

MESSAGE FROM THE CHAIRMAN



“Success is no accident. It is the result of hard work, perseverance, learning, sacrifice and most of all love of what you are doing”

Pele – Brazilian footballer who played in three World Cup winning teams. Recognised by many as the greatest football player of all time.

As I begin to write this message I realise that this Report is a historical document because it reviews the entire spectrum of performance of this Company for a full calendar year. It should be recalled that the previous (2015) Annual Report covered only a seven month period namely from June to December because it was only in June that consequent to segregation, Ceylinco Life Insurance Limited became a separate legal entity as a subsidiary of Ceylinco Insurance PLC. The historical aspect of this Report takes on special significance when the performance of this Company is reviewed.

GROSS WRITTEN PREMIUM (GWP) AND MARKET LEADERSHIP

In the year under review (2016), this Company achieved the highest ever GWP during its long and eventful history commencing as a Division of Ceylinco Insurance PLC way back in 1987 and now as a separate company. Achieving a GWP of Rs. 15.0 Bn in a highly competitive and aggressive market deserves the highest commendation. With this, Ceylinco Life Insurance has for the 13th successive year become the industry market leader. This performance becomes even more commendable when one considers the post-segregation scenario of mergers and acquisitions and some companies completely moving out of the General Insurance business and strategically focusing exclusively on Life Insurance. Therefore, let us not be complacent in our victory. Competition will continue to be still more keen and still more aggressive in 2017.

THE SECRET OF OUR SUCCESS

In the face of the anticipated competition it becomes relevant to analyse the secret our success. It is team effort.

A team however is only as good as its leader. It was in this capacity that Mr R Renganathan as Managing Director of the then Life Division 29 years ago set the pace. He had a vision which transformed itself into reality year after year. And like all dedicated leaders, he has been able to infuse into every member of the staff from Directors down to every hierarchical level the truism that success is never due to luck or chance or accident but due to a combination of hard work, perseverance, sacrifice and a love for one's work.

With the achievement of a Gross Written Premium (GWP) of Rs. 15.0 Bn, which is the highest GWP on record, our Company has for the 13th successive year, become the industry market leader.

A RE-ENERGISED BRAND

As a marketing professional I have always emphasised the fact that the success of a product is inextricably woven into its brand. While the logo, type-face, visual are all a part of the brand it is in fact very much more. It is the visual representation of the personality of the Company. During the year under review, our Company completed a market-research based re-energising of its brand. This was very timely because it signified the new identity of the Company as a separate legal entity. But, more importantly the new type-face, the pay-off – ‘A Relationship for Life’ and the visual of a father carrying a little child both of whom are looking into the distance packs a very powerful emotional appeal. And an emotional appeal is the entry point for the marketing of Life Insurance. We also must recognise the fact that the battle of brands is fought not in the market place but in the minds of the people and it is from within the mind that all emotions arise. Not as erroneously and sentimentally assumed that emotions arise from the heart.

It is now left to the sales persons to become brand advocates and build real life relationships by showing that –

- Ceylinco Life really cares for people.
- Ceylinco Life can make a meaningful difference to people's lives.
- Ceylinco Life offers a long term assurance of peace of mind.

However, in building these relationships I wish to remind them of the words of Stephen Covey, a leading contemporary management 'guru' – *“Trust is the glue of life. It is the most essential ingredient in effective communication. It's the founding principle that holds relationships”*.

TRAINING

I am greatly impressed and I congratulate Mr Renganathan for his devotion to staff training which was intensified during the year under review. What is more, this training involved Mr Renganathan himself and the Executive Directors of the Board. Training is an investment in people – the employees who transform the marketing plan and other corporate plans into a reality by making them more productive, increasing their job satisfaction and very importantly making them feel more valuable. To the cynic who lamented that training is expensive the appropriate answer was ‘then try ignorance’. Chris Curtin – Chief Brand and Innovation Officer at Visa International once said that he trains every member of his staff to be a Swiss Army Knife. As is well known the Swiss Army Knife has become a legend for though it fits into one’s pocket its versatility is amazing – it is in fact an all-purpose instrument. So the staff of Ceylinco Life especially the sales staff must be versatile and all-purpose brand ambassadors. They must be knowledgeable and capable to solve any customer-related problem promptly and to the satisfaction of the customer within the framework of the Company’s regulations. I must extend my thanks to Mr Doug Adams for his lively, enthusiastic and much appreciated training inputs.

