl.gov.lk/insurance-legislation/determinations/</a></p>
2	<p><b><u>Corporate Governance Framework for Insurers -</u></b></p> <p>This direction is issued in terms of section 96 A</p> <p><b>Direction 02 of 2022</b> <a href="https://ircsl.gov.lk/wp-content/uploads/2022/05/Direction-02-of-2022-Revised-25th-February-2022.pdf">https://ircsl.gov.lk/wp-content/uploads/2022/05/Direction-02-of-2022-Revised-25th-February-2022.pdf</a></p>
No.	Principal Officer
1	<p><b><u>Registration Application</u></b> <b>Insurer PO</b></p> <p>"Form ii(a), ii(b) &amp; ii(c)" of Application for Registration as an Insurer</p> <p><a href="https://ircsl.gov.lk/wp-content/uploads/2019/01/APPLICATION_FOR_REGISTRATION_AS_AN_INSURER-1.pdf">https://ircsl.gov.lk/wp-content/uploads/2019/01/APPLICATION_FOR_REGISTRATION_AS_AN_INSURER-1.pdf</a></p>

2	<p><b>Qualifications of PO</b></p> <p><b>IRCSL Rules of 2005</b> (Published in Gazette Extraordinary No. 1412/30 dated September 29, 2005, as last amended by Gazette Extraordinary No. 1642/16 dated February 25, 2010)  <a href="https://ircs.gov.lk/wp-content/uploads/2019/01/1979-34_E-1.pdf">https://ircs.gov.lk/wp-content/uploads/2019/01/1979-34_E-1.pdf</a></p>
3	<p><b>Direction 01 of 2026</b> (Applicable to Insurer PO &amp; Broker PO)  <a href="https://ircs.gov.lk/wp-content/uploads/2026/01/Direction-1-of-2026.pdf">https://ircs.gov.lk/wp-content/uploads/2026/01/Direction-1-of-2026.pdf</a>                      Effective date: 01.10.2023</p>
<b>No.</b>	<b>Specified Officer</b>
1	<p><b>Registration Application</b></p> <p>"Form ii(a), ii(b) &amp; ii(c)" of Application for Registration as an Insurer  <a href="https://ircs.gov.lk/wp-content/uploads/2019/01/APPLICATION_FOR_REGISTRATION_AS_AN_INSURER-1.pdf">https://ircs.gov.lk/wp-content/uploads/2019/01/APPLICATION_FOR_REGISTRATION_AS_AN_INSURER-1.pdf</a></p>
2	<p><b>Role &amp; responsibility of Specified Officer</b>  <a href="https://ircs.gov.lk/wp-content/uploads/2019/01/Direction-13-1.pdf">https://ircs.gov.lk/wp-content/uploads/2019/01/Direction-13-1.pdf</a></p>
<b>No.</b>	<b>Key Management Personnel</b>
1	<p><b>Registration Application</b></p> <p>"Form iii" of Application for Registration as an Insurance Broker  <a href="https://ircs.gov.lk/wp-content/uploads/2019/01/Amended-Application_for_Registration_as_an_Insurance_Broker.pdf">https://ircs.gov.lk/wp-content/uploads/2019/01/Amended-Application_for_Registration_as_an_Insurance_Broker.pdf</a></p>
<b>No.</b>	<b>Actuary</b>
1	<p><b>Registration Application</b></p> <p>"Form iii" of Application for Registration as an Insurer  <a href="https://ircs.gov.lk/wp-content/uploads/2019/01/APPLICATION_FOR_REGISTRATION_AS_AN_INSURER-1.pdf">https://ircs.gov.lk/wp-content/uploads/2019/01/APPLICATION_FOR_REGISTRATION_AS_AN_INSURER-1.pdf</a></p>
<b>No.</b>	<b>Valuer</b>
1	<p><b>Eligibility Criteria for Valuers</b>  <a href="https://ircs.gov.lk/wp-content/uploads/2024/01/Circular-1-of-2024.pdf">https://ircs.gov.lk/wp-content/uploads/2024/01/Circular-1-of-2024.pdf</a></p>

## Chapter 4

### **MASTER CIRCULAR ON MATTERS RELATED TO INSURANCE BROKERS**

**An insurance broker is** a company incorporated under the Companies Act, No. 7, 2007 and registered under the Act to carry out the insurance brokering business. Insurance Brokers function as intermediaries for the placing of insurance business for or on behalf of an insurer, a policyholder or a proposer for insurance or reinsurance, with an insurance company or reinsurance company, in expectation of a payment by way of brokerage or commission.

Any person wishing to carry on insurance brokering business in Sri Lanka must first register under the Regulation of Insurance Industry Act, **either for general insurance brokering, long-term insurance brokering, or both**. Such a person or entity must be incorporated solely for the purpose of conducting insurance brokering business and not for any other business activities.

A person can only carry on insurance brokering in Sri Lanka if they are registered under the RII Act. They may also carry out ancillary services, services other than insurance brokering services, but only with prior approval from the Commission **under Direction 10 of Section 96A**. In addition, a registered broker can handle reinsurance brokering if they meet the regulatory requirements.

The Regulation of Insurance Industry Act regulates insurance brokers through **mandatory registration, Renewal of Registration granter to Insurance Brokers, prudential and conduct supervision, subordinate legislation, and enforcement powers**, with operational detail intentionally delegated to rules and directions issued by the Commission.

**In terms of Section 3 of the RII Act**, it is **the object and responsibility of the IRCSL to ensure that insurance business in Sri Lanka is carried on with integrity and in a professional and prudent manner with a view to safeguarding the interests of the policyholders and potential policy holders**.

In view of achieving the said purpose, apart from the primary legislation IRCSL has issued the following subordinate legislations on broker related matters.

This document captures subordinate legislations issued by IRCSL in relation **Insurance Broker related matters**.

No.	Rules
<b>QUARTERLY RETURNS FORMAT - INSURANCE BROKERS</b>	
1	Soft copy of the Latest Quarterly Return Format (11/07/2025) <a href="https://ircsl.gov.lk/insurance-legislation/rules/">https://ircsl.gov.lk/insurance-legislation/rules/</a>

2	<p>Gazette Extraordinary No. 2292/15 (Amendments to the Insurance Board of Sri Lanka Rules of 2005, as Published in Gazette Extraordinary No. 1412/30 of 29 September 2005 and Amended by Gazette Extraordinary No. 1642/16 of 25 February 2010 and No. 2092/7 of 08 October 2018.)</p> <p>This has been issued to instruct every broker to keep their accounts in the required format and follow the instructions for completing the Broker’s Quarterly Returns.</p> <p><a href="https://ircsl.gov.lk/wp-content/uploads/2023/11/2292-15_E.pdf">https://ircsl.gov.lk/wp-content/uploads/2023/11/2292-15_E.pdf</a></p>
3	<p>Gazette Extraordinary No. 2092/7. (Amendments to the Insurance Regulatory Commission of Sri Lanka Rules of 2005, Published in Gazette Extraordinary No. 1412/30 of 29 September 2005 and Amended by Gazette Extraordinary No. 1642/16 of 25 February 2010.)</p> <p>This has been issued to introduce the formats for the submission of quarterly returns by insurance brokers.</p> <p><a href="https://ircsl.gov.lk/wp-content/uploads/2019/01/Gazette01-1.pdf">https://ircsl.gov.lk/wp-content/uploads/2019/01/Gazette01-1.pdf</a></p>
4	<p>Gazette Extraordinary No. 1642/16. (Amendments to the Insurance Board of Sri Lanka Rules of 2005, Published in Gazette Extraordinary No. 1412/30 of 29 September 2005.)</p> <p>The amendments to the Insurance Board of Sri Lanka Rules of 2005 strengthen regulatory oversight of insurance brokers by introducing mandatory quarterly reporting timelines, enhanced qualification and fitness criteria for principal officers, and expanded “fit and proper” requirements for broker directors. They revise eligibility standards by tightening integrity, solvency, and regulatory compliance conditions, clarify statutory definitions, and replace the First Schedule with a detailed, accrual-based quarterly reporting framework specifying prescribed forms and reporting periods.</p> <p>These rules set Brokers’ quarterly returns, including placement details, insurance broking account details, particulars of insurance premia collected and pending remittance to insurance companies, and the balance sheet as at the relevant reporting date, are required to be submitted.</p> <p><a href="https://ircsl.gov.lk/wp-content/uploads/2021/03/Insurance-Board-of-Sri-Lanka-Rules-2010-Gazette-No.-164216-%E2%80%93-February-25-2010.pdf">https://ircsl.gov.lk/wp-content/uploads/2021/03/Insurance-Board-of-Sri-Lanka-Rules-2010-Gazette-No.-164216-%E2%80%93-February-25-2010.pdf</a></p>
5	<p>Gazette Extraordinary No. 1412/30. (Insurance Board of Sri Lanka Rules of 2005.)</p> <p>The Rules establish key regulatory requirements for insurers and brokers in Sri Lanka, including deposits, fees, capital and accounting obligations, governance standards, record-keeping duties, and the permitted use of the Policyholders’ Protection Fund, together with guidelines for brokers’ quarterly returns.</p> <p><a href="https://ircsl.gov.lk/wp-content/uploads/2021/03/Insurance-Board-of-Sri-Lanka-Rules-2005-Gazette-No.-141230-%E2%80%93-September-29-2005-1.pdf">https://ircsl.gov.lk/wp-content/uploads/2021/03/Insurance-Board-of-Sri-Lanka-Rules-2005-Gazette-No.-141230-%E2%80%93-September-29-2005-1.pdf</a></p>
<p><b><u>INSURANCE AGENT QUALIFICATION RULES</u></b></p>	

