



**PARLIAMENT OF THE DEMOCRATIC
SOCIALIST REPUBLIC OF
SRILANKA**

**SRI LANKA INSURANCE INSTITUTE
(INCORPORATION)**

A

BILL

to incorporate the Sri Lanka Insurance Institute

*Presented by Hon. Mayantha Dissanayake M. P. for Kandy District
on 11th November, 2016*

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Sri Lanka Insurance Institute
(Incorporation)

AN ACT TO INCORPORATE THE SRI LANKA INSURANCE INSTITUTE

WHEREAS an association of insurance professionals called Preamble.
and known as the “Sri Lanka Insurance Institute” has
heretofore been established for the purpose of effectually
carrying out and transacting all matters connected with the
said institute according to the constitution agreed to by its
5 members:

AND WHEREAS the said association together with its
Council has heretofore successfully carried out and
transacted the several objects and matters for which it was
10 established, and has applied to be incorporated, and it will
be for the public advantage to grant the said application.

BE it therefore enacted by Parliament of the Democratic
Socialist Republic of Sri Lanka as follows:—

1. This Act may be cited as the Sri Lanka Insurance Short title.
15 Institute (Incorporation) Act, No. of 2016.

2. (1) From and after the passing of this Act, the present Incorporation
President, Vice-President, Honorary Secretary, Honorary of the
Assistant Secretary, Honorary Treasurer and Co-Council Institute.
Members of the Council of the said Institute, and such and
20 so many persons as now are members of the said Institute
shall hereafter be admitted members of the Institute hereby
constituted, whose names shall be in the register mentioned
in section (3), shall be and become an Institute with liability
limited in the manner provided herein, with continuance
25 forever, under the style and name of the “Sri Lanka Insurance
Institute” and by that name shall and may sue and be sued,
with full power and authority to have and use a common
seal and to change and alter the same at its pleasure.

(2) In this Act, the term “Institute” shall be a reference to
30 the aforesaid “Sri Lanka Insurance Institute” hereby
incorporated.

Eligibility for membership of the Institute.

Institute.

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(2) The Institute shall maintain a register of members of the Institute admitted as hereinbefore provided.

4. (1) The ordinary members of the Institute shall consist of the following three (3) categories:—

Classification
of members.

(a) holders of the diploma in insurance granted by the Institute;

5 (b) Associate Members, and Fellow Members of an institute acceptable to the council;

(c) with work experience acceptable to the Council.

10 (2) Any ordinary member of the Institute who completes the diploma in insurance conducted by the Institute and who satisfy the criteria prescribed by the Council, shall on application made to the Council therefor and on payment to the Institute of a prescribed fee be admitted by the Council as a diploma holder of the Institute and shall be entitled to use the suffix "Dip. SLII".

15 (3) Every ordinary member of the Institute who or satisfies the criteria as may be prescribed by the Council, shall on application made to the Council therefor, and on payment to the Institute of a prescribed fee be registered by the Council as an Associate Member of the Institute and shall be entitled
20 to use the suffix "ASLII" after his name to indicate that he is an Associate of the Institute.

(4) Any Associate Member of the Institute who satisfies the criteria as may be prescribed by the Council, shall on application made to the Council therefor, and on payment
25 to the Institute of a prescribed fee be admitted by the Council as a fellow of the Institute and shall be entitled to use the suffix "FSLII" after his name to indicate that he is a Fellow of the Institute.

(5) No person shall use the titles and suffixes set out in
30 subsections (2), (3) and (4) above unless authorised to do so by the Council.

5. (1) On the commencement of this Act all and every property belonging to the said “Sri Lanka Insurance Institute” whether held in its name or in the name or names of any person or persons in trust for it, shall be and the same are hereby vested in the Institute hereby constituted, movable and immovable, and all subscriptions, contributions, donations, fines, amounts of loans and advances received or to be received, shall be held by the Institute for the purposes of this Act and subject to the rules and regulations for the time being of the Institute.

Property,
rights and
obligations
vested in the
Institute.

(2) All contracts and agreements entered into by and for the purposes of the said “Sri Lanka Insurance Institute” and subsisting on the day immediately preceding the commencement of this Act, shall be vested in and be deemed to be contracts and agreements entered into by the Institute hereby constituted:

Provided, always that any property movable or immovable heretofore or hereafter acquired or held by the Institute upon trusts or subject to conditions in any grant or testamentary disposition contained or otherwise as trustee, shall be held by the Institute upon the trusts or subject to the conditions aforesaid or otherwise upon such trusts as may be imposed upon the Institute with regard to such property subject always to the provisions of any written law relating to trusts.

