

The Gazette of the Democratic Socialist Republic of Sri Lanka

EXTRAORDINARY

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(Published by Authority)

PART I : SECTION (I) - GENERAL Government Notifications

CONTROL OF INSURANCE ACT, No. 25 OF 1962

Notification

It is hereby notified in terms of section 79(2) of the Control of Insurance Act, No. 25 of 1962, that the regulations made by the Minister of Trade and Shipping under section 75 F and section 79 of the Control of Insurance Act, No. 25 of 1962, as amended by Act, No. 9 of 1967, Act, No. 22 of 1979, and Act, No. 42 of 1986 and set out in the Schedule hereto have been approved by Parliament on 21st October, 1988.

Colombo 01, 8th May, 1990.

D. B. WIJETUNGE,
Minister of Finance.

SCHEDULE

L. D.-B. 17/62

THE CONTROL OF INSURANCE ACT, NO. 25 OF 1962

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, as amended by Act, No. 9 of 1967, Act No. 22 of 1979, and Act, No. 42 of 1986 and approved by Parliament.

M. S. AMARASIRI,
Minister of Trade and Shipping.

Colombo, 1st October, 1987.

Regulations

1. These Regulations may be cited as the Control of Insurance (Miscellaneous Provisions) Regulations, 1987.

PART I

INTERPRETATION

2. In these regulation, unless the context otherwise requires-

"Act" means the Control of Insurance Act, No. 25 of 1962 as amended by Act, No. 9 of 1967, Act, No. 22 of 1979 and Act, No. 42 of 1986;

"actuary" means :

- (a) a Fellow of the Institute of Actuaries in England or of the Faculty of Actuaries in Scotland;
- (b) an Associate of the Institute of Actuaries in England or of the Faculty of Actuaries in Scotland with at least ten years post qualification experience in actuarial matters;

"auditor" shall have the same meaning as in paragraph (8) of Article 154 of the Constitution;

"bank" means a commercial bank within the meaning of the Monetary Law Act (Chapter 422);

"broker" means a person who functions as an intermediary for the placing of insurance business for or on behalf of an insurer, policy-holder or proposer for insurance or reinsurance, with an insurer or re-insurer in expectation of payment by way of brokerage on commission;

"contract of insurance" includes a contract of reinsurance;

"director" shall have the same meaning as in the Companies Act, No. 17 of 1982;

"document" includes an account deed, letter, writing book and any other record of information however compiled, recorded or stored and whether in written or printed form, on micro film or in any other form;

"financial year" means the calendar year;

"gross premium" means the premium after deductions of discounts, refunds and rebates of premium but before deduction therefrom of any premium paid or payable by an insurer for reinsurance ceded;

"Insurance Corporation of Sri Lanka" means the Insurance Corporation of Sri Lanka established by Act, No. 2 of 1961;

"net premium" means the balance, of the gross premium after deduction therefrom of any premium paid or payable by the insurer for reinsurance ceded;

"policy"-

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

"premium" includes the consideration for the granting of an annuity;

"related" in relation to an insurer means-

- (a) a dependant of a specified officer of an insurer;
- (b) a company of which the insurer is an associate or subsidiary;
- (c) an associate or subsidiary of a company of which the insurer is an associate or subsidiary;

"retrocession" means the reinsurance of reinsurance business ;

"specified officer" means an officer appointed under sections 19A, 34A and 75A (2) (a) and (b) of the Act.

PART II

APPOINTMENT, POWERS AND DUTIES OF THE CONTROLLER OF INSURANCE

- 3. A person shall be disqualified from being appointed as Controller if he or his spouse or dependant child, is or becomes-
 - (a) an insurance broker, or insurance agent ;
 - (b) a director, officer, employee or shareholder, whether directly or indirectly of an insurer, insurance broker, insurance agent or any other allied insurance service ; or
 - (c) an officer or employee of an insurance agent.

