

INSURANCE WITH STEUARTS



BELIEVE

The e-magazine of George Steuart Insurance Brokers (Pvt) Ltd.

Volume 02 | Issue 04 October - December 2020

Warm Greetings from The Directors and Employees of GSIB:

May the closeness of your family and friends, the comfort of home, and the unity and health of our nation, renew your spirits this festive season.

We Wish you all A Very Merry Christmas and
a Very Happy New Year!

GSIB - NEWS

Steuart Home

GSIB is pleased to launch a unique and comprehensive home insurance for your house and /or its contents. The product, Steuart Home, is underwritten by Orient Insurance Limited, provides wide coverage, easy transaction, a very competitive premium, and a fast tracked claims support. Some additional features of the coverage include coverage for your domestic staff, guests who may visit you, personal accident coverage for you as the home owner, your personal legal liability in relation to your home, among a host of other covers. All of this is backed by GSIB who will represent your interests to the insurance company and be at your beck and call 24/7 – at no cost to you.

If you are looking to insure your home for the first time or simply want a comparison to an existing insurance coverage please contact Dilshan on 0761136586 or email him at dilshan@gsinsurance.lk for commitment free advice. Look us up on the web at www.gsinsurance.lk and on FB at George Steuart Insurance Brokers (Pvt) Ltd.

GSIB - A new normal

The GSIB team is fully equipped to deal with and service all insurance requirements (including claims) of its clientele (corporate and individual) even during potential shut downs, curfews, Working from Home (WFH) etc . Please do contact your manger/account coordinator, for details. We are at your service.



Insurance industry wins major legal battle against unregistered foreign brokering concerns in case filed by Strategic Insurance Brokers against Singapore-based J.B. Boda.

The Civil Appellate High Court of Colombo has ruled against J.B. Boda, a Singapore-based brokering company, in what insurance industry analysts see as a landmark judgment.

J.B. Boda asserted in Court that it was entitled to function as a broker in Sri Lanka though not duly registered as a brokering concern, as required by law. The Civil Appellate High Court Bench ruled against the foreign broker and the judgment effectively makes operative the District Court interim injunction issued in 2018, preventing this company from functioning as a broker in the Insurance industry in Sri Lanka.

It effectively bars the Singapore based concern from holding out as a broker, or engaging in any broking activities in the insurance industry in this country — and consequently from participating in any bids for local tenders. The plaintiff was Strategic Insurance Brokers.

This High Court judgment now effectively prevents flyby-night foreign brokering companies

from holding out as brokers, thereby qualifying for local bids, or being awarded State tenders.

In the original lawsuit filed in 2018, the District Court had earlier issued an enjoining order on 17 January 2018 restraining J.B. Boda or its agents from acting, holding out and/or carrying out any activity as an Insurance Broker in Sri Lanka, pending the hearing and determination of the application for Interim Injunctions. The original lawsuit was instituted on the basis that “the defendant company (i.e. J.B. Boda) is not a company registered in terms of the provisions of the Insurance Industry Act No 43 of 2000 (as amended)” and was not registered as a broker under the said Act. After the inquiry, on 26th February 2018, the District Court granted two the Interim Injunctions preventing the company from operating as a broker in Sri Lanka.

Thereupon, the defendant company appealed to the Civil Appellate High Court.

The stay order obtained by the company there, which stayed the operation of the interim injunctions is no longer in operation, with effect from yesterday, as the Civil Appellate High Court judgment dismissed J.B. Boda’s appeal against those orders. This High Court judgment now effectively prevents flyby-night foreign brokering companies from holding out as brokers, thereby qualifying for local bids, or being awarded State tenders.

The District Court also upheld this position when it issued the Interim Injunctions initially. The Civil Appellate High Court has now effectively affirmed this position, by the dismissal of the appeal by J.B. Boda.

Industry analysts applauded the High Court judgment, in the context of an unambiguous policy and regulatory framework. “It is clear that the Court judgment recognises that the law provides no loopholes,” an Insurance Regulatory Authority of Sri Lanka

spokesperson said, adding, “The judgment gives us the moral authority to act swiftly to apprehend nefarious and illegal foreign brokers.”

