



BY REGISTERED POST/FAX

2nd January 2014

Ref: IBSL/DG/LEG/14/01/16

Chief Executive Officers of all Insurance Companies

Dear Madam/Sir

USE OF COMMON INFRASTRUCTURE - INSURANCE BOARD OF SRI LANKA: DIRECTION NO. 4 – 02.01.2014 ISSUED UNDER SECTION 96 A OF THE REGULATION OF INSURANCE INDUSTRY ACT, NO. 43 OF 2000

The Members of the Insurance Board of Sri Lanka (IBSL) at its 132nd Meeting held on 30th October 2013, having considered the applicability of certain criteria of the segregation guidelines issued by IBSL, have approved the issuing of the following Direction to all insurers in terms of section 96 A of the Regulation of Insurance Industry Act, No. 43 of 2000 (RII Act):

DIRECTION NO. 4 - USE OF COMMON INFRASTRUCTURE

- (i) An insurer may have common infrastructure with another insurer;
- (ii) Costs for usage of infrastructure shall be borne by both insurers applied on a reasonable basis approved by the Board of Directors of such insurers;
- (iii) Such approved basis shall be forwarded by each insurer to IBSL for review at least two months prior to implementation;
- (iv) It shall be the responsibility of the Principal Officer of each insurer to precisely implement the basis so approved;
- (v) Other than the costs for usage, no other payment in any form shall be made by an insurer under any circumstance;
- (vi) Both insurers may have one common correspondence address and a common registered address; However, each point of sale of an insurer shall clearly state the name of such insurer. If premises are shared by two insurers, the names of both insurers shall be clearly mentioned; and
- (vii) An insurer shall comply with the above requirements for use of common infrastructure already in place.

The above Direction is applicable with immediate effect.

Please acknowledge receipt of this letter.

Yours faithfully,

Chandri Gunawardhana

Director General

DF/GRN

Cc: Mr Prakash Schaffter, President, Insurance Association of Sri Lanka
Mr Upali Samarasinghe, Secretary General, Insurance Association of Sri Lanka
Mr Reza Ghiasudeen, President, Sri Lanka Insurance Brokers Association