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EXTRAORDINARY

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**PART I : SECTION (I) — GENERAL**

**Government Notifications**

L. D. B. 6/2001 (IV)

**REGULATION OF INSURANCE INDUSTRY ACT, No. 43 OF 2000**

RULES made by the Insurance Regulatory Commission of Sri Lanka under Section 105 read with subsection (1) of Section 86 of the Regulation of Insurance Industry Act, No. 43 of 2000.

Chairman,  
Insurance Regulatory Commission of Sri Lanka.

Colombo.  
28th June, 2022.

**Rules**

The Insurance Board of Sri Lanka Rules of 2005 published in *Gazette Extraordinary* No. 1412/30 of September 29, 2005 an amended by *Gazette Extraordinary* No.1642/16 of February 25, 2010 and *Gazette Extraordinary* No. 2092/7 of October 08, 2018, are hereby amended by the Substitution for Rule 7 thereof of the following Rule:-

"7. Every broker shall, maintain its accounts in such form and in manner as specified in the First Schedule to these Rules."



FIRST SCHEDULE  
PART I

Instructions for completion of the Broker's Quarterly Returns

- (1.) The amended Quarterly Return for Insurance Brokering Companies shall comprise the following 7 forms;
  - (a) Certification of Return
  - (b) Compliance Certification
  - (c) Form 1 - Premium Income, Commission Income and Placement Details
  - (d) Form 2 - Statement of Income
  - (e) Form 3 - Statement of Financial Position
  - (e) Form 4 - Statement of Changes in Equity
  - (f) Notes
- (2.) Every brokering company shall prepare and submit the **complete Quarterly Return within forty five days from the end of each quarter.** I. e. If the Quarter Return is submitted for the first quarter of the year (01st January to 31st March).
- (3.) Please rename the Quarterly Return as: Quarterly Return of ..... (Name of the Insurance Brokering Company) for the Quarter ended .....  
E. g. "QR of XYZ Insurance Brokers for the Qtr ended 31st March 2020".
- (4.) Information required in Forms 1, 2, 3, 4 and notes to the Financial Statements are required to be emailed by the Principal Officer of the Company to [supervision@irsl.gov.lk](mailto:supervision@irsl.gov.lk).
- (5.) Information required in 'Certification on Return' and 'Compliance Certification' are required to be furnished to the Commission as duly signed scanned copies and emailed to the above address.
- (6.) Please Input data accordingly in to the provided format and **DO NOT** change the format and equations.
- (7.) When filling the required Information, if not applicable/ Irrelevant, same should be clearly mentioned as "N/A" in the relevant row/ column/ cell. [If the value pertaining to particular line item is zero please input the value "0"].
- (8.) Information recorded for previous quarters shall correspond with previously submitted information.
- (9.) Please adhere to explanatory notes provided under each form.

PART II

**CERTIFICATION OF RETURN**

Name of the Insurance Broker :  
For the quarter ended :

We certify that the information of ..... (name of the Insurance Brokering Company) contained in the following forms below (1 - 5) and forwarded from ..... (the e-mail address of the Principal Officer) to [supervision@irsl.gov.lk](mailto:supervision@irsl.gov.lk) on ..... (date) is true and accurate to the best of our knowledge.

1. Form 1 : Premium Income, commission income and placement details
2. Form 2 : Statement of Income
3. Form 3 : Statement of Financial Position

- 4. Form 4: Statement of Changes in Equity
- 5. Respective Notes

Finance Manager : Name ..... Signature ..... Date .....  
Principal Officer : Name ..... Signature ..... Date .....  
Director : Name ..... Signature ..... Date .....  
Director : Name ..... Signature ..... Date .....

**Compliance Certification**

Compliance Certification  
To: The Director General,  
Insurance Regulatory Commission of Sri Lanka, Level 11, East Tower,  
World Trade Centre,  
Echelon Square,  
Colombo 01.

Dear Sir/ Madam,

We, the undersigned, on behalf of ..... (state the name of the insurance brokering company) hereby certify the following for the quarter ended .....

- 1. That ..... (state the name of the insurance brokering company) collects/ does not collect premium on behalf of insurers, hence maintain/ does not maintain an "Insurance Brokering Account" (strikethrough if not applicable).

If maintaining a brokering account,

- 2. That ..... (state the name of the insurance brokering company) has deposited all moneys received in connection with a contract of insurance into "Insurance Details of the brokering account" and maintained the said account with a licensed commercial bank. Details of the brokering account/s are as follows;

Name of the Bank	Account Number
i. ....	.....
ii.....	.....
iii.....	.....