6. All debts and liabilities of the “Sri Lanka Insurance Institute” existing at the time of the commencement of this Act shall be paid by the Institute hereby constituted, and all debts due to, and subscriptions, contributions, and fines payable to, the said “Sri Lanka Insurance Institute” shall be payable to the Institute hereby constituted.

Debts due to
and payable
by the
“Sri Lanka
Insurance
Institute”.

7. The Institute shall be able and capable in law to take and hold either as, absolute owner, beneficial owner or as trustee or otherwise any property, movable or immovable,

Institute may
hold
property.

upon or by virtue of any instrument of purchase, grant, gift, or lease, or upon or by virtue of any testamentary disposition or otherwise, and all such property shall be held by the Institute:

5 for the purpose of this Act and subject to the rules and regulations for the time being by the Institute; or

otherwise for the purposes of and upon the trusts and subject to the conditions in the relative instrument or disposition contained, with full power subject always to the provisions of
10 any written law relating to trusts and of the relative instrument or disposition, to sell, mortgage, lease, exchange, or otherwise dispose of, encumber, charge or deal with the same.

8. (1) The liability of each member of the Institute under this Act shall be limited to a sum of Rupees 150. 00 (Rupees
15 one hundred and fifty) over and above such annual subscription as may be due from such member to the Institute.

Limitation of liability of members.

(2) The Council shall from time to time specify the annual subscriptions to be paid by the members of the Institute.

9. The objects and the purposes for which the Institute
20 is constituted are hereby declared to be:—

Objects of the Institute.

(a) to provide and maintain a central organisation for the promotion of efficiency, progress, and general and employed in the insurance industry, whether members of the Institute or not, with a view not
25 only to their own advantage but to render the conduct of such business more effective, and to install and maintain standards of professional conduct in the industry;

(b) to certify insurance professional and award relevant certifications including but not limited relevant certifications and recognitions of the Institute for those insurance professionals who have satisfied the criteria as may be prescribed by the Council;
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- (m) to consider all questions, issues and other related matters connected with insurance and the insurance industry in Sri Lanka;
- 5 (n) to endeavour to promote or oppose legislative and other measures affecting insurance and the insurance industry;
- (o) to collect and circulate statistics and other information relating to insurance and the insurance industry;
- 10 (p) to advise and communicate on matters of insurance and the insurance industry with the public authorities, regulators, with similar associations in other places/countries and with individuals;
- 15 (q) to borrow or raise money for the purposes of the institute and for that purpose or for securing money for the performance or discharge of any obligation or liability of the Institute or for any other purpose to create, execute, grant, or issue any mortgages, bonds or obligations of the Institute and to pay off and re-borrow the moneys secured thereby or any
20 part or parts thereof;
- (r) to purchase, dispose of, lease or deal with in any manner movable or immovable property for the purpose of the Institute;
- 25 (s) to do all or any of the above things in any parts of the world, and either as principals, agents, trustees or otherwise, and by agents, trustees or otherwise and either alone or in conjunction with others; and
- 30 (t) to do all such other things as may be necessary, incidental, or conducive to the interests or benefit of the insurance industry and the community of insurance professionals and insurers of Sri Lanka

or to the attainment of the above objects or any of them or generally to the benefit, protection or advancement of the insurance and the insurance industry of Sri Lanka.

- 5 **10.** Subject to the provisions in section (11), the rules set out in the Schedule shall for all purposes be the rules of the Institute and shall govern the activities thereof and its membership:
- The rules in the Schedule to be the rules of the Institute.

10 Provided, however, that nothing in this section contained shall be held or construed to prevent the Institute at all times hereafter from making fresh rules, or from altering, amending, adding to, or cancelling any of the rules in the Schedule or to be hereafter made by the Institute in terms of section (11).

- 15 **11.** (1) The rules in the Schedule may be altered, added to, amended, or cancelled, by a resolution approved by a two-third's majority of the ordinary members present at any general meeting:
- Amendment of rules.

20 Provided, that written notice of the proposal to present an amendment at such a meeting has been sent to each ordinary member at least fourteen (14) days prior thereto.

(2) Any other decision made by the Institute in a general meeting, shall not be altered, added to, amended, or cancelled, unless the same is resolved by a majority of the members present and voting at any subsequent general meeting:

25 Provided, that written notice of the proposal to present alteration at such meeting has been sent to each ordinary member at least fourteen (14) days prior thereto.