- 4. The duties of the Controller shall include :-
 - (a) directing an insurer or a reinsurer to clarify, simplify, or amend or delete the wording or terms and conditions, as the case may be, of a future contract where he is satisfied that the wording of a particular contract of insurance or reinsurance issued by an insurer or re-insurer is obscure or contains ambiguous terms or terms and conditions which are unfair or oppressive to the policyholder;
 - (b) the approval, of tariffs and rates of insurance in respect of any class or classes of insurance;
 - (c) furnishing a report to the Minister on the performance of the insurance industry as soon as is reasonably practicable after each year ending 31st December.

PART III

REGISTRATION OF INSURERS

5. (1) On and after the date on which these regulations come into force, a person registered as an insurer under the Act shall be entitled to carry on only the class or classes of insurance business for which he has been registered.
- (2) An application for registration as an insurer shall be substantially in form A set out in the First Schedule hereto, and shall be accompanied by-
- (a) a certified copy of the memorandum and articles of association of the company ;
 - (b) a certified copy of the certificate of incorporation of the company ;
 - (c) a certified copy of the certificate to commence business issued by the Registrar of companies;
 - (d) statements setting out the particulars relating to ;
 - (i) the shareholders of the company substantially in Form B set out in the First Schedule hereto,
 - (ii) the directors of the company substantially in Form C set out in the First Schedule hereto, together with a copy of Companies Form 48 duly perfected and certified by the Auditors of the Company.
 - (iii) the specified officers of the company substantially in Form D set out in the First Schedule hereto.
 - (e) a statement setting out the classes of insurance business proposed to be carried on by the Company ; and
 - (f) a fee of rupees two hundred and fifty thousand in respect of registration as an insurer under the Act-
 - (i) under paragraph (a) of sub section (4) of section 6 of the Act in respect of each class of insurance business.
 - (ii) under paragraph (a) of sub section (3) of section 10 of the Act in respect of any new class of insurance business.
 - (g) a scheme of work or business plan for a period of three years submitted for the approval of the Controller ;
 - (h) a certified copy of the published prospectus ;
 - (i) a copy of each of the proposal and policy forms, endorsements and any form of written matter describing the terms or conditions of the policies or the benefits to be or likely to be derived from the policies or the benefits intended to be used by the applicant ;
 - (j) statements of the prevalent rates, advantages and terms and conditions to be offered in connection with insurance policies and details of the bases and formulation from which such rates have been calculated together with a certificate by an actuary in relation to long term insurance business, certifying that such rates, advantages and terms and conditions are sound and workable ;

- (k) a detailed statement of assets and liabilities of the insurer in Sri Lanka on the date of application ;
 - (l) a statement of reinsurance arrangements ;
 - (m) certified copies of management agreements and related documents, if any.
6. Where the Controller is satisfied that-
- (a) the volume of business which is likely to be available to and the earning prospects of an applicant are adequate;
 - (b) the class of insurance business in respect of which the application is made will be conducted in accordance with sound business principles ;
 - (c) the financial standing and the general character of management of the applicant are sound;
 - (d) the margin of solvency of the applicant is as prescribed ;
 - (e) the reinsurance arrangements of the applicant are adequate and otherwise satisfactory;
 - (f) it is otherwise in the public interest that the applicant should be registered in respect of the class or classes of insurance business specified in the application;
 - (g) any director, employee or shareholder of the applicant is not-
 - (i) a director, employee or shareholder of an insurance broker or loss adjuster.
 - (ii) a director or principal officer of an Associated or subsidiary company or insurance agent, "he may register the applicant in respect of such class of insurance business as he shall deem fit."
7. Whenever after registration of an insurer any circumstances arise which affect or require of the contents of any documents or information supplied, the insurer shall forthwith furnish to the Controller full details of such circumstances.
8. The Controller, after giving an insurer a reasonable opportunity of making representations, may by notice in writing cancel the registration of such insurer, either totally or in respect of any particular class of insurance,
- (a) if the insurer fails to comply with or acts in contravention of this Act or regulations ;
 - (b) if the Controller has reason to believe that any amount due by the insurer under a judgement entered in an action in Sri Lanka arising out of any policy of insurance issued by the insurer has remained unpaid for three months after the date of the final adjudication in such action ;
 - (c) If the insurer carries on any business other than insurance business ;
 - (d) if the Controller is satisfied that the class of business of the insurer is not being conducted in accordance with sound insurance principles ;
 - (e) Where, having regard to the financial aspect and volume of business transacted by an insurer, the Controller is of the opinion that such insurer cannot carry on the class of insurance business in a satisfactory and efficient manner ;

