ABSTRACT. Insurance appears simultaneously with the appearance of human society. In natural economies, which are the most ancient form economy, insurance was defined as helping each other. This type of insurance has survived to the present day where modern money economy with its financial instruments is widespread. Insurance is basically a protection against a financial loss which can arise on the happening of an unexpected event. A well-developed and evolved insurance sector is needed for economic development as it strengthens the risk taking ability. In Sri Lanka, the insurance industry reported an overall gross written premium of Rs. 51 billion and it represent 1.46% of the GDP of 2009.

People today have more insurance needs and as a result insurance has become an important part of stability in the event of a loss. In view of current volatility in the market, it is vital to conduct a study to identify the factors that are exploring the clients’ perception towards the image of Insurance Company. Therefore, this study focuses on how client select an insurance company and how they perceived the image of different insurance companies in Sri Lanka. This study was carried out in five districts, namely Colombo, Kandy, Kurunegala, Galle, and Bandarawella. 250 people (50 from each district) were interviewed using a structured questionnaire. The study found that the company ownership, the number of years in the business, and the financial stability are significantly influenced on the image of an insurance company. Further, customer focused company operation, quick claim settlement, 24 hrs online services, and effective call centres identified as the absolutely essential factors in selecting an insurance company.

Keywords: Client Perception, Company Image, Insurance.