

# HNB-HNBA Launch Free Key Person Insurance Cover for SMEs

Posted on



*(L-R): Chandana Waidyathilaka, Senior Manager, HNBA; Achala Horana, Channel Lead-Bancassurance Corporate, HNBA; Sanesh Fernando, Chief Business Officer/GM-Partnership, HNBA; Lasitha Wimalaratne, CEO, HNBA exchanging MOU with Sanjay Wijemanne, Deputy General Manager – Retail & SME Banking, HNB in the presence of Kalivasan Indravasan, Assistant General Manager – SME, HNB; Niluka T. Amarasinghe, Head of SME Products & Partnerships, HNB; Nishan Caldera, Manager-Business Development Subsidiaries, HNB; and HNB Undergraduate Trainee Dasuni Basnayaka.*

Building resilience and supporting economic revival by strengthening SMEs to face any unexpected eventuality, HNB partnered with HNB Assurance to offer its SME customer portfolio with a key person insurance cover.

The initiative was created to safeguard SMEs in its lending portfolio from financial losses in the unfortunate event of the death or total permanent disability (TPD) of its key employee.

Moreover, the partnership will provide businesses opting for the beneficial add-on facility with many unique benefits from both institutions.

“It is crucial that businesses make contingency plans to face any unexpected events, especially given today’s challenging conditions.

SMEs are the backbone of Sri Lanka's economy, making up 52 percent of the GDP and contributing to 45 percent of national employment; we must take steps to meet any eventuality.

"As such, we leveraged the strength of the HNB Group to share the burden of unexpected events with our SME customers, who are more vulnerable to disruptions in their operations. The Key Person Insurance cover will give businesses peace of mind, knowing that they are protected and, by extension, ensuring they are better equipped to navigate any unexpected challenges. We believe that this initiative will provide an added layer of financial protection to SMEs and help build resilience within the sector while supporting the long-term economic growth of Sri Lanka," Kallavasan Indravasan, Assistant General Manager-SME, HNB, said.

In case of any unforeseen eventuality, the entire insured limit of facilities would be settled by the insurance claim, including any outstanding dues on the facility, with the balance amount being credited to the legal heirs. Notably, the partnership opens the loan facility to individuals up to 70 while extending the insurance coverage to 75 years of age. It supports businesses to retain their veteran employees and leverage their expertise to navigate volatile conditions.

"Our Key Person Insurance program was specifically designed with HNB to address some of the most difficult pain points SMEs feel today, such as when the key Person of a business is lost. Such situations can disrupt the company's competitive advantage and business continuity. By providing this crucial coverage, we hope to help mitigate these inherent risks at a crucial juncture for many SMEs to ensure their continued success," Lasitha Wimalaratne, Chief Executive Officer of HNB Assurance, said.

Additionally, HNB Assurance will help offset costs required to assist in hiring temporary assistants, recruiting a successor, and offsetting losses due to decreased ability to transact business until successors are trained and developed.