



## INTELLECTUAL CAPITAL

**Biggest** intangible which create competitive edge

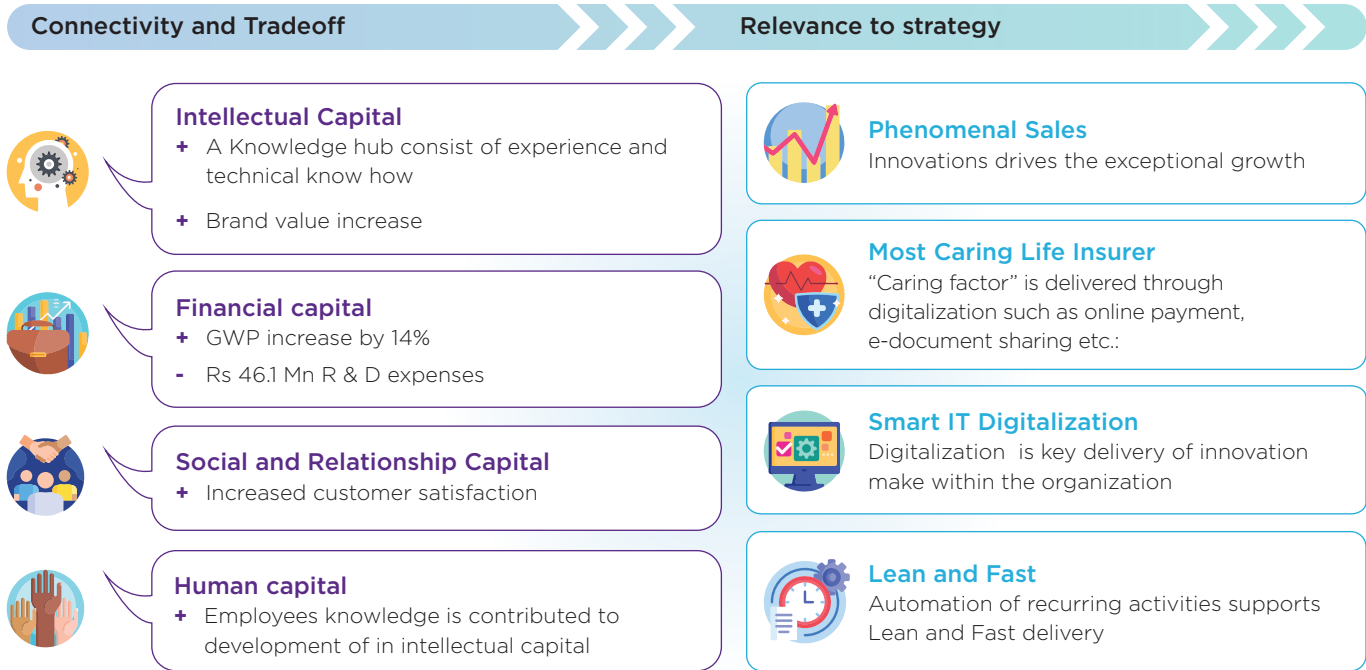
**BIGGER.  
BETTER.  
BOLDER.**



[https://softlogiclife.lk/  
annual-reports/](https://softlogiclife.lk/annual-reports/)