- 12.** It shall be lawful for the Institute from time to time, at any general meeting of the members, and by a two thirds
- Institute may make rules.

majority of votes of the members present, to make rules and adopt resolution—

- (a) for the admission or expulsion of members or withdrawal of members;
- 5 (b) for the imposition of fines and forfeitures for breach of rules;
- (c) setting out the term of office of Council officers;
- (d) setting out the term duties of the Council and its members;
- 10 (e) setting out the code of conduct to be followed by and adhered to by the members of the Institute including what would amount to professional misconduct;
- (f) for the procedure in transacting business at any
15 general meeting;
- (g) for the termination of the term of office of a member of the Council; or
- (h) for the election and the duties of the Council.

20 **13.** (1) There shall be a Council of the Institute, in this Constitution of Council.
Act referred to as “the Council”.

The affairs of the Institute shall be administered, subject to the rules for the time being of the Institute as hereinafter provided, by the Council.

25 (2) The Council shall consist of the following who shall be elected from among the ordinary members as provided in the rules for the time being:—

- (a) President;

- (b) Vice-President;
- (c) Honorary Secretary;
- (d) Honorary Assistant Secretary;
- (e) Honorary Treasurer; and
- (f) Six Co-Council Members.

10 (4) The first Council of the Institute shall be (names) being respectively the present President, Vice-President, Honorary Secretary, Honorary Assistant Secretary, Honorary Treasurer and the Co-Council members of the Sri Lanka Insurance Institute.

14. (1) The Council shall be charged with the administration and management of the Institute and shall be responsible for carrying out the provisions of this Act and the functions and duties conferred or imposed upon the Council by this Act.

25 (a) to conduct or provide for the conduct of the
qualifying examinations for membership of
the Institute and to prescribe or approve
courses of study for such examinations;

 (b) to maintain and publish a register of members
of the Institute;

- 5 (c) to formulate a code of conduct for the members of the Institute including what would amount to professional misconduct to be approved by the members and suggest amendment thereto from time to time;
- 10 (d) to secure the maintenance of professional standards among members of the Institute and to take such steps as may be necessary to acquaint them with the methods and practices necessary to maintain such standards;
- 15 (e) to attend, organise and participate in, all meetings of the Council and all general meetings of the Institute;
- (f) to present at each annual general meeting a report on the financial position and otherwise of the Institute, financial or otherwise, and on the affairs and proceedings of the Institute during the past year;
- 20 (g) to encourage the creation and increase of awareness on insurance among the general public;
- 25 (h) to maintain a library of books and periodicals relating to insurance and to encourage the publication of such books in Sri Lanka; and
- (i) to encourage research in Sri Lanka on the subject of insurance and generally to secure the wellbeing and advancement of the insurance industry.
- 30 (3) The Council shall have the power and authority—
- (a) to prescribe the criteria of eligibility for exemptions from examinations conducted by the Institute as deemed appropriate;

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	(b) to prescribe and stipulate from time to time the syllabuses relating to the educational programmes conducted by the Institute;
5	(c) to enter into agreements with other institutions to conduct joint programmes;
10	(d) control, assist and direct the work of the Institute and of all committees, and to deal with all matters on which an immediate decision may be required in the interests of the Institute;
	(e) regulate their own procedure for carrying out the objects of the Institute, and for conducting its affairs;
15	(f) have the sole control and management of the income, property and affairs of the Institute;
	(g) to exercise all powers and do all such acts and things as may be exercised or done by the Institute;
20	(h) appoint upon such terms and conditions as it may deem fit, and to dismiss paid officers of the Institute;
25	(i) employ any part of the funds of the Institute in the provision and maintenance of a suitable collection of books, reports, statistics, accounts, papers, maps, plans, instruments, models and other things of interest to the insurance profession;
30	(j) invest all funds not immediately required for the purposes of the Institute in the name of the Institute in commercial banks and government securities approved by the Council;

- (k) borrow money temporarily and to pay interest thereon;
- 5 (l) employ any part of the funds of the Institute in the payment of honorarium to lecturers and the foundation or grant of scholarships, exhibitions, prizes and medals in connection with any of the subjects of the examinations held by the Institute, or other educational bodies;
- 10 (m) enter into such contracts and to do all such acts and things as they think expedient for the purposes of the Institute and in furtherance of the objects thereof;
- 15 (n) maintain and operate accounts as may be required in the name of the Institute with any bank or banks;
- 20 (o) purchase, rent, lease, hold and dispose of any building or buildings to be used as a place of meeting for the members of the Institute or as a college, lecture or reading rooms or library or for social purposes or any other property, real or personal, for the advancement of the above objects or any of them;
- 25 (p) accept or give gifts or bequest in connection with and to further the objects of the Institute;
- 30 (q) enter into, sign and execute any contracts, agreements and other documents for the purpose of nominating or appointing any person or persons whomsoever as representative or agent of the Institute or for the purpose of delegating any matters to any

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 (Incorporation)

person or persons whomsoever or otherwise
for all or any of the purposes aforesaid either
in Sri Lanka or abroad; or

- 5 (r) generally to conduct and performs, do all such
other lawful acts as are incidental or
conducive to the attainment of the above
objects or any of them.

