

# HNB Assurance For The People

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In 2001 HNB had created a 100 percent owned subsidiary and entered into the market by the name of HNB Assurance. By 2003, HNB, in order to fulfill CSE regulations criteria, had sold 40 percent of their shares to general public. Currently, in its eleventh year running has reached one billion of capital, which had through the years, risen from a 215 million fund proportion.

Compiled by: Sonali Kadurugamuwa

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HNB Assurance has expanded from what was just one corporate office in 2001 to 50 branches island wide, alongside a work force that has grown from a then less than 500 to a current 1500 members. "When I joined there were 15 branches throughout the country and bancassurance operation was at its initial stage for which I began developing the number of branches, the distribution network and gradually focused on the bancassurance channel," adds Lalith Fernando - General Manager Marketing and Distribution.

HNB Assurance was driven by a particular philosophy: maintaining transparency at all times, to ensure that adequate information, with regard to financial information remained clear cut to all its clients, on the fact that guaranteeing transparency strengthens trust. “We started getting rewards and steadily won medals and this is not only locally, but also internationally and awarded for our sustainability report,” says Fernando, while speaking on company achievements. More recently, the company has begun developing its own network system in collaboration with TCS, (Tata Consultancy Services), which links all branches with the head office, simultaneously expanding the bancassurance set-up as a part of its service distribution commitments. “We have 140 bancassurance counters island wide,” elaborates Fernando.

As a part of their conceptualised practices, innovation is one that is highly regarded. Fernando believes that people recognise life insurance only to cover unfortunate accidents or incidents, “but we started looking at life insurance specifically, from a different angle, which among other incidents covers; death, disabilities and diseases.” He says that people have a culturally unconstructive perspective towards the concept of insurance, which creates complications when it comes to attracting people, especially the younger generations’ interests. According to Fernando, people usually begin to think about life insurance after the age of 40, a time when their level of liability keeps increasing while insurance eligibility and affordability becomes questionable. “Hence we came up with ‘Mylife’ insurance policy which in addition to covering unfortunate events, applies to happy occasions; marriage, child birth, child’s admission to the school, when acquiring a vehicle for the family... For those occasions we pay an interim payment even before they reached maturity. Subsequently, HNB Assurance created a series of inventive policies such as ‘Mygroup’ for solutions based on people’s needs as per their living conditions. ‘Myfund’ targets building up funds for people’s retirement, including EPF, ETF and gratuity and ‘Myfreedom’ is on offer for those who’ve accumulated a lump sum, on retirement, to receive terminal benefits. ‘Myhome’ policy benefits homes affected by natural disasters while ‘Myhealth’ covers against accidents, for injuries, loss of limbs and also critical illnesses. ‘Motorgaurd extra’, a recent insurance policy relieves the customer of having to bear the bigger percentage of the costs on vehicle repossession.

Elucidating on marketing strategies, Fernando views the company’s progress through technological advances. With the advantages of innovative techniques to develop customer friendly approaches such as mobile phone texting facilities in the event of settling claims, payment of premiums and such, a 24 hour call center service, “and a readily available panel of assessors to visit the sites, do the estimates and send customer claims,” continues Fernando.

In a concluding statement Fernando states, “proper awareness from insurance associations have to be created amongst the general public, to build confidence about insurance, in order to increase penetration.”