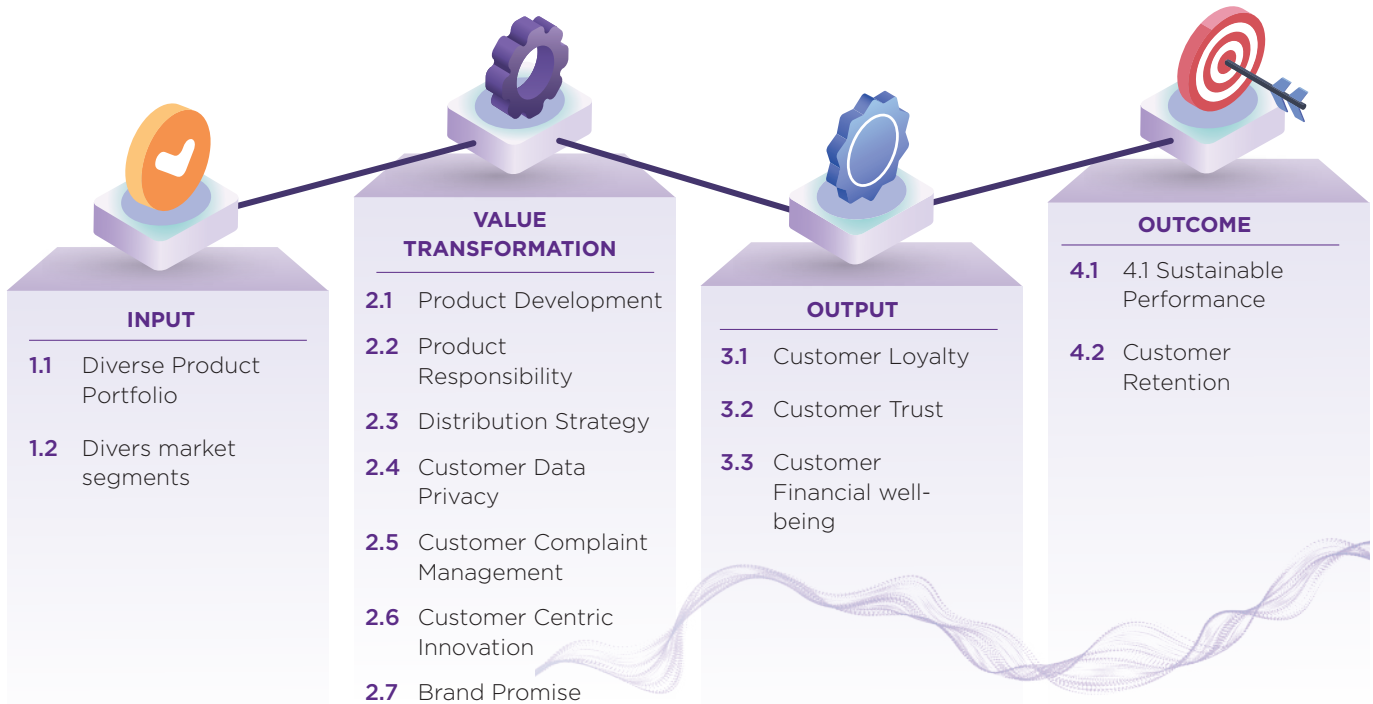


## SOCIAL AND RELATIONSHIP CAPITAL

### CUSTOMER

We prioritize a customer-centric model in our business, recognizing the vital role of relational capital in our operations. Through our business activities and long-term strategy, we actively seek opportunities to enhance our impact positively. Our customer capital encompasses both individual and corporate clients, enabling us to build stronger relationships and provide exceptional service. To offer a thorough comprehension of our commitment to customer value creation and our approach to customer management, we have used the following structured reporting methods. These practices accurately encompass all aspects related to customer, fostering a comprehensive understanding.

