

Private insurers fare well in May; LIC crumbles in the second wave of the pandemic

LIC sees weakness in business; private insurers post growth in May. For May'21, growth was curbed by the second Covid-19 wave as many states imposed stricter lockdowns. Private-sector new-business premiums (NBP) grew 14% y/y. LIC was down 12% y/y. At end-May'21, NBPs amounted to Rs.130bn (Rs.137bn a year prior). The annual-premium equivalent (APE) for the private sector grew 6% y/y at end-May'21. For LIC, the sole public entity, its APE slid 44% y/y. At end-May'21, total APE was Rs.42bn (Rs.57bn a year prior).

Private sector's market share fell in May. In NBP, private insurers' market-share for May'21 fell to 31% (50% the month prior, 35% in Mar'21). In APE, private insurers' market-share for May'21 fell to 47% (58% the previous month, 53% for Mar'21)

APE: HDFC Life occupied the numero uno position. In APE, HDFC Life occupied the number one position in the private space with a 20.5% market share; y/y it grew 270bps. SBI Life took the second position with a 16% market share. I-Pru occupied the third slot with a 13.8% market share. Others such as Max Life (up 70bps y/y) and Bajaj Allianz Life (up 150bps y/y) gained market shares, whereas Tata AIA Life (down 130bps y/y) and Aditya Birla Sun Life (down 90bps y/y) lost market shares.

NBP: The top three accounted for a 56% market share. In NBP, HDFC Life was number one with a 23.2% market share, gaining ~500bps y/y. I-Pru, with a 16.2% market share, held second position. SBI Life occupied the third slot with a 16.1% market share. Private insurers such as Max Life (up 60bps y/y) and Bajaj Allianz Life (up 140bps y/y) increased their market shares whereas Tata AIA Life (down 200bps y/y) lost market shares.

Mohit Mangal | Research Analyst |

APE market-shares of private operators					
(%)	May-21	Apr-21	m/m	May-20	y/y
HDFC Life	20.5	19.6	0.9	17.8	2.7
SBI Life	16.0	19.4	-3.4	17.9	-1.9
ICICI Prudential Life	13.8	12.5	1.3	12.7	1.1
Max Life	9.4	10.7	-1.3	8.8	0.7
Tata AIA Life	7.6	6.5	1.1	8.9	-1.3
Bajaj Allianz Life	7.1	7.5	-0.4	5.6	1.5
Aditya Birla Sun Life	4.8	3.2	1.6	5.7	-0.9
PNB Met Life	3.2	2.5	0.7	3.3	-0.1
Kotak Mahindra Life	3.1	3.7	-0.6	4.4	-1.3
Canara HSBC OBC Life	2.4	2.1	0.2	2.3	0.1
Reliance Nippon Life	2.2	2.8	-0.6	2.8	-0.7

NBP market-shares of private operators					
(%)	May-21	Apr-21	m/m	May-20	y/y
HDFC Life	23.2	24.5	-1.2	18.1	5.1
ICICI Prudential Life	16.2	13.2	3.0	19.2	-3.1
SBI Life	16.1	19.0	-2.9	18.1	-2.0
Max Life	7.2	7.1	0.1	6.6	0.6
Bajaj Allianz Life	6.4	8.7	-2.3	5.0	1.4
Aditya Birla Sun Life	5.0	2.6	2.4	4.3	0.7
Tata AIA Life	4.3	3.4	0.9	6.3	-2.0
Kotak Mahindra Life	4.2	5.2	-1.0	4.5	-0.3
Canara HSBC OBC Life	4.0	4.4	-0.4	6.7	-2.7
India First Life	3.2	2.7	0.5	2.1	1.1
PNB Met Life	2.4	1.8	0.5	2.0	0.4

Source: IRDA, Anand Rathi Research

Individual vs Group

Higher growth for private sector whereas LIC declines in individual NBP. Individual NBP grew 10% y/y to Rs.24bn for the private sector, whereas for LIC it declined 24% y/y to Rs.21bn at end May'21. Individual NBP constituted 61% of the private sector's total NBP, whereas it was 24% for LIC. About 55% of the private sector's total individual NBP came from the top three: HDFC Life, SBI Life and I-Pru..