- (f) if the insurer has ceased to carry on insurance business in Sri Lanka ;
 - (g) if the insurer is in liquidation or if at any time the margin of solvency prescribed under Section 61 of the Act is not maintained ;
 - (h) if the insurance business of the insurer has been transferred to any other person or amalgamated with the business of or wholly reinsured with any other person ;
 - (i) where the Controller considers it is otherwise in the public interest;
 - (j) if an insurer knowingly or negligently furnishes information which is false in any material particular or who having been required to produce a book or document for examination, alters, mutilates, damages, destroys, conceals or removes it.
9. The Controller may by notice in writing cancel the registration of an insurer either totally or in respect of any particular class of insurance business if the insurer requests in writing the cancellation of the registration.

PART IV

REINSURANCE

10. (1) Every cession made by an insurer under paragraph (b) of sub-section (1) of Section 19 of the Act, shall be made quarterly not later than thirty days from the end of each quarter in such manner as may be specified by the Controller.
- (2) Every insurer shall receive from such cession, commission at 27.5 per centum and 22.5 per centum premium in respect of fire and marine insurance respectively.
- (3) Where due to retrocession arrangements, the National Insurance Corporation is unable to pay the commission referred to in paragraph (3) the National Insurance Corporation may require special return to be made prior to commence of risk.
11. Every insurer shall submit to the Controller at the time of registration or renewal of registration, a statement of reinsurance arrangements in the following manner :-
- (a) in respect of general insurance-
 - (i) a statement of reinsurance arrangements substantially in Form E set out in the Second Schedule hereto,
 - (ii) details of provisions in treaties relating to commission, profit commission and reserves and interest thereon where applicable,
 - (iii) names of brokers and reinsurers through whom any facultative reinsurance will be placed ;
 - (b) in respect of life assurance-

a statement which shall include details of each type of life assurance policy the retention treaty arrangements indicating capacity, commissions payable and the reinsurers and the brokers, if any. This statement shall be signed by any specified officer.

Where any circumstances arise which affect or required alteration of any information supplied by the insurer in any document or any variation of the reinsurance arrangements, the insurer shall forthwith inform the Controller and obtain his approval before such alteration or variation is effected.

12. The Controller may give directions with regard to the retention limits to be specified in any treaty and it shall be the duty of the insurer to comply with such directions.
13. Where a reinsurance agreement is cancelled or terminated for any reason, the insurer shall forthwith inform the Controller in writing of such cancellation or termination and shall at the same time forward a statement of measures adopted to remedy the situation and the Controller may give such directions as he may deem fit in the circumstances.
14. Every insurer shall not later than three months after the date of approval of the reinsurance arrangement submit to the Controller the reinsurance agreements and contracts in respect of the reinsurance treaties.
15. (1) Reinsurance premia shall be remitted to overseas reinsurers or reinsurance brokers after deduction of the net commission payable to the insurer.
(2) Every insurer shall submit to the Controller a statement in respect of every quarterly remittance of reinsurance premia not later than thirty days from the end of each quarter.