1	<p>Gazette Extraordinary No.1916/10 – May 27, 2015. Insurance Agents (other than individuals) Register Rules.</p> <p>These rules describe Every insurer, and broker shall maintain a register of all registered insurance agents (other than individuals) in the format specified in the Schedule. This register is maintained under <b>Section 78(1) of the Regulation of Insurance Industry Act, No. 43 of 2000</b></p> <p><a href="https://ircsl.gov.lk/wp-content/uploads/2019/01/1916_10_e.pdf">https://ircsl.gov.lk/wp-content/uploads/2019/01/1916_10_e.pdf</a></p>
2	<p>Gazette Extraordinary No. 1861/45 – May 10, 2014. Insurance Agents (other than individuals) Qualifications Rules No. 1 of 2014 )</p> <p>These rules describe that non-individual entities can act as insurance agents if they meet eligibility, regulatory approval, and legal requirements, maintain qualified staff, and ensure directors have a clean record. Key terms are defined under the Regulation of Insurance Industry Act, No. 43 of 2000.</p> <p><a href="https://ircsl.gov.lk/wp-content/uploads/2019/01/Gazette_No.186145_-_May_10_2014.pdf">https://ircsl.gov.lk/wp-content/uploads/2019/01/Gazette_No.186145 - May 10 2014.pdf</a></p>
3	<p>Gazette Extraordinary No. 1674/4 . (Amendments to the Insurance Agent Qualification Rules, 2002)</p> <p>This rule revises the eligibility criteria for individual insurance agents.</p> <p><a href="https://ircsl.gov.lk/wp-content/uploads/2019/01/Gazette-1674-4-05102010.pdf">https://ircsl.gov.lk/wp-content/uploads/2019/01/Gazette-1674-4-05102010.pdf</a></p>
4	<p>Insurance Agent Qualification (amendment) Rule, 2004.</p> <p>Rule 2(c)(i) of the Insurance Agent Qualification Rules, 2002 is amended by replacing “credit” with “ordinary” to clarify the educational requirement.</p> <p><a href="https://ircsl.gov.lk/wp-content/uploads/2019/01/insurance_agent_qualification_amendment_rules.pdf">https://ircsl.gov.lk/wp-content/uploads/2019/01/insurance_agent_qualification_amendment_rules.pdf</a></p>
5	<p>Insurance Agent Qualification Rules, 2002</p> <p>This rule states that to be registered as an insurance agent, a person must meet age, citizenship, education or experience, and ethical requirements, pass a pre-recruitment test, and be sponsored by an insurer or broker. Insurers and brokers must maintain a register of all agents in the prescribed format, as required under Section 78(1) of the Regulation of Insurance Industry Act, No. 43 of 2000.</p> <p><a href="https://ircsl.gov.lk/wp-content/uploads/2019/01/insurance_agent_qualification_rules.pdf">https://ircsl.gov.lk/wp-content/uploads/2019/01/insurance_agent_qualification_rules.pdf</a></p>
<p><b><u>OTHER RULES</u></b></p>	

1	<p>Gazette Extraordinary No. 2401/12 – September 09, 2024. ( Rules on Additional Requirements for Registration of Insurance Brokers and further Amendments to Gazette Extraordinary No. 1412/30 of September 29, 2005 on matters related to Brokers )</p> <p>These rules outline additional requirements for broker registration under the Regulation of Insurance Industry Act, including qualifications, experience, capital, and fees. Re-insurance brokers must have experienced and qualified personnel, and companies must maintain a minimum stated capital depending on the type of broking. Applications require payment of specified fees, and key terms like “cash,” “cash equivalent,” “Act,” and “Commission” are defined for clarity.</p> <p><a href="https://ircsl.gov.lk/wp-content/uploads/2024/11/Rules-on-Additional-Requirements-for-Registration-of-Insurance-Brokers-and-further-Amendments-to-Gazette-Extraordinary.pdf">https://ircsl.gov.lk/wp-content/uploads/2024/11/Rules-on-Additional-Requirements-for-Registration-of-Insurance-Brokers-and-further-Amendments-to-Gazette-Extraordinary.pdf</a></p>
2	<p>Gazette Extraordinary No. 2069/7. 01.05.2018. (Further Amendments to the Insurance Regulatory Commission of Sri Lanka Rules made by the Insurance Regulatory Commission of Sri Lanka published in Gazette Extraordinary No. 1412/30 of September 29, 2005, as amended by Gazette Extraordinary No. 1711/25 of June 24, 2011.)</p> <p>This rule is issued to amend <b>Rule 6</b> of the Insurance Regulatory Commission of Sri Lanka Rules, 2005, specifically to increase the registration fee for brokers from Rupees One Hundred Thousand to Rupees One Hundred and Fifty Thousand. The amendment updates the fee requirement to reflect current regulatory or financial considerations for broker registration.</p> <p><a href="https://ircsl.gov.lk/wp-content/uploads/2019/01/Registration-fee-of-Insurance-Broker-1.pdf">https://ircsl.gov.lk/wp-content/uploads/2019/01/Registration-fee-of-Insurance-Broker-1.pdf</a></p>
3	<p>Gazette Extraordinary, No. 1979/34 11.08.2016. (Amendments to the Insurance Board of Sri Lanka Rules, of 2005 published in Gazette Extraordinary, No. 1412/30 of September 29, 2005)</p> <p>The amendment revises Rule 8 by updating the qualification and experience requirements for principal officers of insurers and insurance brokers, introducing flexible criteria based on academic or professional qualifications and specified minimum years of relevant executive or managerial experience.</p> <p><a href="https://ircsl.gov.lk/wp-content/uploads/2019/01/1979-34 E-1.pdf">https://ircsl.gov.lk/wp-content/uploads/2019/01/1979-34 E-1.pdf</a></p>
4	<p>Gazette Extraordinary, No. 1969/40.(Amendment to the Rules of 2005 published in Gazette Extraordinary No. 1412/30 of September 29, 2005, published by the Insurance Board of Sri Lanka.)</p> <p>These rules state that any person seeking registration as a broker under this Act shall be required to maintain a paid-up share capital of not less than <b>Rupees Two Million Five Hundred Thousand</b> under the Regulation of Insurance Industry Act, No. 43 of 2000</p> <p><a href="https://ircsl.gov.lk/wp-content/uploads/2019/01/1969-40 E.pdf">https://ircsl.gov.lk/wp-content/uploads/2019/01/1969-40 E.pdf</a></p>
5	<p>Gazette Extraordinary No. 1809/7 – 07.05.2013. (Insurance Board of Sri Lanka Rules No. 1 of 2013.)</p> <p>By this rule, any person who was registered as an insurer under the Act on or before 30 June 2011 is required to increase the paid-up share capital to not less than <b>rupees five hundred million</b> for each class of insurance business on or before <b>11 February 2015</b>. Further, any person registered as an insurance broker under the Act is required to increase the paid-up share capital to not less</p>

	<p>than <b>rupees of two million five hundred thousand</b> on or before <b>31 December 2014</b>. For the purposes of interpretation, unless the context otherwise requires, the terms "<b>Act</b>," "<b>class of insurance business</b>," "<b>broker</b>," "<b>insurer</b>," and "<b>insurance business</b>" shall have the same meanings as assigned to them u</p> <p><a href="https://ircsl.gov.lk/wp-content/uploads/2019/01/Gazette_1809_07_E.pdf">https://ircsl.gov.lk/wp-content/uploads/2019/01/Gazette_1809_07_E.pdf</a></p>
6	<p>Gazette Extraordinary No. 1642/16. 25.02.2010 (Amendment to the Rules of 2005 published in Gazette Extraordinary, No. 1412/30 of September 29, 2005.)</p> <p>The amendment revises the insurance broker regulatory framework by introducing <b>mandatory quarterly reporting</b>, strengthening <b>qualification and fit-and-proper requirements</b> for brokers and their directors, updating <b>eligibility and disqualification criteria</b>, clarifying the definition of "<b>person</b>", and <b>replacing the First Schedule</b> to support the revised reporting and compliance requirements. This includes <b>instructions for completing brokers' quarterly returns</b>, the <b>quarterly returns forms, Form 4</b> for details of insurance premiums collected and pending remittance to insurance companies, <b>Form 5</b> for the statement of income, and the accompanying <b>explanatory notes</b>.</p> <p><a href="https://ircsl.gov.lk/wp-content/uploads/2019/01/Rules_2010.pdf">https://ircsl.gov.lk/wp-content/uploads/2019/01/Rules_2010.pdf</a></p>
7	<p>Gazette No. 1412/30 – September 29, 2005. (Insurance Board of Sri Lanka Rules, 2005)</p> <p>The Insurance Board of Sri Lanka Rules of 2005 establish the regulatory framework for insurers and brokers, covering registration deposits and fees, capital and governance requirements, valuation rules on winding up, maintenance of policy registers, use of the Policyholders' Protection Fund, and detailed quarterly reporting, accounting, and disclosure obligations for insurance brokers.</p> <p><a href="https://ircsl.gov.lk/wp-content/uploads/2019/01/ibsl_rules.pdf">https://ircsl.gov.lk/wp-content/uploads/2019/01/ibsl_rules.pdf</a></p>
<b>No.</b>	<b>Regulations</b>
1	<p>Amendments to the Control of Insurance (Miscellaneous Provisions) Regulations 1987   (Gazette No. 610/4 – May 15,1990)</p> <p>These Regulations amend the Control of Insurance (Miscellaneous Provisions) Regulations, 1927, published in Gazette Extraordinary No. 610/4 of 15 May 1990.</p> <p><a href="https://ircsl.gov.lk/wp-content/uploads/2020/09/2118-1.pdf">https://ircsl.gov.lk/wp-content/uploads/2020/09/2118-1.pdf</a></p>
2	<p>Control of Insurance (Miscellaneous Provisions) Regulations 1987 (Gazette No. 610/4 – May 15,1990)</p> <p>These Regulations make provision in respect of the appointment, powers and duties of the Controller of Insurance; the registration of insurers and brokers; reinsurance arrangements; assets, liabilities and the solvency margin of insurers; general matters; and the prescribed forms for registration, including Form A (Application for Registration as an Insurer), Form B- Particulars of Shareholders), Form– Particulars of Directors), and Form D – Particulars of the Specified Officer).</p> <p><a href="https://ircsl.gov.lk/wp-content/uploads/2019/01/Control_of_Insurance_Gazette_610_4_May_15_1990.pdf">https://ircsl.gov.lk/wp-content/uploads/2019/01/Control_of_Insurance_Gazette_610_4_May_15_1990.pdf</a></p>