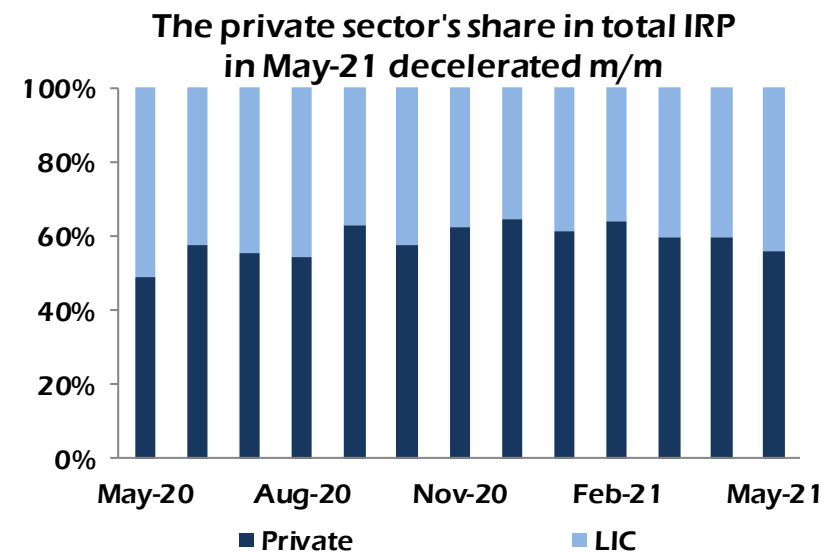
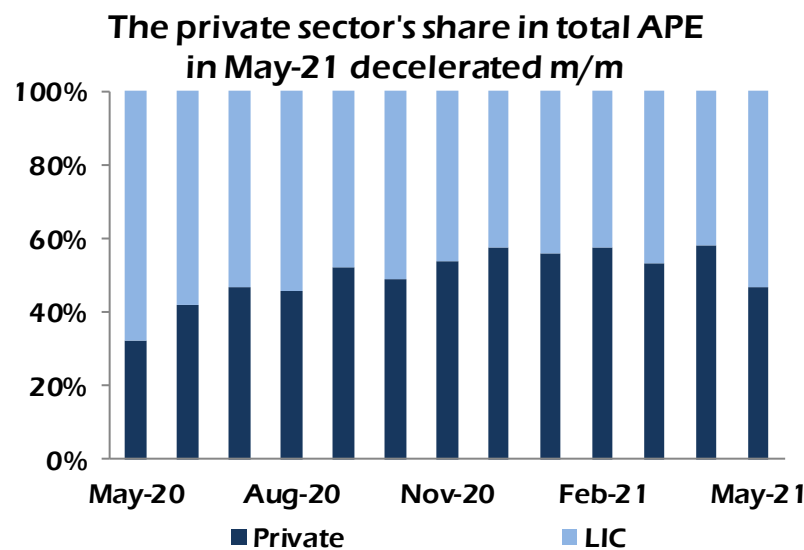
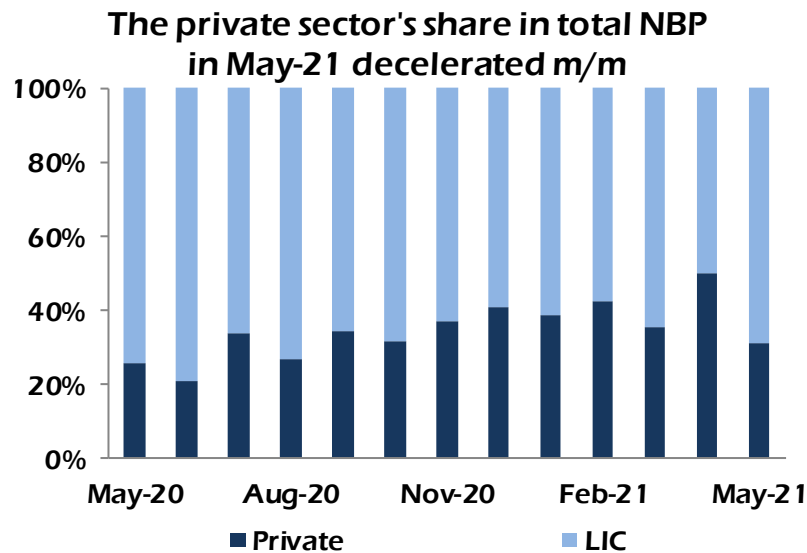
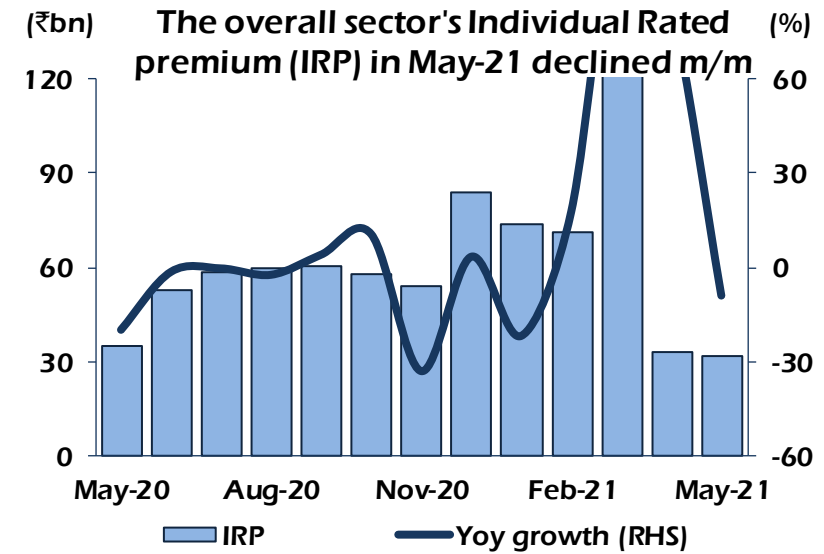
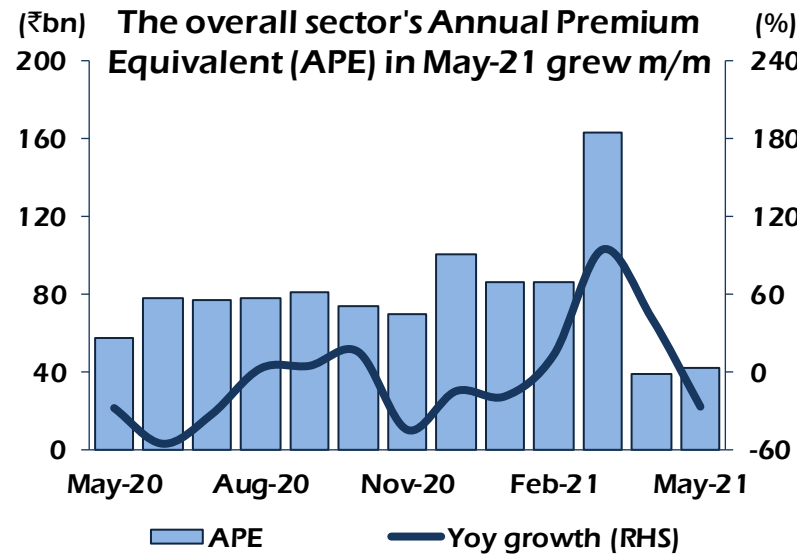
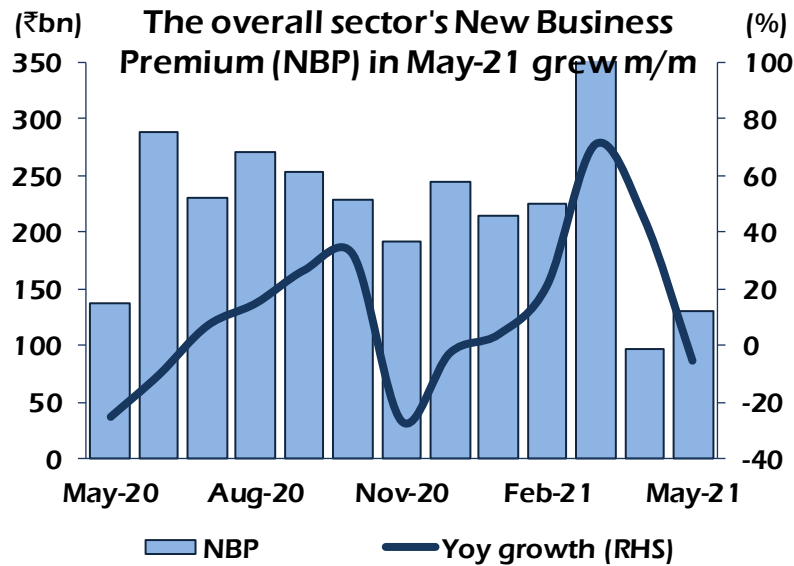
Private sector grows even on group NBP basis. Group NBP grew 22% y/y to Rs.16bn for the private sector, whereas for LIC it fell 8% y/y to Rs.68bn. In group NBP, HDFC Life captured a 25% market share in the private space, whereas SBI Life at 16% came at the second position and I-Pru the third at 15%