PART V

REGISTRATION OF BROKERS

16. No person shall after the expiry, of three months from the appointed date, commence, transact or carry on in Sri Lanka the business of an insurance broker unless he is registered as an insurance broker with the Controller.
17. An application for registration as an insurance broker shall-
 - (1) in the case of a company, be substantially in Form F set out in the Third Schedule hereto, and be accompanied by -
 - (a) a certified copy of the memorandum and articles of association of the company,
 - (b) a certified copy of the certificate of incorporation of the company,
 - (c) a certified copy of the certificate to commence business issued, by the Registrar of Companies,
 - (d) statements setting out the particulars relating to -

- (i) the shareholders of the company substantially in Form G set out in the Third Schedule hereto,
 - (ii) the directors of the company substantially in Form H set out in the Third Schedule hereto, together with a copy of Companies Form 48 duly perfected and certified by the auditors of the company,
 - (iii) the specified officers of the company substantially in Form I set out in the Third Schedule hereto,
- (e) a statement setting out the class or classes of insurance business proposed to be carried on by the company,
 - (f) a statement setting out the amount of the paid up share capital of the company,
 - (g) a fee of rupees one thousand each for life assurance business and general insurance business; and
 - (h) a certified copy of the professional indemnity insurance policy issued by a registered insurer.
- (2) In the case of an individual be substantially in Form J set out in the Third Schedule hereto and be accompanied by:-
- (a) a statement setting out the class or classes of insurance business proposed to be carried on,
 - (b) a fee, of rupees one thousand for each class of insurance business proposed to be carried on; and
 - (c) a certified copy of the professional indemnity insurance policy issued by a registered insurer or insurer approved by the Controller.
18. Where the Controller is satisfied that-
- (a) the volume of business which is likely to be available to and the earning prospects of an applicant are adequate,
 - (b) the business in respect of which the application is made will be conducted in accordance with accepted professional standards,
 - (c) in the case of a corporate person the financial standing of the applicant is sound,
 - (d) the knowledge, skill and experience of the applicant or in the case of a corporate person, the knowledge, skill and experience of the specified officer, is adequate,
 - (e) the applicant is a Sri Lanka national
- he may register such applicant as an insurance broker under the Act.
19. (1) Upon the registration of any person as an insurance broker a certificate of registration shall be issued by the Controller to such person.
- (2) The Controller shall issue separate certificates of registration in respect of life assurance business and general insurance business.

- (3) The certificate of registration issued by the Controller shall authorize the holder to carry on business as permitted therein.
 - (4) No certificate of registration-
 - (a) shall be transferable to any other person, and accordingly any such transfer shall be null and void;
 - (b) shall be used for the benefit of any other person.
20. An application for renewal of registration as a broker shall be accompanied by-
- (a) a professional indemnity policy of insurance for the ensuing period in such form and for such amount as may be specified by the Controller;
 - (b) a statement of business transacted in the preceding financial year;
 - (c) a fee of rupees five hundred in respect of such renewal of registration.
21. (1) The Controller shall not issue a certificate of registration to any person to carry on business as an insurance broker, or renew such registration and may where such certificate of registration has been issued suspend or cancel such certificate of registration.
- (a) if he has under any law in force been found or declared to be an undischarged bankrupt or insolvent;
 - (b) if he has been convicted of any offence involving moral turpitude;
 - (c) if he has been found or declared to be of unsound mind by a court of competent jurisdiction;
 - (d) if he persists in disobeying the instructions of the Controller;
 - (e) where-
 - (i) the applicant or a director or a specified officer,
 - (ii) a director or a specified officer of an associated or subsidiary company of such applicant,
 is a director or shareholder or employee of an insurer ;
 - (f) if the applicant does not in the opinion of the Controller have sufficient knowledge, skill or experience to satisfactorily discharge his duties and functions;
 - (g) if the applicant has been found guilty of or warned or cautioned in writing by the Controller on at least three separate occasions ;
 - (h) If he has made any statement in any application, account, written information or document submitted under regulation 17 or regulation 20 that is in any manner false or misleading.
- (2) No application for renewal of registration shall be rejected by the Controller unless he has given notice in writing to the applicant to show cause within such period as may be specified in such notice as to why such application should not be rejected and such applicant-
- (a) fails to show cause, or
 - (b) does not show sufficient cause, within such period.

