



Circular # 36

(Cancellation of Circular # 32 dated 30th October 2013)

9th October 2015

Overseas Health Insurance

The Insurance Board of Sri Lanka (IBSL), hereby repeals Circular # 32 dated 30th October 2013 and enacts in its place, the following in terms of Section 101 of the Regulation of Insurance Industry Act, No. 43 of 2000 (RII Act):

- (a) The cancellation of the approval granted by IBSL in item No. 1 of Circular # 4 dated 5th June 2002, in relation to overseas health and travel insurance, which came into effect from 30th October 2013, will continue to be effective;
- (b) A person in Sri Lanka who has already placed health insurance with a foreign insurer/foreign entity, before the effective date of this Circular (i.e. 9th October 2015), may continue/renew such insurance only if such placement has been made through a brokering company registered under the RII Act, even if such broker is not specifically authorized as hereunder.

However, the brokering company concerned will have to inform the details of the health insurance products so placed to IBSL within one month of this circular coming into effect, and also include the information required in the attached format 'A' and forward same along with its quarterly returns to IBSL.

Travel insurance covers obtained before the effective date of this Circular can be continued until the period of cover stated therein ends.

- (c) Permission is hereby further granted by IBSL to any person in Sri Lanka to place health insurance covers with a foreign insurer/foreign entity, subject to the condition that the foreign health insurance product is placed only through a brokering company registered under the RII Act and the said brokering company has been specifically authorized (on an annual basis) by IBSL to function as an intermediary for the placement of the said foreign health insurance product.

- (d) The above permission does not entitle a person to renew a health insurance cover so placed, if the brokering company concerned has no authorization at the time the renewal is submitted.
- (e) The brokering company, in order to obtain authorization, should submit a written request to IBSL and the request should be accompanied with the following:

- i. A confirmation from the Insurance Association of Sri Lanka (IASL) that the health insurance product offered by the foreign insurer/foreign entity is not available with any insurer registered under the RII Act;
- ii. Details of the said foreign health insurance product that is intended to be offered by such foreign insurer/foreign entity;
- iii. Documents to demonstrate that the foreign insurer/foreign entity, which offers the said health insurance product, is licensed and/or registered overseas to issue health insurance covers by an insurance regulatory authority which is a member of the International Association of Insurance Supervisors;
- iv. An initial authorization fee of Rs 500,000/- excluding applicable government taxes, per each foreign health insurance product that is intended to be placed by an insurance broker for and on behalf of a person in Sri Lanka. The cheque/bank draft should be drawn in favour of the "Insurance Board of Sri Lanka" for this purpose;

In the event the said request is withdrawn by the insurance broker prior to granting authorization, only 50% of the fee (exclusive of taxes) paid by the insurance broker will be refunded.

The IBSL reserves the right to determine the renewal fee, which will be based on the income generated by the foreign health insurance product.

- v. A dispute resolution procedure.
- (f) The authorization given above will be valid only for a period of one year, and shall be in relation to only one specific type of foreign health insurance product. In the event that an insurance broker wishes to seek authorization for more than one foreign health insurance product, the said broker would have to seek separate authorization, for each product.

- (g) A brokering company authorized as above should clearly disclose the information required in the attached format 'A' and forward same along with its quarterly returns to IBSL.
- (h) A brokering company authorized as above is responsible to facilitate settlement of disputes between the parties to the insurance contract. The dispute resolution procedure should be communicated to persons who place foreign health insurance covers prior to placement. The IBSL will not entertain disputes relating to such matters.



Indrani Sugathadasa (Mrs)

CHAIRPERSON

DG/RA/GRN