#### Sustainable Customer Management Process



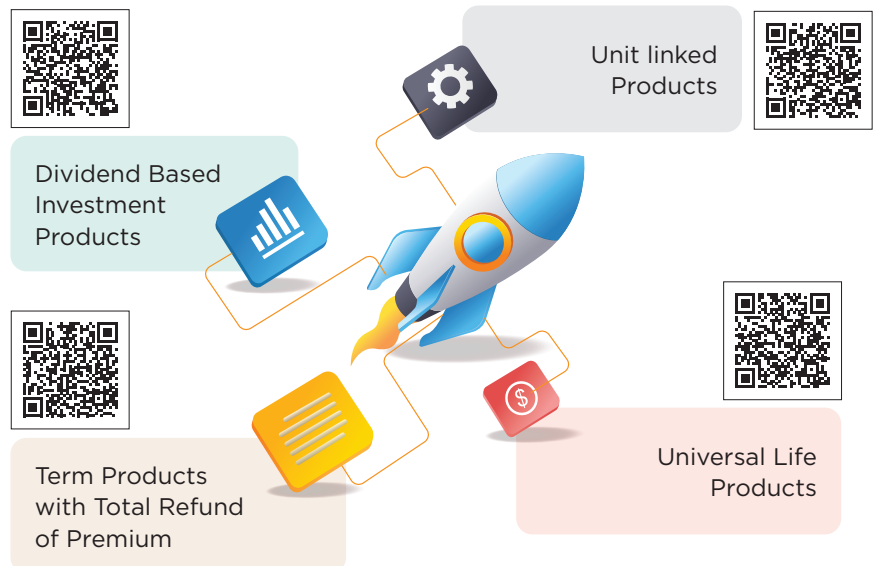
#### 1.INPUT

We consider our diverse product portfolio and market segments as integral components of the value creation process.

##### 1.1 Diverse Product Portfolio

We are a comprehensive life insurance provider in Sri Lanka, addressing the life insurance requirements of both individuals and corporate clients. We are committed to ongoing enhancements of our product range to align with the evolving needs and desires of our customers. In the past year, the company implemented strategies to promote them despite challenging economic conditions.