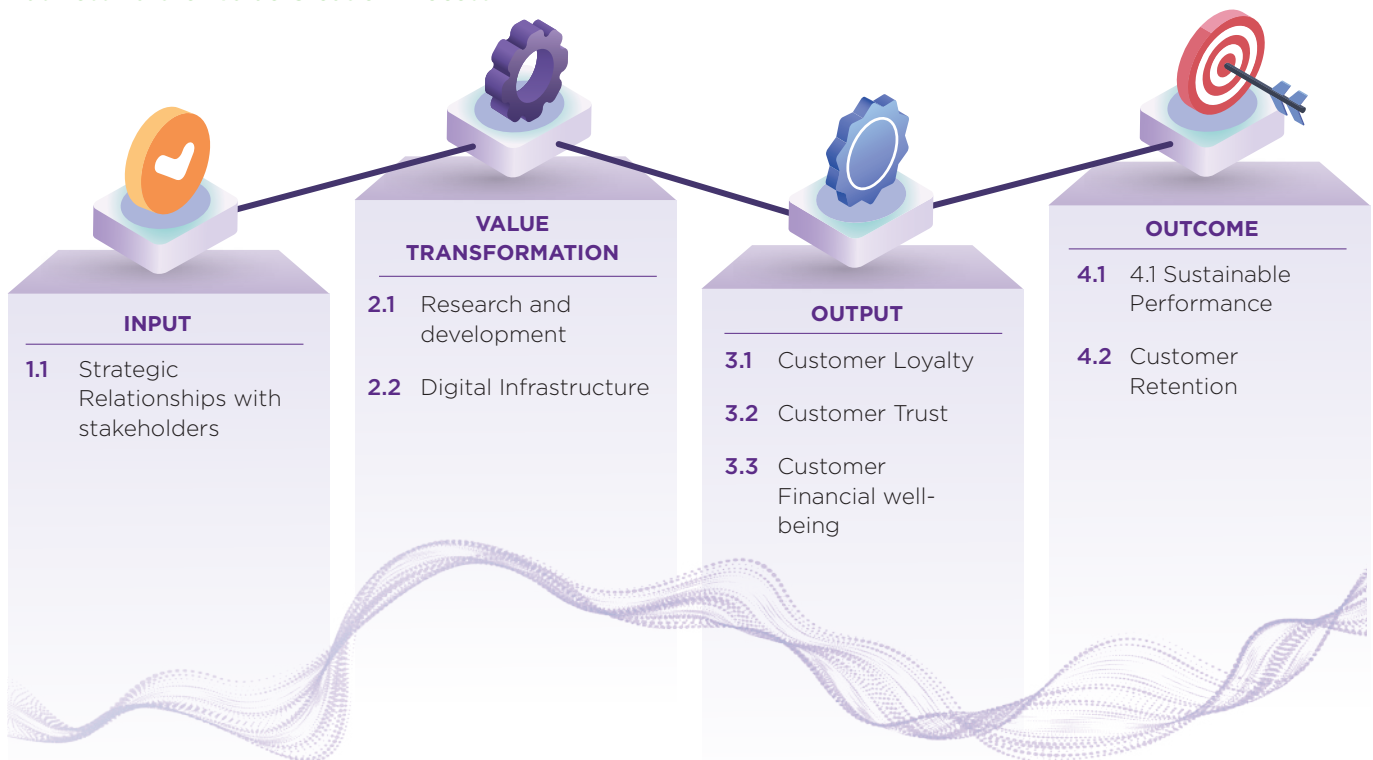


As a life insurer functioning within a highly competitive market, our capacity to comprehend evolving consumer preferences and maintain our competitive standing hinges on intangible factors. These factors include our brand value, research and development capabilities, innovation capacity, tacit knowledge, operational processes, and strategic partnerships. Together, these elements constitute our Intellectual Capital, which is instrumental in enhancing our competitive advantage.



As a life insurance company operating in a fiercely competitive market, our ability to understand shifting consumer preferences and sustain our competitive edge relies on intangible elements. These encompass our brand equity, research and development prowess, innovation capabilities, tacit knowledge, operational procedures, and strategic alliances. Collectively, these components form our Intellectual Capital, crucial for augmenting our competitive advantage. Below diagram shows how intellectual capital add value to our organization

**Business Partner Value Creation Process**



## INTELLECTUAL CAPITAL

At SLI, our emphasis lies in cultivating the skills and expertise of our employees, enhancing staff retention rates, continuously investing in IT infrastructure and technological innovations, engaging in brand-building initiatives, and leveraging our relationships to create sustainable value in managing our Intellectual Capital.

### 1.1 Strategic Relationships with stakeholders

The foundation of our intellectual capital value creation begins with our relationships with existing employees, customers, investors, business partners, and the community. The collective knowledge we accumulate through engagement with each stakeholder is crucial for fostering more positive interactions in the future. The collaborative efforts of these stakeholders in our value creation journey are detailed within the individual capitals, while our interactions with them are further explained in the "Stakeholder Engagement" section, found on page 72.

### 2.1 Research and Development

At Softlogic Life, we firmly believe that research and development (R&D) are fundamental elements of our operational strategy. Our

commitment to R&D is rooted in our desire to continually enhance, refine, and innovate across all aspects of our business, including our products, services, technologies, and operational processes. We recognize that in today's rapidly evolving marketplace, staying ahead requires a proactive approach to acquiring knowledge and leveraging emerging trends and technologies.

The significance of our dedication to R&D cannot be overstated, as it has been a primary catalyst for the remarkable growth experienced by Softlogic Life. By investing in R&D initiatives, we have been able to identify opportunities for improvement, develop innovative solutions, and adapt to changing customer needs and market dynamics effectively.