- 3. That ..... (state the name of insurance brokering company) has remitted/ not remitted the premium collected on behalf of an insurer, within two weeks of such collection (strikethrough if not applicable), Attached herewith an explanation for not remitting premium within such period (Ignore if not applicable).

..... <b>Finance Manager</b> (Name of the signatory) (State the name of the insurance brokering company)	..... <b>Principal Officer</b> (Name of the signatory) (State the name of the insurance brokering company)	..... <b>Director</b> (Name of the signatory) (State the name of the insurance brokering company)	..... <b>Director</b> (Name of the signatory) (State the name of the insurance brokering company)
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### BROKER'S QUARTERLY RETURNS

NAME OF THE INSURANCE BROKER:

FOR THE QUARTER ENDED:

FORM 1: PREMIUM INCOME, COMMISSION INCOME AND PLACEMENT DETAILS

Form 1.1 : Local Business

(All figures in LKR)

1. Name of Insurer	Life Insurance Business			General Insurance Business					Total
	Individual	Group	Others	Fire	Marine	Motor	Health	Miscellaneous Including Employer's Liability	
Details of Premium income									
a.									
b.									
c.									
d.									
Total Premium Income									
Commission Income									
Commission as a % of Premium Income									
Commission to Insurance Agents									
Net Commission to Broker									

#### Form 1.2 : Foreign Business

2. Name of the Foreign Insurer/ Foreign Entity	Overseas Helath	Overseas Travel	Total Overseas Business	Reinsurance Business	Total
Details of Premium income					
a.					
b.					
c.					
d.					
Total Premium Income					
Commission Income					
Commission as a % of Premium Income					
Commission to Insurance Agents					
Net Commission to Broker					
<b>Total Gross Commission Income (Local +Foreign)</b>					

### Explanatory Notes

Total Gross Commission Income (Local + Foreign) should agree with Total Commission Income recorded in the Statement of Income (Form 2).

### Form 1.3: Reinsurance Business

Name of the Insurer	Name of the Reinsurer	Name of the Foreign Reinsurance Broker	Type of Covers
a.			
b.			
c.			
d.			
<b>TOTAL</b>			

### Form 2 : Statement of Income

For the quarter ended:

(All figures in LKR)

(1)	Note	(2) Current Quarter	(3) Cumulative for the Period
<b>Revenue</b>			
Commission Income : Local		-	
Foreign		-	
Reinsurance		-	
Total Commission Income		-	-
Other Income	1	-	
<b>Total Income</b>		-	
<b>Less; Administrative Expenses</b>	2	-	
Selling & Distribution Expenses Including	3	-	
Agent Commission			
Finance Expenses	4	-	
Other Expenses	5	-	
<b>Total Expenses</b>		-	-
<b>Profit/ (Loss) before Taxation</b>		-	-
<b>Less: Taxation</b>			
Profit/ (Loss) after Taxation		-	-

### Explanatory Notes:

- (a) Column 2 - Current Quarter is the quarter for which the Quarterly Return is submitted.  
 (b) Column 3 - When computing the cumulative figures, financial year should be considered as 01<sup>st</sup> January to 31<sup>st</sup> December.  
 I. e. If the Quarterly Return is submitted for the second quarter of the year, then cumulative value for the period from 01<sup>st</sup> January to 30<sup>th</sup> June will be the cumulative value for the period.  
 (c) Note - Please provide separate breakups for significant figures in the 'NOTES' tab.

**Form 3 : Statement of Financial Position as at:**

(All figures in LKR)

Line	Note	Current Quarter	Preceding Quarter
<b>A ASSETS</b>			
<b>1 Non - Current Assets</b>			
1.1 Property, Plant and Equipment			
1.2 Long Term Investments	6	-	
1.3 Others		-	-
<b>2 Current Assets</b>			
2.1 Commission Receivable - Local Foreign Reinsurance	7	-	
2.2 Prepayments and Other Receivables	8	-	
2.3 Short Term Investments	9	-	
2.4 Other Current Assets	10	-	
2.5 Cash & Cash equivalents:			
2.5.1 Insurance Broking Accounts/s .....(Account Number) .....(Account Number) .....(Account Number)			
2.5.1 Others		-	-
<b>3 Total Assets</b>		-	-
<b>B EQUITY AND LIABILITIES</b>			
<b>4 Equity</b>			
4.1 Stated Capital			
4.2 General Reserves		-	-
4.3 Retained Earnings		-	-
4.4 Other		-	-
<b>5 Total Equity</b>		-	-
<b>6 Non - Current Liabilities</b>			
6.1 Interest - bearing loans and borrowings	11	-	
6.2 Retirement benefit obligations			
<b>7 Current Liabilities</b>			
7.1 Premium Payable	12	-	
7.2 Agents Commission payable			
7.3 Sundry payables and accruals			
7.4 Income Tax payable			
7.5 Short term borrowings	13		
7.6 Others			