#### Our Product Portfolio



### Product Portfolio

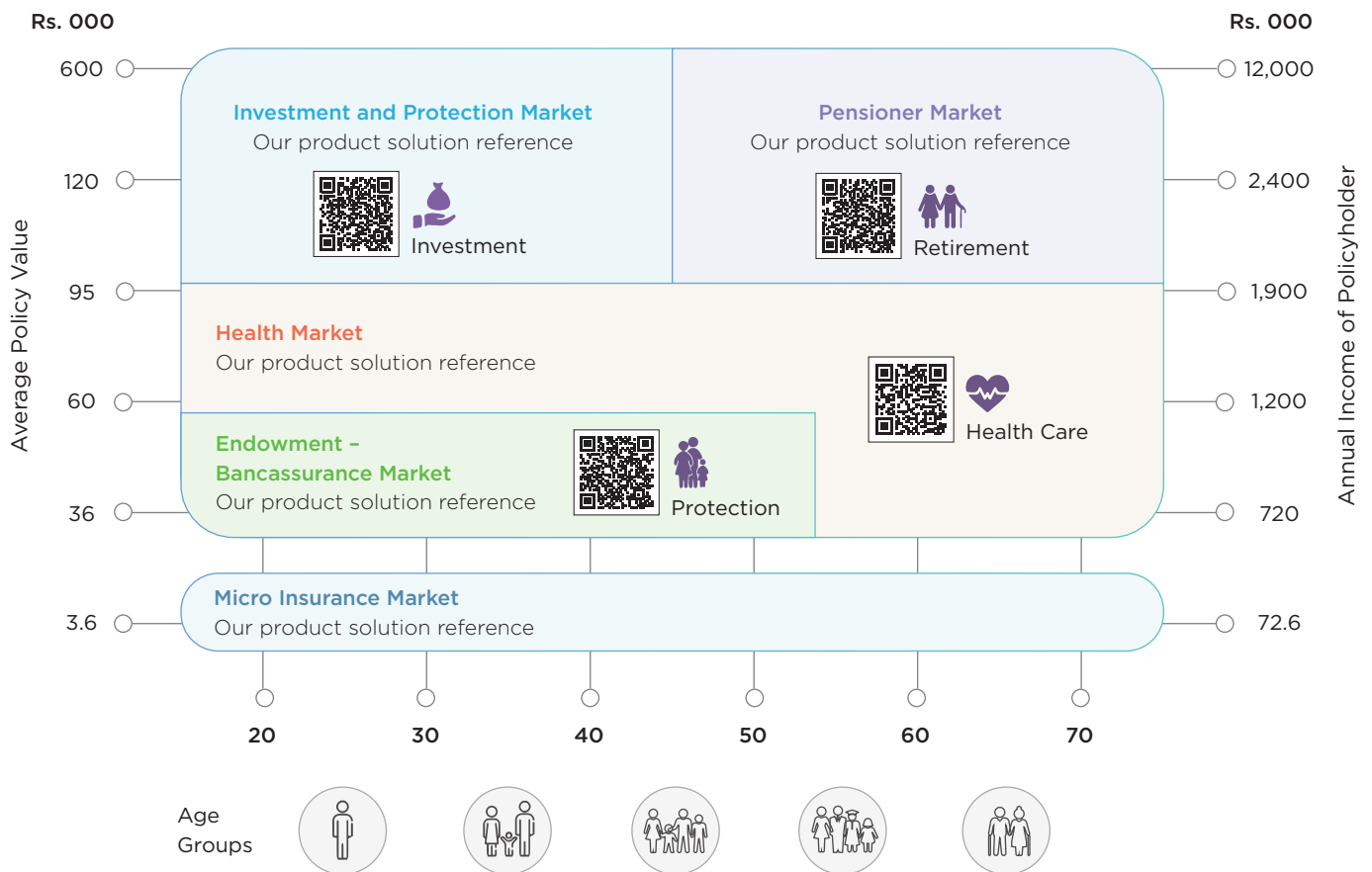
The company's core product portfolio comprises the offerings mention in above figure. Additionally, rider covers are customised to align with customer requirements and are paired with the base products.

### Pricing of Products

The company employs prudent underwriting practices, which incorporate mortality and interest rates relevant to the products. Pricing decisions are influenced by various factors such as individuals' health conditions, age, and behavioural aspects like smoking and vaping.

### 1.2 Divers market segments

We have segmented markets according to the age and income levels of our target customers to enhance our ability to meet the diverse needs and desires of our customer base. We take pride in serving all customer segments across the social spectrum, underscoring our social relevance within the business landscape.



Furthermore, we segment our market based on individual and corporate customers. We offer a wide variety of products tailored to meet the needs of corporate clients in Sri Lanka.

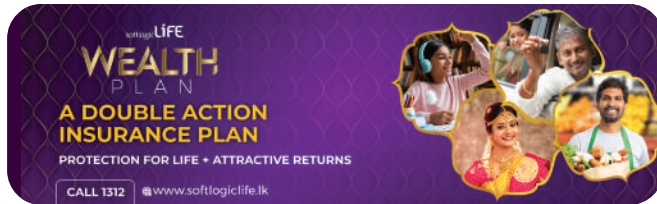


## SOCIAL AND RELATIONSHIP CAPITAL CUSTOMER

GRI 2-6

### NEW PRODUCTS

Following our thorough product development process, we've recognized the need for a specialized investment-focused product to better serve our customers. Consequently, we have integrated a unit-linked product into our portfolio, enhancing its breadth. This product offers both investment opportunities and protection benefits, empowering customers to choose their preferred investment options.