The judgment effectively confirms that every person who acts as a broker for reinsurance also, should register with the Insurance Regulatory Commission of Sri Lanka under terms of the Act, a recognised Brokers Association, and be incorporated as a company under the Companies Act of Sri Lanka

The submissions of J.B. Boda that the above requirements are not required to be met by foreign entities providing reinsurance related brokering services has not been accepted by the Court.

(Sent in by Ms. Indika Karunaratne)

Editorial

Mitigating Financial Loss Amidst the COVID-19 Pandemic

COVID-19 Infecting almost 3 million people across the globe and the pandemic has weakened public health systems and rendered even the most advanced country vulnerable—not only in the aspect of medical care but also in terms of economic health, and has brought the economy to a standstill. Several businesses have been experiencing a massive slump on revenue, as normal operations are shut down, complying with the government's lockdown protocols and curbing the spread of the virus. To prevent business financial loss has been the priority of many businesses across the globe and businesses are looking for ways to mitigate their losses or recover lost revenue.

The insurers are in uncharted territory and the insurance industry is applying forward-thinking solutions to take care of its customers, communities and employees during the COVID-19 crisis through multiple initiatives.

This is an especially difficult time. The truth is the effects of the temporary losses now could stretch further into the months ahead, even as lockdowns relax or get lifted altogether. Fortunately, insurers may be able to mitigate the impact of the novel coronavirus – both now and into

the future. Insurers have already introduced various customer relief measures, either proactively or in response to regulatory guidance. Several insurers have temporarily offered flexible premium payment options, e.g., to defer premiums under certain conditions, such as illness, quarantine, job loss, or absence from work to care for sick children or family members.

Customers may also be offered the option to temporarily suspend a policy or reduce the amount of coverage provided, with a corresponding decrease in premiums. Similarly, policyholders may be allowed to selectively suspend specific benefits, while maintaining a certain level of coverage and the benefits that are most important to them. In addition, insurers can use a variety of persistency improvement tools and approaches to support ongoing customer value management, satisfaction, and retention.

M.Z.M. Nazim

Food For Thought

“When you are able to shift your inner awareness to how you can serve others, and when you make this the central focus of your life, you will then be in a position to know true miracles in your progress toward prosperity.”

– Wayne Dyer.

Travel Insurance during Covid-19 Pandemic



Travel in your area, including international travel, maybe restricted because of domestic regulations.

There are clear links between mental and physical health, so looking after yourself during travel and when abroad is important.

Stress levels can be intensified during travel because of a lack of familiar support systems, disrupted daily routines, language barriers, culture shock and unexpected situations.

You should check the travel advice for your destination. If you decide to travel internationally during the COVID-19 pandemic, and you are legally permitted to do so, you should have appropriate travel insurance. If you already have a travel insurance policy, you should check what cover it provides for coronavirus-related events, including medical cover and travel disruption. Your Insurance Broker will be your best guide. If you are choosing a new policy, make sure you check how it covers these issues.

If you do not have appropriate insurance before you travel, you could be liable for emergency costs including medical treatment. We recommend you buy your travel insurance as soon as possible after booking your trip.

Case Law

Wisenthal v World Auxiliary Insurance Corpn Ltd: (1930) 38 L Rep 54

Insurance (burglary)-Loss (furs)-Claim -Defence: (1) Fraud; (2) Concealment of material facts-Jury's finding that there was concealment regarding certain material facts-Judgment entered for defendant insurance company.

A claim was made under an all risks policy on goods in transit and in storage pending

sale. The insurers disputed the insured's title and accused her of fraudulently exaggerating her claim. They also alleged that facts and documents relevant to these issues had been concealed.

Held: Roche J directed the jury: 'Fraud, said his Lordship, was not mere lying. It was seeking to obtain an advantage,

generally monetary, or to put someone else at a disadvantage by lies and deceit. It would be sufficient to come within the definition of fraud if the jury thought that in the investigation deceit had been used to secure easier or quicker payment of the money than would have been obtained if the truth had been told.'

