

"Prohibition of a director or chief executive officer of a holding company of an insurance broker to be a director, shareholder or an employee of an insurer"

Section 84 (1) (c) (ii) of the Regulation of Insurance Industry Act, No. 43 of 2000 (as amended) *inter alia* prohibits a director or chief executive officer of a holding company of an insurance broker to be a director, shareholder or an employee of an insurer.

The Members of the Insurance Board of Sri Lanka at its 106th Meeting held on 09th August 2011 acting in terms of section 51 of the Regulation of Insurance Industry (Amendment) Act, No. 3 of 2011 have resolved that, where there is a director or chief executive officer of a holding company of a registered insurance broker who is a director, shareholder or an employee of an insurer, that a three (3) month period from the date of this letter and in any event no later than 12th November 2011 will be granted as a reasonable period of time within which to dispose of the shares being held or relinquishing such directorship or employment, as the case may be.

Accordingly, all insurers and insurance brokers are required to comply with same in the event a director or chief executive officer of a holding company of a registered insurance broker is a director, shareholder or an employee of an insurer and keep the Insurance Board of Sri Lanka informed of same immediately after 12th November 2011."