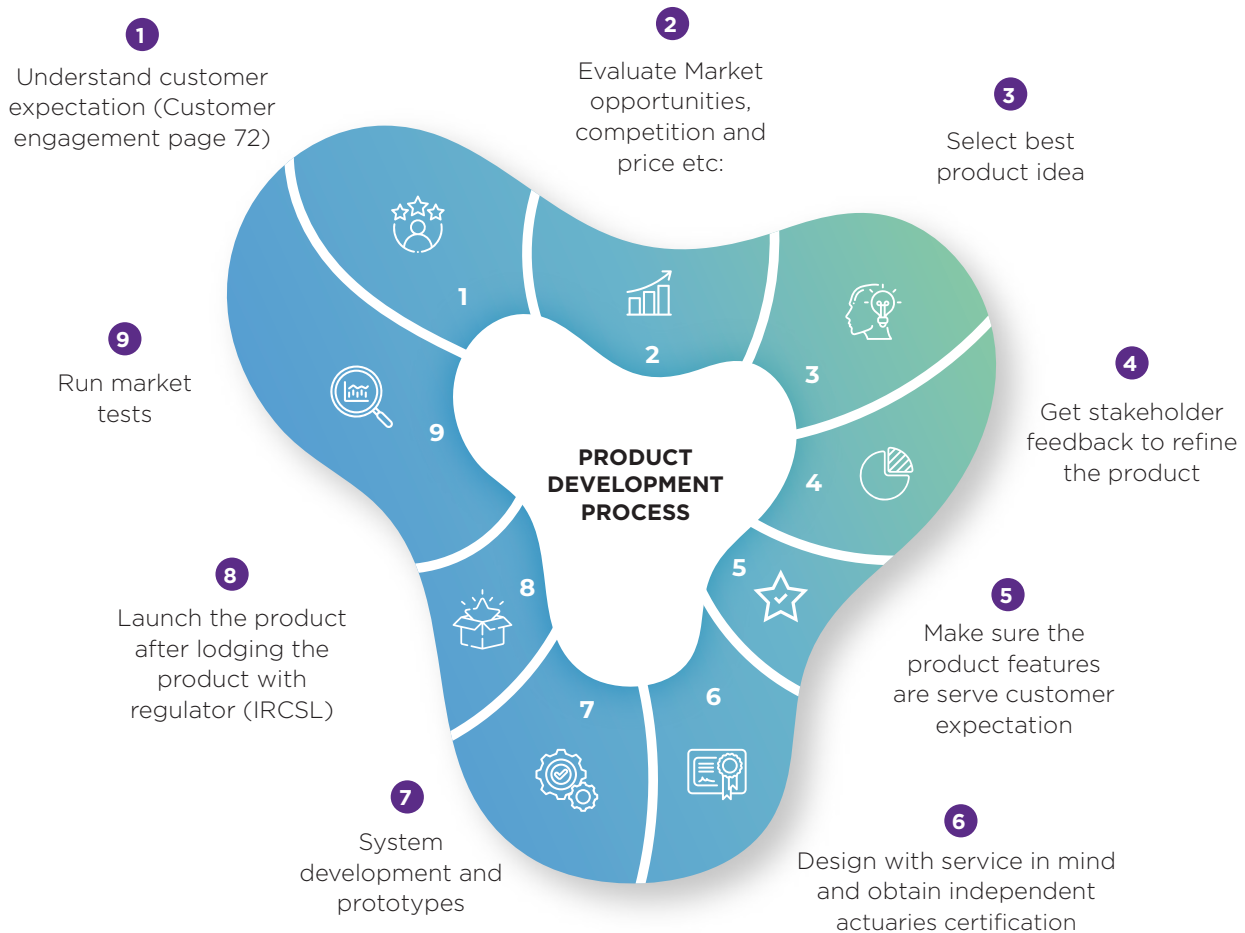


### 2. VALUE TRANSFORMATION

In our definition, customer value transformation comprises several key stages. The initial stages prioritize brand awareness, engagement, and conversion, while subsequent stages concentrate on transitioning the customer into a repeat buyer and a brand advocate or promoter. After analysing our customers' behaviours and understanding their expectations, we have strategically devised the key activities described below.


