

REGULATION OF INSURANCE INDUSTRY ACT - DIRECTION

27th July 2023

No. 02 of 2023

Principal Officers of Insurance Companies and Insurance Brokering Companies (in place of Direction # 5 of 2021 - 16th December 2021 and Direction # 12 of 2017 - 4th December 2017)

The Insurance Regulatory Commission of Sri Lanka (IRCSL), at its 236th meeting, has decided to replace the aforesaid directions with the following:

1. The Principal Officer of an insurer or an insurance broker shall be the person who is holding the highest executive position of the company and he/she shall be in charge and be responsible for the general control, direction and supervision of the business activities of the company.
2. The Principal Officer shall report directly to the Board of Directors and shall be required to provide all communications with IRCSL for the attention of the Board of Directors, as early as possible.
3. The Principal Officer shall not be employed by any other insurer in any capacity.
4. The proposed appointment of the Principal Officer shall be approved by the Board of Directors of the company, subject to the approval of IRCSL.
5. In the event of retirement, termination, resignation and/or the post of Principal Officer becomes vacant by any other means, the Board of Directors of the Company shall take steps to appoint a suitable person as the Principal Officer in terms of the Regulation of Insurance Industry Act, No. 43 of 2000 forthwith, subject to approval of IRCSL, to ensure continuity of responsibility. In the event the company encounters any delay to make such appointment, an acting appointment shall be made forthwith, subject to approval of IRCSL.
6. Paragraph 1 of this Direction shall come into effect from 1st of October 2023.
7. Paragraphs 2 to 5 of this Direction shall come into force with immediate effect.
8. In view of this Direction, Direction # 5 of 2021 issued on 16th December 2021 and Direction # 12 of 2017 issued on 4th December 2017 are hereby repealed.

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


Damayanthi Fonado
Director General
Signed for and on behalf of the Commission