No.	Determinations
1	<p>Determination 07</p> <p>(Determination 7 of 30.10.2002 is repealed and replaced by Determination 7 of 27.09.2023)</p> <p>This determination makes provisions for an applicant seeking registration as an insurance broker must submit to the IRCSL certified copies of professional indemnity insurance policies totaling <b>Rs. 3 million</b> from <b>two or more registered insurers</b>, while an applicant seeking to engage in <b>reinsurance broking</b> must submit policies totaling <b>Rs. 6 million</b> from <b>two or more registered insurers</b>.</p> <p>This determination shall be effective immediately.  <a href="https://ircsl.gov.lk/insurance-legislation/determinations/">https://ircsl.gov.lk/insurance-legislation/determinations/</a></p>
2	<p>Determination 08</p> <p>(Determination 8 of 08.02.2008 is repealed and replaced by Determination 8 of 27.09.2023)</p> <p>This determination explains that for the renewal of registration, the maximum professional indemnity cover for an insurance broker is <b>Rs. 20 million</b>, while a broker engaged in <b>reinsurance broking</b> is subject to a higher maximum limit of <b>Rs. 50 million</b>.</p> <p>This determination shall be applicable for indemnity covers commencing from 1<sup>st</sup> January 2024.  <a href="https://ircsl.gov.lk/insurance-legislation/determinations/">https://ircsl.gov.lk/insurance-legislation/determinations/</a></p>
3	<p>Determination 09</p> <p>(Determination 9 of 13.08.2018 is repealed and replaced by Determination No. 9 of 27.09.2023)</p> <p>This determination explains that The renewal registration fee payable by an insurance broker is <b>0.5% of the broker's total gross commission income for the four quarters preceding the application date, or Rs. 150,000, whichever is higher</b>.</p> <p>This determination shall be applicable for renewal of registration commencing from 1<sup>st</sup> January 2024.  <a href="https://ircsl.gov.lk/insurance-legislation/determinations/">https://ircsl.gov.lk/insurance-legislation/determinations/</a></p>
4	<p>Determination 10</p> <p>The amended determination issued on 12/07/2011 is replaced with the following new Determination #10 issued on 06/12/2021 – Section 88.It states that the maximum commission payable for Long Term Insurance business and General Insurance Business.</p> <p>This Determination will come into effect immediately.  <a href="https://ircsl.gov.lk/wp-content/uploads/2021/12/2021-dec-06-determination-10-.pdf">https://ircsl.gov.lk/wp-content/uploads/2021/12/2021-dec-06-determination-10-.pdf</a></p>

5	<p>Determination 02</p> <p>(Determination No. 2 of 30/10/2002 is repealed and replaced by Determination No. 2 of 23/08/2010) Section 33 Proviso.</p> <p>By this determination, any insurer or person referred to in section 33 of the Act who holds shares in, or serves as a director or employee of, a registered insurance broker is required to dispose of such shares or relinquish such directorship or employment within three months of registration, or within such extended period as may be granted by the Board on a case-by-case basis.</p> <p><a href="https://irsl.gov.lk/insurance-legislation/determinations/">https://irsl.gov.lk/insurance-legislation/determinations/</a></p>
<b>No.</b>	<b>Directions</b>
1	<p>Direction No 4 of 2025 (28.10.2025) – Direction on issuing Insurance Product Information Document by Insurance Companies and Insurance Intermediaries.</p> <p>This Direction mandates insurance companies and intermediaries to issue an <b>Insurance Product Information Document (IPID)</b> for all life and general insurance products to enhance transparency and policyholder protection. The IPID must be a clear, stand-alone summary of key policy features and be provided at the quotation stage and at renewal (for general insurance), in the prescribed language and format. The Direction applies from <b>1 October 2025</b>, covers new products upon approval, and replaces the earlier Direction No. 06 of 2024</p> <p><a href="https://irsl.gov.lk/wp-content/uploads/2025/11/Direction-4-of-2025.pdf">https://irsl.gov.lk/wp-content/uploads/2025/11/Direction-4-of-2025.pdf</a></p>
2	<p>Direction No. 3 of 2025 (15.08.2025) – Direction on Compliance with the minimum net capital requirement by insurance brokers</p> <p>This Direction sets revised minimum net capital requirements for insurance brokers in Sri Lanka— <b>Rs. 4 million or Rs. 10 million</b>, depending on their activities. Brokers must submit audited financial and bank statements within one month if non-compliant. Repeated non-compliance may lead to <b>license suspension or cancellation</b> without further notice.</p> <p>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.</p> <p><a href="https://irsl.gov.lk/wp-content/uploads/2025/08/Direction-No.-3-of-2025-15.08.2025-Direction-on-Compliance-with-the-minimum-net-capital-requirement-by-insurance-brokers.pdf">https://irsl.gov.lk/wp-content/uploads/2025/08/Direction-No.-3-of-2025-15.08.2025-Direction-on-Compliance-with-the-minimum-net-capital-requirement-by-insurance-brokers.pdf</a></p>

3	<p>Direction No 7 of 2024 (25.09.2024) – Overseas Health Insurance Amendment to Direction #11</p> <p>This direction amends regulations on overseas health insurance marketing, prohibiting brokers from promoting or acting as sub-agents for foreign health insurance products without IRCSL authorization. Brokers must obtain approval, pay the fee, submit agreements, and avoid distributing marketing materials.</p> <p>This Direction is issued in terms of Section 96A of the Regulation of Insurance Industry Act, No 43 of 2000.</p> <p><a href="https://irsl.gov.lk/wp-content/uploads/2024/10/Direction-7-of-2024.pdf">https://irsl.gov.lk/wp-content/uploads/2024/10/Direction-7-of-2024.pdf</a></p>
4	<p>Direction No. 6 of 2024 (24.09.2024)- Direction on issuing Insurance Product Information Document by Insurance Companies and Insurance Intermediaries</p> <p>This direction outlines the requirements for <b>Insurance Product Information Documents (IPIDs)</b> to enhance transparency for policyholders in Sri Lanka. The IRCSL aims to promote better understanding of insurance policies, and this direction is issued under the <b>Regulation of Insurance Industry Act, No. 43 of 2000</b>. The purpose of the IPID is to provide clear and concise information about insurance products, empowering policyholders to make informed decisions. The IPID must be a <b>stand-alone document</b> containing key information, including details about coverage, premium payment methods, and claims procedures.</p> <p><a href="https://irsl.gov.lk/wp-content/uploads/2024/09/Direction-No.-6-of-2024.pdf">https://irsl.gov.lk/wp-content/uploads/2024/09/Direction-No.-6-of-2024.pdf</a></p>
5	<p>Direction 5 of 2024 (22nd August 2024) Sale of Insurance products to customers of Mobile Network Operators’ (MNOs) and Fixed Line Operators’ (FLOs) through the usage of data and platform of MNOs and FLOs</p> <p>This relevant direction sets regulations for insurers and brokers selling insurance via mobile and fixed-line operators in Sri Lanka. Insurers must obtain <b>IRCSL approval</b> for products, ensure simplicity, provide clear summaries and claims information, and issue physical policy documents in the policyholder’s preferred language. Written agreements with MNOs/FLOs must define roles and ensure premiums are remitted within two weeks. Sales must be conducted by registered brokers or insurers, with customers informed of the process and provided confirmation of coverage.</p> <p>This Direction shall come into force with immediate effect. Insurers / Brokers who have existing arrangements shall comply with the said requirements of this Direction on or before 4 months from the issuance of this Direction.</p> <p><a href="https://irsl.gov.lk/wp-content/uploads/2024/08/Direction-5-of-2024.pdf">https://irsl.gov.lk/wp-content/uploads/2024/08/Direction-5-of-2024.pdf</a></p>
6	<p>Direction 3 of 2024 (14th May 2024) Direction on advertisements issued by insurers, insurance brokers and insurance agents (No. 03 of 2024)</p> <p>This direction sets minimum standards of all material and relevant information in the advertising</p> <p><a href="https://irsl.gov.lk/wp-content/uploads/2024/05/Direction-on-Advertisements-No.-03-of-2024.pdf">https://irsl.gov.lk/wp-content/uploads/2024/05/Direction-on-Advertisements-No.-03-of-2024.pdf</a></p>