#### 2.1 Product Development

To deliver a distinctive product to our customers, we have organized our product development process around customer perspectives, such as fair pricing, competitive benefits, and transparency, along with market opportunities. This structure is illustrated in the diagram below.




### 2.3 Product Responsibility

At Softlogic Life, we actively advocate for responsible customer relationships, prioritizing clear and transparent communication. Our product designs adhere to a robust framework governed by both internal policies and external regulations, as detailed below




**INTERNAL REGULATION**

Board approved Environmental, Social and Governance Policy (ESG policy)



**INTERNAL MONITORING PROCEDURE**

Compliance review by the Compliance officer and report to the Audit Committee



**EXTERNAL REGULATION**

Prior approval from Insurance Regulatory Commission of Sri Lanka (IRCSL)

The provisions of Sri Lanka Consumer Affairs Authorities Act No. 9 of 2003 and amendments

### Informing customers on products

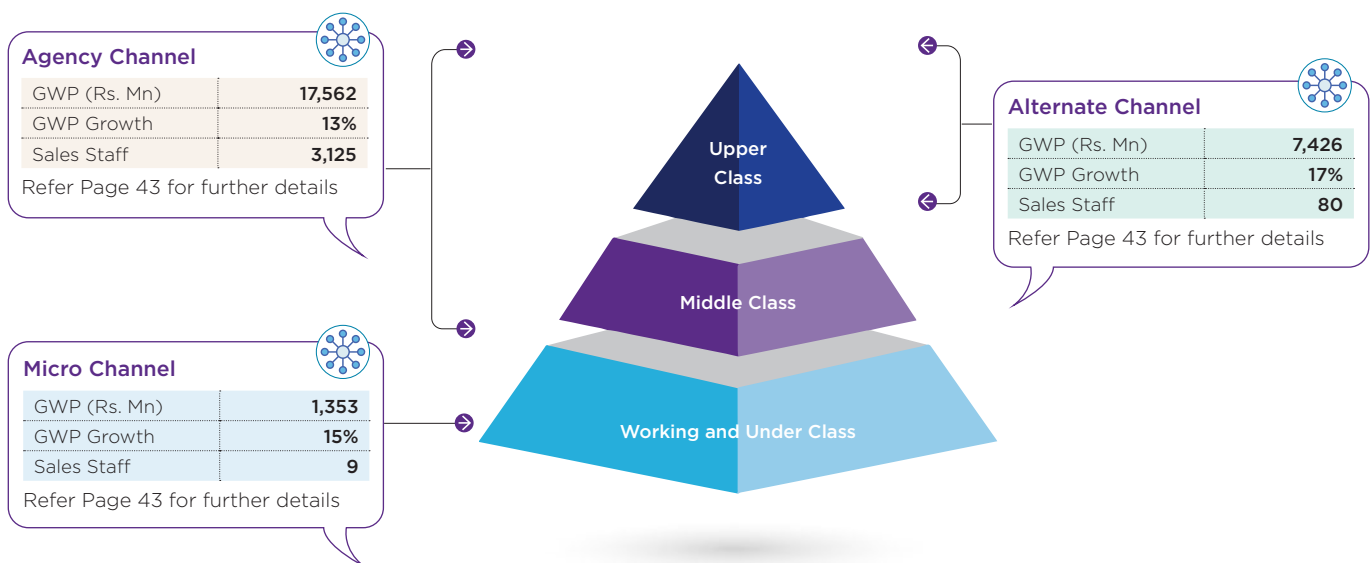
All our sales officers are well trained to explain the product details to the customers at the point of sale including all inclusions and exclusions to the policy terms and conditions. Sales officers are equipped with product brochures and digital tools to educate the product features better. Further, the company do explain the exclusions list to customers through call Centre agents within the cooling off cancellation period.

### 2.3 Distribution Strategy

We value the unique characteristics of each target market and customer segment, aligning our distribution channels to cater to these specific characteristics. Our market outreach encompasses three distinct distribution channels: the Agency channel, Micro channel, and Alternate channel

Agency channel focus on individual at middle to upper class and do one to one selling. Alternate channel sells our products to corporate customers and micro channel use digital platforms such as mobile to sell small ticket items to low income earners

Figure: Our distribution channels and its strength.