AWARDS AND ACCOLADES

Elsewhere in this Report will be found details of the many awards and accolades won, both by the Company and by individuals. But I would like to mention just one. This is about an award that the previous (2015) Annual Report won which was also a first time award and it was an international award. At the 30th Annual Report Competition (ARC) held in New York our Annual Report won the Silver Award in the ‘Financial Data’ category and an Honours Certificate in the ‘Traditional Report’ category. ARC awards are globally accepted as the most independent and professionally conducted awards competition. Hence, this was indeed a unique recognition. In addition, this Report also won a Certificate of Compliance at the Annual Awards of The Institute of Chartered Accountants which is one of the most recognised Annual Report competitions.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The concept of CSR first appeared on corporate radar screens several decades ago and since then has quite often been misconstrued. Philanthropy, Charity, Feel Good Factor, have often been conveniently and mistakenly labelled as CSR. At the same time CSR itself has taken on a wider meaning. From responsibility towards the community it now embraces the environment, both ecological and social. My reference to CSR is because I have a duty to commend in the highest terms the CSR projects of Ceylinco Life. The ‘Go Green’ corporate campaign in 2016 was an outstanding success. From tree planting (over 4,000 trees were planted and are now in healthy growth) to energy conservation by the installation of solar panels in some company-owned buildings (including the Head Office) to the installation of rain water harvesting in some branches to paper conservation by using modern digitalisation technology for day-to-day communications specially involving the sales force and customers, the Company has significantly reduced its carbon foot print. The CSR projects also extended to diverse community healthcare and education programmes bringing relief and sustainability to the most deserving segments of our society. What was equally impressive was the enthusiastic endorsement and participation of employees in all these projects. This is an essential factor in CSR.

EXPRESSIONS OF GRATITUDE AND ASSURANCES FOR THE FUTURE

In concluding this Message it is my very pleasant duty to express my sincere gratitude to those without whose assistance, co-operation and goodwill, we as a Company would not be at the very apex of the Life Insurance market.

I would like to start with the institution which directly regulates our industry, the Insurance Board of Sri Lanka (IBSL). Thank you to the Chairperson Ms. Indrani Sugathadasa, the Director General, Ms. Damayanthi Fernando and the rest of the Board for the services given. Let me give you the assurance that we will offer our fullest co-operation regarding all regulatory matters and to maintain a cordial relationship.

To our Reinsurers I extend a very special word of gratitude for the continuing close co-operation, assistance and loyalty given. You have been and will continue to be our close, trusted and respected business partners. I am confident that the mutual trust and respect built up over the past years will be continued with added fervour in the years ahead. And yes this too will be a Relationship for Life.

To Mr R Renganathan our Managing Director I must express my most sincere thanks for making Ceylinco Life an icon within the industry. His astute leadership and integrity are worthy of emulation. As I mentioned earlier 29 years in the leadership position is a long innings in which he faced fiery bouncers and crafty spinners with equal defiance.

It is also my pleasant duty to thank my fellow Directors who through their individual expertise and disciplines have blended into a truly professional team which ensures that the concept of 'Good Governance' is observed both in spirit and in letter and at the same time stimulating the attainment of the highest level of corporate values.

I thank each and every member of our staff for their sincere commitment to fulfil their responsibilities through the year. They have reaped the rewards of their sustained effort. I am confident that no matter what challenges lie ahead – and most certainly they will be more intense than in 2016, they will conquer.

And now to our customers – the most important of our stakeholders – You were and will continue to be the wind beneath our wings. As your loyalty grows in strength so will our motivation to serve you better and to attain new heights of customer excellence. Yours and ours will be a Relationship for Life.



J Godwin Perera
Chairman

23 February 2017
Colombo