

Ceylinco Insurance: Always Ahead



Ceylinco Insurance has weathered many storms to become a respected name in the insurance industry. Remaining true to its beginnings where diversity and harmony have been the founding principles, Ceylinco Insurance continues on its strong performance and people-centric approach. Ajith Gunawardena, Managing Director/CEO speaks about the strength of the organisation, which is its staff where unity within, enabled them to overcome great challenges. Always leading from the front, he says that the staff are the priority. With many innovative products and services on offer Ceylinco Insurance will continue to be in the forefront of insurance where customer satisfaction is ensured. Ceylinco Insurance has always been ahead, while others have followed.

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Photography Mahesh Bandara and Menaka Aravinda

Can you elaborate on the performance of Ceylinco Insurance during the past year?

We grew by 11.5 per cent in the last year. If you take the premiums that we achieved from general insurance alone it was 18 billion rupees and in terms of life insurance, we were able to achieve 15.7 billion rupees. Both together we posted a PAT of 8.3 billion rupees whilst the PBT stood at an exceptional 9.2 billion rupees and this surpassed the performances of the previous years. It was the highest achievement where profitability is concerned. If you look beyond profitability we have expanded our branch network up to 470 in the general insurance segment and 280 in life insurance. We will increase the number of branches by 35 in the general side so that it passes the 500 mark this year and another 20 on the life insurance side. We will thereby have the largest network in the country.

Our staff ratio is a composition of 65 per cent in the sales team and 35 per cent in terms of the office administration, that is the technical roles such as accounts/finance and IT. We have a larger sales team as that is the backbone of the business.

We fully own and operate four, mini hydro projects with the fifth in the pipeline. We are the majority shareholders of ANC, ICBT and Wycherly International School. We are the Sri Lankan investor of Ultratech Cement. In terms of the health sector, we have the Diabetes Centre, Cancer Research Centre and Serene Resorts, which is a retirement home. All these companies are doing extremely well. In the future we will expand on the same lines as we prefer to do what we know well. We may invest in other projects where we may not have the expertise, but another partner will.

What were the factors that contributed to the overall achievements?
We are talking about both motor and non motor insurance as well as life insurance. In terms of life, the number of personal cover has increased. From the motor side the numbers have increased significantly as well. Other than motor, there are other segments such as health, fire, export and import and housing where business has increased. Once a client purchases one product, for example motor insurance, they also have requirements for other products such as housing, education or health, it is a matter of identifying these needs and cross-selling. In this manner numbers have increased significantly.

Building on the positive performance what can we expect from Ceylinco Insurance in the future, what are the strategies?
We are humble and proud to say that we have always led in the front in the industry and others have followed. Our major innovation came in 2003 when we introduced On the Spot claim settlements. We are the only company today who actually settles claims on the spot.

The total responsibility is on the shoulders of our staff. If they do not settle a claim, then the staff are answerable. They have to explain the reasons to us as to why they have not settled the claim. At Ceylinco we always ask why have you not paid? We are always on the side of the customer unless it is a fraudulent claim, which we cannot entertain.

Fast settlement of claims is our unique selling proposition that has propelled us to this position. Our strategy will always be the faster settlement of claims to the satisfaction of the customer. We also have new product developments in the pipeline, which will be introduced to the market in stages.

Ceylinco General and Ceylinco Life come under the umbrella of Ceylinco Insurance, can you elaborate on this?
Ceylinco Insurance earlier had life and general business within a composite company under two separate CEO/MDs. But at the end of the year, we used to amalgamate all financials and present as one company. With the new regulations coming into effect about three years ago we separated the companies as Ceylinco General Insurance and Ceylinco Life Insurance under one holding company Ceylinco Insurance. Earlier it was one composite company but today two entities under one holding company.

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In terms of operations there is absolutely no difference. Even earlier as a composite company the two segments were operated under two CEOs. These were already independent business units with separate teams, branch networks, IT systems and accounting systems. Therefore, once the two entities came under the holding company all systems remained the same.