## SOCIAL AND RELATIONSHIP CAPITAL

### CUSTOMER



#### Wider Branch Network

We ensure comprehensive coverage across the island through our branch network to enhance our customer service capabilities.


Province	No of branches
Central Province	12
Eastern Province	5
North Central Province	4
North Western Province	12
Northern Province	8
Sabaragamuwa Province	6
Southern Province	18
Uva Province	5
Western Province	46
	116

#### 2.4 Customer Data Privacy

As custodians of extensive sensitive customer information, we recognize our responsibility to safeguard this data with the highest security. SLI has implemented numerous initiatives to ensure the secure and responsible handling of our customers' valuable information

1. Availability of Comprehensive data privacy policy
2. Regular IT threat assessments (NIL - 2021)
3. Annual Budget allocation on Cyber security measures
4. Mandatory training on data privacy
5. Regular awareness communication to employees
6. Annual internal audit is performed on above measures and communicate to Audit committee

With our emphasis on innovation and digitalization, we acknowledge the increasing risk of cyber threats. In response, we have implemented measures to mitigate these risks. Importantly, we have not received any complaints regarding breaches of data privacy, such as leaks, theft, or loss of customer data, from customers, regulatory bodies, or any other stakeholders within or outside the company.

Please scan this QR code to learn how to file a complaint, understand our process, and access contact details for the highest-level management individual you should contact if you are not satisfied with the resolution of your complaint

#### 2.5 Customer Complaint Management

At Softlogic Life, we consider customer complaints management to be a crucial element of both customer service and business success. To ensure the quick and fair resolution of complaints, we have established a dedicated customer complaint committee. Addressing customer complaints is integral to delivering on our brand promise. Customers can lodge complaints through various channels, including online/social media, over the phone, or in person. The company commits to acknowledging such complaints within a day.

#### Customer complaint Management Process

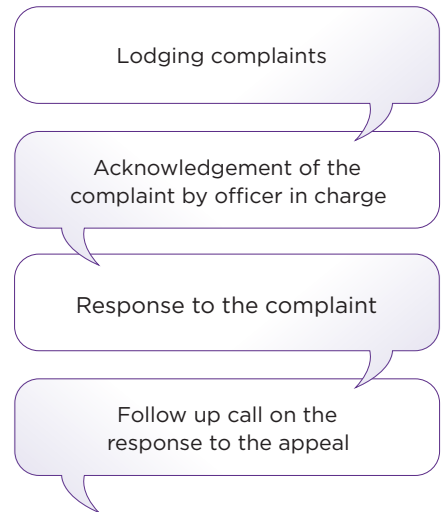


Table 29:- Customer Complaints Analysis 2023

Description	Measure
Total complaints received	411
Total Complaints resolution	397
Complaints Resolutions within company	100%



### 2.6 Customer Centric Innovation

We continuously innovate our processes and systems to enhance the customer experience at every touchpoint. Our innovations elevate the standards of the Sri Lankan life insurance market to meet global benchmarks. Several notable outcomes are highlighted on page 22.

### 2.7 Brand Promise

Our brand promise is centred on enhancing the quality of life for all Sri Lankans by offering a world-class life insurance solution that embodies the true essence of “you go live life to the fullest. We will take care of the rest.” We consistently uphold this brand promise in all our endeavours, which has contributed to the continuous growth of the company’s brand value over time. Further details about our brand can be found in the Intellectual Capital section on page 130.

## 3. OUTPUT

We gauge our efforts in customer value transformation by assessing the enhancement of customer loyalty, trust, and financial well-being. The measurement of these outcomes serves as an indicator of the effectiveness of our internal processes and procedures.

