

IBSL GUIDELINES / INSTRUCTIONS / INFORMATION

CIRCULAR # 18

18 January 2005

Having regard to representations made to IBSL, all Insurance Companies are required to ensure that with effect from 01/01/2005 CEOs and CFOs of all registered insurers certify the following on a half yearly basis:

- a) The Company has complied with all the legal and regulatory provisions of the RII Act.

- b) The Company has arranged treaty and facultative reinsurance with approved re-insurers as per guidelines of IBSL, for all risk commitments exceeding retention limits.

- c) Reserving and solvency guidelines have been complied with and total reserves have matching admissible assets backing.

- d) The equity capital meets the set minimum capital requirements in accordance with the applicable regulations.

Your co-operation in this regard will be greatly appreciated.

Dr. Dayanath C. Jayasuriya

Chairman