7	<p>Direction 2 of 2024 (8th February 2024) – Direction issued to insurers and brokers on qualifications of insurance agents (verification of qualifications of insurance agents)</p> <p>Direction No. 02 of 2024 issued by the Insurance Regulatory Commission of Sri Lanka (IRCSL) on 8 February 2024 requires insurers and insurance brokers to verify the <b>G.C.E. Ordinary Level qualifications</b> of insurance agents. Issued under Section 78(4) of the Regulation of Insurance Industry Act, No. 43 of 2000, the Direction mandates that agents must have passed the <b>Sri Lanka Insurance Institute (SLII) pre-recruitment test</b> and possess <b>O/L results verified by the Department of Examinations</b>.</p> <p>Insurers and brokers are required to <b>terminate agency contracts of non-compliant agents by 30 April 2024</b>. Reinforcing procedures first set out in an IRCSL letter issued in 2016, which required verification within three months of appointment.</p> <p>This direction shall come into effect immediately.</p> <p><a href="https://ircs.gov.lk/wp-content/uploads/2024/03/Direction-2-of-2024-8th-February-2024-Direction-issued-to-insurers-and-brokers-on-qualifications-of-insurance-agents-verification-of-qualifications-of-insurance-agents.pdf">https://ircs.gov.lk/wp-content/uploads/2024/03/Direction-2-of-2024-8th-February-2024-Direction-issued-to-insurers-and-brokers-on-qualifications-of-insurance-agents-verification-of-qualifications-of-insurance-agents.pdf</a></p>
8	<p>Extension of the deadline to comply with the Direction #2 of 2024 issued on 8<sup>th</sup> February 2024 on qualifications of insurance agents (Verification Of education qualifications of Insurance agents)</p> <p><a href="https://ircs.gov.lk/wp-content/uploads/2024/05/Time-extension-granted-for-compliance-to-Direction-2-of-2024.pdf">https://ircs.gov.lk/wp-content/uploads/2024/05/Time-extension-granted-for-compliance-to-Direction-2-of-2024.pdf</a></p> <p>The deadline for compliance with Direction No. 02 of 2024 has been extended, having considered the requests made by insurers and insurance brokers.</p>
9	<p>Further extension of the deadline to comply with Direction # 2 of 2024 issued on 8th February 2024 on qualifications of insurance agents (verification of educational qualifications of insurance agents)</p> <p>The deadline for compliance with Direction No. 02 of 2024 has been extended, having considered the requests made by insurers and insurance brokers. Further, all Insurance Companies and Insurance Brokering Companies are required to revoke the agency contracts of individuals whose results of GCE O/L are not verified and confirmed to SLII.</p> <p><a href="https://ircs.gov.lk/wp-content/uploads/2024/09/DG-313-All-Ins-Cos-and-Brokers.pdf">https://ircs.gov.lk/wp-content/uploads/2024/09/DG-313-All-Ins-Cos-and-Brokers.pdf</a></p>
10	<p>Direction 01 of 2026 (12<sup>th</sup> January 2026) – Principal Officers of Insurance Companies and Insurance Brokering Companies (in place of Direction #2 of 2023 – 27<sup>th</sup> July 2023)</p> <p>This is issued by the Insurance Regulatory Commission of Sri Lanka (IRCSL) on 12th January 2026, supersedes the earlier direction relating to Principal Officers of insurers and insurance brokers. It defines the Principal Officer as the highest executive responsible for the overall management, control, and supervision of the entity, who must report directly to the Board and be exclusively employed by a single institution.</p> <p>This Direction requires that appointments be approved by both the Board of Directors and the IRCSL, and mandates the immediate appointment of an acting Principal Officer in the event of a vacancy. All provisions took effect from 12<sup>th</sup> January 2026.</p> <p><a href="https://ircs.gov.lk/wp-content/uploads/2026/01/Direction-1-of-2026.pdf">https://ircs.gov.lk/wp-content/uploads/2026/01/Direction-1-of-2026.pdf</a></p>

11	<p>Direction 01 of 2022 (26th January 2022) – Restriction on Providing Code and Restriction on Changing Codes.</p> <p>This IRCSL Direction repeals Direction No. 2 of 2021 and restricts the issuance and change of insurance codes by limiting them to licensed brokers and agents, prohibiting unauthorized allocations or changes without consent (except at the policyholder’s request), and mandates immediate cancellation of non-compliant codes with immediate effect.</p> <p>This Direction shall be enforced with immediate effect.</p> <p><a href="https://ircs.gov.lk/wp-content/uploads/2022/01/Direction-01-of-2022.pdf">https://ircs.gov.lk/wp-content/uploads/2022/01/Direction-01-of-2022.pdf</a></p>
12	<p>Direction 2 of 2021 (24th March 2021) – Restriction on providing codes &amp; Restriction on changing codes.</p> <p>This direction has been issued to all insurance companies and insurance brokering companies, imposing restrictions on the issuance of codes and on making changes to existing codes.</p> <p>This direction will come into effect immediately.</p> <p><a href="https://ircs.gov.lk/wp-content/uploads/2021/09/Direction-2-of-2021.pdf">https://ircs.gov.lk/wp-content/uploads/2021/09/Direction-2-of-2021.pdf</a></p>
13	<p>Direction #22 – Procedure to be followed when conducting inquiries in relation to insurance agents.</p> <p>Direction No. 22 issued under Section 96A of the Regulation of Insurance Industry Act formalizes a mandatory, fair, and transparent procedure for insurers and brokers when conducting inquiries into insurance agents, replacing the 2016 guidelines. It sets out clear steps for handling complaints, conducting inquiries within defined timelines, safeguarding agents’ rights to notice and representation, recording proceedings, communicating decisions, and providing an independent appeals mechanism.</p> <p>The direction shall come in force with immediate effect.</p> <p><a href="https://ircs.gov.lk/wp-content/uploads/2020/10/Direction-22.pdf">https://ircs.gov.lk/wp-content/uploads/2020/10/Direction-22.pdf</a></p>
14	<p>Direction #12 (To all insurance companies and insurance brokering companies) – Principal Officers to provide communications with the Insurance Regulatory Commission of Sri Lanka to their Board of Directors.</p> <p>This direction has been issued to all insurance companies, and insurance brokers are required to forward all communications with the IRCSL to the attention of their respective directors as promptly as possible.</p> <p>This Direction shall come into force with immediate effect.</p> <p><a href="https://ircs.gov.lk/wp-content/uploads/2019/01/Direction-12-1.pdf">https://ircs.gov.lk/wp-content/uploads/2019/01/Direction-12-1.pdf</a></p>

15	<p>Direction #10 (To all insurance brokering companies) – Business conducted by Insurance Brokers other than Insurance Brokering Business.</p> <p>Under this direction, all insurance brokering companies must obtain prior approval from the Board (IBSL) before offering any ancillary services beyond the insurance brokering business as defined in the RII Act.</p> <p>This Direction shall come in to effect from 09th May 2017.</p> <p><a href="https://ircsl.gov.lk/wp-content/uploads/2019/01/direction-10-1.pdf">https://ircsl.gov.lk/wp-content/uploads/2019/01/direction-10-1.pdf</a></p>
16	<p>Direction #09 (To all insurance companies and insurance brokering companies) – Role and responsibility of the principal officer of an insurer and an insurance broker.</p> <p>This direction specifies the roles and responsibilities of the Principal Officer of an insurer and an insurance broker. The Principal Officer should be the highest executive officer or managing director, or the individual responsible for implementing the directions of the company's Board of Directors. However, such an appointment requires prior approval from the IBSL.</p> <p>Though the above Direction comes into force with immediate effect, insurers and insurance brokers are given a grace period until 12th May 2017 to comply with same.</p> <p><a href="https://ircsl.gov.lk/wp-content/uploads/2019/01/Direction_09-1.pdf">https://ircsl.gov.lk/wp-content/uploads/2019/01/Direction_09-1.pdf</a></p>
17	<p>Direction #07 (To all insurance companies and insurance brokering companies) – Changes in Ownership and Control of Insurers and Brokers.</p> <p>This direction specifies the changes in ownership and control of insurers and insurance brokering companies.</p> <p><a href="https://ircsl.gov.lk/wp-content/uploads/2019/01/Direction_7-changes_in_ownership_and_control_of_insurers_and_brokers-1.pdf">https://ircsl.gov.lk/wp-content/uploads/2019/01/Direction_7-changes_in_ownership_and_control_of_insurers_and_brokers-1.pdf</a></p>
18	<p>Direction #05 (To all insurance companies and insurance brokering companies) – Engage the services of Insurance Agents (other than individuals)</p> <p>This specifies that all insurance companies and insurance brokering companies that engage in the services of insurance agents (other than individuals) must enter into written agency agreements and outlines the obligations under such agreements.</p> <p><a href="https://ircsl.gov.lk/wp-content/uploads/2019/01/Direction_05 - Engage the services of Insurance Agents.pdf">https://ircsl.gov.lk/wp-content/uploads/2019/01/Direction_05 - Engage the services of Insurance Agents.pdf</a></p>
19	<p>Direction #01 – Insurance Brokers in their names to include the expression Insurance Brokers to indicate that such person is carrying on insurance brokering business.</p> <p>The Insurance Board of Sri Lanka (IBSL) has directed seven insurance brokering companies to include the phrase <b>“Insurance Brokers”</b> in their company names to clearly indicate their brokering business. This directive was issued under <b>Section 96A of the Regulation of Insurance Industry Act, No. 43 of 2000</b>, following the decision made at the <b>119th Board Meeting on 28th August 2012</b>. The companies are required to comply within <b>six months from 6th September 2012</b>, and any name changes must also adhere to <b>Section 7(1) of the Companies Act, No. 7 of 2007</b>.</p>