- (3) Any person against whom an order is made under paragraph (1) of this regulation may prefer an appeal in writing to the Secretary to the Ministry before the expiry of ten days after the date on which such order is communicated to that person by or on behalf of the Controller by whom such order was made, and the Secretary may, in dealing with any appeal preferred to him, affirm, vary or annul the order against which the appeal has been preferred.
 - (4) An order under paragraph (1) of this regulation suspending or cancelling a certificate of registration issued to a person to carry on business as an insurance broker shall come into force on the date such order is communicated to that person by or on behalf of the Controller and shall continue to be in force notwithstanding that an appeal against such order has been preferred to the Secretary.
 - (5) Any notice required to be given or any order required to be communicated under the preceding provisions of this regulation to any person shall be deemed to have been served or communicated on or to him after the expiry of a period of two days reckoned after the date of dispatch of such notice or order by letter sent by registered post to his usual place of business or residence.
22. (1) Every insurance broker shall take out and maintain policies of insurance with two registered insurers or two insurers approved by the Controller against losses arising from claims in respect of any description of civil liability incurred by them or by their present or former employees in connection with the business of such broker.
- (2) (a) Without prejudice to the generality of the foregoing provisions of this regulation such policy shall indemnify the insured against losses arising, from claims made against the insured for breach of duty in connection with business by reason of any negligent act, error, or omission:

Provided that the policy shall not be required to afford indemnity to any person committing, making or condoning any dishonest or fraudulent act or omission.
 - (b) the policy at inception date and renewal date shall provide a minimum limit of indemnity in either-
 - (i) a total sum of rupees one million five hundred thousand; or
 - (ii) a sum equal to three times the brokerage of the business for the last accounting period ending prior to inception or renewal of policy subject to a maximum limit of liability of rupees five million.
 - (c) no policy shall without written permission being obtained have an excess or a deductible in an amount which exceeds 2.5 percentum of the minimum limit of indemnity.
- (3) Every insurance broker shall maintain accounts adequate to show all his business transactions and must maintain separate accounts in respect of each class of insurance business carried on by him.

- (4) Every insurance broker shall submit to the Controller within six months of expiry of the accounting period, accounts which shall comprise a balance sheet, a profit and loss account and a note to such accounts confirming the accuracy of such accounts.
 - (5) Every broker shall submit a return to the Controller stating the names of all the insurers with whom he has placed business and the percentage of the business he has so placed. A certificate to the effect that the percentage of business so placed does not exceed fifty per centum shall be submitted to the Controller annually duly signed by him and in the case of a company by two directors.
 - (6) A premium collected by an insurance agent or a cheque received by him in respect of that premium shall be deposited with or despatched forthwith to the insurer in order to effect cover.
 - (7) Every insurance broker shall pay into an account to be called the "Insurance Broking Account" and maintained by him with a bank, all moneys received by him in connection with a contract of insurance.
 - (8) No insurer shall appoint any person as an insurance agent solely for the purpose of procuring general insurance business in respect of the agents own business.
 - (9) No insurer may appoint or continue in appointment or offer to appoint any person as an insurance agent solely for the purpose of obtaining or retaining his own business.
 - (10) No insurance agent shall represent more than one insurer.
 - (11) No salaried employee of an insurer shall receive commission or other allowance in respect of insurance business.
 - (12) No insurer shall appoint as agent the spouse of an agent of any insurer.
 - (13) Every insurer shall maintain a register in which the name and address of every insurance agent appointed, the date of such appointment and the date, if any on which the appointment was terminated should be given.
23. (1) No person shall offer either directly or indirectly as an inducement to any person to take out or renew or continue a contract of insurance any rebate of the whole or part of any brokerage commission or premium (except such rebate as may be allowed in accordance with a published prospectus or manual or schedule of rates of an insurer) which will have the effect of circumventing the maximum and minimum rates of premia fixed under section 21 of the Act.
- (2) No insurer shall pay to a broker or insurance agent as brokerage commission, fee or other remuneration, any sum in excess of the amounts prescribed for or in respect of each prescribed class of insurance business placed by that broker or agent with that insurer.
24. (1) No insurance agent shall be paid or contracted to be paid by way of commission or as remuneration in any form in respect of a policy of life assurance effected through the agent an amount exceeding-
- (a) 45 per centum of the 1st year premium and 5 per centum of the second to the fifth year renewal premium and 2.5 per centum of the sixth to the tenth year premium;
 - (b) 25 per centum of the first year premium and 8 per centum of the second to the fifth year renewal premium and 4 per centum of the sixth to the tenth year premium;