Key Traits Insurance Brokers should display during a Pandemic

If there are two key requirements that brokers should be taking from the COVID-19 pandemic, it is the need to display both these traits of "Empathy and listening." For brokers, the pandemic is a real opportunity to build a strong, empathetic relationship with their clients and solidify the bond they share with the businesses and individuals they advise. The satisfaction you derive is not from success stories but being able to find the right solutions for them, and being able to bring about peace to the minds of the suffering. Honesty, transparency and determination to serve are the qualities which make a great insurance broker.

Covid-19 Lifeband:

This wearable device, developed by PZU in Poland (the first Polish insurance company Powszechny Zakład Ubezpieczeń)- monitors the risk of hospital patients transferring the COVID-19 virus to medical staff. The device constantly monitors patients' oxygen levels and pulse rates and alerts medical staff when they need to intervene. The Lifeband enables doctors to oversee the health of their patients without needing to come into close physical contact with them.



How do we determine whether a damaged vehicle is a write-off?

What is a write-off? It's a term commonly used when the insurance industry determines a vehicle to be a total loss. In other words, the cost to repair the vehicle after a collision is more than its value after subtracting the recycle or salvage value. In such cases, they offer the insured a settlement that is based on the policy coverage. An appraiser calculates how much the undamaged vehicle was worth immediately prior to the collision and compares the repair costs to the vehicle's actual cash value, less its salvage value. They then determine if repairs are feasible.

Insurance appraisers also use several other factors to help determine the value of the damaged vehicle. Primarily:

- a. The year, make, model, and odometer reading.
- b. The type of engine, options, and overall condition, noting unrelated damage and aftermarket equipment added to the vehicle; careful consideration determines if these additions really add value to the vehicle.
- c. Condition of the vehicle's interior and exterior, including any prior damage
- d. Independent market survey reports, indicating sales of similar vehicles of the same year, make and model.
- e. The value listed in industry-standard publications, Auto Trading websites, dealer and classified ads.

There are several options for dealing with a write-off:

- i. If you disagree with the amount of the settlement offer you receive for your car, you can present your own evidence of comparable vehicles.
- ii. If the car is branded "Irreparable," by the manufacturer or his representative, it can only be used for parts; it can never be repaired or driven.

If it is branded as "Salvage," you must have it repaired and inspected before you can drive it legally. If there are no structural or safety issues, it may be possible to keep the damaged vehicle as part of the settlement. In most cases, it doesn't make financial sense to keep a damaged vehicle, doing nothing about it.

Insurtech's place in a COVID-19 world

Who will benefit as insurers accelerate innovation efforts? COVID-19 has impacted every sector of the economy, and insurance is no exception. The pandemic has highlighted inefficiencies and created new friction points for carriers and customers alike -- but the experience has also validated carriers' efforts to innovate and invest in a digital future. Insurtech is likely to play a vital, ongoing role in bringing digital innovation to the insurance sector overall. However, in the short term, many insurtech companies may face significant challenges.

As for challenger insurtechs, their success will be largely driven by how well their offerings reflect the needs and realities of the market now and over the near term. Insurtechs that had been focused on niches such as small business, ridesharing, home and renters, or targeted highly specific geographies, will find it increasingly challenging to stay relevant. Together, insurers and insurtechs can reimagine what insurance can be and make sure it meets the needs of a post-coronavirus world.

Advanced Analytics in Insurance

Advanced analytics can transform how insurers do business, but realizing its potential requires complex, large-scale organizational changes.

Actuaries using advanced math and financial theory to analyze and understand the costs of risks have been the stalwarts of the insurance business forever. Indeed, the analytics performed by actuaries are critically important to an insurer's continued existence and profitability.

Today's advanced analytics in insurance push far beyond the boundaries of traditional actuarial science. Consider how this has affected underwriting in personal auto insurance. Instead of relying only on internal data sources such as loss histories, which was the norm, auto insurers started to incorporate behavior-based credit scores from credit bureaus into their analysis when they became aware of empirical evidence that people who pay their bills on time are also safer drivers. While the impetus to invest in analytics has never been greater for insurance companies, the challenges of capturing business value should not be underestimated.

