

**Launching of “i-life” Mobile Application and Online Premium
Payment Facility for the policyholders of Life Insurance
Corporation (Lanka) Ltd. on 19th September 2018 at 7:00p.m. at
the Grand Crystal Ball Room, Taj Samudra Hotel, Colombo 03.**

Honourable Mangala Samaraweera, Minister of Finance and Mass Media,

His Excellency Taranjit Singh Sandhu, High Commissioner of India,

Mr. Judhajit Sen, Chief Executive Officer & Managing Director, Life Insurance
Corporation (Lanka) Ltd.,

Distinguished invitees,

Ladies and Gentlemen,

Let me begin by thanking Mr. Judhajit Sen, Chief Executive Officer of the Life Insurance Corporation (Lanka) Ltd. for inviting me for the launching ceremony of the “i-life” mobile application and online premium payment facility.

As the Regulator, we really appreciate the initiative of LIC (Lanka) Ltd. in launching a mobile application package and online premium payment facility for the Sri Lankan customers, since the digital transformation is something that we are keen about and also want every insurer to think about in their daily business interactions.

For many years, insurance has been an industry with low customer engagement. Many insurers had limited interaction with a significant portion of the end-consumers, having intermediated a considerable amount of their business through brokers and

agents. Further, the slow digitization of the insurance industry has hindered a high frequency of interaction between insurance companies and policyholders. The lack of more 'client touchpoints' has meant that insurance companies have fewer opportunities to gain insight into their clients' needs and to use such insights to customize their products.

As of late, a variety of innovative technologies are set to spur a transformation of the insurance industry. Cloud computing, Internet of Things, advanced analytics, telematics, the global positioning system, mobile phones, digital platforms, drones, blockchain, smart contracts, artificial intelligence, etc. are providing new ways to measure, control, and price risk, engage with customers, reduce cost, improve efficiency, and expand insurability. The aforesaid technologies are also enabling the creation of new insurance products, services, and business models.

On the other hand, major modifications in consumer demographics, behaviours, and expectations are underway and will have important ramifications for the insurance landscape. This shift has been led by millennials, the individuals born roughly between 1980 and 2000. This generation will constitute half of the global workforce by the end of the decade.

Millennials, whose exposure to digital technology and innovative platforms from an early age have made them the first generation of "digital natives," are beginning to move into their peak earning and spending years and have become an influential segment of the population. Their high expectations for technology-based services, convenience, transparency, speed, regular engagement, and a personalized experience

that reflects their needs are defining how products and services are delivered. Their preferences and expectations are a particular challenge for the insurance industry.

Another key innovation, which contributes to the reshaping of the insurance industry today, has been the spread of and advances in mobile phone technology. Increasingly powerful smartphones, the fastest selling devices in history, are forecasted to reach a global penetration rate of 75% by 2020.

The people are spending more time on their smart phones, which is understandable given how it has become a gadget which feeds us everything: news, e-commerce, games, etc. Realising the deep penetration of smart phones, insurance companies are using mobile apps as an additional channel for interaction with their policyholders.

In addition to capturing valuable data, the growing prevalence of mobile phones provides new methods for insurance companies to communicate with and provide products and services seamlessly round-the-clock to their customers, encouraging greater engagement and brand loyalty. With the advances in mobile technology, smartphones are playing an increasingly important role in insurer-policyholder relationship.

Moreover, the unprecedented access created by mobile phones provides insurance companies the opportunity to identify customer trends and evolving needs more quickly than before. Insurance companies can build stronger relationships with policyholders and increase customer satisfaction and retention rates, through more frequent interactions and better engagement via mobile technology.

Thus, linking digital transformation programmes to core transformation can help insurance companies to use resources more effectively and strengthen the business case. Waiting for core transformation programs to be completed and subsequently taking up the digital transformation would likely result in many missed performance improvement and innovation opportunities, as well as higher implementation costs.

Hence, insurance companies must be focused and bold within their progressive approach to digital transformation, as it is the only way to generate quick wins and create near-term value that can be invested in the future. Each step along the digital maturity curve enables future gains for the company. Truly digital insurance companies move boldly and proactively, testing and learning in pursuit of innovation, and redesigning operations, engaging customers in new ways and seeking out new partners, rather than waiting to be passively disrupted.

In light of the importance of digitization, we hope the “i-life” mobile application package and online premium payment facility will provide a new experience to LIC policyholders and it will bring about a higher frequency of interaction with customers along with countless opportunities.

On behalf of the Regulator, I wish this endeavour a success.

Thank you.