- (c) 10 per centum of the first year premium and 10 per centum of the second to the fifth year renewal premium and 10 per centum of the sixth to the tenth year premium ;
 - (d) 2.5 per centum of a single premium when only one premium is payable under the policy.
 - (2) In respect of a life assurance business the brokerage or commission payable to a broker in the first year of a policy shall not be less than the first year commission payable to an Agent of the insurer under paragraph 1 of this regulation but not more than 135 per centum of the first year commission payable to such an agent thereunder.
 - (3) The brokerage payable to a broker in the second to the tenth year of a policy shall not be less than the commission payable to an agent of an insurer in the second to the tenth year of a policy but not more than 110 per centum of the commission payable to an agent in the second to the tenth year of a policy.
 - (4) The total commission payable to an agency supervisors or supervisors or organisers of an insurer in respect of life assurance shall not exceed 30 per centum of the first year commission payable to insurance agents under paragraph (1) of this regulation.
 - (5) No insurer or broker shall pay or contract to pay to an insurance agent and no insurance agent shall receive or contract to receive, by way of commission or remuneration in any form of any policy of general insurance and effected through an insurance agent an amount exceeding-
 - (a) where the policy relates to fire, motor, miscellaneous and other non-marine classes of insurance, 15 per centum of premium payable on the policy,
 - (b) where the policy relates to marine insurance, 10 per centum of premium payable on the policy.
 - (6) No insurer shall pay or contract to pay to a broker and no broker shall receive by way of commission, brokerage or remuneration in any form of any policy of general insurance and effected through the broker an amount exceeding-
 - (a) where the policy relates to fire, motor and miscellaneous and other non-marine classes of insurance, 20 per centum of premium payable on the policy,
 - (b) where the policy relates to marine insurance, 15 per centum of the premium payable on the policy.
25. If it appears to the Controller that any account, statement or return furnished to him by a person or body corporate is inaccurate or incomplete in any respect, he may-
- (a) require further information, which shall be certified if he so directs, by an auditor or other person as he may consider necessary; or
 - (b) require any further document for his examination.

PART VI

ASSETS LIABILITIES AND SOLVENCY MARGINS

26. For the purposes of section 61 of the Act assets includes a reference to any property, security or interest of a person but does not include a reference to-
- (a) an unsecured or in the opinion of the Controller inadequately secured loans ;
 - (b) an asset that is mortgaged or charged for the benefit of a person other than the insurer to the extent that it is so mortgaged or charged ;
 - (c) a loan to debenture of or share in any insurer who is related to a person referred to in paragraph (b) above ;
 - (d) an unpaid premium that become due to the insurer more than three months previously except in so far as that premium is secured under automatic non-forfeiture conditions against the surrender value of a life assurance policy ;
 - (e) a guarantee given to the insurer other than a guarantee given by a reinsurer in the course of reinsurance transactions;
 - (f) an intangible asset ;
 - (g) unsecured loans to intermediaries ;
 - (h) prepaid preliminary and organizational expenses.
27. (1) For the purposes of section 61 of the Act a reference to liabilities of an insurer includes liabilities shown as current, contingent and prospective liabilities in the accounts of an insurer and includes, in the case of life assurance business, the liabilities in respect of the policies of life assurance business.
- (2) For the purposes of section 61 of the Act a reference to liabilities does not include a reference to-
- (a) a liability in respect of share capital or a reserve in lieu of capital approved by the Controller ;
 - (b) a liability in respect of such matters as the Controller may by notice in writing direct.
- (3) An insurer shall make adequate provision in his accounts for liabilities in respect of unexpired risks computed in accordance with the twenty fourth method and outstanding and incurred claims, including provision for claims incurred but not reported.