Technology, as everyone knows, changes much faster than people. The key for insurers is to motivate their highly skilled experts to adopt the newest tools and use them with creativity, confidence, and consistency.



Risk and Uncertainty

Some useful facts to guide the insuring public

Risk is endemic to life and business and something that risk-averse individuals and firms have good reason to manage. Broadly defined, **risk** is a condition in which more than one outcome is possible.

Uncertainty refers to the perception of risk, which may or may not correspond closely to reality. That is, situations in which the possibility of one or more negative outcomes may or may not occur. Individuals and firms face a number of perils that threaten them with financial losses and other adverse consequences.

A **peril** is an event that causes a loss, such as hostile fires, earthquakes, Cyclones, Storms, Floods and premature death. Insurance texts distinguish between “pure risk” and “speculative risk.”

Pure risk involves no chance of economic gain and uncertainty about whether a financial loss will occur and possibly how much that financial loss will be.

Speculative risk involves the chance of gain or loss and, in theory, is not insurable. Gambling is an example of speculative risk.

The chance of damage a business or residence from a fire or storm. Cyclone or flood is an example of a pure risk. The cause of such a loss is accidental and uncertain. Businesses and Homeowners do not know whether they will have such a loss, when it would occur and how severe it would be. They would only know that a loss might occur because of a random act of nature or other event outside of their control.

Moreover, Owners of Businesses and Dwelling house owners have nothing to gain from losing their business or their residence.

Insurance is a way of managing such risks. When you buy insurance, you transfer the cost of a potential loss to the insurance company. Insurance companies invest the funds securely, so it can grow, and pay out when there's a claim. Take the time to review your commitments and contact one of your helpful Insurance Brokers to answer your questions and get guidance and advice. A little knowledge can make a big difference when it comes to buying the right insurance to help protect what matters most for you and your family.

Global News



Hong Kong

Hong Kong's Insurance Authority (IA) has extended temporary measures allowing non-face-to-face distribution of certain life and health insurance products until March 31, 2021.

Products covered by the temporary facilitative measures include qualifying deferred annuity policy (QDAP), voluntary health insurance scheme (VHIS) products, term life policies, and refundable policies without substantial savings component or renewable policies without cash value that provide insurance protection. Insurers and intermediaries are allowed to distribute these products via different non-face-to-face means, such as digital, telemarketing, postal or video conferencing, but are required to make upfront disclosure at the point-of-sale and provide an extended cooling-off period of at least 30 calendar days for the protection of policyholders.



Singapore

Singapore to provide COVID-19 insurance for inbound travellers

Visitors to Singapore will now be able to purchase inbound travel insurance for COVID-19 related costs incurred while in the country. This was announced by an alliance composed of Changi Airport Group (CAG) and the Singapore Tourism Board (STB) on behalf of the Emerging Stronger Taskforce Alliance for Action (EST-AfA) on Enabling Safe and Innovative Visitor Experiences. The organisers believe that inbound insurance coverage has been identified as a key enabler to facilitate the resumption of travel to Singapore.

The alliance also worked together with the General Insurance Association of Singapore (GIA) to conduct

an expression of interest (EOI) exercise involving private insurers, including: AIG Asia Pacific Insurance, Chubb Insurance Singapore, and HL Assurance.

The three insurers have developed travel insurance products which provide at least SG\$30,000 in coverage for COVID-19 related medical treatment and hospitalisation costs. These meet the minimum of SG\$30,000 in coverage recommended by the Ministry of Health based on private hospital costs. Foreign travellers in Singapore are required to bear the full cost of medical treatment, tests and isolation in case of suspected or actual infection of COVID-19 in Singapore. The newly developed insurance products fill a gap and cover some of the costs that may be incurred by travellers.

By offering timely and adequate protection for travellers flying here, they play a crucial role in the ecosystem that is propelling the nation towards wider economic recovery

post-pandemic. The general insurance sector is committed to providing travellers visiting Singapore the protection they need to travel here with confidence."



