

Message to Insurance Advisors

From the Insurance Board of Sri Lanka

Insurance Advisors play a significant role in promoting insurance among the general public. Your contribution is crucial to the success and advancement of the insurance industry in Sri Lanka. You are the link between the insurer and the insured. Hence, the perception and attitude of the general public towards insurance, largely depends on your professional conduct.

Therefore, you are advised to pay special attention to the following facts in carrying out your duties as an Insurance Advisor.

- **Pre-sale;**

1. Understand the needs of the customer

- You need to have a proper understanding of the expectations (objectives and future financial needs) of your customer, to advise on the most appropriate insurance product.
- You also need to be aware of the income levels, socio-economic conditions of your customer, to advise on the most appropriate insurance coverage.
- The only way that you can contribute to create a satisfied customer in future, is to sell an insurance policy that fulfils the requirements of the customer, enabling him/her to receive benefits, when required.

2. Disclose all important facts to your customer

- Provide all necessary information at the relevant time, when introducing an insurance policy to the customer.
- It is important to educate your customer, of the fact that the premium paid in respect of an insurance policy cannot be demanded, other than within the cooling-off period, as in the case of bank deposits. You are also required to educate your customer on the concept of insurance.
- Provide true and complete information pertaining to important aspects, such as the benefits, conditions, payment of premium, fees levied by the company, exclusions, etc. and service quality of the company.
- Refrain from providing false information or not disclosing important facts pertaining to the policies being sold to the customer.

3. Explain the importance of disclosing true and complete information in the proposal form
 - Educate the customer of the legal requirement of disclosing true and material facts in the proposal form.
 - In the case of life insurance, educate the customer with examples, the consequences of non-disclosure of material facts and furnishing of incomplete or false information, specially pertaining to the present and past medical conditions.
 - It is your responsibility to protect your customer from the probable negative consequences such as policy cancellations, forfeiture of premiums paid and claim repudiations as a result of lapses in completing the proposal form.
4. Consider the customer's ability to continue the policy
 - It is your obligation to consider the customer's ability to pay the required premiums when advising on main and additional covers.
 - Selling an unsustainable insurance policy may improve your short term performance, but would adversely affect the particular customer and insurance industry as a whole. Such customers tend to surrender their policies and it would lead to negative perceptions on insurance.
5. Ensure the privacy of customers' information
 - It is your duty to ensure the privacy of the personal information provided by the customer to the company.
 - You shall ensure that such information is not revealed to a third party at any time.
 - Ensuring the privacy of information will improve your credibility and improve trustworthiness of the general public on the insurance industry.

- **Post-sale;**

1. Explain the policy document
 - It is important to meet the policyholder no sooner the Insurance Company delivers the policy document.
 - Confirming the information provided by you in soliciting the policy, with reference to terms & conditions of the policy; would affirm the trust that the customer placed in you and the insurance policy.
 - At this meeting, you will get an opportunity to further educate the policyholder on the terms & conditions attached to the policy, such as the right of cancellation, surrendering the policy, requirement to pay premiums on time, policy maturity and claiming benefits, etc.
 - This allows the policyholder to cancel the policy or to do the required modifications at the outset, if the policy is not in line with his or her expectations.

2. Create awareness on payment of premiums

- Make the policyholder aware of the premium due date and the consequences of not settling the premium on time.
- Inform all the options made available by the insurance company to settle the premium, especially, the advantages of settling the premiums by way of a standing order through a bank account.
- Bear in mind that, if a policyholder is deprived of claiming benefits under a policy, when needed at most, due to a delay in settling the premium or the premium paid not being received by the company on time; that would adversely affect the future of you as insurance marketers and the development of insurance industry.

3. Build long term relationships with policyholders

- Policyholder requires your kind and friendly service throughout the tenure of the policy.
- Be considerate of policyholders' needs, such as claiming benefits, obtaining clarifications pertaining to policy conditions, inclusion or removal of additional covers, even after the period within which, you gain financial benefits of selling the policy.
- Be mindful of any change in future financial needs and objectives of the policyholder.
- Your active and friendly customer service will immensely help in building positive attitude and enhancing trustworthiness towards insurance.

● **Other matters;**

1. Act in a manner, which safeguards the integrity of you and your profession.

- Ensure that you always act professionally, honestly and ethically.
- Refrain from expressing negative views or opinions about: other insurance companies, insurance policies issued by other companies, service quality of other companies and other insurance advisors, to customers. Such expressions may lead to negative impression about the insurance industry as a whole, among the general public.
- Keep in mind that your behaviour, statements and any undertakings given by you would directly affect the trust that the customer places on you and insurance companies.
- If you come across any instance where an insurance advisor acts in a manner that is detrimental to the development of the insurance industry, it is your duty to bring it to the notice of the relevant insurance company at first and then to the Insurance Board.

2. Be cautious in handling money

- As an insurance advisor, you are expected to keep your own money and policyholders' money separately.
- As you are aware, in the event of misappropriation of policyholders' funds, you will lose the opportunity of being employed in the insurance industry forever.
- Therefore, please ensure that, unless as a specific request from policyholders, you do not accept cash from the policyholders to be remitted to company and, if accepted, such moneys are remitted to the company without delay and a receipt is issued to the policyholder.

3. Enhance knowledge and qualifications

- Continue to upgrade your knowledge and qualifications especially in the subject of insurance, various types of insurance covers, products issued by the other insurance companies, changes in the regulatory environment and marketing skills. Such are essential for the successful accomplishment of your duties and for career progression.
- Understanding of the socio-economic environment of the country and the requirements of the policyholders would be useful in proposing suitable insurance solutions to customers.
- Therefore, continuously improve your knowledge by following professional courses, attending to workshops, reading books, referring internet and associating with industry experts.

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