In terms of insurance, Sri Lanka has not yet reached maturity compared to developed markets, what can you tell us about this?
The insurance industry is still developing just as the country. Comparing with other countries however, we are on par in terms of the ongoing development in the sector. In fact, we have introduced certain systems and methods going beyond any other country. One way that the industry can do better is to remove the current restrictions on Government business where only Government insurance providers can service the sector. There should be an equal playing field. Other than that there is no issue in terms of the standard, practicality or innovation of insurance provided in the country, we are on par with any insurance provider internationally. As a company we have always been ahead.

As a country we are lagging behind in terms of a national health insurance policy. This is the only area that we have not applied ourselves when looking at developed countries. This can be handed over to the private sector and they will be able to do

a good job.

Are there too many players in this segment?
Yes, and no, because our market is not growing to the expectations that we had in the past as well as the present. Still it does not matter to us. In terms of the number of foreign entities entering the market we welcome them because we are confident that we can do a better job. We are not worried about the competition coming from anywhere as we are much closer to our clientele. You will see our new campaign where we say “In Sri Lanka, We Believe”. We believe in our country greatly.

We have seen insurance companies being sold to foreign players, where the main reasons being stated are the requirement of management skill, technology and knowledge. What are your thoughts?
That is not true at all, the companies were sold due to financial reasons. It is purely a business decision and no one can blame them for that. Sri Lanka has very good insurance management professionals.

Ceylinco has stood firm over the years and has remained a truly Sri Lankan company weathering many storms. Can you elaborate on this?
When we say we believe in Sri Lanka, we actually mean that we believe in all our stake holders including our staff. it’s all about how we motivate people. We have been successful because we have always been with them. Even during the most difficult times we did not lose a single senior member of our staff.

Ceylinco kept the name and did not change it for any reason. You ensured that the company bounced back. Your thoughts?
Absolutely, Our brand name “Ceylinco” is priceless and a valuable asset but it was reduced next to nothing during the collapse of Ceylinco Group. We had to rebuild the integrity of the brand with lot of hard work. There is no sense in changing the name or identity when you have the same business model. If you change the name only it means that you are trying to deceive the public.

I Have Led Our Team From The Front And Business From Behind…We Have Always Delivered On Our Promise To Both Staff

And Public.

We continue to venture forward and we are ready to face any calamity. We know what we have done for the company, staff, community and the country. We are not worried but it was an extremely difficult road to travel, together with our staff we managed to pull through.

What can you tell us about yourself?
What you see is what you get! I walked into insurance as a non entity in this field. I started in the finance field, again as a non entity. I had a little knowledge about marketing and selling. But I used my knowledge, experience and common sense. I entered the insurance sector 30 years ago and I did not know anything about this field. But I felt the pulse of the people and I built my career on that. While doing so I learnt insurance but I would not say that I know everything about insurance. There are many people who have greater knowledge than me. But I have managed to gather people with knowledge and experience, and what I have contributed is common sense.

The staff is the strength of the company, what can you tell us about this?
I have led our team from the front and business from behind. I have never let my staff down. We always look after our staff; we are like one family. If a member of staff passes away before the age of retirement we pay his/her salary with an annual 10 per cent increase to their families until the date of retirement. We provide health insurance and pay all medical bills even if they have to seek treatment overseas. During the floods some of our staff lost their houses. We built houses for them and gave them new belongings. If a staff faces any kind of a problem, myself and others are always there in the front to assist them. All promotions are based on merit. We always have delivered on our promise to both staff and public. We have never hidden or shun away, we have always delivered on our promises.

Our staff retention rate is very high. Most of the staff members have completed a service of over 25 years. The company has been in existence for 30 years. But we have recruited new staff members as well so that the team will have new ideas and energy.

The staff have seen over the years how we look after them and the manner in which we support them. A business cannot survive without the staff. They are the ones who saved this company and ensured we performed to become the best insurance company in the country. When it comes to our staff if there is anything more that we can do for them we will do it. They are our priority and that has been our success.

We respect every religion and there is a special week where we celebrate every religion and we all visit the Temple, Kovil, Church and Mosque. Our staff is very diversified and we work in harmony.