India

Corona specific health insurance products

In order to tackle the ongoing COVID crisis and to make sure that maximum people are covered under some kind of health insurance cover against COVID-19, on the directions of IRDAI, general and health insurers have started offering two standard products – the Corona Kavach – an indemnity based health plan and Corona Rakshak – a fixed benefit health insurance policy – for covering the treatment costs of COVID-19.

These Individual Health Policies are targeted to address the basic health insurance needs of the larger public for COVID-19 by offering a common set of policy wordings. Customers can either buy these policies through the insurer's websites, online web aggregators or directly approach the branch offices or agents of the insurance companies. These policies can be bought for as low as Rs 100 – Rs 200 per month.

Business English Vocabulary

"Call it a Day"

To "call it a day" means that you are giving up on something. This can refer to taking a break on a project because you have reached a good point to stop, or to stopping something completely. It can be negative or positive, depending on the context. Taken literally, it is a phrase stating that the working day is officially over: that was a whole day, I declare that day finished!

e.g. We've made plenty of progress for today, I think it's time to call it a day!

Spiking ransomware attacks against schools make pandemic education even harder



K-12 (Kindergarten to Grade 12) have schools been hit by a barrage of ransomware attacks so far this school year, worsening a learning environment that's already strained nearly to the breaking point by the coronavirus pandemic.

Those attacks lock up school computer systems until the

district pays a ransom, which affects in-person schooling and can make distance learning impossible for days on end But that's just the tip of the iceberg.

Among ransomware attacks reported to a government-funded center that tracks such attacks on state, local and tribal governments and schools, according to the FBI and the

Department of Homeland Security.

Why are hackers targeting schools?

Because that's where the money is.

Schools were already dramatically increasing their use of technology even before the pandemic forced them to shift to online learning. But, because of strapped budgets, they often haven't invested enough in basic cybersecurity protections. They're also more likely than other organizations to have invested in insurance policies that will pay out in the event of ransomware attacks, making them more capable of paying ransoms that can cost tens or hundreds of thousands of dollars.

With coronavirus cases spiking across the nation, it's

a problem that is likely to last well into 2021. An attack makes distance learning difficult or impossible, disrupting the lives of thousands of students and parents, there's a lot of pressure for schools to pay up quickly. Increasingly, hackers aren't just holding schools' computers for ransom, they're also stealing their data.

That data, which includes the personal information of teachers, staff and students, can be an extra income source for hackers if they sell it to identity thieves in the dark corners of the Internet.

Cybercriminals have used that data to file phony tax returns and steal the refunds of teachers or to sign up for credit cards in their names. These attacks are demoralizing not only to the educators, but also to students and the country adding insult to injury and disrupting teaching and learning more than the pandemic has.

AI-powered Chatbot

In the insurance industry, artificial intelligence powered chatbots are replacing human assistants to deliver always available, fast and efficient customer service.

To be effective, chatbots must have natural language processing and sentiment analysis capabilities to accurately understand what customers are saying in their own Language.

Chatbot applications based on artificial intelligence allow users to interact directly with your business using their own words, through natural, human-like conversations. Chatbots can be used to automatically provide information, facilitate the purchase and help connect customers to the services or information they need, 24x7. Deep comprehension of the meaning of words offers a great opportunity for extracting strategic information from conversations with customers. Detailed preferences, comments, habits, feelings, needs, etc. can be identified, tracked and transformed into actionable intelligence to identify not only trends, problems, and signals but also customized requirements.

Humour

A charity worker knocked at my door collecting for the local swimming pool; so I gave him a bucket of water.



SPECIAL OFFER ON **MOTOR**



**LOOKING FOR AN UNMATCHED INSURANCE COVER
FOR YOUR BRAND NEW OR REGISTERED VEHICLE?**

**LOOK NO FURTHER -
WE GOT THE BEST OPTION FOR YOU
WITH OUR “*STEUART DRIVE*” MOTOR COVER**

**WHAT'S MORE,
YOU GET A FREE HOME INSURANCE COVER
WORTH Rs. 5 Mn**

HOTLINE: +94 76 113 65 86 | WEBSITE: www.gsinsurance.lk | E-MAIL: dilshan@gsinsurance.lk