PART VII

GENERAL

28. A document which is required to be sent to a policyholder may be addressed and sent by post to the person to whom notices in respect of the policy are usually sent and a document so addressed and sent shall be deemed, unless the contrary is proved, to have been received by the policyholder in the normal course of transit ;

Provided that where a person claiming an interest under a policy has given notice in writing thereof to the insurer a copy of any such document shall also be sent to that person at the address specified by him in his notice.

29. On and after the date on which these regulations come into force, no remittance or transfer of any sum of money or securities out of Sri Lanka in respect of or by way of premium, reserve value, claim, management expense, profit, surplus, investment income or other payment or sum of money which directly or indirectly arises out of insurance business, shall be made without the concurrence of the Controller.

30. Every insurer shall in respect of claims arising out of policies of insurance issued by it, pay the claims within sixty days of the admission of liability and settlement of the amount due and establishment of the identity of the claimant :

Provided that, if for any reason the insurer is unable to pay the claim within the period specified under this subsection, he shall apply to the Controller for an extension of time and the Controller may grant a period of thirty days where he considers such extension reasonable.

Where the Controller is satisfied that undue delays are being or are likely to be experienced by claimants in the settlement of their claims, he shall, after giving the insurer a reasonable opportunity of being heard, direct the insurer to expedite the settlement of claims.

31. (1) No insurer shall issue any contract or policy of insurance other than life assurance business without receiving the full premia due under such contract or policy on the date of inception of such insurance cover or a bank guarantee for the payment of such premia within thirty days from inception of insurance cover by the insured or by his broker or agent on the date on which such amount becomes payable and the insurer receives payment.
- (2) An insured in respect of insurance business other than life assurance business shall pay the full premia due under such contract or policy of insurance on the date on which such amount becomes payable or furnish a bank guarantee for the payment of such premia on the date on which such amount becomes payable and the insured shall pay such premia within thirty days of such date.

FIRST SCHEDULE

FORM A (Regulation 5(2))

The Controller of Insurance,
Colombo.

From :

APPLICATION FOR REGISTRATION AS AN INSURER

1. Name :
2. Address etc. :
 - (1) Registered Office :
 - (2) Principal Office :
 - (3) Telephone :
 - (4) Telex :
 - (5) Cable Address :
3. Constitution :
 - (1) State whether public company or quoted public company :
 - (2) Date of Memorandum and Articles of Association (annex certified copy) :
 - (3) Reference number and date of Certificate of Incorporation (annex certified copy) :
 - (4) Annex Certified copy of published Prospectus :
4. Particulars of Directors (annex Form C of the First Schedule and also annex certified copy of Companies Form 48) :
5. Particulars of shareholders (annex Form B of the First Schedule certified as correct by the Auditors of the Company) :
6. Particulars of Specified Officers (annex Form D of First Schedule) :
7. Bankers :-
 - (1)
 - (2)
 - (3)
 - (4)

Application for Registration As an Insurer (Continued)

8. Secretaries :
9. Auditors :
10. Lawyers :
11. Share Capital
 Authorised : Shares of Rs.
 Paid up : Shares of Rs.
12. Surplus of Assets over Liabilities - annex Certificate from the Auditors of the Company in proof of :
 Fixed Assets :
 Current Assets :
 Less Liabilities :
 Current :
 Contingent :
 Surplus _____
13. Class of insurance business for which registration is sought
 (1)
 (2)
14. Particulars of overseas insurance connections and management agreements if any (annex copies of agreements) :
15. Operation to be handled overseas and why such operation cannot be handled locally :
16. If previously engaged in insurance business, particulars of such Business :
17. Statements of re-insurance arrangements :
 (a) General Insurance Business

