

Driving On Innovation And Convenience



Asian Alliance Insurance has come a long way since its inception in 1999. As a part of Softlogic Group, the company strives to achieve even greater heights with a vision of being the most innovative and best value provider in the industry. With the aim of providing convenience to the customers, which is at the core of the company’s philosophy many new approaches have been introduced to achieve this goal. Iftikar Ahamed, Managing Director – Asian Alliance Insurance shares his views on the journey of the company as well as the many firsts they have introduced to the industry to stay ahead of the game.

By Krishani Peiris | Photography Indika De Silva

Can you elaborate on the journey of Asian Alliance Insurance since its inception?

Asian Alliance became a member of the Softlogic Group during the latter part of 2011. At that time, from the perspective of the Group, we were looking at various sectors of the economy, which we thought would do best in terms of Sri Lanka's growth potential. As such, we picked financial services as one area, which we believed would do very well. It has now been four years, since Softlogic joined with Asian Alliance and we have revamped the whole organisation.

We have allocated resources in terms of people, focused on upgrading our talent, product development, improving brand value, visibility, awareness and the infrastructure of the business. Most of these tasks carried out have been done over the last three and a half years, after Softlogic acquired Asian Alliance, because we believe that the insurance industry has great potential in many areas.

For an example if we look at life insurance, the insurance penetration in the country is less than one percent where as in countries such as India or Singapore, the penetration is about ten percent. Therefore, there is a tremendous scope for insurance in the Sri Lankan context to pick up. We believe that insurance penetration is related to the per capita of the country as well. As of now Sri Lanka has a per capita of about USD 4,000. We believe that once it passes USD 6,000, we will actually see a significant boost in the insurance penetration. This is why from the perspective of the Softlogic Group, we see huge prospects for the insurance industry in the country and that is why we are present in insurance.

We also provide general insurance, which is linked to the economy of the country. Sri Lanka is growing at a rate of more than seven percent and the plan was to achieve an eight percent growth. Once again we believe this growth rate will provide ample opportunities. In general insurance, one of the main sectors is motor insurance, which is about 50-60 percent of the market. Health is another area that is growing very rapidly and accounts for about 15 percent of the market.

As such, we want to mainly focus on these two segments, as we are then leveraging

the strengths of the group.

Softlogic Group has a presence in healthcare with Asiri Hospitals and we believe that the combination of healthcare and insurance is very strong in terms of our synergy. Softlogic is also strong in Retail where we have a franchise that is present in 200 stores around Sri Lanka. These stores carry consumer appliances such as fridges, TVs, washing machines, mobile phones and we have combined them with the branded apparel sector, such as Mango, Levis, Nike, and now Odel. Therefore, we really want to focus our insurance efforts to the retail side as well, so that we are concentrating on the same customer base from the Group's point of view. This customer base has huge potential for insurance.

The services provided by Asian Alliance are customised to meet specific requirements of the clients. How is this achieved?

When it comes to life insurance; what an individual wants to protect or to gain in terms of a life insurance policy is very personal. It might be that you are entering into a life insurance contract when you are 35, 45 or when you are even 50 years old. During these different stages of life, the requirement and objectives that an individual needs protected are different. As a result we look at customising almost every single life policy. In terms of our life sales, it is a very comprehensive process.

We identify the client first and we dedicate at least three visits. These visits go beyond 30 minutes as we spend time understanding the requirements of the client. Then we customize a life insurance policy that will meet those requirements.

One other area that we are capitalising on is healthcare. In terms of our life policies we have what are known as additional covers or riders, which are health related. Therefore, it covers critical illnesses and there are various other health benefits. What we do is, we link health benefits to our life policies and as a result, anyone who purchases or obtains a life policy from Asian Alliance will receive a well structured and customised plan.

Motor Insurance is also an important segment for Asian Alliance. Can you elaborate on this area?

