

Registration as an Insurance Broker in Sri Lanka

- A person who wishes to carry on insurance brokering business in Sri Lanka, must register itself under the RII Act, for General Insurance brokering business and / or for Long Term Insurance brokering business.
- Such person shall be incorporated for the sole purpose of carrying on insurance brokering business and not for any other business.

Qualifications for Registration as an Insurance Broker in terms of Section 80 of the RII Act

1. A company registered under the Companies Act No. 07 of 2007.
2. A Stated Capital not less than Rs.2.5 Million – Gazette No. 1969/40 dated 01st June 2016.
3. Board of Directors who are not subject to any one or more of the disqualifications specified in Rule 03 of Gazette No. 1642/16 dated 25th February 2010
4. Registration fee of Rs. 150,000/- (Rule 6 of Gazette No. 1412/30 dated 29th September 2005 as amended) with the applicable taxes, each for long term and general insurance business.
5. Professional Indemnity Policies amounting to Rs. 1.5 Million, taken out from 02 or more insurers
6. No Company shall be entitled to be registered as an insurance broker, where –
 - a) such company is a shareholder of any insurer; or
 - b) (i) a Director or Principal Officer of such company; or
(ii) a Director or the Chief Executive Officer of an associate, subsidiary or a holding company of such company is a Director or Shareholder or Employee of any insurer
7. A Principal Officer approved by the Commission – Sec. 94 of the RII Act and Rule 8 (2) of Gazette No. 1979/34 dated 11th August 2016.
8. Fulfill such other requirements as may be laid down by the Commission.

Obtaining the name approval and incorporating the company

1. A proposal has to be submitted to the Commission on the proposed insurance brokering company (including the details of the Ownership, Board of Directors, Principal Officer, Capital, Registered Address, proposed class of business, Auditors, Company Secretary etc.) along with the 3 year business plan and any other supporting information to assess the suitability of the proposed insurance brokering company.
2. If the Commission is satisfied with the proposal, a letter granting approval to incorporate an insurance brokering company will be issued to the Registrar of Companies.
3. After incorporating the company, a formal application has to be submitted to the Commission, requesting to register and carry on insurance brokering business in Sri Lanka.

Application for Registration as an Insurance Broker

1. The application for Registration as an Insurance Broker can be downloaded from the Commission website under "Forms".

2. The documents requested under the "Note" of the application form should be submitted along with the application.
3. All information and documents requested in the application form should be furnished and if there is no information to be recorded please state "Not Applicable".
4. Copies of documents annexed to this application should be certified by the Company Secretary as being true copies of the originals, unless specifically provided otherwise.
5. Failure to submit the information and documents required under this application and any information and documents required by the Commission under the RII Act on a case by-case basis in a timely manner, may delay in processing the application.
6. In the event the application is withdrawn by the applicant prior to granting registration, only 50% of the registration fee (exclusive of taxes) paid by the applicant will be refunded.

Grant of Registration

1. Upon registration of an insurance broker, the Commission issue a "Certificate of Registration", which is valid for a period of one year. Separate certificates will be issued in respect of long term & general insurance businesses. Such certificate/s cannot be transferred to a third party nor used for the benefit of a third party.
2. It shall be the duty of an insurer, to forthwith furnish the Commission, of any alteration or a change made in the information or particulars contained in the application made at the registration.
3. The Commission may at any time add to, vary or revoke any existing conditions of registration of an insurance broker or impose new conditions.

The Procedure to renew the registration granted to an insurance brokering company

- The certificate of registration issued to a broker is valid for a period of one year and may be renewed annually.

Application to renew the registration granted to an insurance brokering company

1. The application for renewal of registration as an Insurance Broker shall be made to the Commission not more than three months but not less than two months prior to the date of expiry of its registration.
2. The application for renewal of registration as an Insurance Broker can be downloaded from the Commission website under "Forms".
3. The documents requested under the "Note" of the application form should be submitted along with the application.
4. All information and documents requested in the application form should be furnished and if there is no information to be recorded please state "Not Applicable".
5. Copies of documents annexed to the application should be certified by the Company Secretary as being true copies of the originals, unless specifically provided otherwise.
6. Failure to submit the information and documents required under the application and any information and documents required by the Commission under the RII Act on a case by-case basis in a timely manner may delay in processing the application.
7. Renewal fee shall be calculated as follows:

- i. If the commission income for the four quarters immediately preceding the due date of submission of the renewal of registration application is less than Rs. 3 million per class of insurance business - Rs. 40,000/- per class of insurance business.
 - ii. If the commission income for the four quarters immediately preceding the due date of submission of the renewal of registration application is between Rs. 3 million and Rs. 10 million per class of insurance business - Rs. 50,000/- per class of insurance business.
 - iii. If the commission income for the four quarters immediately preceding the due date of submission of the renewal of registration application is above Rs. 10 million per class of insurance business - Rs. 50,000/- per class of insurance business + Rs. 10,000/- for each and every Rs. 1 million.
8. In the event the application is withdrawn by the applicant prior to granting renewal of registration, only 50% of the renewal fee (exclusive of taxes) paid by the applicant will be refunded.

Renewal of registration granted to an insurance broker

Upon renewing the registration granted to an insurance broker, the Commission issue a "Renewal of a Certificate of Registration", which is valid for a period of one year. Separate certificates will be issued in respect of long term and general insurance businesses.