	<p>The companies addressed are <b>Essajee Carimjee &amp; Co., Global Insurance Services, Jay Insurance Consultants, Maxwell Enterprises, Reliance Insurance AAG Lanka, Senaratne Associates, and Volanka Insurance Services</b>. Copies of the letters were also sent to the presidents of the <b>Sri Lanka Insurance Brokers Association (SLIBA)</b> and the <b>Insurance Association of Sri Lanka (IASL)</b>. In short, all the addressed brokers are required to update their company names to clearly reflect that they are insurance brokers.</p> <p><a href="https://ircsl.gov.lk/wp-content/uploads/2019/01/Direction-1.pdf">https://ircsl.gov.lk/wp-content/uploads/2019/01/Direction-1.pdf</a></p>
<b>No.</b>	<b>Circulars</b>
1	<p>Circular No.01 of 2026 (3<sup>rd</sup> March 2026) Enforcement procedure for Non-compliances of AML/CFT obligations - sets out enforcement procedures for insurers and brokers failing to meet AML/CFT obligations.</p> <p>This Circular cancels the former Circular No. 02 of 2025, issued by the IRCSL on 30th October 2025.</p> <p>These procedures are applicable to Insurers and Insurance Brokers and shall come into effect immediately.</p> <p><a href="https://ircsl.gov.lk/wp-content/uploads/2025/11/Circular-2-of-2025.pdf">https://ircsl.gov.lk/wp-content/uploads/2025/11/Circular-2-of-2025.pdf</a></p>
2	<p>Circular No. 02 of 2024 (09th January 2024)- Enforcement procedures of the Insurance Regulatory Commission of Sri Lanka.</p> <p>Circular No. 02 of 2024, issued by the IRCSL replaces Circular No. 41 of 2019 and sets new enforcement procedures for non-compliance, mainly targeting late or missing statutory reports and other RII Act violations. Actions escalate from notices to warnings, Board reprimands, and, if repeated, removal of the Principal Officer. The Circular does not limit IRCSL's legal powers or directors' liabilities and is effective immediately.</p> <p>In view of the above, Circular # 41 issued on 04th November 2019 is hereby repealed and shall have no effect w.e.f, 9th January 2024.</p> <p><a href="https://ircsl.gov.lk/wp-content/uploads/2024/01/Circular-No.-02-of-2024.pdf">https://ircsl.gov.lk/wp-content/uploads/2024/01/Circular-No.-02-of-2024.pdf</a></p>
3	<p>Circular # 41 – [4th November 2019] Enforcement Procedures of the Insurance Regulatory Commission of Sri Lanka</p> <p>IRCSL Circular No. 41 sets out the Commission's enforcement procedures for violations of reporting obligations and non-compliance with the Regulation of Insurance Industry Act and its subsidiary legislation, based on IAIS ICP 11. It establishes a graduated process of explanations, warnings, corrective directions, possible removal of principal officers for repeated defaults, and suspension or cancellation for continued non-compliance, with immediate applicability to insurers and insurance brokers.</p> <p><a href="https://ircsl.gov.lk/wp-content/uploads/2020/02/Circular-41-1.pdf">https://ircsl.gov.lk/wp-content/uploads/2020/02/Circular-41-1.pdf</a></p>
4	<p>Circular # 37</p> <p>This circular requires all insurance companies and insurance brokering companies to notify the IBSL of any proposed changes to their company's names, along with the purpose of the change, <b>before implementing</b> it.</p>

	<p>This will be effective from the date of this Circular.</p> <p><a href="https://irsl.gov.lk/wp-content/uploads/2019/01/Circular_37-1.pdf">https://irsl.gov.lk/wp-content/uploads/2019/01/Circular_37-1.pdf</a></p>
5	<p>Circular # 36 Clarification on Overseas Health Insurance</p> <p>Circular #36, issued by the IBSL, repeals Circular #32 and sets the framework for obtaining foreign health insurance in Sri Lanka. All foreign health insurance must be arranged through IBSL-registered brokers, who require annual authorization for each product.</p> <p>Authorization requires IASL confirmation of no local equivalent, proof of the foreign insurer's registration with a recognized authority, and a Rs 500,000 fee per product. Brokers must handle dispute resolution and report product details (Format 'A') to the IBSL with quarterly returns.</p> <p><a href="https://irsl.gov.lk/wp-content/uploads/2019/01/Circular36_Cancellation_of_Circular32-1.pdf">https://irsl.gov.lk/wp-content/uploads/2019/01/Circular36_Cancellation_of_Circular32-1.pdf</a></p>
6	<p>Format 'A' Circular 36_Cancellation_of_Circular 32</p> <p><a href="https://irsl.gov.lk/wp-content/uploads/2021/02/Circular36_Cancellation_of_Circular32_a-Format-A.pdf">https://irsl.gov.lk/wp-content/uploads/2021/02/Circular36_Cancellation_of_Circular32_a-Format-A.pdf</a></p>
7	<p>Circular # 17 – [29 Oct 2004] Guidelines on recommendations relating to resident visas</p> <p>This circular states that when an insurer or broker intends to hire a foreign national (permanent, temporary, contractual, or consultancy) and seeks an IBSL recommendation for a Resident Visa, they must apply to the IBSL containing the required information.</p> <p><a href="https://irsl.gov.lk/wp-content/uploads/2019/05/Circular-17.pdf">https://irsl.gov.lk/wp-content/uploads/2019/05/Circular-17.pdf</a></p>
8	<p>Circular # 16 – [29 Oct 2004] Compliance with sections 34 &amp; 78(1) of the RII Act.</p> <p>By this circular, the Insurance Board of Sri Lanka has directed all insurers and brokers to immediately stop accepting business from unregistered organizations or appointing companies as insurance agents in violation of <b>Sections 34 and 78(1)</b> of the Regulation of Insurance Industry Act, No. 43 of 2000. Non-compliance will constitute an offence and be dealt with under the Act.</p> <p><a href="https://irsl.gov.lk/wp-content/uploads/2019/05/Circular-16.pdf">https://irsl.gov.lk/wp-content/uploads/2019/05/Circular-16.pdf</a></p>
9	<p>Circular # 14 – [02 Aug 2004] Principal Officers of Insurance Broker Companies.</p> <p>By this circular, this sets that, the IBSL requires insurance broker companies to ensure that their Principal Officers are employed on a <b>permanent basis</b> and provide adequate professional services. Any issues in obtaining such services must be reported to the IBSL immediately. Failure to comply with may result in <b>suspension or cancellation</b> of the company's insurance license.</p> <p><a href="https://irsl.gov.lk/wp-content/uploads/2019/05/Circular-14.pdf">https://irsl.gov.lk/wp-content/uploads/2019/05/Circular-14.pdf</a></p>

10	<p>Circular # 10 – [30 Oct 2002] Qualifications of Insurance Agents.</p> <p>The circular sets that the IBSL clarifies that the Rules under sections 105 and 78 of the RII Act apply to insurance agents recruited after 23rd September 2002. A typographical error in paragraph 2(d) is corrected (“have” should read “has”), and the Sri Lanka Insurance Institute will begin the pre-recruitment test for insurance agents from January 2003.</p> <p><a href="https://ircsl.gov.lk/wp-content/uploads/2019/05/Circular-10.pdf">https://ircsl.gov.lk/wp-content/uploads/2019/05/Circular-10.pdf</a></p>
<b>No.</b>	<b>Guidelines</b>
1	<p>Guidelines on the AML/CFT program for insurance companies and brokering companies.</p> <p>This guideline outlines the <b>Anti-Money Laundering (AML) and Countering the Financing of Terrorism (CFT)</b> guidelines for insurance and brokering companies in Sri Lanka. It is designed to prevent the insurance sector from being used to disguise the source of illegal funds or to provide financial support to terrorists.</p> <p>Effective Date: 25<sup>th</sup> July 2025</p> <p><a href="https://ircsl.gov.lk/wp-content/uploads/2025/07/Guidelines-on-AML-CFT-for-Insurers-and-Brokers.pdf">https://ircsl.gov.lk/wp-content/uploads/2025/07/Guidelines-on-AML-CFT-for-Insurers-and-Brokers.pdf</a></p>
2	<p>Principles on Fair Treatment of Customers.</p> <p>January 2018.</p> <p><a href="https://ircsl.gov.lk/wp-content/uploads/2019/01/Principles-on-FTC-26.01.2018-1.pdf">https://ircsl.gov.lk/wp-content/uploads/2019/01/Principles-on-FTC-26.01.2018-1.pdf</a></p>
3	<p>Guidelines on Complaint Handling by Insurers and Brokers.</p> <p>These guidelines outline on Complaints Handling are issued to ensure that insurers and brokers have proper policies and processes in place for the <b>timely and fair resolution of complaints</b>, including record-keeping and preventive measures, to guarantee the <b>fair treatment of customers</b>.</p> <p><a href="https://ircsl.gov.lk/wp-content/uploads/2019/01/Guidelines-on-Complaints-Handling_15.09.2016-issued-to-industry-1.pdf">https://ircsl.gov.lk/wp-content/uploads/2019/01/Guidelines-on-Complaints-Handling_15.09.2016-issued-to-industry-1.pdf</a></p>
4	<p>Good Practices in Conducting Inquiries on Insurance Agents.</p> <p>These jointly issued guidelines by IBSL, IASL, SLIBA, and SLII provide best practices for handling alleged wrongful acts by insurance agents, including mis-selling, misconduct, or misrepresentation. Companies must act fairly and transparently, addressing grievances promptly. Only verified written complaints are considered, investigated within three months, with decisions communicated in writing and agents allowed to appeal. An independent Appeals Committee handles appeals, ensuring fair and timely resolution while protecting both agents’ and customers’ rights.</p> <p>Effective from: 1<sup>st</sup> October 2016</p>

Last updated on 15.04.2026

	<a href="https://ircsl.gov.lk/wp-content/uploads/2019/01/Good_Practices_in_Conducting_Inquiries_on_Agents_approved_version_-_04.10.2016.pdf">https://ircsl.gov.lk/wp-content/uploads/2019/01/Good Practices in Conducting Inquiries on Agents approved version - _04.10.2016.pdf</a>
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## Chapter 5

### **MASTER CIRCULAR ON LICENSING OF INSURERS**

Part II of the Regulation of Insurance Industry Act, No. 43 of 2000 (RII Act) deals with Registration of Insurers and provides that no person shall carry on insurance business in Sri Lanka unless such person is for the time being registered or deemed to be registered under the RII Act to carry on such business. (Refer Section 12(1) of the RII Act).

