

Speed Is The Name Of The Game



Insurance has become part of the day-to-day lives of many people, yet, even till this day, the Sri Lankan insurance market operates at a lower capacity than its true potential. By delivering what their customers expect from an insurance company, Ceylinco Insurance has managed to reach the people of this country as a friendly insurance provider. Their innovative products have received international recognition. Joint Deputy Chairman of Ceylinco Insurance, Ajith Gunawardena spoke to Business Today about these various achievements of Ceylinco Insurance, the insurance industry in general and their plans for the future.

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Photography by Menaka Aravinda

Ceylinco Insurance goes as “the market leader of the new age”. Can you elaborate?

We have always been giving something new to our customers and since the inception of privatisation of insurance, we have been very innovative. We have given the public, products that were not seen in the insurance industry before and our customers have in turn accepted what we have said because we have walked the talk. We changed the insurance industry from the very beginning. Earlier, the insurance industry was dominated by agents and brokers but we were the first to start direct selling for the convenience of the public. As the leader in insurance, this is something that we have given to the industry and the industry has whole-heartedly accepted that. This can be seen in the fact that for the last three consecutive years, we have been winning People's awards. We have become a people's insurance company as well as a friendly insurance company and thereby delivered to our customers what they were looking for from insurance.

You mentioned about introducing new products, and I believe that Ceylinco was declared the most innovative Insurance Company in Asia, not just once, but twice. Would you like to tell us about this achievement?

In the year 2003, we won the award for the most innovative company in Asia at the Asian Insurance Awards ceremony. We competed with over 2,700 companies in Asia. In fact, the whole Asian continent and the West was represented by various companies, so essentially it also included many multinational giants. We competed with everyone to come out as the most innovative Insurance Company in Asia and we never thought that it would be such a huge success.

Then in 2006 we again won the title “The Most Innovative Insurance Company in Asia”. We came up with a product that merged insurance with super market shopping. It worked on how much a person spent on a basket per visit and the insurance cover was according to the expenditure during a period of one year. However now, we have taken our innovative ideas outside Sri Lanka, and we are selling our knowledge. However, we are keeping the recipe for us, because once you give the recipe, there is nothing for you.

Ceylinco also became the only insurance company in the world to settle all claims on the spot. How was that achieved?

We realised that we were settling about 585 cases per day on an average on motor insurance which means our engineers are on the job to see 585 cases a day. Then we looked at the non-motor market, which has only about 150 cases a month. Since we have been settling 585 cases on average per day we thought why can't we settle these 150 cases a month. Like Usain Bolt who runs 100 metres, the clock stops at the speed that you travel. At the end of the day, speed is the name of the game and if you have speed, then you can beat anyone. Thus, we adopted speed and even today our non-motor claims are being settled on the spot. Of course, there are times when the customer is not in a position to provide certain documents or they are not ready to give the entire details. There are only few cases that cannot be settled and we need the purchase receipts and sometimes they have to balance their books and they have to say exact stocks that they carried and they need a few days. But we are always ready to settle. We settle the majority of non-motor claims on the spot has never been done in the world.

Therefore you can see that we have not only revolutionised the Sri Lankan market, but we have revolutionised the western market as well. At the time that we innovated, we never thought that it was knowledge. Like most innovations, when you do it you don't know that it is an innovation until such time that it gathers momentum.

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Awards. We Have Become A People's Insurance Company As Well As A Friendly Insurance Company And Thereby Delivered To Our Customers What They Were Looking For From Insurance.

You mentioned about a number of achievements. How has Ceylinco Insurance's performance been through the years?

The performance has been absolutely fantastic. Year after year, we have been increasing our market leadership. At the same time, I must say that unfortunately as a result of what happened in the Ceylinco group last year, we have lost a few percentage but we still continue to be the leader. There are ripple effects on other companies of the group, but we are moving ahead as usual.

Moving on to the insurance industry in Sri Lanka, it is showing lower growth than its potential. As an insurance professional, what do you think are the innovative marketing efforts that can break this trend?

I think the downtrend of the market came because of the economic situation. During a recession, people will not have that amount of spending capacity. However, today, soon after the war, you can see that things are changing and people are going to have more avenues of making money; more opportunities, more businesses and more investments. I am sure that it will happen in the next few years. The economy is growing and there will not be a negative figure in the market.

What are the innovative services that Ceylinco Insurance offers?

At Ceylinco Insurance, we work with the marketing tools and one way of going forward is our distribution network. We are already in the North and East and we are going to increase by about another 15 branches there. Expanding our branch network is one way of spreading and giving the the people in the North and East the same products and services that are available here. We have also gone into certain big outlets in the market and established insurance shops in these outlets. There are sixty-eight outlets on that basis.