The motor segment accounts for about 50-60 percent of the market. It is also an industry that is growing year on year, and it is a well known fact that as Sri Lankans, we love our cars. People here show a preference to first purchase a small car and then move on to the next. Therefore, insurers cannot ignore the motor segment. And as a result you have to have a presence in motor and have special products in this sector. There is no point of being a plain vanilla motor insurer with a ‘me too’ kind of product.

In terms of our entry into the market, we felt that the market needed innovation. Customers like innovation because they need ‘convenience’ in their lifestyles. And, it is with that convenience in mind that we looked at our product. After brainstorming within the team, we developed our motor proposition, Click2Claim.

Today many people have smart phones and what you need to have is Click2Claim app on your phone. If you meet with an accident, you simply have to ‘click’ the button and it automatically calls the call centre, to set in motion the fastest claim process around.

We Believe That Click2Claim Is Groundbreaking As Far As The Motor Insurance Sector In The Country Is Concerned.
You need to enter your vehicle details into the app and your policy details will appear on the screen of the phone. The call centre will then prompt you to ‘click the next five clicks’ to know what has happened, the damage to the other vehicle or to the third party, a landmark or a street name to identify the site of the accident, photographs of the driver’s license, and a photograph of the driver. After filling those in, you press ‘send’. These photographs are received at our processing centre within moments where a motor engineer takes a look at them to understand whether they have all the necessary details. Then, immediately the motor engineer informs the person who is handling the claim that everything is in order and he or she can ask the customer to proceed. This whole process takes less than five minutes. The call centre contacts the customer and informs them that everything is in order and that they can proceed. This cuts down the waiting period where the customer has to wait for the assessor to come, which may depend on whether there is any transportation available, traffic and weather conditions. In terms of ease and convenience, we allow the customer to move on with whatever he has to do with minimum hassle. This is revolutionary. No other insurance company in this industry has a similar product. And we believe that Click2Claim is groundbreaking as far as

the motor insurance sector in the country is concerned.

That was the first part. The second part of it is that since the engineer has the photographs available online, he is able to make an assessment of the damage. As such they can offer the amount to be settled directly to the customer. For example, they will say to the customer; 'we have estimated the damage to be 30,000 rupees. Do you want to accept this amount?' And if the customer says yes, we have tied up with Sampath Bank where the Bank has a cardless ATM withdrawal system to offer a special facility. A pin number is sent to the customer's mobile phone and all you have to do is to drive to the nearest Sampath Bank ATM machine to withdraw the cash in settlement of the claim. It is really extraordinary. Usually the process includes where the assessor who first goes to the site to take photographs. Then he has to write a report, write back to the office, transmit that to the company where the whole processing team sits down and goes through the claims-all this takes time, money, and much effort. We have cut down the entire process by simply using technology and automation to deliver customer convenience on one hand and to create the operational efficiency on the other. We believe that over a period of time, we will be able to convert these into efficiencies and going forward into cost savings as well.

Since we are driving on the platform of innovation and convenience, we launched the first drive through insurance counter in Sri Lanka at our GI Corporate office. If you want to get your insurance renewed, you can drive through in your car, similar to what you do at a fast food restaurant. You can get your insurance renewed by presenting your documents and they will do the process in less than ten minutes. And that is our standard-in less than ten minutes, we will give your renewed insurance. We are open seven days of the week from seven in the morning to seven in the evening, where you can renew your insurance even on a Saturday or Sunday, which brings in the concept of 365-day insurance.

We Always Think In Terms Of Customer Convenience And In Giving Customers Value. As Asiri Hospitals Is Part Of The Softlogic Group, We Have A Link Where We Are The Insurance Provider While Asiri Hospitals Is The Healthcare Provider.

Asian Alliance also ties up with many other organisations to enhance services, can you elaborate on this?

In our partnerships with other organisations, yet again we have considered customer convenience. In Motor Insurance we have introduced the concept of

roadside assistance. We have a third party service provider whom we have partnered with. You have the option of either contacting our call centre or calling the third party service provider directly because our customers' details are registered with them. If you experience medical emergencies, here too we have signed up with a partner. The partners that we have selected are reputed companies in Sri Lanka and their standards of care and service are extremely good. Partnerships were necessary as it was obvious that we do not have the necessary capacity or the expertise to provide all the required services. We have set up emergency medical assistance as well where an ambulance is available on call.