Basically, the qualifications for registration as an insurer are stipulated in the Section 13 of the RII Act, which enables Insurance Regulatory Commission of Sri Lanka (Commission) to issue subordinate legislation pertaining to qualifications. Further, other requirements such as appointment of Principal Officers and Specified Officers for the registration purpose are provided in the Section 94(1) and 32 respectively.

Any person who submits an application to obtain certificate of registration as an insurer (Application form may be downloaded at: <https://ircsl.gov.lk/insurance-companies-guide/>) shall follow the following subordinate legislation read with the respective provisions of the RII Act.

<b>1</b>	<b>Stated Capital requirement</b>
	<p><b><u>Rules published in the Extraordinary Gazette No. 1848/26 dated 06th February 2014 – Section 13(1)(b) of the RII Act</u></b></p> <p>Any person who wishes to be registered as an insurer under this Act, to carry on insurance business in Sri Lanka shall be required to have a paid up share capital of not less than Rupees Five Hundred Million.</p> <p>Effective date: 06.02.2014</p> <p><a href="https://ircsl.gov.lk/wp-content/uploads/2019/01/1848_26-E.pdf">https://ircsl.gov.lk/wp-content/uploads/2019/01/1848_26-E.pdf</a></p>
<b>2</b>	<b>Deposit made to the Treasury</b>
	<p><b><u>Rules published in the Gazette Extraordinary No. 1412/30 dated 29th September 2005 – Section 13(1)(c) of the RII Act</u></b></p> <p>Any person who wishes to be registered under this Act to carry on insurance business in Sri Lanka, shall be required to pay as deposit to the Treasury, a sum of Rupees Fifty Thousand for long-term insurance business and Rupees Two Hundred Thousand for general insurance business, as the case may be.</p> <p>Effective date: 29.09.2005</p> <p><a href="https://ircsl.gov.lk/wp-content/uploads/2019/01/ibsl_rules.pdf">https://ircsl.gov.lk/wp-content/uploads/2019/01/ibsl_rules.pdf</a></p>
<b>3</b>	<b>Registration fee</b>

	<p><b><u>Regulation of Gazette No. 1746/4 dated 21st February 2012 - Section 13(1)(d) of the RII Act</u></b></p> <p>Any person who wishes to be registered as an insurer under the RII Act to carry on an insurance business, shall be required to pay Commission as a fee sum of Rupees Five Hundred Thousand including the government taxes payable in respect of such amount.</p> <p>Effective date: 21.02.2012</p> <p><a href="https://ircsl.gov.lk/wp-content/uploads/2019/01/DOC120313.pdf">https://ircsl.gov.lk/wp-content/uploads/2019/01/DOC120313.pdf</a></p>
<b>4</b>	<b>Appointment and role/responsibilities of Principal Officer</b>
	<p><b><u>Rules published in the Gazette Extraordinary No. 1979/34 dated 11th August 2016 – Section 94(1) of the RII Act</u></b></p> <p>A person to be appointed as the principal officer by an insurer shall possess –          (a) academic or professional qualifications acceptable to the Board ; or          (b) not less than ten years effective experience in the field of insurance, finance, business or in any other relevant discipline acceptable to the Board.</p> <p>Effective date: 11.08.2016</p> <p><a href="https://ircsl.gov.lk/wp-content/uploads/2019/01/1979-34_E-1.pdf">https://ircsl.gov.lk/wp-content/uploads/2019/01/1979-34_E-1.pdf</a></p>
	<p><b><u>Direction No. 1 of 2026 dated 12.01.2026 – Section 96A of the RII Act</u></b></p> <p>The Principal Officer of an insurer 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, and other requirements regarding functions and responsibilities of the Principal Officers.</p> <p>This repealed the former Direction No. 2 of 2023 dated 27<sup>th</sup> July 2023</p> <p>Effective date: 12.01.2026</p> <p><a href="https://ircsl.gov.lk/wp-content/uploads/2026/01/Direction-1-of-2026.pdf">https://ircsl.gov.lk/wp-content/uploads/2026/01/Direction-1-of-2026.pdf</a></p>
<b>5</b>	<b>Role and Responsibility of Specified Officer</b>

Last updated on 15.04.2026

	<p><b><u>Direction No. 13 dated 18<sup>th</sup> December 2017 – Section 96A of the RII Act</u></b></p> <p>Specified Officer shall be the head of the technical division of an insurer and shall report directly to the Principal Officer of the insurer, and such other functions and responsibilities.</p> <p>Effective date: 18.12.2017</p> <p><a href="https://ircsl.gov.lk/wp-content/uploads/2019/01/Direction-13-1.pdf">https://ircsl.gov.lk/wp-content/uploads/2019/01/Direction-13-1.pdf</a></p>
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## Chapter 6

### **MASTER CIRCULAR ON MATTERS RELATED TO AGENTS**

In terms of the Section 78(1) of the Regulation of Insurance Industry Act, No. 43 of 2000 (RII Act), an insurer or broker is permitted to appoint any person as an insurance agent, who shall be registered with such insurer or broker as an insurance agent. Every insurer or broker is required by the said provision to maintain in such manner as specified by the Insurance Regulatory Commission of Sri Lanka (Commission) by Rules made in that behalf, a register of all persons who are registered with them as insurance agents.

The Commission may by Rules made in that behalf, determined the qualifications required of any person for the purposes of being appointed as an insurance agent.

Accordingly, following subordinate legislations have been in operation in relation to the insurance agents.

No.	Qualifications of individual agents
1	<ul style="list-style-type: none"><li data-bbox="319 936 1396 1003">• <b><u>Insurance Agents Qualification Rules, 2002 published in the Extraordinary Gazette No. 1255/3 dated 23<sup>rd</sup> September 2002 – Section 78(4) of the RII Act</u></b></li></ul> Effective date: 30.08.2002 <a data-bbox="319 1106 1347 1137" href="https://ircsl.gov.lk/wp-content/uploads/2019/01/insurance_agent_qualification_rules.pdf">https://ircsl.gov.lk/wp-content/uploads/2019/01/insurance_agent_qualification_rules.pdf</a>
2	<ul style="list-style-type: none"><li data-bbox="319 1205 1396 1272">• <b><u>Insurance Agent Qualification (Amendment) Rule, 2004 published in the Extraordinary Gazette No. 1341/8 dated 17<sup>th</sup> May 2004</u></b></li></ul> Effective date: 31.03.2004 <a data-bbox="319 1375 1235 1442" href="https://ircsl.gov.lk/wp-content/uploads/2019/01/insurance_agent_qualification_amendment_rules.pdf">https://ircsl.gov.lk/wp-content/uploads/2019/01/insurance_agent_qualification_amendment_rules.pdf</a>
3	<ul style="list-style-type: none"><li data-bbox="319 1512 1396 1579">• <b><u>Insurance Agent Qualification (Amendment) Rule, 2010 published in the Extraordinary Gazette No.1674/4 dated 5<sup>th</sup> October 2010</u></b></li></ul> Effective date: 05.10.2010 <a data-bbox="319 1682 1235 1713" href="https://ircsl.gov.lk/wp-content/uploads/2019/01/Gazette-1674-4-05102010.pdf">https://ircsl.gov.lk/wp-content/uploads/2019/01/Gazette-1674-4-05102010.pdf</a> <p data-bbox="319 1749 1396 1816">The educational and other qualifications required to be registered as an insurance agent are provided by the above stated Rules as amended.</p>