15 **15.** The Council may appoint committees, and delegate Committees.
to them any of the powers of the Council, or assign to them
such duties as may be agreed. The committees shall in the
exercise of their powers conform to any instructions given
by the Council but shall in all other aspects regulate their
own procedure:

15 Provided, that, the President, the Vice President and the
Honorary Secretary shall be entitled to attend all meetings
of such committees in their capacity as *Ex-officio* officers,
other than disciplinary and appeal committees.

20 **16.** (1) The Council may make regulations for or in Power to
respect of any matter required or authorised by this Act to be make
prescribed or of any matter relating to or connected with its regulations.
powers, functions and duties under this Act or the proper
exercise, discharge or performance thereof.

25 (2) Without prejudice to the generality of the provisions
of subsection (1), the Council may make regulations in
respect of all or any of the following matters:—

- (a) the summoning and holding of meetings of
the Council, the times and places of such
meetings and the conduct of business thereat;
- 30 (b) the management of the property of the
Institute and Council, the custody of its funds
and the maintenance and audit of its
accounts;

- 5 (c) the election or appointment by the Council of standing or other committees, the powers, functions and duties of such committees, and the conditions subject to which such powers may be exercised and such functions and duties performed or delegated;
- 10 (d) the powers, functions and duties of the officers of the Council and the salaries, fees, allowances and conditions of service of such officers and staff;
- 15 (e) the exercise of disciplinary control over officers and servants of the Council;
- (f) the time and manner of the payment of enrolment, registration and renewal fees, the termination of membership upon failure to pay renewal fees and the conditions of restoration to membership in such cases;
- 20 (g) setting out what amounts to professional misconduct;
- (h) the manner in which a Disciplinary Committee may constituted;
- (i) the manner in which a Disciplinary Committee may conduct any inquiry;
- 25 (j) the fees to be paid to the Institute by students admitted to the qualifying examinations or for courses of instruction provided by the Institute, and the engagement and remuneration of lectures and examiners; and
- 30 (k) the grant of assistance, whether financial or otherwise, to societies of students.

Sri Lanka Insurance Institute
(Incorporation)

17. (1) The President in consultation with the Council shall nominate four (4) members as advisors to the Council for the term of the Council.

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(4) The advisory board or its members may attend meetings of the Council on invitation by the Council but shall not have a right to vote thereat.

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(6) A member of the advisory board shall be removed only by a majority decision of the Council.

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(a) unless he has attained the age of eighteen (18) years and is a citizen of Sri Lanka:

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5 (c) if having been adjudged an insolvent or bankrupt,
he has not been granted by a competent court a
certificate to the effect that his insolvency or
bankruptcy had arisen wholly or partly from
unavoidable losses or misfortunes;

10 (d) if he has been convicted by a competent court,
whether in Sri Lanka or elsewhere, of any offence
involving moral turpitude and punishable with
imprisonment or similar punishment and has not
been granted a free pardon.

(2) The Council shall dis-enrol any person who is a
member of the Institute, if he becomes subject to any
disqualification mentioned in paragraph (b) or paragraph
(c) or paragraph (d) of this section:

15 Provided, however, that such dis-enrolment shall not
prevent the Council from subsequently re-enrolling such
person if it is satisfied that he is fit to be re-enrolled.

20 **19.** (1) The Council may dis-enrol any individual who
is a member of the Institute, if it is dissatisfied that he is unfit
to be employed or practise in the insurance industry by
reason that he has been guilty of professional misconduct.

Dis-enrolment
for
professional
misconduct.

(2) The term 'professional misconduct' shall have the
meaning ascribed thereto in the Schedule hereto.

25 (3) The dis-enrolment of the registration of any person
under subsection (1) shall not prevent the Council from
subsequently re-enrolling that person, if it is satisfied that
he is fit to be re-enrolled.

30 **20.** (1) The Council shall not, under section (18) or (19),
dis-enrol any person, unless a disciplinary committee has,
after inquiry, made a report to the Council that the person
has been guilty of professional misconduct.

Inquiries by
Disciplinary
Committees.