Another innovative measure that we have in the pipeline is to have customised services for regions. For example, sometimes a product that suits Kandy might not

suit Galle and a product that suits Galle might not suit Trincomalee. This is a result of the differences in their livelihoods and lifestyle. Therefore, we are in the process of introducing regional products that will be sold only in a certain areas. It is all about customisation and we are looking at customising our products.

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You mentioned customisation as one aspect that Ceylinco is going to focus on, with a number of competing insurance providers in the market, how does Ceylinco stand out among the others?

When we started Ceylinco 'On the Spot', no one else in the world had a similar product. Today, there are many insurance companies that are trying to come up with similar products. At the end of the day, doing a business you are not going to make a loss, but you want to make profits, so it is only if you make a profit that you can give the benefits to your customers.

Twenty years ago, when insurance was denationalised, if you wanted a policy for your house to cover fire, you had to have a fire policy, if you wanted to cover burglary, you had to take a burglary policy, if you need to cover visitors, you had to take a visitors policy. Therefore, we looked at Rambo and at that time, Rambo had one weapon which had many other gadgets attached to it. Similarly, we made a product covering burglary, fire, theft etc into one and now we have packaged products. There is only one day of renewal, one premium and the premium is lower than taking five different policies and that was our beginning. Innovation came thereafter.

We had a product called LIPS (Ladies Insurance Protection Scheme) and VIP (Vehicle Insurance Policy). We branded our insurance products. Until then insurance never had branded products. If you look at insurance now, everyone is trying to brand insurance products, but we at Ceylinco did the branding first. Another aspect is that, we have been looking at social responsibility and the interest of our customers. On the main roads leading to the cities we have built many rest rooms, which are very well maintained for the convenience of our policyholders. That is one way in which we look after our customers and to do that we have to make money to give the benefits to our policyholders.

Even with the promotional campaigns, we were the first to come up with a picketing campaign. After our first picketing campaign, many thought that there was a strike at Ceylinco Insurance, but actually, the campaign was to talk about the benefits that VIP was offering. It was immediately followed by a number of multinationals in Sri Lanka. Further speaking of how we stand out in a crowd, if you travelled to Nuwara Eliya during the season you'd have found our guys there offering people coffee etc and we have even gone into danselas. So we have done various things in the market to create visibility.

What are the initiatives that Ceylinco has taken to spread awareness of Insurance among the Sri Lankan public?

Basically, you mark your presence. We have 265 branches right around Sri Lanka, so it first starts with your presence. Being present, then you have to show that you are there. Once you are present, you have business to do with the others. Our branch network itself has popularised our products in even those very small towns and once you are there, you have to make noise that you are there and you have to make noise to say that these are the things that you are doing.

Furthermore, we have also gone to schools and spoken to them about the benefits of insurance and we have gone to gramasevakas and spoken to them in batches as to what benefits that insurance could give. Before I came to insurance twenty years ago, I did not know that insurance is a magic ball. What insurance does is, it will bring you back to normalcy if something goes wrong. It is not going to make you profit, but it will bring you back to what you were. So we have been educating people in the outskirts with our 265 branches.

We have also got about 15 propaganda vans that run all over the country promoting insurance. Whenever we have an innovative product or an innovative advertisement people look at TV and papers, listen to the radio and get to know what it is all about. That is how we have been going forward.

With the end of the war, most of the sectors are looking at end of war dividends. What about the Insurance sector, and Ceylinco in particular?

We have got about 10 branches and even in Jaffna we have been working for so many years. Thus, we even have our presence there. However, now with North and East development, we are going to open another 15 branches there in the next three months and give them a taste of insurance as they have not had that

opportunity during the time of the war. We also want to show them the protection that they can have from insurance and the benefits that you could reap. It is also important to note that when a service such as insurance goes into an area, it develops many other aspects in society as well. That whole community will be involved by being with insurance: by getting to know about the benefits and by having a commitment and knowing that they have protection. We also give them whatever assistance that we could to develop themselves.

Can you tell us, what is Ceylinco's roadmap for the future?

We want to be a player in Asia and in that path, we have already marked our presence in a few countries. We want to develop on that and we want to penetrate more and more into the region with our knowledge. We have also found out that here we have untapped knowledge. We don't have the cash compared to some of the insurance giants in the rest of the world, but we need to mark our presence and we can do that by selling our knowledge. We have an absolutely fantastic staff that is highly motivated, committed, work conscious and young. That is a huge advantage to us.