Class of Insurance	Normal Maximum Exposure	Quota Share Treaties (Show percentage of limit reinsured)	Surplus Treaties (Show in respect of each Treaty of the number of lines and retention on which the Treaty is based)	Re-insurance Arrangements		Other	Period for which Treaty in force
				Excess of Loss Treaties			
	Net Retention in respect of any one event			Any one event (show retention of and layers of each Treaty)	Any one risk (show retention and layers of each Treaty)		
Fire Marine Hull Marine Cargo Motor Engineering Liability Misc. Classes							

- (b) Life Assurance Business : Annex statement indicating detailed re-insurance programme:
- (c) Other re-insurance arrangements :
- (d) Main re-insurers and re-insurance brokers :

DECLARATION

We hereby certify that the statements contained herein are true and accurate to the best of our knowledge and belief. Any alterations in particulars stated herein and in attachments submitted will be promptly communicated to the Controller of Insurance.

We, further declare and undertake that the Applicant Company, Director, employee or shareholder is not carrying on business as an insurance agent, loss adjuster or loss assessor or insurance broker and shall not carry on any business other than the business of an insurer.

Date :
Signed and affirmed in :
on :

.....
Director

.....
Director

.....
Justice of Peace

FORM B
(Regulation 5(2) (d) (i))

PARTICULARS OF SHAREHOLDER

Name of Insurer :

Name of Shareholder :

Residential Address :

Business Address :

Nationality :

Number of Shares :

Other Shareholdings :

FORM C
(Regulation 5(2) (d) (ii))

PARTICULARS OF DIRECTOR

Name of Insurer :

Name of Director :

Date appointed :

Residential Address :

Business Address :

Nationality (Identity Card No.) :

Date and Place of Birth :

Designation and duties :

Annual Remuneration and Fringe Benefits :

Shareholding in Insurance Company :

Percentage :

Academic Qualifications :

Year of Graduation :

Name of School/College/University :

Professional Qualifications :

Name of Professional Association/Class of Membership (State whether admitted by examination or experience) :

Working Experience :

Name of Company

Position Held

Period

Equity interest in other companies including percentage share :

Names, countries of incorporation, addresses and principal activities of any other firms or companies in which you are also a director, partner, proprietor or employee :

Particulars (including date, place, amount of fine, duration of imprisonment) of any conviction for offences in Sri Lanka or elsewhere :

Have you been adjudicated bankrupt during the last ten years ? If so, give details :

Have you been associated during the last ten years with any company which was compulsorily wound up? If so, give details :

CERTIFICATION

I hereby certify that the information given in these two pages are complete, true and correct.

Date :

.....

Signature.

FORM D
(Regulation 5(2) (d) (iii))

PARTICULARS OF SPECIFIED OFFICER

Name of Insurer :

Name :

Date appointed :

Residential Address :

Business Address :

Nationality, Identity Card No. :

Date and Place of Birth :

Designation and duties :

Annual Remuneration and Fringe Benefits :

Shareholding in Insurance Company :

Percentage :

Academic Qualifications :

Year of Graduation :

Name of School/College/University :

Professional Qualifications :

Name of Professional Association/Class of Membership (State whether admitted by examination or experience)

Working Experience :

Name of Company :

Position held :

Period :

Equity interest in other companies including percentage share :

Names, countries of incorporation, addresses and principal activities of any other firms or companies in which you are also a director, partner, proprietor or employee :

Particulars of any conviction (including date, place, amount of fine, duration of imprisonment) for offences in Sri Lanka or elsewhere :

Have you been adjudicated bankrupt during the last ten years ? If so, give details :

CERTIFICATION

I hereby certify that the information given in this form is complete, true and correct.

Date :

Signature of Specified Officer