(2) Where the Council has reasonable cause to believe, whether upon complaint made to it or otherwise, that any person who is a member of the Institute is guilty of professional misconduct, the Council may appoint a disciplinary committee for the purpose of holding an inquiry into the conduct of that person.

(3) The provisions which shall apply in relation to the constitution of and the procedure to be followed by the disciplinary committees appointed under this section, the proceedings to be followed at inquiries held by such committees and the powers exercisable by such committees shall be prescribed by the Council.

21. In any case where the Council is by section (18) or (19), empowered to dis-enrol any person from membership of the Institute, the Council may, in lieu of exercising that power, suspend the person from membership for such period as the Council may deem fit.

Suspension
in lieu of dis-
enrolment.

22. (1) Any person aggrieved by a decision of the Council may appeal to an appeal board for such purpose—

Appeal to the
Appeal
Board from
decisions of
the Council.

(a) the Appeal Board shall consist of three adjudicators who shall possess at least fifteen years' experience in the insurance industry with more than five years' in a capacity of a manager or higher level;

(b) subject to paragraph (a) above, the Council and the aggrieved party shall be entitled to nominate one (1) adjudicator each;

(c) the said adjudicators so appointed shall appoint the third and chief adjudicator of the Appeal Board;

(d) the procedure to be followed by the Appeal Board shall be determined and stipulated by the Appeal Board.

(2) Any person aggrieved by a decision of the Appeal Board may appeal against that decision to the Court of Appeal of Sri Lanka.

(3) Every appeal under subsection (2) against a decision—

- 5 (a) shall be made by petition in writing;
- (b) shall be preferred within forty two (42) days after the date of that decision; and
- (c) shall be heard and decided by a judge of the Court of Appeal after such summary inquiry as that judge may deem requisite.
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23. Any Bill to amend this Act shall be approved by a two-third majority of the ordinary members present at any general meeting prior to the same being presented to the Parliament: Amendment to this Act.

- 15 Provided, that written notice of the proposal to present an amending Bill at such a meeting has been sent to each ordinary member at least fourteen (14) days prior thereto.

24. The Institute shall not engage in any of the following activities:— Prohibitions.

- 20 (a) the Institute shall not carry on any trade or business or engage in any transaction with a view to the pecuniary gain or profit of the members thereof. No member shall have any personal claim on any property of the Institute or make any profit out of
- 25 his membership, except in the case of and as a salaried officer of the Institute;
- (b) the Institute shall not attempt to restrict or in any other manner interfere with trade or prices or engage in any trade union activity;

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- (c) the Institute shall not indulge in any political activity or allow its funds or property to be used for political purposes;
 - (d) gambling of any kind shall be forbidden on the Institute's premises;
 - (e) the funds of the Institute shall not be used to pay the fines of members who have been convicted in Court.

25. (1) The members of the Council and the officers of the Institute shall be indemnified by the Institute for all losses incurred by them as a result of any claim against them arising out of the discharge of their respective duties except when such loss is incurred due to their own wilful act or default.

15 (2) No member of the Council or other officer shall be liable for any other member of the Council or officer or for joining in act or receipt, or for any act of conformity or for any loss happening to the Institute, unless the same shall be due to his own wilful default.

20 **26.** (1) Any person who contravene the provision of this Act shall be guilty of an offence under this Act and be liable on conviction after summary trial before a Magistrate, to a fine as may be prescribed under this Act. Offences and penalties.

(2) No prosecution for any offence under this Act shall be
25 instituted except by a member or officer of the Council
authorised in writing for such purpose by the Council.

27. This Institute shall not be dissolved except with the Dissolution.
consent of not less than three fifths of the ordinary members
of the Institute for the time being resident in Sri Lanka
30 expressed in person or by a duly appointed attorney at a
General Meeting convened for that purpose. In the event of

the Institute being dissolved as provided, all debts and liabilities legally incurred on behalf of the Institute shall be fully discharged, and the remaining funds shall be dealt with in such manner as may be prescribed at such General Meeting.

28. In the event of any inconsistency between the Sinhala and Tamil texts of this Act, the Sinhala text shall prevail.

Sinhala text to prevail in case of inconsistency.

