



MOBILITY IN THE SRI LANKAN INSURANCE SECTOR

- SHIRISH PATHAK, CEO, FINTELEKT

How can insurance companies in Sri Lanka improve competitive advantage, accelerate operational efficiency and augment financial performance by embracing a mobility-driven approach for the agency and distribution channel? This report includes key insights shared by insurance leaders at a Fintelekt roundtable discussion held in Colombo in November 2015.

Introduction

Insurance companies, especially those in growing markets, have to grapple with a number of challenges in the agency distribution channel such as diverse agent capabilities, low productivity, risk of mis-selling due to inadequate understanding of customer profile and needs, and maintaining the integrity of customer data. The need of the hour therefore, is to architect processes and solutions that can address these challenges, lead to higher efficiency and returns - both for the insurer and agent - and at the same time provide a superior buying experience for the policy holder.



“The insurance industry in Sri Lanka is witnessing double-digit growth. Technology is increasingly being seen as an enabler to drive change in the way business is done”

- Dirk Pereira, CEO, Union Assurance & President – Insurance Association of Sri Lanka



“It is important that insurers do not underestimate customers’ ability to adapt to new ways of doing business. Mobility solutions are a proven way to bring in standardization, eliminate wastage and enhance the productivity of the agent”

- R M Vishakha, MD & CEO, IndiaFirst Life Insurance

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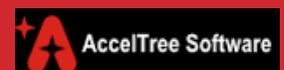
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Technology is Driving Substantial Change

The insurance industry in Sri Lanka is witnessing double-digit growth in both life insurance and general insurance.

Technology is being viewed as a catalyst for driving change in the way business is done, and while being deployed to a limited extent at the point-of-sale currently, has been leveraged substantially for customer service and claims, especially in motor insurance.

While a few insurers have started using mobility solutions for field underwriting, the majority of insurers are yet to fully embrace mobility solutions for agent empowerment.



"The biggest challenge facing the industry today is to find the right people to sell to the customer"

*- Ainsley Alles, CEO,
Orient Insurance*

Addressing Shortage of New Sales Talent



"Insurers need to leverage technology to take a quantum leap and take business to new heights, without losing the human touch factor"

*- Nilanga Wickramasinghe,
COO, LOLC Insurance*

A major challenge in the industry currently is the lack of new people with skills, aptitude and inclination to function as insurance agents. Education levels and attitudes to selling are varied, and this throws up challenges for insurers, both in context of potential mis-selling, and achievement of sales targets. To bridge these gaps, tablet-based solutions are being considered by the industry to disseminate product information, sales solutions, training modules and performance management.

There is also a growing realization that the gap in agent skills and sales effectiveness can be narrowed substantially by using a workflow-based process oriented solution running on a tablet at the point of sale.

Active Customer Engagement

Customers are, at times, wary of disclosing deep financial details to the agent. Allowing the customer access to a point-of-sale solution on a tablet being carried by the agent to the sales meeting can enable customers to engage more deeply into the sales process. One benefit of this is that they will enter the correct personal financial information into the simulator due to which the workflow-based system will automatically suggest the right policy recommendations.

So while the customer feels more actively engaged in the sales process which is a 'feel good' factor, the right fit in terms of policy and premium amount can be offered to the customer, which substantially brings down the possibility of mis-selling.



"Implementing a mobility solution is the key to bring in heightened levels of service and flexibility in the process of customer engagement, across sales channels"

*- Ruwan Bakmedeniya
General Manager IT, Union*



"The quality of user experience on mobility solutions is the proverbial 'make or 'break' factor from the advisor and customer point of view"

*- Namal Gunawardhene,
CIO, HNB Assurance*

Boosting Agent Morale and Retention

The insurance sales profession carries with it some amount of negative perceptions in mainstream society. Equipping agents with a mobile device running a cutting-edge solution helps to boost their morale, productivity and earnings, a fact that has been noticed in all geographies that have deployed this. Due to the fact that using a workflow-based system at the point of sale helps to suggest the right policy, perform straight-through underwriting in 95% of cases, and therefore helps the agent to close a higher number of deals per day, agents actually earn more commissions and this is a key factor in them staying loyal to a particular insurance company.

Critical Success Factors for Mobility

Top Management Support:

Insurance companies that have successfully deployed mobility solutions have been able to do so due to the complete support of the top management. Top management championship of the mobility initiative is critical to ensure passionate usage by agents.

Realistic Expectations:

While mobility solutions can be an enabler, they cannot replace the agent. They can enhance the process used by the agent to ensure that the right policy is sold to the customer, and is done so more often. Companies who have deployed mobility solutions successfully articulate the expectations and benefits of this technology across the organization so that all the users have clarity on exactly how they will benefit.

Blended Approach:

The winners are those who blend the technology element with the human element. Most agents join the profession as it gives them a tremendous amount of freedom of lifestyle and upside to the earning potential. It is important to ensure that the deployment of the mobility solution is carried out within the spirit of the recruitment pitch that was given by the insurer to the agent. It is important that the agent clearly understands that the role of the mobility solution is to enhance sales effectiveness and is not a replacement to the human connection.



“For an insurance company, mobility solutions to empower agents are no longer ‘nice-to-have’ but rather a critical business imperative”

- Vivek Mannige, CEO & Co-Founder, AccelTree Software



“The GPS functionality offered by mobile devices helps insurers in identifying agents’ movement patterns and thereby assisting in decisions related to field force optimization”

- Satheesh Babu, CEO, LIC Lanka

Social Harnessing:

A key value addition that insurance companies can proactively provide to agents through a mobility solution is extraction and provision of social data from prospects based on their life events, and share this data with the agent base so that the customer can be contacted at an opportune time for a particular type of policy.

Staying the Course:

All new technology has met with skepticism. This is human nature and companies have no option but to deal with it. However, if the technology solution provides exceptional value to the agent, customer and insurer, then there is a very high chance that it will eventually be embraced despite the initial resistance. Articulation of the benefits and handholding agents through the process is important and the insurer will need a few 'champion' agents to push it amongst the sales force until the tipping point of usage is achieved.



"Insurers need to leverage data sources available with regulators, telecom providers, social media channels and others to feed meaningful information to the advisor during the sales process"

- Indrajith Hapuarachchie, Head IT, Continental Insurance Lanka



"Technology cannot replace a sales process; it can only facilitate. Business largely takes place depending on "Who I Know" rather than 'Based on a System'. Also, usage of technology in the sales process automatically builds high expectations for higher levels of customer service, which insurers should be ready to gear up to provide"

- Adel Hashim, General Manager S&M, Amana Takaful

Way Forward

There is consensus in the industry that the role of the agent in the insurance sales process is still paramount. Most consumers still prefer to purchase insurance cover from insurance agents, and insurers do not expect this to change drastically anytime soon.

This makes it critical for insurers to focus on equipping agents with additional technology tools that can improve efficiency so that agents can transact effectively with a higher number of prospects in the available amount of time, and ensure that the right products are presented to customers.

Leveraging mobile device-based solutions with intuitive user interfaces to proactively handhold and guide agents on the field during a sales call can help them to actually close more deals in an informed, ethical and customer-centric manner, and will also go a long way in boosting agent morale and industry penetration.



“A well-developed mobility solution is a key resource in making a rookie agent rapidly climb the learning curve and function as a professional advisor”

*- Padmakumar BS, President,
AccelTree Software*

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