

FUTURE ASSURED

Sri Lanka's fastest-growing insurance firm offers life and general insurance through a single TCS BANCs solution

By **Arindam Saha**, Program Manager, TCS BANCs Insurance, TCS Financial Solutions

There are currently 19 insurance firms in Sri Lanka serving a population of approximately 22 million people. Fierce domestic competition has placed downward pressure on pricing even as customer service expectations have increased.

HNB Assurance PLC has been the fastest-growing insurance company in Sri Lanka, consistently improving year-over-year market share through challenging market conditions. The company, founded in 2001 as the insurance subsidiary of Hatton National Bank PLC, one of the largest private-sector commercial banks in Sri Lanka, currently ranks sixth in terms of market share.

With an emphasis on professionalism and customer service, HNB Assurance thrives with a consultative approach. Agents address the entire range of customer concerns with a broad range of customizable policies across life insurance and general insurance, including fire, marine, and automobile policies.

RAPID RESULTS

Initially, the technology architecture of HNB Assurance was managed almost entirely by a small, in-house development team. They developed several small, custom-built applications to manage the individual business processes required to run an insurance company. Spreadsheets filled in the gaps. "To complete the entire lifecycle for an insurance policy, we had around seven isolated applications, and many business processes were managed with spreadsheets," says Namal Gunawardhane, Head of IT, HNB Assurance.

The startup-focused approach quickly reached its limits. In 2004, HNB Assurance called upon TCS to deploy point solutions for certain key business processes. Yet upgrading from custom-built applications only acted as a temporary stopgap measure. Company executives took the time to evaluate what IT solutions would ultimately be required to meet the competitive demands of the market.

The long-term strategic objective was to have a single solution that could manage the entire range of services offered, across multiple customer channels. In addition to offering life insurance and general insurance through its own branch network, HNB Assurance also provides insurance services through the branch network of its parent bank and through independent agents and other associated financial



Namal
Gunawardhane,
Head of IT, HNB
Assurance PLC



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institutions. As such, the company has to be able to present its entire range of offerings as a single entity across any channel, enabling HNB insurance agents to gain a total view of the customer relationship. “We wanted to cover all of our business processes and business lines,” says Gunawardhane.

HNB Assurance commenced the search for a technology provider in 2007, and considered several alternatives including major software providers in the industry as well as locally-produced applications built expressly for the Sri Lankan market. Ultimately, the decision was made to expand the relationship with TCS with an implementation of TCS BOUNCS. “We provide insurance in two separate segments – life insurance and general insurance – and most applications treat those businesses separately,” says Gunawardhane. “TCS BOUNCS maintains both of them in the same application.”

Combining the life and general insurance businesses represented a significant undertaking for the young organization. The deployment began in 2008 and took approximately 18 months to complete. “Implementing an application for two different companies, across life and general insurance, had the complexity of a merger,” says Gunawardhane. “We had a major challenge in reengineering our business processes to align with best practices in the industry.”

UNIFIED SERVICES

By mid-2009, HNB Assurance was ready and eager to put its expanded capabilities to work in the marketplace.

To introduce new products rapidly, product managers can use TCS BOUNCS to “clone” existing policies, changing relevant terms on an existing policy to create a new policy quickly and accurately. “If we want to introduce a new product, it’s very simple to clone an existing product, change the values or the rules, and introduce it within a few

weeks’ time,” says Gunawardhane. “We can tremendously improve end-user efficiency.”

An early product launch targeted the youth market, ages 18-40, with “mylife,” a life insurance policy that permits partial withdrawals for major life events such as marriage or the birth of a child. The launch was an immediate hit, earning industry awards, public accolades, unprecedented customer interest, and a high volume of policy originations.

TCS BOUNCS also enabled HNB Assurance to maintain competitive parity with established competitors. For example, when Sri Lanka’s largest insurance company introduced on-the-spot claims settlement, HNB Assurance was challenged to match or exceed the new industry benchmark for customer service. “With TCS BOUNCS, we improved the service level for claims settlement from three days to three hours,” says Gunawardhane.

Now that HNB Assurance has an extremely efficient back-office providing fast time-to-market for new insurance services, the next step in the roadmap completes the company’s strategic vision by ensuring that the entire range of insurance services are available throughout HNB Assurance’s entire agent network. In addition to connecting with its own branch network and that of its parent company, HNB Assurance also intends to link TCS BOUNCS to an extensive range of external parties, ranging from hospitals, other banks, ATM networks, and insurance brokers. “We’re planning to work with TCS BOUNCS on a new SOA [Services Oriented Architecture]-driven portal,” notes Gunawardhane.

The continued relationship with TCS ensures that HNB Assurance will be prepared to propel itself further into the top echelon of insurance providers in Sri Lanka. “TCS is one of our leading solution providers, but more than that, we consider them to be a significant strategic partner in our business,” says Gunawardhane. ■



FAST FACTS

- Founded in 2001, HNB Assurance is the subsidiary of one of the largest private-sector commercial banks in the country, Hatton National Bank PLC.
- The company provides life and general insurance services through a network of 52 branches staffed by approximately 1,500 professional insurance advisors, and through branches of Hatton National Bank, insurance brokers, and other financial institutions.
- In 2009, HNB Assurance exceeded Rs. 2 billion (USD \$18 million) in Gross Written Premium, and is currently ranked #6 by market share in Sri Lanka.

AT A GLANCE

Company: HNB Assurance PLC

Headquarters: Colombo, Sri Lanka

Business Challenge: To support a fast-growing, innovative insurer with a solution supporting both life insurance and general insurance policies.

Solution: TCS BANCINS Insurance