SCHEDULE

10 RULES OF THE SRI LANKA INSURANCE INSTITUTE

MEMBERSHIP

1. The procedure for any person to obtain ordinary membership of the Institute shall be as follows:—
- Procedure for ordinary membership application.
- 15 (i) any person who desires to obtain ordinary membership of the Institute shall submit an application made on a form as prescribed by the Council supported by necessary documentation as may be prescribed by the Council, to the Honorary Secretary of the Council;
- 20 (ii) such application shall be proposed and seconded by two (2) ordinary members of the Institute; and
- (iii) such application shall be considered by the Council in a manner set out by regulation.
2. The procedure for any person to obtain registered membership of the Institute shall be as follows:—
- Procedure for registered membership application.
- 25 (i) any person who desires to obtain registered membership of the Institute shall submit an application made in the form prescribed by the Council supported by necessary documentation as may be prescribed by the Council, to the Honorary Secretary of the Council;
- 30

THE COUNCIL

4. (1) The members of the Council shall be elected at each annual general meeting of the Institute.

Election of
the members
of the
Council.

5 (2) Members who wish to hold office in the Council and stand for election shall be proposed and seconded by two (2) ordinary members in writing to the Chief Executive Officer or in his absence to the person authorised by the Council for that purpose, seven (7) days prior to the annual general meeting together with the written consent of the member so nominated.

(3) An application made under this rule shall be presented at the annual general meeting for election conducted for each office on a simple majority vote of the ordinary members present.

15 5. (1) Eligibility of members to be elected to the Council shall be as follows:—

Eligibility to
be elected to
the Council.

(a) only ordinary members of the Institute shall be eligible to be elected to the Council;

20 (b) an ordinary member, who has previously not held office in the Council, shall not be eligible to be elected for any office other than the office of a Co-Councillor;

25 (c) an ordinary member who has not held office as a Council member for at least two (2) terms shall not be eligible to be elected as President or Vice-President or Secretary of the Council;

30 (d) an ordinary member who is not a Chartered Insurer, a Chartered Insurance Practitioner or a Chartered Insurance Broker or any equivalent status offered by the Chartered Insurance Institute of the United Kingdom shall not be eligible to be elected as the President of the Council;

(2) Notwithstanding anything to the contrary in these rules or any regulations made under the Sri Lanka Insurance Institute Act, no more than two (2) members of the Council shall be nominated to be elected from any single organisation.

(3) The immediate past President of the Council shall be *ex-officio*, a member of the Council until the close of the next annual general meeting but shall have no voting rights in the Council. In the event that a member is re-elected as President of the Council for a second term the past President of the Council who held the above office shall continue to hold such office.

20 6. Every member of the Council shall, unless he vacates his office earlier, hold office for a period commencing from the end of the annual general meeting at which he was elected until the close of the next annual general meeting.

7. Proceedings of the Council—
 (i) the Council shall meet at least once a month

Proceedings
 of the
 Council.

25 (i) the Council shall meet at least once a month
at such place as may be determined from time
to time;

30 (ii) the President shall preside at the Council Meeting and in his absence the Vice President or in his absence a Chairman shall be elected from among those present;

(iii) the CEO of the Institute as described hereinafter shall attend the Council meetings and in the event the CEO is unable to attend

a meeting for any reason, the CEO shall be represented by an officer of the Institute who shall perform his functions at such meeting on invitation by the Council.

5 8. (1) A meeting of the Council may at any time be called by— Notice of meeting.

 (a) the order of the President; or

 (b) in his absence by the Vice President; or

10 (c) at the written request of at least two (2) members of the Council, made to the Honorary Secretary together with, so far as practicable, a list of items to be discussed and/or business to be transacted and/or tabled at such meeting:

15 Provided, that, in the event of an emergency, the order or request made in terms of this sub-rule shall stipulate so and also contain a statement explaining the reason/s for the emergency.

20 (2) Any member of the Council who desires to propose any item to be discussed or business to be transacted and/or tabled at a meeting of the Council, shall do so by a written request made to the Honorary Secretary to have such items taken up at the next meeting of the Council.

25 (3) immediately upon receiving an order or request made in terms of sub-rule (1) above, the Honorary Secretary shall issue, seven (7) days, or in the event of an emergency three (3) days, notice to each member of the Council stipulating the date, time and venue of the proposed meeting.

30 (4) Honorary Secretary shall circulate to the members of the Council together with any notice issued in terms of sub-rule (3) above—

 (a) the list of all the items to be discussed and business to be transacted and tabled at such meeting received by him, if any; and

- (b) the statement explaining the reason/s for the emergency received by him, if any.

(5) An irregularity in the notice of a meeting is waived if all members of the Council entitled to receive notice of the meeting attend the meeting without protest as to the irregularity or if all members of the Council entitled to receive notice of the meeting agree to the waiver.

9. (1) No business may be transacted at a meeting of the Council if a quorum is not present. Quorum for meetings of the Council.

10 (2) A quorum for a meeting of the Council is constituted if a minimum of six (6) members of the Council are present.

