

# Ceylinco Life Prosperity Through Unity

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As a leader in providing insurance in Sri Lanka, the accolades Ceylinco Life has earned throughout the years are many in recognition of its diverse functions. Ceylinco Life's Joint Deputy Chairman R Renganathan, a strong advocate of teamwork speaks to Business Today of its importance as an integral part of the driving force behind Ceylinco Life. He brings to light the many functions of Ceylinco Life, aside from its efficiency in providing insurance to customers including its contribution towards the economic well-being of the country through its products and initiatives.

**By Prasadini Nanayakkara | Photography by Menaka Aravinda**

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**Ceylinco Life is the market leader in insurance in Sri Lanka. Can you explain how this success is achieved and maintained?**

In my view, there are three reasons as to why we are market leaders. One is that we have a very professional sales force, which is the main distribution channel that takes the message of insurance to the citizens of Sri Lanka. The second is that every department is headed by a professional. The third and main factor is teamwork. It is these three reasons that have made Ceylinco Life the market leader and makes us stand out from the other insurance companies.

**Recently, Ceylinco Life has succeeded in settling nearly 12,000 claims in a matter of nine months, it has also maintained a very high solvency margin. How does Ceylinco Life ensure this efficiency and stability?**

The strength of a life insurance company is measured by its solvency ratio. We have the highest solvency ratio in the life insurance industry and as at the end of September 2009, we had six times the ratio required under the Regulation of the Insurance Industry Act.

A life insurance policy is a piece of paper that promises to pay certain benefits on the occurrence of specified events. Our business is the settlement of claims – that is when we deliver our promise. To this end weekly claims review meetings are held and a decision on a claim has to be made within 30 days.

**To some, choosing an insurance policy can be an arduous task. How does Ceylinco Life ensure that customers make an informed decision?**

A member of our professional sales team would make contact with a person with whom we in the life insurance industry called a suspect. The salesman then gathers information and converts the suspect to a prospect. On the basis of the information gathered, a Need Analysis is carried out and thereafter, a suitable policy from our range of policies is recommended to the prospect, based on his needs.

**The vision of Ceylinco Life is to provide Life Insurance Policies to every Sri Lankan. How effective do you think Ceylinco Life has been towards reaching this objective?**

We have a population of about 20 million people and according to statistics only 10.5% of the population have taken insurance. It is therefore apparent that there is an enormous market potential to sell life insurance. We have approximately 4,500 salesmen, but in view of the untapped market, it is necessary for us to expand our sales force. We have just concluded a Recruitment Campaign where the screening process of a large number of applicants is now nearing completion. Over the years, we have defined a profile of a life insurance salesman. The job of a life insurance salesman is a very challenging one. Once we have selected an applicant with the necessary profile, we send them on to the field to get a feel of the job. This would enable them to take a decision as to whether they are prepared to meet the challenges. It is also necessary for us to speak to family members to explain the job since their support plays an important role in his or her success. The applicant is then taken through a training programme before he enters the field.

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**Ceylinco Life was awarded the Number One Corporate Social Responsibility Award in 2005. Could you talk about the CSR programmes at present?**

We sincerely believe in sharing our success with the needy in society. Our CSR activities concentrate on two areas, i.e. health and education. The Ceylinco Waidya Hamuwa Programme involves teams of doctors and nurses who reach out to villagers in rural Sri Lanka who perhaps have never had access to a western medical practitioner. Health checks are carried out and each individual is provided with a report on his health condition.

We also have a pre and post-natal care programme where medical advice is

provided to pregnant mothers.

Very often, schools in the rural sector have very little facilities. Using our island-wide branch network, we identify these schools and assist them by providing class rooms and furniture.

Water is a scarce commodity in many rural villages. Once again, using our branch network, we identify these communities and provide them with either community wells or tube wells.

**Could you speak about your experience here at Ceylinco Life and the changes you have brought?**

I am a Chartered Accountant by profession and I was fortunate that, when I joined Ceylinco, the Government decided to privatise insurance. When I was given the task of setting up the Life Division, I readily accepted it as I was not prepared to spend my life with figures. As an accountant it was easy for me to learn insurance. As a student, being in the hostel I learnt what teamwork was. As a result, over the years, my concentration has been in building a team. Our success is 'teamwork'. Looking at the contribution that we have made, there are 5000 independent contractors and about 1500 members on the permanent staff, all of whom earn above average incomes. I'm proud to say that there's an ex-farmer who now earns over a million rupees a month.

The role that we have played is the mobilising of small savings. Part of this, we invest with the government. The balance we invest with banks. The government will utilise this money to develop infrastructure and investment in infrastructure means employment.

**What are the significant achievements throughout your experience at Ceylinco Life?**

We believe that the greatest achievement of Ceylinco Life is the setting up of a professional sales team. We never 'pinch' people from other insurance companies. This is our culture and our policy. The training we provide is of two types. One for a

professional salesman and the other for a professional supervisor. A good salesman is not necessarily a good supervisor.

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**Ceylinco Life has subsidiary companies in health care services. Could you elaborate on their functions?**

Ceylinco Healthcare Services is a fully owned subsidiary of Ceylinco Insurance. It operates three centres. The Cancer Screening Centre, the Diabetes Centre and the Radiation Treatment Centre. These three centres are now centres of excellence. Special mention must be made of the Radiation Treatment Centre which has a linear accelerator. There were a large number of patients who sought treatment abroad, but who now obtain those services in Sri Lanka. This is a cost saving to both the patient and the country.

**Ceylinco Life has a very vast branch network. Could you explain how this branch network functions?**

We have a very large branch network from Jaffna to Matara, and Colombo to Trincomalee. Each branch stands on its own. We have a central database and the branches are linked to this database. Each branch has its own sales force, and its own operational staff which enables them to cater to every need of either a customer or a salesman. All the staff in the branches are computer literate and are well trained and are capable of responding to any request of either a customer or a salesman.

**Ceylinco Life is the first insurance company to brand their products. Could you elaborate on this achievement?**

What we have done is brand our products depending on the need. The three key areas are education, retirement, and life insurance, which is to protect one's family. In the case of education, we have a special product called Sipsetha. In the case of

retirement it is the Ceylinco Retirement Account and in life insurance and protection we have two products namely the Ceylinco Advance Payment product and Ceylinco Supreme Life.

**With the end of war, there are new opportunities for people now, with this in mind, how is Ceylinco Life looking to the future?**

We are a company that operated in the North and East even during the difficult times. We are now looking forward to expand further. In the north, we have branches in Jaffna, Chunakam and Nellyyadi. In the East we have branches in Valaichchenai, Batticaloa, Akkraipattu, Kalawanchikudi, Kalmunai, Ampara, Kantale and Trincomalee. I must say that they are some of our most successful branches, despite the difficult times.

**What do you find that is lacking in the Insurance Industry in Sri Lanka and how is Ceylinco Life filling this void?**

There is a lack of focus on retirement planning in Sri Lanka. The ageing population is a phenomenon all over the world. In other words more and more people are living longer and this is very specific to Sri Lanka as we have one of the fastest growing ageing populations. When people age, they have to prepare to meet their medical expenses and acquire an income for their retirement. At present not much emphasis is being given in Sri Lanka.

Ceylinco Life is playing its role in creating awareness for the need for retirement planning. The Ceylinco Retirement Plan caters to this need.

**Final thoughts?**

As I mentioned earlier there is huge market potential and the Insurance Industry is going to play an even greater role in the economy of this country.