To spearhead our innovation efforts, we have established the role of Chief Innovation Officer (CIO) within Softlogic Life. The CIO is tasked with driving forward-thinking initiatives and fostering a culture of innovation across the organization. Leading a team of dedicated professionals, the CIO is committed to staying abreast of new trends, emerging technologies, and best practices, particularly in the field of artificial intelligence (AI).

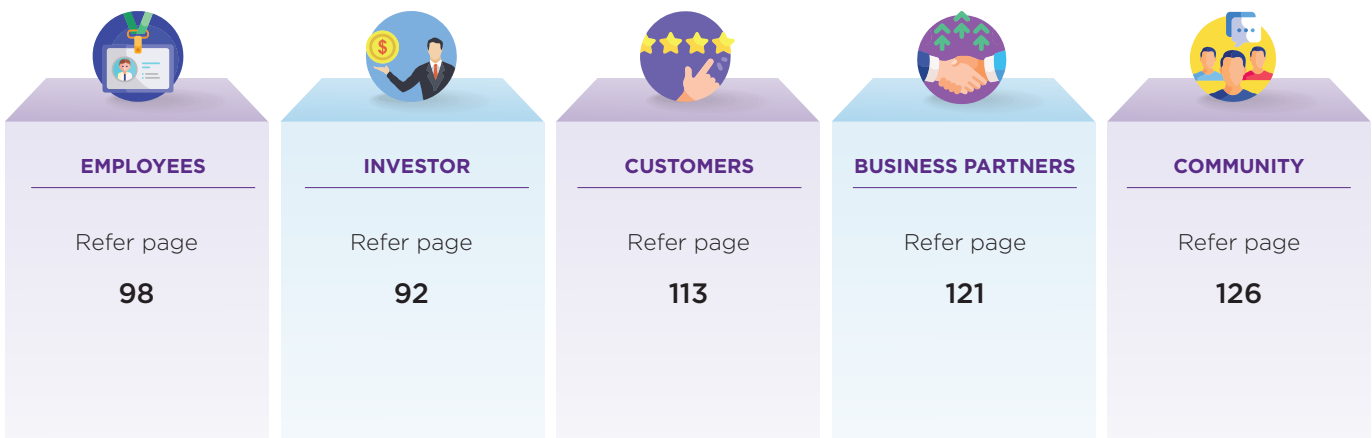
Our team of passionate innovators is deeply invested in exploring the potential applications of AI and other cutting-edge technologies to enhance our products and services further. Through ongoing research, experimentation, and collaboration, we aim to unlock new opportunities for growth, differentiation, and value creation for our customers and stakeholders.

At Softlogic Life, our commitment to R&D and innovation is not just a strategic imperative; it is a core value that guides our actions and shapes our future direction. By continuously pushing the boundaries of what is possible, we aspire to be at the forefront of innovation in the insurance industry, delivering unparalleled value and driving sustainable growth for years to come.



Scan above QR code to read this thoughts on transforming insurance industry by creating data driven culture

### Strategic relationships that promote the development of intellectual capital within the organization



## 2.2 Digital Infrastructure

Our digital innovation forms the foundation of an organisation’s information technology and operations. It seamlessly integrates both physical and virtual technologies, establishing a unified and interconnected framework. This framework supports the effective functioning of various IT and operational processes within the organization. The governance framework is detailed on page 105.

Our Information Technology innovation team, comprised of experts in the IT sector, is dedicated to continuously exploring and implementing the latest advancements. Through a focus on data science, artificial intelligence, robotic process automation, and ongoing research and development, our team works diligently to upgrade systems daily. This strategic approach not only ensures the integration of cutting-edge technologies but also plays a crucial role in optimizing our business model for enhanced efficiency and performance.