(3) In the event a quorum is not present within thirty (30) minutes from the time appointed for a meeting of the Council, such meeting shall be postponed to the same day on the following week at the same time and place or such other date, time and place as may be appointed by the President/Chairman and of which notice of at least (3) days is provided to all members of the Council.

10. A meeting of the Council may be held either— Method of holding meetings.

20 (i) by a number of the members of the Council who constitute a quorum being assembled together at the place, date and time appointed for the meeting; or

25 (ii) by means of audio or audio and visual communication by which all persons participating in the meeting are able to hear and be heard, at a time appointed by notice in writing setting out a detailed agenda of the business to be transacted at the meeting
30 accompanied by all documents relevant to that business.

11. Decisions of the Council shall be subject to a vote among the members of the Council—

Voting.

- (i) every member of the Council shall have one (1) vote;
- 5 (ii) the President or Vice-President, presiding as the chairman of a meeting of the Council shall have a casting vote;
- (iii) a resolution of the Council is passed if it is agreed to by all members of the Council present without dissent or if a majority of the votes cast on it are in
10 favour of it;
- (iv) a member of the Council present at a meeting of the Council is presumed to have agreed to and to have voted in favour of a resolution of the Council, unless
15 he or she expressly dissents from or votes against the resolution at the meeting.

12. The Council may transact business through written resolutions made in the following manner:—

Written resolutions.

- 20 (i) a resolution in writing signed or assented to by a majority of the members of the Council, is as valid and effective as if it had been passed at a meeting of the Council duly convened and held;
- (ii) any such resolution may consist of several documents (including facsimile or other similar
25 means of communication) in like form each signed or assented to by one or more members of the Council;
- (iii) a copy of any such resolution shall be entered in the minute book of Council proceedings.

30 13. The office of a member of the Council shall be vacated in the following circumstances:—

Termination of the term of office of a member of the Council.

- (i) on the expiration of one (1) month's notice in writing by such member resigning his office, or the earlier acceptance of the Council of such resignation;

- 5 (ii) if at the meeting of the Council specifically convened for the purpose, at which not less than ten (10) members of the Council are present, a resolution is passed by a majority of not less than two-thirds of the Council excluding that member, declare the office of a particular member vacant—
- (a) if he is absent for three (3) consecutive meetings of the Council without leave approved by the Council;
- 10 (b) if he becomes bankrupt, or suspends payment, or compounds with or makes an assignment of his property for the benefit of his creditors;
- (c) if he is of unsound mind;
- 15 (d) if he ceases to be employed in the insurance industry; or
- (e) if his conduct is unacceptable to the Council.
14. In the event a casual vacancy arises in the office of— Casual vacancies.
- 20 (i) the President of the Council, the Vice President shall take over as the President for the remainder of the term;
- 25 (ii) the Vice President, the Honorary Secretary, Honorary Treasurer or the Honorary Assistant Secretary of the Council, a Council Member appointed by the majority vote of the Council shall take over such office for the remainder of the term;
- 30 (iii) five (5) or more Co-Council members during the term of a Council, an equivalent number of ordinary members of the Institute appointed by a resolution of the Council shall take over such office for the remainder of the term; or

- 5 (iv) eight (8) or more Council members during the term of a Council, the remaining members of the Council shall call for an extraordinary general meeting of the ordinary members of the Institute for the election of a Council to hold office for the remainder of the term and for a further term if deemed appropriate by a further resolution of the ordinary members proposed at such meeting.

10 GENERAL MEETINGS

15 15. Annual General Meeting—

Annual
General
Meeting.

- 15 (i) a General Meeting of the entire membership of the Institute shall be held each year following at least fourteen (14) days' notice to all ordinary, life and honorary members of the Institute referred to as the Annual General Meeting, prior to the thirtieth day of June each year;
- 20 (ii) the following matters will be transacted at each Annual General Meeting:—
- (a) (i) receive and adopt minutes of the last annual general meeting;
- (ii) receive and adopt the annual report of the outgoing Council;
- 25 (iii) receive and adopt the statement of accounts for the previous financial year;
- (iv) elect the members of the Council for the ensuing year;
- 30 (v) elect the Auditors for the ensuing year; and/or

16. Any Extraordinary General Meeting may be called at any time by the President or by a majority vote of the Council or at the written request of at least 1/4th of the ordinary members signing a resolution requesting the President or any person acting as President of call for such a meeting. The objects of such meeting must be stated at the time of requisition to the Honorary Secretary. Such meeting shall be held within twenty one (21) days upon receipt of the requisition.

(2) No business shall be transacted at any General Meeting or adjournment thereof other than those matters specified in the notice for that meeting.