We always think in terms of customer convenience and in giving customers value. As Asiri Hospitals is part of the Softlogic Group, we have a link where we are the insurance provider while Asiri Hospitals is the healthcare provider. Asiri is a leading healthcare provider in Sri Lanka with three hospitals in Colombo and two in the South, and they have around 40 percent share of the overall market. What we also wanted to do for our customers was to allow them the flexibility of being able to travel overseas for treatment in case of a complicated procedure that cannot be handled in Sri Lanka. As such, we have tied-up with Apollo Hospitals in India, as they are quite advanced when it comes to certain types of treatments and procedures. We have set up 'Asian Health Alliance', that combines Asiri, Apollo and Asian Alliance. What this partnership means is that Asiri Hospitals will take care of the first part of the medical process and then the patient will be transferred to Apollo Hospitals. We will take care of the formalities including the settlement of the bill.

Asian Alliance also has a wide branch network, will we see further expansion?

Yes, we are expanding on two fronts, our life insurance expansion will go through the traditional branch network. We have a process where in a particularly location we move from a small office to a bigger one, and we will continue to expand in terms of Life branches. On general insurance we are looking to partner with Softlogic Retail, as we have about 200 retail stores around the country, and are planning to roll out thirty general insurance units every year. There will be a sales desk at each of those Softlogic retail locations. The general insurance sales unit will leverage off the Softlogic Retail presence in that particular area. We have established thirty of those locations in the first quarter of 2015 and the plan is to

roll out another 30 in the last quarter and then every year there will be a 30 of those locations being setup. In that way we are going to expand in a very cost effective manner, plus there is also the advantage of having an already established customer base.

In Sri Lanka there are many insurance service providers, how does Asian Alliance stay ahead of the game?

We believe that there is a big opportunity to use technology to stay ahead of the game. That is one part of it. The second part is that in terms of talent, we are building a team, that will not be second to any other in this industry. We are accessing the best talent in the industry and it is in combination of that talent and utilising technology, that we expect to stand out as the most innovative insurance provider. Using that platform we think there is a lot that can be gained in the industry. If you take for example life insurance, we are at the top level and are the fastest growing life insurer in the country. We grew 22 percent last year and also in the first quarter of this year. Our growth over the last three consecutive years has exceeded 20 percent. We are placed fifth in the industry today. As such, you can see that we have tremendous momentum moving forward. We will use technology as much as possible to bring in efficiency, reduce our cost and to make us more accessible and convenient to customers. This combination will set us up well and dictate how we perform in the industry.

Softlogic Group Is Probably The Most ‘Entrepreneuring’ Sri Lankan Corporate Group. Our Chairman Ashok Pathirage Is A Visionary, Who Has Made Well Thought Out And Planned Investment Decisions.

Asian Alliance is part of the Softlogic Group, can you speak about the importance of this and also of the Chairman’s vision for the organisation?

Softlogic Group is probably the most ‘entrepreneuring’ Sri Lankan corporate group. If you look at the Group over the last five years, we have made tremendous strides in terms of expanding our investments and growing businesses. We are a very focused group. Our objective is to look at investing in sectors where we think has the best potential. Therefore, if you look at healthcare, which we believe will continue to have great potential, simply because Sri Lanka has South Asia’s fastest aging population and the role of healthcare plays in terms of improving people’s lifestyles, the demand for better quality healthcare will continue to increase. Asiri Hospitals is number one and well positioned to reap great dividends.

In Retail we have about two different channels. One is the consumer electronic channel and the other is the Branded apparel. We have the largest portfolio of different brands in Sri Lanka as we have Levis, Giordano, Mother Care, Mango, Charles & Keith and of course the crowning point, the acquisition of Odel, which was probably Sri Lanka's largest local brand and best-known department store.