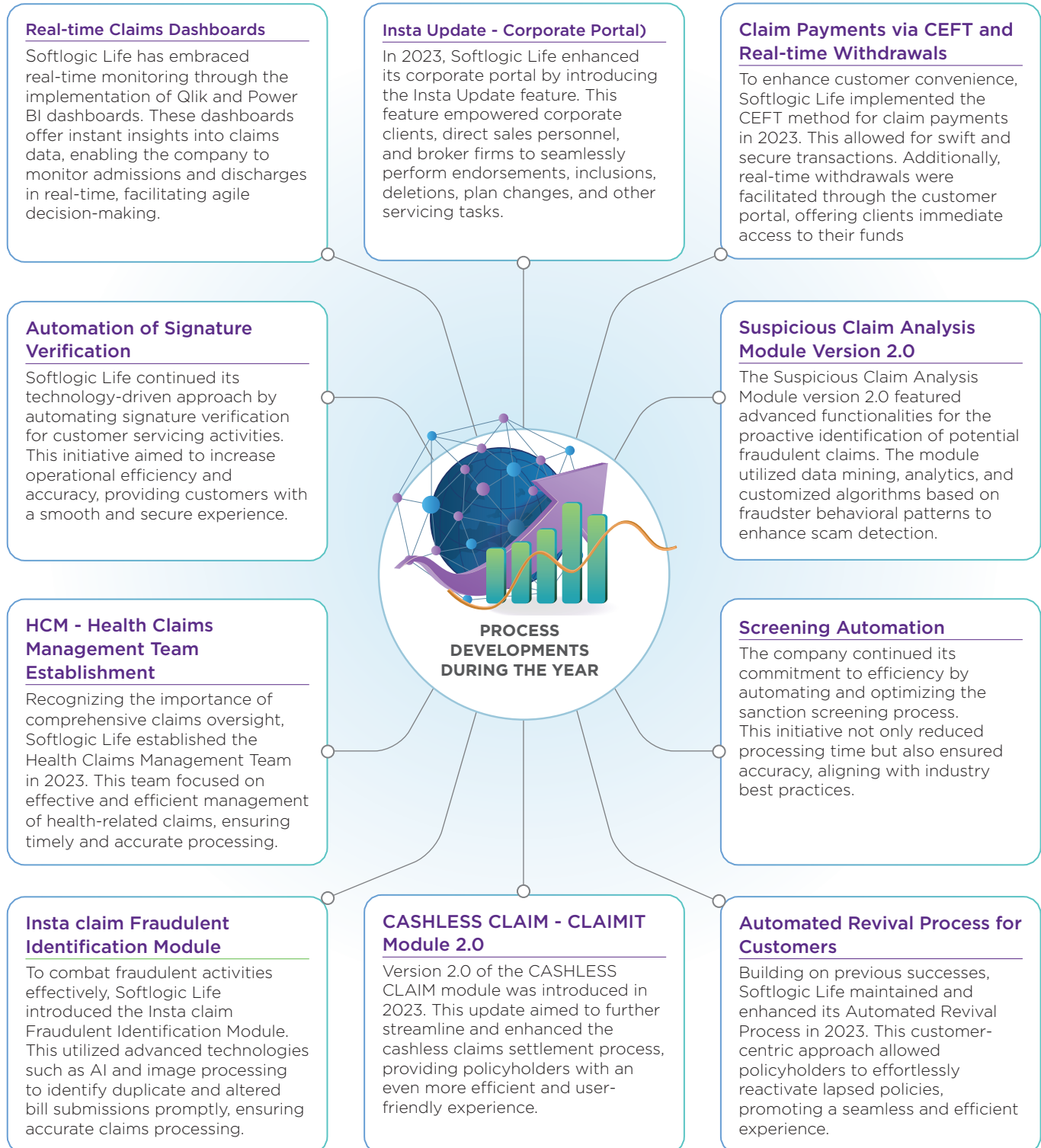




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### 3.1 Process Development

We continue to improve our selves despite the things happening in our surrounding. While facing many headwinds during 2023 we managed to introduce following process improvements in addition to the initiatives we have mentioned in page 22.



### SRI LANKA'S FIRST EVER AI BASED MARKETING CAMPAIGN

Our innovation extends beyond our core business activities to encompass all our support services, aiming to enhance overall productivity. A prime example is our recent marketing campaign, developed using the Deep Fake option of Artificial Intelligence. This novel concept garnered significant attention across various media platforms, highlighting the innovative culture ingrained within our organization.



Scan this QR code to see our social media campaign

<https://www.youtube.com/watch?v=RaP9jtzQBGE>



#### 4.1 Brand

Designed to improve the well-being of every Sri Lankan, our brand is dedicated to achieving this goal with a proactive approach rather than a reactive one. Upholding our commitment to enhance the quality of life for all Sri Lankans, we consistently strive to be present during their times of need by providing solutions rooted in innovation, quality products, and excellent customer service.

**OUR BRAND PROMISE**

**You go live life to the fullest. We will take care of the rest.**

Not many people in Sri Lanka have life insurance because they often feel like nothing bad will happen to them. They believe they'll have a good life, and only bad things will happen to other people. So, Softlogic Life did something different. Instead of trying to scare people into thinking bad things will happen, we changed how we talk about life insurance. We told people to enjoy their lives, and if something bad does happen, we'll be there to help. It's a new way of thinking about life insurance, focusing on living life fully and being there for support when needed.



**BRAND POSITIONING**

Promote proactive health management/healthy lifestyle by based on three elements; Wellness, Fitness and Nutrition for insurance that works and benefits you now and while you live.