Individual APE: 50% market share for the top three. Individual APE of the private sector grew 5% y/y to Rs.18bn, whereas for LIC it declined 22% y/y to Rs.14bn at end-May'21. About 50% of the private sector's total individual APE came from the top three: HDFC Life, SBI Life and I-Pru.

Group APE for the private sector grew on smaller base; LIC fell. Group APE for the private sector grew 18% y/y to Rs.1.7bn, whereas for LIC it declined 62% y/y to Rs.8.1bn. The top three accounted for 53% of the private sector's group APE.

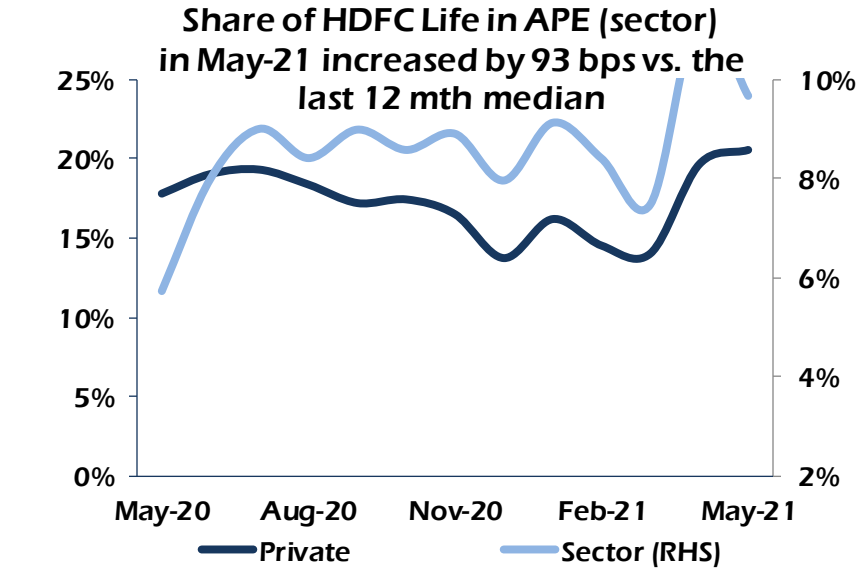
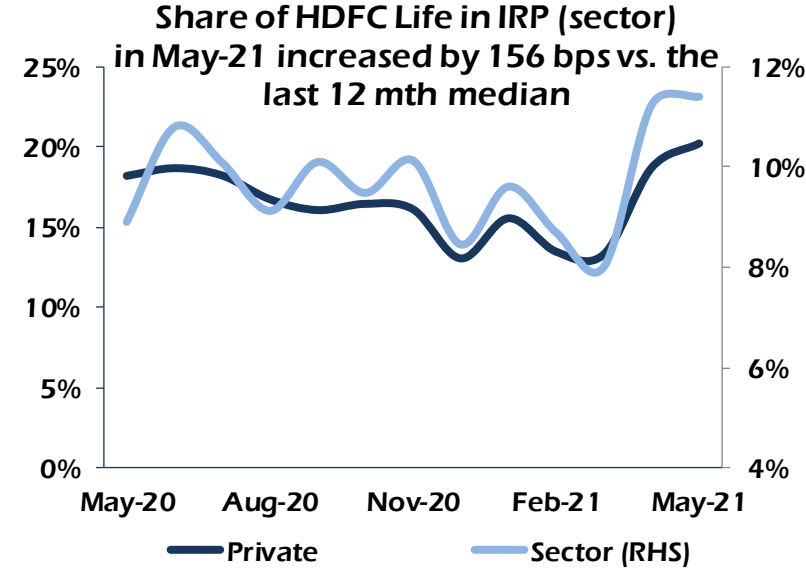
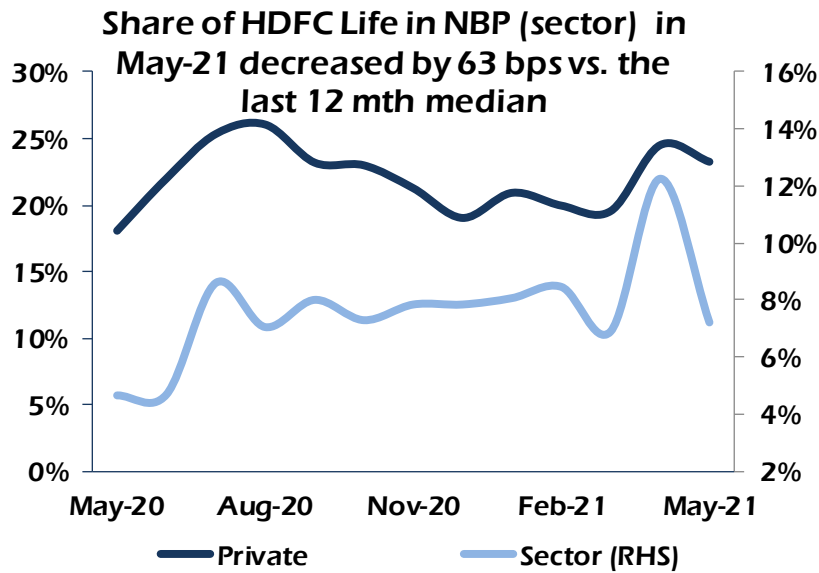
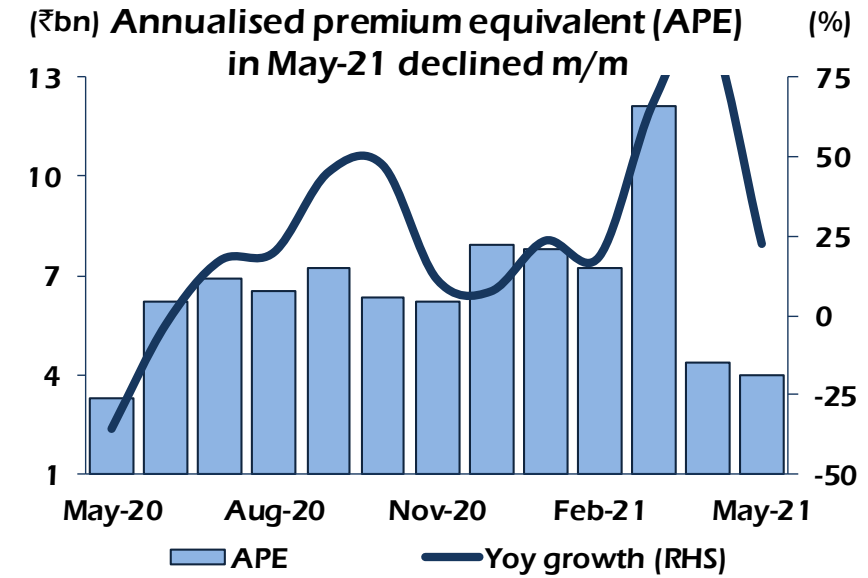
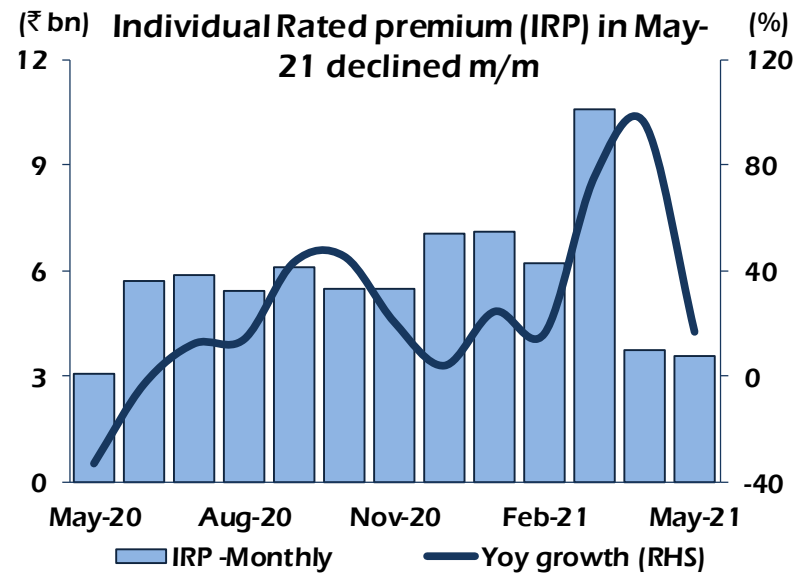
