

Circular #21

- 07th September 2005 -

Insurance Board of Sri Lanka (IBSL) hereby requests all the Insurance Broking Companies (Brokers) to make available to the IBSL their Applications for the Renewal of Registration as required under the Regulation of Insurance Industry (RII) Act, No. 43 of 2000 along with the relevant information and documents 90 days prior to the expiry of its registration or renewal of registration as the case may be.

A. The following information and documents should be submitted to the IBSL together with the Application for the Renewal of Registration:

- I. Audited Financial Statements for the immediately preceding financial year;
- II. Interim Financial Statements prepared in conformity with Sri Lanka Accounting Standard-35 signed by One Director of the Company and the Principal Officer for the period commencing from the end of the previous financial year to two calendar months prior to the date from which the renewal application forms are submitted to the IBSL;
- III. Certified copy of the Membership obtained by the Sri Lanka Insurance Brokers Association for the ensuing period of renewal;
- IV. A declaration in terms of Annexure A & B;
- V. Certified copies of the professional Indemnity Insurance Policies for the ensuing period of renewal -

(a) The policies should be for a minimum limit of indemnity of -

- 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 (financial year) ending prior to the inception or renewal of the policy, subject to a maximum limit of liability of Rs. 5 million, whichever is higher.
- (b) such policies shall, without the written approval of the IBSL, have an excess or a deductible in an amount, which exceeds 2.5 per centum of the minimum limit of indemnity.
- B. Application for renewal of Registration should be made in the form provided by the IBSL and could be obtained from the IBSL or could be downloaded from the IBSL Web Site: www.ibsl.gov.lk please note that the under-mentioned information/documents forms part of the application:
- I. Statement of business transacted in the preceding financial year - Form (i)
 - II. Statement of business transacted in the preceding financial year - Form (i)
 - III. Statement of outstanding premiums - Form (ii)
 - IV. Statement of business done by Agents - Form (iii)
- C. A fee of Rs. 25,000/- per class of insurance business and applicable government taxes (at present 15% VAT should be added to the renewal fee) should be sent with the Application. The cheque/bank draft should be drawn in favour of the "Insurance Board of Sri Lanka" for this purpose.
- D. All information and documents requested in the application form should be furnished and if there are no items to be recorded please state "Not Applicable".
- E. Failure to furnish the required information and documents may result in delays in granting the renewal of registration.

Please note that companies, which fail to renew the registration prior to the expiry date, are prohibited from acting or holding themselves out as insurance brokers and the names of such unregistered brokers will be notified to the insurers in terms of the RII Act.

F. Names of all registered Insurance Brokers will be published in the newspapers periodically.

G. Please note that Circular # 15 dated 29th October 2004 will have no effect from 7th September 2005.

Lasinee Seresinhe (Mrs)

DIRECTOR GENERAL

Date

Director General

Insurance Board of Sri Lanka

Level 7-2, East Tower

World Trade Centre

Colombo 1

Dear Sir/Madam,

APPLICATION FOR THE GRANT OF RENEWAL OF REGISTRATION AS AN INSURANCE BROKER

" I (name of the Principal Officer/Specified Officer) being the Principal Officer/Specified Officer of (name of broker) hereby certify that, to the best of my knowledge and belief, as at date, all insurance premium collected by this company, on behalf of insurers, have been remitted to the insurance companies concerned, within two weeks of such collection, as required, in terms of S. 89 of the Regulation of Insurance Industry Act No. 43 of 2000".

Name of Principal Officer/Specified Officer:

Signature of Principal Officer/Specified Officer:

For and on behalf of (name of broker)

Date

Director General

Insurance Board of Sri Lanka

Level 7-2, East Tower

World Trade Centre

Colombo 1

Dear Sir/Madam,

APPLICATION FOR THE GRANT OF RENEWAL OF REGISTRATION AS AN INSURANCE BROKER

In terms of Section 80 (2) and 84 (1) of the Regulation of Insurance Act No. 43 of 2000, I hereby declare the following:

1. (name of broker) is not a shareholder of any insurer;

2. A director or a specified officer of (name of broker); or a director or the chief executive officer of an associate or subsidiary company of (name of broker) is not a director or shareholder or employee of an insurer; and

3. (name of broker) has not under the law in force, been found or declared to be an undischarged bankrupt or insolvent.

Name of Chief Executive Officer/Principal Officer/Specified Officer:

Signature of Chief Officer/Principal Officer/Specified Officer:

For and on behalf of (name of broker)