### 3.1 Customer Loyalty

Customer loyalty stands as an invaluable asset for any company. We are delighted to announce that we maintain the highest level of

customer loyalty compared to our industry peers. We measure customer loyalty using the Net Promoter Score (NPS), which indicates how likely our customers are to recommend Softlogic Life as their life insurer.



### 3.2 Customer Trust

We create customer trust by delivering what we promise at the time of selling our policy. Accordingly we pay our customer genuine claims without delay. We also has taken steps to pay policy maturity proceeds exactly on maturity date so that trust is further strengthened. At SLI we maintain numerous KPIs to measure our efficiency in claims processing as provided below. Our world class innovations on claims processing is provided on page 48.



### 3.3 Customer Financial well-being

We recognize the pivotal role we play in enhancing our customers’ financial well-being. As a life insurance

company, our mission goes beyond providing a safety net; it extends to positively impacting the economic conditions of our policyholders. Through thoughtful policy structures and transparent terms, wide range of distribution network, offering a sense of financial security and peace of mind. Our dedication to affordable premiums and flexible coverage options is geared towards lightening the financial burden, ensuring that life insurance remains accessible to a broad spectrum of individuals.



## 4. OUTCOMES

Softlogic Life Insurance’s sustainable success story over the past decades is a pivotal outcome of our journey in creating customer value. The detailed description of our sustainable performance and customer retention, outlined below, showcases the positive outcomes we have generated over the years.

### 4.1 Sustainable Performance

The financial results from the past decades illustrate our consistent growth trajectory. Over the last five years, we have surpassed many industry giants in terms of



## SOCIAL AND RELATIONSHIP CAPITAL

### CUSTOMER

market share. Today, we proudly hold the very strong position of being the second-largest insurer in Sri Lanka. Refer page 382 for 10 year financial information.

#### 4.2 Customer Retention

We maintain the highest level of customer retention as a result of our continuous efforts to better serve our customers.

**83%**  
Customer Persistency

#### RISK AND CHALLENGES

During the year management of SLI faced many challenges in managing our Customer engagement. The impact and action taken are listed below



We remain committed to delivering the best to our customers, empowering them to live their lives to the fullest through innovation and digitization. Customer convenience will always be our top priority, and we will serve our customers with care in alignment with our brand promise.

Individuals and corporations are encountering challenges in financial management due to high inflation and taxes, which could adversely affect our business in sustaining growth momentum. To address this, we will concentrate on customer segments with affordability and strive to optimize the benefits they receive. Regarding corporate clients, we maintain a positive outlook as the Sri Lankan economy is currently operating at a certain level and is anticipated to experience growth compared to previous years.

The Company will revamp its skills and capabilities to provide innovative products that address the evolving needs of customers, accompanied by a fair pricing strategy. Customer convenience will be prioritized through the digitization and automation of processes. As a leader in the Sri Lankan insurance industry for innovation and digitization, we recognize a paradigm shift in customer behaviour towards utilizing advanced technology. Accordingly, we will adjust our future strategies to align with these trends.

The company will continue to ensure the data privacy within a comprehensive governance and risk management practices within the organization.

Risk	Impact	Action Taken
<b>High Inflation and Tax</b>	Our customers disposable income level significantly impacted resulting difficulty in continuing insurance policy.	<ul style="list-style-type: none"> <li>We allowed premium reductions byway of excluding selective benefits of the policies</li> <li>Policy revival is allowed continue policies without any alteration</li> <li>Premium payment mode changes allowed customers to pay premium based on their income expectation</li> </ul>
<b>High Medical Inflation</b>	Extraordinary medical cost inflation is experience during the year impacting high claim outgo.	<ul style="list-style-type: none"> <li>Repricing of new business to cater inflation</li> <li>Measures taken to strengthen the controls to identify non genuine claims</li> </ul>

#### LOOKING FORWARD

Short Term Target	Medium to Long Term Target
Focus on "Customer Care" proposition across selected key customer touch points which provide greater value	Develop digital customer engagement platform
Use digitalization to identify customers better at the first interaction point	Introduce customer lifestyle underwriting techniques