**BRAND COMMUNICATION**

We communicate our brand through;

- Mass Media
- Digital channel
- Social Media
- Outdoor Visibility

#### Compliance and Ethics

##### Ethical marketing

Ethical marketing is a fundamental practice for the company. Prior to the launch of any marketing communication, the marketing and communications team consistently evaluates proposals against ethical marketing criteria. The ultimate responsibility will be held on Chief Marketing Officer.

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### Compliance/Penalties or fines

No financial losses were incurred due to legal proceedings related to the marketing and communication of insurance product information to both new and returning customers.

### Awards and Accolades

Our brand was recognized at many leading award ceremonies for various aspects of brand performance, as outlined below.



### RISK AND CHALLENGES

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



Risk	Impact	Action Taken
<b>Cyber security</b>	The heightened pace of digitalization, coupled with an innovative drive, has introduced new vulnerabilities, raising the risk of potential cyber attacks	<ul style="list-style-type: none"> <li>We have implemented robust management and technical controls to ensure effective oversight and safeguarding measures</li> <li>Regularly review and update the IT security system for ongoing effectiveness</li> </ul>
<b>Intense competition at the brand level</b>	Challenge to maintain growth momentum	<ul style="list-style-type: none"> <li>Conduct impactful brand management activities</li> <li>Significant allocation of resources for brand building initiatives</li> </ul>

### LOOKING FORWARD

Short Term Target	Medium to Long Term Target
Further enhance our brand value	Enhancing and preserving our employees and organizational knowledge which gives a value addition to our business model
Introduce more innovative products and improve employees' innovativeness	Step into Big data analytics, Implement artificial intelligence technology to day to day operations

We will continue to drive efforts towards nurturing our intellectual capital through increasing brand awareness, streamlining processes, and fostering a culture of knowledge sharing across the organization. Innovative digitization will be a key medium to long-term priority and is expected to support the achievement of Smart IT Digitization, Kings of data, Phenomenal sales, and Lean and fast initiatives. Digital infrastructure will be pursued through IT advances to launch new products and system automations across our business, while also focusing on the development of Intellectual Capital. We have identified digitalization as a key pillar on which our future success depends on. We will increase the usage of emerging digital trends such as Big Data, Artificial Intelligence, Machine learning, etc.



### Future business landscape with technology

In the rapidly evolving landscape of the life insurance market, digitalization, artificial intelligence (AI), and big data adoptions are revolutionizing traditional practices and reshaping the industry's future. Digitalization has transformed how insurers engage with customers, streamline processes, and deliver personalized services. With the proliferation of digital platforms and mobile apps, policyholders can now access information, manage policies, and file claims conveniently, enhancing overall customer experience.

AI is driving significant advancements in underwriting, risk assessment, and customer service. Machine learning algorithms analyse vast datasets to identify patterns, predict trends, and mitigate risks more accurately and efficiently. Chatbots and virtual assistants powered by AI are also revolutionizing customer interactions, providing instant support and personalized recommendations round-the-clock.

Meanwhile, the utilization of big data enables insurers to gain deeper insights into customer behaviour, preferences, and demographics. By leveraging predictive analytics and data-driven modelling, insurers can tailor products, pricing, and marketing strategies to better meet the evolving needs of their target market segments.

Overall, the integration of digitalization, AI, and big data analytics into the life insurance



market promises improved operational efficiency, enhanced risk management, and greater customer satisfaction. However, as insurers navigate this digital transformation, they must also prioritize data privacy, cybersecurity, and regulatory compliance to build trust and ensure the long-term success of their digital initiatives.

### SLI response

At Softlogic Life, we align our strategies to capitalize on these transformative changes. We actively adapt to the rapid evolution within our operational context, implementing strategic decisions that confer a competitive advantage in the market. Undoubtedly, SLI leads Sri Lanka's digitalization and innovation drive in the life insurance sector. Our innovation team, comprised of IT professionals and data scientists, tirelessly integrates new technologies into our core business activities, with successful implementations detailed in this report.

Expanding our horizons, Softlogic Life pioneers collaboration with the Department of Computer Science and Engineering at the University of Moratuwa through the "Softlogic Life Tec Wizard" project. A memorandum of Understanding (MoU) solidifies this partnership, empowering Sri Lankan youth for digital transformation. This strategic initiative not only positions Softlogic Life to attract top talent but also contributes to the technological advancement of Sri Lanka's insurance industry. We believe this collaboration will generate substantial value for our company while positively impacting society.