4	<ul style="list-style-type: none"> <li>• <b><u>Circular No. 10 dated 30<sup>th</sup> October 2002</u></b></li> </ul> <p>The above Rules published in the Extraordinary Gazette No.1255/3 dated 23<sup>rd</sup> September 2002 are applicable to insurance agents who are recruited after 23<sup>rd</sup> September 2002.</p> <p>Effective date: 30.10.2002</p> <p><a href="https://ircsl.gov.lk/wp-content/uploads/2019/05/Circular-10.pdf">https://ircsl.gov.lk/wp-content/uploads/2019/05/Circular-10.pdf</a></p>
<b>No.</b>	<b>Qualifications of Agents other than individuals</b>
1	<ul style="list-style-type: none"> <li>• <b><u>Insurance Agents (other than individuals) Qualifications Rules No. 1 of 2014 published in the Extraordinary Gazette No.1861/45 dated 10<sup>th</sup> May 2014</u></b></li> </ul> <p>Effective date: 10.05.2014</p> <p><a href="https://ircsl.gov.lk/wp-content/uploads/2019/01/Gazette No.186145 - May 10 2014.pdf">https://ircsl.gov.lk/wp-content/uploads/2019/01/Gazette No.186145 - May 10 2014.pdf</a></p>
2	<ul style="list-style-type: none"> <li>• <b><u>Insurance Agents (other than individuals) Register Rules 2015 published in the Extraordinary Gazette No.1916/10 dated 27<sup>th</sup> May 2015)</u></b></li> </ul> <p>Effective date: 27.05.2015</p> <p><a href="https://ircsl.gov.lk/wp-content/uploads/2019/01/1916_10_e.pdf">https://ircsl.gov.lk/wp-content/uploads/2019/01/1916_10_e.pdf</a></p> <p>The requirements of an institution which acts as an insurance agent, are provided in the above Rules as amended.</p>
<b>No.</b>	<b>Verification of qualifications of an insurance agent</b>
1	<ul style="list-style-type: none"> <li>• <b><u>Direction 2 of 2024 dated 8th February 2024 on qualifications of insurance agents (verification of qualifications of insurance agents – Section 96A of the RII Act</u></b></li> </ul> <p>All insurers and brokers were directed to revoke the agency contracts of individuals whose results of the G.C.E. Ordinary Level examination are not verified and confirmed to SLII, as per paragraph 4 of IRCSL letter dated 07th April 2016.</p> <p>Effective date: 08.02.2024</p> <p><a href="https://ircsl.gov.lk/wp-content/uploads/2024/03/Direction-2-of-2024-8th-February-2024-Direction-issued-to-insurers-and-brokers-on-qualifications-of-insurance-agents-verification-of-qualifications-of-insurance-agents.pdf">https://ircsl.gov.lk/wp-content/uploads/2024/03/Direction-2-of-2024-8th-February-2024-Direction-issued-to-insurers-and-brokers-on-qualifications-of-insurance-agents-verification-of-qualifications-of-insurance-agents.pdf</a></p>

2	<p><b><u>Extension of the deadline to comply with the Direction 2 of 2004 granted on 2<sup>nd</sup> May 2024 on qualifications of insurance agents (Verification of educational qualifications of Insurance agents)</u></b></p> <p>All insurers and insurance brokers are required to revoke the agency contracts of individuals whose results of the G.C.E. Ordinary Level examination are not verified and confirmed to SLII, as per paragraph 4 of IRCSL letter dated 7th April 2016 as Directed by the said Direction # 2 of 2024, on or before 31st July 2024.</p> <p>Effective date: 02.05.2024</p> <p><a href="https://ircs.gov.lk/wp-content/uploads/2024/05/Time-extension-granted-for-compliance-to-Direction-2-of-2024.pdf">https://ircs.gov.lk/wp-content/uploads/2024/05/Time-extension-granted-for-compliance-to-Direction-2-of-2024.pdf</a></p>
3	<p><b><u>Further extension of the deadline to comply with Direction 2 of 2024 granted on 10<sup>th</sup> September 2024 on qualifications of insurance agents (verification of educational qualifications of insurance agents)</u></b></p> <p>All insurers and insurance brokers are required to revoke the agency contracts of individuals whose results of the G.C.E. Ordinary Level examination are not verified and confirmed to SLII, as per paragraph 4 of our letter dated 7 April 2016 as Directed by the said Direction # 2 of 2024, on or before 28th February 2025.</p> <p>Effective date: 10.09.2024</p> <p><a href="https://ircs.gov.lk/wp-content/uploads/2024/09/DG-313-All-Ins-Cos-and-Brokers.pdf">https://ircs.gov.lk/wp-content/uploads/2024/09/DG-313-All-Ins-Cos-and-Brokers.pdf</a></p>
<b>No.</b>	<b>Procedure to be followed when conducting inquiries in relation to insurance agents</b>
1	<ul style="list-style-type: none"> <li>• <b><u>Direction No. 22 dated 5<sup>th</sup> October 2020 on procedure to be followed when conducting inquiries in relation to insurance agents</u></b></li> </ul> <p>Guidelines on "Good practices in conducting inquires on insurance agents" issued by the IRCSL in 2016 have been issued as a Direction.</p> <p>Effective date: 05.10.2020</p> <p><a href="https://ircs.gov.lk/wp-content/uploads/2020/10/Direction-22.pdf">https://ircs.gov.lk/wp-content/uploads/2020/10/Direction-22.pdf</a></p>
<b>No.</b>	<b>Restrictions on providing codes and changing codes</b>

1	<ul style="list-style-type: none"><li data-bbox="309 315 1406 349">• <b><u>Direction No. 2 of 2021 dated 24<sup>th</sup> March 2021 – Section 96A of the RII Act</u></b></li></ul> <p data-bbox="309 383 1406 483">The insurance companies can provide codes only to insurance brokers and insurance agents, and the change of such codes are prohibited without the written consent of the insurance broker or insurance agent, unless such change is due to request of the policyholder.</p> <p data-bbox="309 517 628 551">Effective date: 24.03.2021</p> <p data-bbox="309 584 1158 618"><a href="https://ircsi.gov.lk/wp-content/uploads/2021/09/Direction-2-of-2021.pdf">https://ircsi.gov.lk/wp-content/uploads/2021/09/Direction-2-of-2021.pdf</a></p>
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## Chapter 7

### **MASTER CIRCULAR ON CLAIMS**

In the context of insurance, a **claim** refers to a formal request made by a policyholder to an insurance company for compensation or coverage under the terms of an insurance policy. Claims arise when the insured event occurs, such as an accident, loss, damage, or liability, and the policyholder seeks to recover financial losses or benefits as promised in the policy.

The settlement and handling of insurance claims in Sri Lanka are governed by the **Regulation of Insurance Industry Act, No. 43 of 2000 (as amended)** together with subordinate legislation **issued by the Insurance Regulatory Commission of Sri Lanka (IRCSL)**.

Regulation of Insurance Industry Act, No. 43 of 2000 legally empowers the Commission to examine disputes referred by claimants concerning the settlement of insurance claims and to issue appropriate orders. In terms of the **Section 98** of the Regulation of Insurance Industry Act, No. 43 of 2000 (RII Act), legally binds insurers to pay valid claims, subject to proof and verification, while IRCSL regulations and directions operationalize **timely, fair, and transparent claims settlement** in practice.

Under Section 3 of the Regulation of Insurance Industry Act, the IRCSL is mandated to ensure that insurance business in Sri Lanka is carried out with integrity, professionalism, and prudence, in order to protect policyholders and prospective policyholders. Accordingly, insurance companies are required to review claim disputes in a manner that upholds this statutory mandate.

In view of achieving the said purpose, IRCSL has issued the following subordinate legislations on claim related matters.

This document captures subordinate legislations issued by IRCSL in relation to claim related matters.

No.	Directions
1	<p>Optional Compensation Scheme for third party victims of Motor Vehicle Accidents - for Death or Permanent Disability.</p> <p>The Optional Compensation Scheme, effective 1 September 2025, allows third-party victims of motor vehicle accidents in Sri Lanka—or their legal heirs—to receive ex-gratia compensation for death or permanent disability without affecting their right to claim through courts. Eligible victims exclude drivers, passengers, or anyone causing intentional collisions, or accidents during riots/terrorism. Compensation is capped at Rs. 1,000,000 per accident, payable to the victim or, if deceased/minor, to legal heirs.</p> <p>The motor vehicle must have minimum third-party insurance, and claims must be filed within 6 months of the accident. Any disputes are resolved by the Insurance Regulatory Commission of Sri Lanka, and amounts received under the scheme are deducted from any court-awarded compensation.</p> <p><a href="https://ircsl.gov.lk/wp-content/uploads/2025/09/Circular-2025-with-police-report.pdf">https://ircsl.gov.lk/wp-content/uploads/2025/09/Circular-2025-with-police-report.pdf</a></p>
2	Settlement of Insurance Claims – Amendment to Direction # 6 (A)

	<p>Direction No. 06(A), issued under Section 96A of the Regulation of Insurance Industry Act, amends Direction No. 06(a)(i) &amp; (ii) of 2015 to require insurers to settle general and long-term insurance claims within 14 days of establishing the claim amount and receiving discharge documents, and after verifying the claimant's identity. The amendment takes effect immediately.</p> <p><a href="https://ircsl.gov.lk/wp-content/uploads/2019/01/Direction_06_A-1.pdf">https://ircsl.gov.lk/wp-content/uploads/2019/01/Direction_06_A-1.pdf</a></p>
No.	Circulars
1	<p>Circular 3 of 2024 - Optional Compensation Scheme for third party victims of Motor Vehicle Accidents – for Death or Permanent Disability</p> <p>Circular No. 03 of 2024 introduces an <b>Optional Compensation Scheme</b> for third-party victims of motor vehicle accidents resulting in <b>death or permanent disability</b>, allowing compensation outside the court system without affecting the right to litigate. Eligible victims or legal heirs may receive up to <b>Rs. 500,000</b> on an ex-gratia basis from registered general insurers, subject to specified conditions, exclusions, and timelines. The scheme applies to accidents occurring from <b>1 March 2024</b>, with applications submitted to the relevant insurer, and disputes resolved through the Insurance Ombudsman until a formal legal mechanism is established.</p> <p><a href="https://ircsl.gov.lk/wp-content/uploads/2024/05/OCS-Circular-with-Application-English-Version.pdf">https://ircsl.gov.lk/wp-content/uploads/2024/05/OCS-Circular-with-Application-English-Version.pdf</a></p>
2	<p>Condition of Average - Circular 1 of 2023</p> <p>Direction No. 1 of 2023 (issued on 19.06.2023) is amended only to revise item 1 by replacing the wording to clarify that insurers must <b>ensure</b> motor vehicles are insured at their market values. All other provisions of the Direction remain unchanged.</p> <p><a href="https://ircsl.gov.lk/wp-content/uploads/2023/07/DG-299-All-Ins-Cos.pdf">https://ircsl.gov.lk/wp-content/uploads/2023/07/DG-299-All-Ins-Cos.pdf</a></p>
No.	Guidelines
1	<p>Guidelines on conducting investigations on Insurance Claims</p> <p>The IBSL Guidelines on Conducting Investigations on Insurance Claims (effective from 1 January 2017) set minimum standards to ensure investigations are carried out lawfully, ethically, professionally, and impartially. They emphasize good faith, fairness to claimants, confidentiality, respect for constitutional rights, proper evidence gathering, transparent reporting, and timely completion of investigations, with the aim of preventing fraud while safeguarding policyholder interests and maintaining public confidence in the insurance industry.</p> <p><a href="https://ircsl.gov.lk/wp-content/uploads/2019/01/Guidelines on Conducting of Investigations December 2016 Final issued to industry-1.pdf">https://ircsl.gov.lk/wp-content/uploads/2019/01/Guidelines on Conducting of Investigations December 2016 Final issued to industry-1.pdf</a></p>

