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The Gazette of the Democratic Socialist Republic of Sri Lanka

EXTRAORDINARY

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PART I : SECTION (I) — GENERAL

Government Notifications

L.D.B. 6/2001.

REGULATION OF INSURANCE INDUSTRY ACT, No. 43 OF 2000

RULES made by the Insurance Board of Sri Lanka under Section 105 read with Section 78(4) of the Regulation of Insurance Industry Act, No. 43 of 2000.

Chairperson,
Insurance Board of Sri Lanka,
(Signed for and on behalf of the
Insurance Board of Sri Lanka)

09th May, 2014,
Colombo.

Rules

1. These rules may be cited as the Insurance Agents (other than individuals) Qualifications Rules No. 1 of 2014.
2. The qualifications required of any person, other than individuals, for the purpose of being appointed as an insurance agent under the Act shall be as follows :-
 - (a) such person shall be -
 - (i) a company registered under the Companies Act, No. 7 of 2007 having a stated capital of not less than Rupees Ten Million and maintains a minimum net capital of rupees Two Million and Five Hundred Thousand at all times ;
 - (ii) a finance company licensed under the Finance Business Act, No. 42 of 2011 ;
 - (iii) a finance leasing establishment registered under the Finance Leasing Act, No. 56 of 2000 ; or
 - (iv) a cooperative society registered under the Cooperative Societies Law, No. 5 of 1972 or under a relevant Statute of a Provincial Council, which has specific reference in its by-laws, to operate as an insurance agent and such by-law has been registered under the Cooperative Societies Law, No. 5 of 1972 or under the relevant Statute of a Provincial Council ;



- (b) such person shall obtain prior written approval of a regulatory authority which governs, regulates or supervises its business activity, to act or hold out as an insurance agent ;
- (c) such person has not been prohibited under any written law in force for the time being, from acting or holding itself out as an insurer or a broker or a bank or a financial institution on the grounds of financial misappropriation or fraud ;
- (d) where a director of such person has -
- (i) not been convicted by any court in Sri Lanka or of any other country, for an offence committed in connection with financial management or of any offence involving moral turpitude ; or
 - (ii) not been declared an undischarged insolvent or a bankrupt, under any law in Sri Lanka or of any other country ; or
 - (iii) not been declared by a court in Sri Lanka or of any other country, to be of unsound mind ; or
 - (iv) not been failed to satisfy any judgment or order given by any court in Sri Lanka or of any other country, pertaining to the repayment of a debt ; or
 - (v) not been removed or suspended by an order of a regulatory or supervisory authority from serving as a director, chief executive officer or any other position of authority in or with any insurer, insurance broker, bank, financial institution or body corporate within or outside Sri Lanka ; or
 - (vi) not been a director, chief executive officer, principal officer, specified officer or held any other position of authority in or with any insurer, insurance broker, bank, financial institution or body corporate -
 - (A) whose license or other authority granted for operating as an insurer or an insurance broker or a bank or a financial institution or a body corporate has been cancelled, or renewal of license or other authority granted for operating as an insurer or an insurance broker or a bank or a financial institution has been refused ; or
 - (B) which has been compulsorily wound up
- within or outside Sri Lanka ; and
- (e) such person shall clearly identify the staff members of such person, who shall engage in soliciting or procuring insurance business for or on behalf of such person. Such staff members shall be qualified in terms of the Insurance Agent Qualifications Rules, 2002, published in *Gazette Extraordinary* No. 1255/3 of September 23, 2002 as amended from time to time.

3. In these Rules unless the context otherwise requires :-

“Act” means the Regulation of Insurance Industry Act, No. 43 of 2000 ;

“bank” shall include a commercial bank and a specialized bank licensed under the Banking Act, No. 30 of 1988 ;

“broker” shall have the same meaning assigned to it under the act ;

“financial institution” shall include a finance company licensed under the Finance Business Act, No. 42 of 2011 and a finance leasing establishment registered under the Finance Leasing Act, No. 56 of 2000 ;

“insurance business” shall have the same meaning assigned to it under the Act ; and

“insurer” shall have the same meaning assigned to it under the Act.