Line	Note	Current Quarter	Preceding Quarter
<b>8</b>	<b>Total Liabilities</b>	-	-
<b>9</b>	<b>Total Equity and Liabilities</b>	-	-

**Explanatory Notes:**

The Balance Sheet should be prepared as follows:

- (a) Insurance premium to be collected from policyholders and payable to Insurance Companies should not be shown as receivables or debtors under current assets in the Balance Sheet.
- (b) Similarly, Insurance premium, which is outstanding from policyholders in respect of insurance policies and payable to Insurance Companies should not be shown as payables or creditors under current liabilities in the Balance Sheet.
- (c) However, Insurance premium, which have been collected from policyholders and pending remittance to the Insurance Companies should be shown as Premium payables under Current Liabilities in the Balance Sheet.
- (d) Current Quarter - Reporting period as at any given quarter end, considered as 1st, 2nd, 3rd or 4th Quarter. Please consider the commencing date for the 1st quarter as 01st January.
- (e) Preceding Quarter - Data relevant to the previous quarter end.
- (f) Note - Please provide separate breakups for significant balances in the 'NOTES' tab. Note numbers may vary at the discretion of the company.

**Form 4 : Statement of Changes in Equity  
For the quarter ended:**

(All figures in LKR)

	Share Capital	General Reserve	Retained Earnings	Other Reserves	Total
<b>Balance as at ...</b> (End of the previous quarter)					-
Add: Net profit/ (loss) for the current quarter					
Transfer to General Reserve					
Less: Dividend paid					
<b>Balance as at...</b> (End of the current quarter)	-	-	-	-	-

**Explanatory Notes:**

- (a) Totals of each columns for 'end of current quarter' and 'end of the previous quarter' should be agreed with the same recorded in the Statement of Financial Position (Form 3).
- (b) Once the Audited Financial Statements are prepared, retained earnings should be reinstated according to the same.

**Notes to the Financial Statements**

Please provide additional notes other than following items, if figures are material or recorded a substantial change compared to the previous quarters.

**Note 1 - Other Income**

(All figures in LKR)

Line	Description	Amount
1		
2		
3		
	Total	-

**Note 2 - Administrative Expenses**

Line	Description	Amount
1		
2		
3		
	Total	-

**Note 3 - Selling & Distribution Expenses including Agent Commission**

Line	Description	Amount
1		
2		
3		
	Total	-

**Note 4 - Finance Expenses**

Line	Description	Amount
1		
2		
3		
	Total	-

**Note 5 - Other Expenses**

Line	Description	Amount
1		
2		
3		
	Total	-

**Note 6 - Long Term Investments**

Line	Description	Amount
1		
2		
3		
	Total	-

**Note 7 - Commission Receivable**

Line	Name of the Company	0 to 90 days	90 days to 180 days	Over 180 days	Total
1	Local a. b. c. d.	-	-	-	-
2	Foreign a. b.	-	-	-	-
3	Reinsurance a. b.	-	-	-	-
	<b>Total</b>	-	-	-	-



**Note 8 - Prepayments and Other Receivables**

Line	Description	Amount
1		
2		
3		
4		
5		
	Total	-

**Note 9 - Short Term Investments**

Line	Description	Amount
1		
2		
3		
	Total	-

**Note 10 - Other Current Assets**

Line	Description	Amount
1		
2		
3		
	Total	-

**Note 11 - Interest - bearing loans and borrowings**

Line	Description	Amount
1		
2		
3		
	Total	-

**Note 12 - Premium Payable**

Line	Name of the Company	0 to 14 days	Over 14 Days	Total
1		-	-	-
2				
3				
	Total	-	-	-

**Note 13 - Short term borrowings**

Line	Description	Amount
1		
2		
3		
	Total	-

**Note 14 - Related Party Transactions**

<b>14.1 Statement of Income</b>			
Line	Related Party	Nature of the Transaction	Amount
1			
2			
3			
<b>Total</b>			-
<b>14.2 Statement of Financial Position</b>			
<b>Receivable as at.....</b>			
1			
2			
3			
<b>Total</b>			-
<b>Receivable as at.....</b>			
1			
2			
3			
<b>Total</b>			-

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