(3) In the event no less than twenty (20) ordinary members together require by notice to the Secretary twenty one (21) days prior to any General Meeting that any particular matter be discussed or business be transacted at such General Meeting, the notice for such General Meeting shall include such matter or business as being taken up at such General Meeting. Any additional expenses to be incurred by the Institute in including such notice shall be paid by the members proposing such matter or business be taken up.

18. (1) Subject to sub-rule (3) hereof, no business may be transacted at any General Meeting if a quorum is not present. Quorum for General Meeting.

(2) A quorum for a general meeting is present if a minimum of twenty *per centum* (20%) ordinary members, are present in person:

Provided, that, a chairman may be appointed without a quorum being present.

(3) If a quorum is not present within thirty (30) minutes after the time appointed for a general meeting, the meeting shall be adjourned to the same day in the following week at the same time and place, or to such other date, time and place as the chairman may appoint.

(4) If at adjourned meeting, a quorum is not present within thirty (30) minutes after the time appointed for the meeting, the ordinary members present shall be deemed to form a quorum.

(5) A quorum formulated in terms of sub-rule (4) above shall have no power to carry resolution under sections 11 and 23 of the Sri Lanka Insurance Institute Act.

19. At any General Meeting, a resolution shall be determined by a majority of votes from amongst the ordinary members present at the General Meeting. In the event of an equality of votes at a General Meeting, the chairman shall have a casting vote. Voting at General Meeting.

20. The President of the Council shall preside at every General Meeting and in his absence, the Vice President, whom failing from among the member of the Council, or in the absence of all members of the Council, a person elected for such purpose from among the ordinary members present. Chairman of General Meeting.

21. The Chairman of any General Meeting may, with the consent of a majority of the members present and voting at a meeting, adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. No notice need to be given of an adjourned meeting unless it is so directed in the resolution for adjournment. Adjournment of General Meeting.
22. (1) The Council shall establish and maintain a fund under its management and control into which shall be paid all moneys received by the Council and out of which shall be met all expenses and liabilities incurred by the Council in carrying out its powers, functions and duties under this Act. Financial provisions.
- 15 (2) The Council may maintain an account or accounts in any bank or banks in Sri Lanka.
- (3) The annual accounts of the Council shall be subject to audit by a Chartered Accountant who shall be appointed for the purpose each year at the annual general meeting.
- 20 (4) Immediately after the end of each financial year of the Council, the audited accounts for the preceding year shall be published in the annual report and copies thereof shall be furnished to each member of the Institute.

MANAGEMENT OF THE INSTITUTE

- 25 23. The Council shall appoint and employ a Chief Executive Officer ("CEO") to manage the day to day operations of the Institute. Principal officer.
24. The CEO shall— Duties and functions of the principal officer.
- 30 (i) manage the day to day affairs and operations of the Institute;
- (ii) formulate the strategic business plan for the growth and progress of the Institute in

consultation with the president, update the same annually and present the same to the Council for its approval;

- 5 (iii) adopt, follow and implement the strategic business plan for the Institute once approved by the Council in consultation with the President;
- 10 (iv) formulate the organisation structure of the Institute including the levels of authority and scope of work of each employee, including the bank account operating instructions and present the same to the Council for its approval;
- 15 (v) ensure that the Institute is operated in terms of the organisational structure approved by the Council;
- 20 (vi) report to the Council on a regular basis as may be prescribed by the Council, with management information as may be requested by the Council from time to time;
- 25 (vii) inform the Council of any matter that will affect the reputation and/or the progress of the Institute immediately upon receiving such information and to formulate a plan on any response or action that must be taken by the Institute and present the same for the approval of the President or in his absence the most senior official of the Council that is contactable at the time; and
- 30 (viii) perform such other functions and duties that the Council may prescribe from time to time.

26. In the event the committee appointed in terms of rule (23) finds any employee guilty such committee shall recommend to the Council the necessary disciplinary action to be taken against such employee.

15 Provided however, in the event an employee is to be terminated from employment, such decision shall be approved by a unanimous resolution of the Council, approved by all members of the Council for the time being.

28. A Chartered Accountant practicing in Sri Lanka Audit.
20 shall be appointed as the auditors of the Institute on a simple
majority vote of the ordinary members present at an annual
general meeting.

25 30. For the purpose of Sri Lanka Insurance Institute Act, “professional misconduct” means any act or omission which is for the time being prescribed by the members, at any general meeting as professional misconduct. Meaning of “professional misconduct”.

31. The members may, amend or alter or add to any or
30 all of the provisions prescribed by the members as
“professional misconduct”.

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