

Factsheet microinsurance business model

Sri Lanka: Ceylinco General Insurance, Trailblazer in Providing Insurance Access to the Diverse Needs of Sri Lankans

The Country

A quarter of Sri Lanka's 21.2 M million inhabitants lives on less than USD 2 a day (World Bank Statistics, 2015).

From 1983 to 2009, there existed an armed conflict between the Government of Sri Lanka (GOSL) and the Liberation Tigers of Tamil Eelam (LTTE) and in 2004, the country was significantly affected by the Indian Ocean earthquake, resulting to a tsunami. These two (2) became the biggest constraints to economic development of the country these past years.

The end of the 30-year civil war roused a new era of economic development inspiring significant opportunities for the insurance sector to grow.

The Company

Ceylinco General Insurance is considered the most preferred general insurance company of Sri Lankas being awarded 'People's Insurance Brand of The Year' of 2017 – their 11th consecutive time. This award is greatly associated with the Company's reputation for settling all claims 'On The Spot'.

"On the Spot" claims settlement is one of those processes where clients could claim through the Company's 24 x 7 Call Centre. After the call, the Assessors/Engineers based throughout the country will reach the location within 30 minutes to assess the claim. In case of small and medium-sized claims, the assessor offers an amount payable, and if agreed, this is credited to the electronic purse of the client.

In 2016, Ceylinco General Insurance paid claims amounting to Rs 10.5 billion, an increase of 59 % compared to the previous year. It also recorded an premium income of Rs 16.1 billion, increasing 18.9 % compared to the 2015 number. (Ceylon Today)



One of the Company's goals is to expand to selected international markets. As of now, it has expanded to Middle East, which includes the United Arab Emirates, Bahrain, Kuwait, Oman and Qatar through strategic alliances and to Nepal and the Maldives through an associate company and a subsidiary, respectively.

Insurance Products for AgriBusiness MSMSEs

The Company ventured into Agri insurance since 2000, recognizing that majority of the population is dependent on agriculture-related income.

Ceylinco Farmers' Insurance Package

This is an indemnity-based insurance product that individual farmers are entitled to obtain the insurance program that is delivered through various through Farmers' Societies and Financial institutions offering Crop/Livestock Loans that includes commercial banks. This is bundled with Personal Accident Insurance for Farmer and spouse, as well as Funeral expenses for family members. Insurance can also cover farming equipment excluding Tractors. The program also includes hospital cash benefits.

The Company ensures paddy, maize, soya beans, green grams, black grams, pineapple, mango, sugar cane, chilis, red onions, big onions, peanuts and tea.

Premium amounts can range from 5% to 10%. Benefits based on input cost.

The number of policies issued are as follows:

	2014	2015	2016	2017 (est)
Policies Issued	10,582	12,010	15,420	16,000
% increase		13%	28%	4%

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Other insurance products for SMSEs Agribusiness include:

<p>Ceylinco Livestock Insurance</p> <p>This product targets Individual Livestock farmers and it can be accessed through Farmers' Societies and Financial institutions offering Livestock Loans. The livestock insurance is bundled with personal accident insurance for farmer and the spouse, coverage for funeral expenses for the family, equipment required for the trade and hospital cash benefits. Premiums amounts can range from 5% to 10%. Benefits based on input cost.</p> <p>The Company insured cattles and goats owned by the farmers' already insured with the company.</p>
<p>Deewara Udana for Fishermen</p> <p>This insurance product is designed for Fishermen Business and is distributed through Fisheries Societies and Financial institutions offering loans to Fishermen including Commercial Banks. The product covers Personal Accident, Funeral expenses, Allowance for the family due to disappearance of fisherman up to 12 months, and allowance for school going children due to disappearance of fisherman till they complete secondary education. The program also includes hospital cash benefits.</p>
<p>Ceylinco Support Line</p> <p>Ceylinco Support Line targets owners of small and medium enterprises, covering them for contingencies from loss of income due to an illness or natural disasters. This also provides allowance for the children's education upon death of the policyholder's death.</p>
<p>Comprehensive Natural Disaster Cover for Traders</p> <p>In 2016, the Traders Disaster Relief Insurance was launched, one that is appropriate for different kinds of businesses. It covers loss or damage to the insured property due to floods, tsunamis, earthquakes, storms, cyclones, tidal waves, tornadoes, hurricanes, typhoons, thunderstorms, hailstorms and wind storms. It also covers fire and lightning, burglary for</p>

the building and stocks together with relocation expenses, public liability, workmen's compensation, cash in drawer, money in transit, business loan repayment cover, personal accident to employees, natural death and personal accident cover to the insured and funeral expenses cover for the insured & family. (2016 Ceylinco Annual Report)

In the year 2016, the Company insured more than 15,000 farmers and around 30,000 fishermen.

Corporate Social Responsibility

The Company always integrate education to their insurance products. To further ensure that the literacy rate of Sri Lankans remain high and continually increase, one of their CSR programs is to provide scholarships to needy school going children in underdeveloped parts of the country. 1,000 poor children are given month allowances until they complete their Advanced Level (A/L) examination..



Way forward

The future plan of the Company is to increase variety of its Agriculture Insurance and to reach certain parts of the country where we are not presently active to get a better spread. Presently, insurance of SME's including Agriculture insurance is around 7.5% of the Company's total portfolio and this is projected to increase to 12% by 2020 which will be around US\$ 15 Million.



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