We have big plans in terms of the development of Odel. We will develop the property, bring in more brands, convenience and choice, for our customers. In Retail if you factor in all these elements, once again Softlogic is number one.

Then we have financial services. In financial services we have insurance that includes both life and general.

We are also in leasing and finance with Softlogic Finance, and we are also in stockbroking. In life insurance we are number five in the market, Softlogic Finance is within the top ten and the stockbrokers last year ended at number three. When we acquired these companies, they were nowhere near their present stature. Asian Alliance had a good Life business, but Softlogic Finance was ranked in the twenties while stockbrokers was at 15. Therefore, we have the capacity and ability to convert these acquisitions into winning, profitable and valuable companies. Our Chairman Ashok Pathirage is a visionary, who has made well thought out and planned investment decisions, and proof is in the success of all the Softlogic investments. He is a very smart and astute investor. He's very hands on, whatever we have acquired, if you are to ask anything, he will definitely know at his fingertips the details of what the performance is, turnover is and margins are.

Another sector that we are in is leisure. Our resort hotel Centara Ceysands started about eight months ago, is now running at a profit.

Our second project is the Movenpick hotel in Colombo which will be a 225-room five star hotel. It will be managed by Movenpick, which is a Swiss group. Since Softlogic is new to the leisure industry, our point of view is to let experienced hotel operators manage these properties. Leisure is a big sector for the country and we definitely want a presence in that sector.

Then we are into the automobile segment as well. We are the exclusive agent for Ford in Sri Lanka. We have a Japanese brand Daihatsu, and are experimenting with a few Chinese brands as well.

The Group started with ICT and ICT continues to be a fairly focused sector for us as we have been in that space for a long time. We are distributors of Nokia phones, Blackberry and Apple. For Nokia we are the sole agent in the country and that is a brand that continues to do well in terms of number of units.We distribute and provide solutions for office equipment, photocopiers, scanners, point of sales, machines, cash registers and billing. Therefore, the ICT sector is also a fairly heavy sector in terms of turnover

We are into restaurants as well.We hold the franchise for Burger King in Sri Lanka. Our outlet in Rajagiriya won in the category of 'best restaurants in South East Asia' in Burger King last year. Whatever we have started we are putting our full strength and our focus behind it in terms of taking it to the next level and realising the best potential in each area. In Sri Lanka's corporate sector, we see great opportunity. We are really going to push the limit, and as the years go by, we would like to think that the corporate sector will look back and say that Softlogic was one of the best corporate success stories of the country, because it started from humble beginnings to a great conglomerate. It was not started from a heritage of having wealth, which has been garnered into bigger or higher things. This group started off with ICT, then invested in health and post IPO and continued to invest into other sectors. All these investments have happened one after the other, looking at what has already been acquired and making that grow, benefiting from that and taking the next step.

Future plans?

From a Group's point of view, we have picked the Sectors where we want to be present and will look at related areas where we think there is potential. We will increase our focus in financial services, because of the significant potential. We have big plans for the Asian Alliance brand. We have started to unravel them from about six months ago. In terms of visibility of the brand, it is now coming into the limelight. One example is the two offices, one at Ward Place, and the other one at R A De Mel Mawatha.We have made a substantial investment as we are serious about the business and see the prospects. And similarly we will continue to invest in areas that we need to develop. We will not do it for the sake of doing it, but wherever we

see the potential we will strengthen it with the financing and the resources that are required to make the business a success. We are extremely performance driven and are very keen on delivering results.

We Hope That Sri Lanka’s Economy Stays On The Course It Is Now… Once We Are Moving Forward, We Must Try As Much As Possible To Maintain That Momentum And Move Things Along.

Final thoughts?
We hope that Sri Lanka’s economy stays on the course it is now. We hope there is stability, because there is a bit of uncertainty in terms of direction. The faster that is cleared, the sooner corporate decisions can be made and even investment that has to come into the country, will hopefully get fast tracked. It is important because once business momentum slows down, it is difficult to pick up the pace again and take it to the next level. Therefore, once we are moving forward, we must try as much as possible to maintain that momentum and move things along.



