



INSURANCE
REGULATORY
COMMISSION OF
SRI LANKA

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இலங்கை காப்புறுதி ஒழுங்குமுறைப்படுத்தல் ஆணைக்குழு
INSURANCE REGULATORY COMMISSION OF SRI LANKA

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REGULATION OF INSURANCE INDUSTRY ACT - DIRECTION

24th March 2021

No. 02 of 2021

**Restriction on Providing Codes &
Restriction on Changing Codes**

Issued in terms of the powers conferred by Section 96 A of the Regulation of Insurance Industry Act, No. 43 of 2000.

The Insurance Regulatory Commission of Sri Lanka (IRC SL), at its 206th meeting, has decided to issue the following Directions to insurance companies and insurance brokering companies;

A Restriction on Providing Codes

1. that insurance companies shall provide codes only to insurance brokers and insurance agents and hence, insurance companies are prohibited from providing codes to persons, other than insurance brokers and insurance agents;
2. that insurance brokering companies shall provide codes only to their insurance agents and hence, insurance brokering companies are prohibited from providing codes to persons other than to their insurance agents;
3. that insurance companies and insurance brokering companies shall not provide codes to Banks, Finance and Leasing companies (BFLs). However, insurance companies and insurance brokering companies could adopt a methodology to identify Banks, Finance and Leasing companies (BFLs) who provide referrals/leads to insurance companies and insurance brokering companies; and

All current codes not in line with the above direction shall be cancelled within a period of 3 months from this direction.

B Restriction on Changing Codes

That insurance companies shall refrain from changing of existing codes, unless there is written consent of the insurance agent or insurance broker who initiated the sale (the first agent/broker). However, such consent is not required if the policyholder wishes to change the insurance agent or insurance broker.

C In view of (B) above, Direction # 21 issued on 4th September 2020 is hereby repealed.

D The aforesaid Directions will come into effect immediately.

Damayanthi Fernando
Director General
GRN

Signed for and on behalf of the Commission