## Chapter 8

### **MASTER CIRCULAR ON REINSURANCE**

In terms of **Section 31** of the Regulation of Insurance Industry Act, No. 43 of 2000, **an insurer is permitted to transfer a portion of its insurance risk to other insurers or reinsurers, both within and outside Sri Lanka.** Such transfers are subject to terms and conditions prescribed by the Insurance Regulatory Commission of Sri Lanka (IRCSL) **to ensure the protection of policyholders and the stability of the insurance industry.**

**Reinsurance means the transfer of an insurer's liability incurred under any contract or policy of insurance, to a reinsurer.**

Under this authority, the IRCSL issues detailed **Terms and Conditions on Reinsurance Placements**, which apply to all reinsurance arrangements effected from 2017 onwards. These terms require insurers to conduct reinsurance transactions in compliance with regulatory standards designed to maintain prudence and financial security.

Specifically, insurers are required to place reinsurance only with authorized reinsurers who are duly permitted to carry on reinsurance business in their home jurisdictions. Additionally, reinsurers must meet minimum credit and financial strength ratings as prescribed by recognized rating agencies, ensuring that they have the financial capacity to fulfill their obligations.

<b>No.</b>	<b>Terms And Conditions on Placement of Reinsurance</b>
1	<p>Terms and conditions on placement of reinsurance issued under section 31(1) of the Regulation of Insurance Industry Act, No. 43 of 2000</p> <p>The Terms and Conditions on Placement of Reinsurance (2024) set out regulatory requirements for insurers and brokers on reinsurance arrangements, including minimum authorization and rating standards for reinsurers, rules on related-party and pooled reinsurance, limits on unlimited liability covers, and obligations to manage risks prudently. They also prescribe reporting, disclosure, and documentation requirements to IRCSL, require timely completion of contracts, and treat non-compliance as a regulatory violation, with effect from 22 August 2024, repealing the 2017 framework.</p> <p><a href="https://ircsl.gov.lk/wp-content/uploads/2025/01/Amended-Terms-Conditions-2024_1.pdf">https://ircsl.gov.lk/wp-content/uploads/2025/01/Amended-Terms-Conditions-2024_1.pdf</a></p>
<b>No.</b>	<b>Formats to be submitted in accordance with reinsurance terms and conditions under section 31(1) of the regulation of the insurance industry act</b>
1	Reinsurance Arrangements in Electronic Version – Letter Ref:IRCSL/DG/SUP/2020/02/069 of 11th Feb 2020

	<p>This requirement mandates insurers, from 1 January 2020, to submit all duly certified documents relating to their reinsurance arrangements to the IRCSL <b>in electronic form</b> (via official email or other approved electronic media). The submissions must include treaty and facultative reinsurance statements and supporting documentary evidence, in line with Section 31(1) requirements. Where documents were already submitted for 2020, insurers must comply with this electronic submission process from 2021 onwards.</p> <p><a href="https://ircsl.gov.lk/wp-content/uploads/2020/03/Ltr.-Ref-DG-SUP-069-on-11-02-2020.pdf">https://ircsl.gov.lk/wp-content/uploads/2020/03/Ltr.-Ref-DG-SUP-069-on-11-02-2020.pdf</a></p>
2	<p>Statement of Reinsurance Arrangements – Treaties</p> <p><a href="https://ircsl.gov.lk/wp-content/uploads/2024/09/Statement-of-Reinsurance-Arrangements-Treaty.pdf">https://ircsl.gov.lk/wp-content/uploads/2024/09/Statement-of-Reinsurance-Arrangements-Treaty.pdf</a></p>
3	<p>Statement of Reinsurance Arrangements – Treaties</p> <p><a href="https://ircsl.gov.lk/insurance-legislation/terms-and-conditions-on/">https://ircsl.gov.lk/insurance-legislation/terms-and-conditions-on/</a></p>
4	<p>Statement of Facultative Reinsurance Arrangements</p> <p><a href="https://ircsl.gov.lk/wp-content/uploads/2024/09/Statement-of-Facultative-Reinsurance-Arrangments.pdf">https://ircsl.gov.lk/wp-content/uploads/2024/09/Statement-of-Facultative-Reinsurance-Arrangments.pdf</a></p>
5	<p>Statement of Facultative Reinsurance Arrangements</p> <p><a href="https://ircsl.gov.lk/insurance-legislation/terms-and-conditions-on/">https://ircsl.gov.lk/insurance-legislation/terms-and-conditions-on/</a></p>

## Chapter 9

### **MASTER CIRCULAR ON CONDITIONS PERTAINING TO CO – INSURANCE**

The *Conditions Pertaining to Co-Insurance* document outlines the regulatory framework under which registered insurance companies in Sri Lanka are authorized to participate in co-insurance arrangements. Co-insurance is a mechanism in the insurance market where two or more insurers jointly underwrite a portion of the same risk under a single insurance contract with the insured. Unlike reinsurance, where risk is ceded by one insurer to another, in co-insurance all participating insurers have a direct contractual relationship with the policyholders.

In the context of the *Conditions Pertaining to Co-Insurance*, the **Insurance Regulatory Commission of Sri Lanka (IRCSL)** plays a critical supervisory and regulatory role to ensure that co-insurance arrangements are conducted in a **transparent, compliant, and financially prudent manner**.

No.	Conditions pertaining to Co – Insurance
1	Conditions pertaining to Co – Insurance  The Board approved insurers to participate in co-insurance, subject to the following conditions: the lead co-insurer must attach a signed Co-insurance Clause to the policy; no insurer may accept amounts exceeding its stipulated co-insurance limit; and insurers must notify their reinsurers and agree on suitable co-insurance limits, with copies of such agreements lodged with the IBSL.

## Chapter 10

### **MASTER CIRCULAR ON LOSS ADJUSTERS RELATED MATTERS**

“**Loss Adjustor**” means a person who has specialized knowledge in investigating and who is assessing losses arising from insurance claims and registered as a Loss Adjustor under the provisions of the act.

**By virtue of the Section 05;** Powers, duties and functions of the Commission, the Act explicitly bring **loss adjusters** under the Commission’s purview. Loss adjusters, who investigate and assess insurance claims, are recognized as key professionals whose activities directly affect policyholder protection and market integrity. Subsequent amendments, particularly the **2011 Amendment (No. 3 of 2011)**, reinforced this by making it **mandatory for any person to be registered with the Commission before acting or representing themselves as a loss adjuster**, except for limited exceptions specified under Section 89A(2) of Part VIII A of the RII Act.

Under Part VIII A of the Regulation of Insurance Industry Act, Section 89B empowers the Commission to establish rules specifying the qualifications and experience that applicants must possess to be eligible for registration as loss adjusters. Section 89C (1) mandates the Commission to prescribe rules detailing the documents, information, and fees that applicants are required to submit for registration.

In line with these provisions, the Commission has set out in the Loss Adjuster Registration Rules the required qualifications and/or experience for a person to be registered as a loss adjuster.

Any person or company wishing to carry on loss adjusting in Sri Lanka must first register under the Regulation of Insurance Industry Act.

An individual applicant is required to comply with the provisions of the IRCSL Loss Adjuster Registration Rules, as published in **Gazette Extraordinary No. 2026/27 dated 5th July 2017**, and submit an application using the form provided in **Schedule I of the Rules**.

A company applying to act as a loss adjuster must similarly comply with the IRCSL Loss Adjuster Registration Rules and submit its application in accordance with the **form set out in Schedule II**. Following the initial year of registration, every registered loss adjuster is required to pay the annual registration fee to the Commission before the end of January each year.

<b>No.</b>	<b>Loss Adjuster Registration Rules</b>
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1	<p>Loss Adjuster Registration Rules (Gazette Extraordinary No. 2026/27 – July 05, 2017)</p> <p>This outlines the <b>Loss Adjuster Registration Rules 2017</b> under the Regulation of Insurance Industry Act, No. 43 of 2000. It sets requirements for individuals and companies acting as loss adjusters, including age, residency, qualifications or experience, professional liability insurance, and independence from insurers. Companies must be incorporated, have fit key personnel, higher insurance coverage, and no insurer affiliations. Registration fees are Rs. 25,000 (individuals) and Rs. 75,000 (companies), with annual renewals of Rs. 15,000 and Rs. 50,000, respectively. Schedules I and II provide application forms requiring personal/company details, qualifications, experience, declarations, and supporting documents, with instructions emphasizing completeness and accuracy.</p> <p><a href="https://ircsl.gov.lk/wp-content/uploads/2019/01/2026-27_E-1.pdf">https://ircsl.gov.lk/wp-content/uploads/2019/01/2026-27_E-1.pdf</a></p>
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