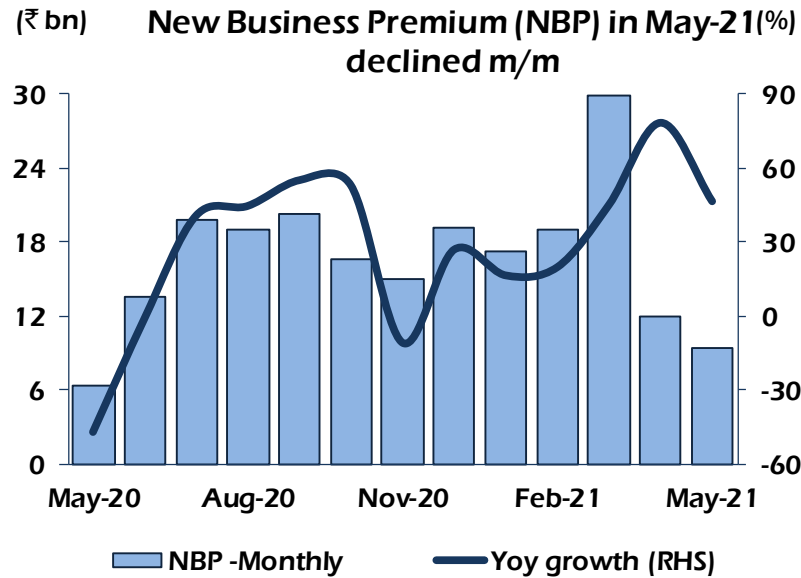
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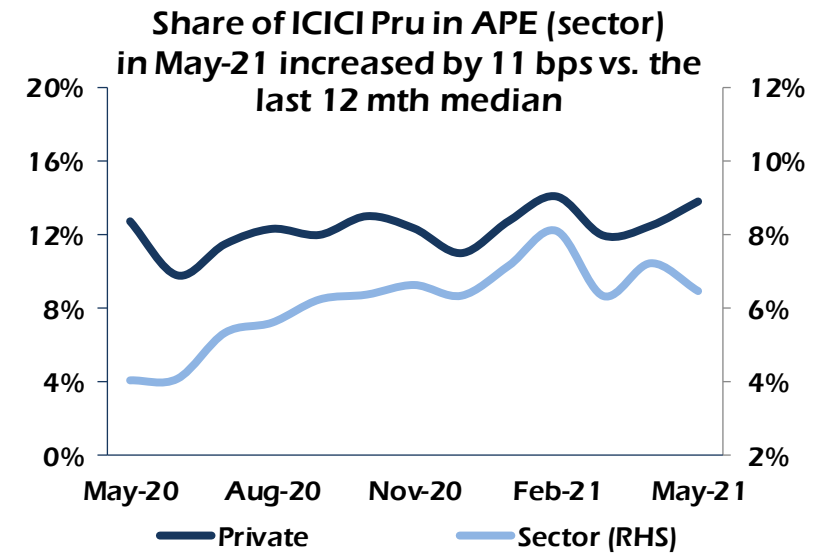
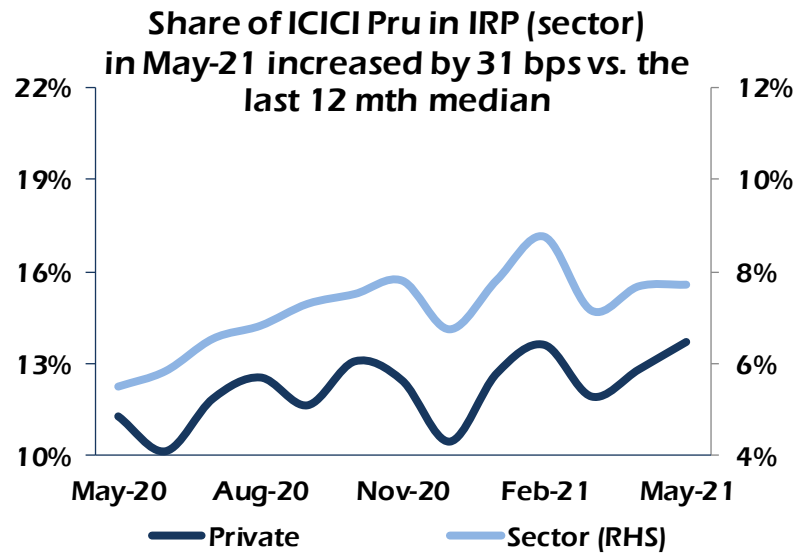
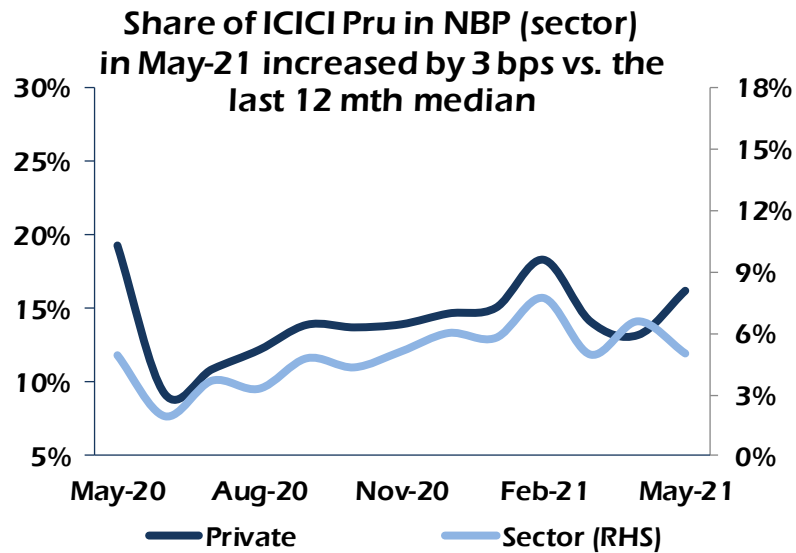
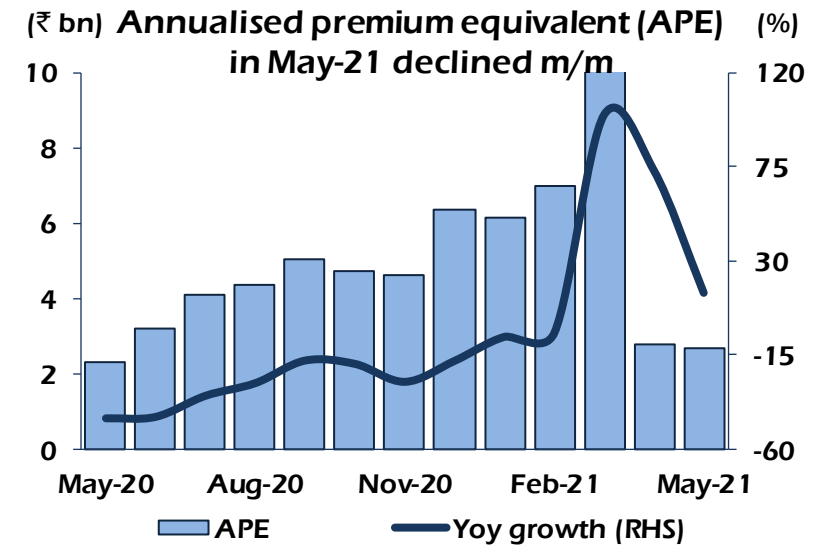
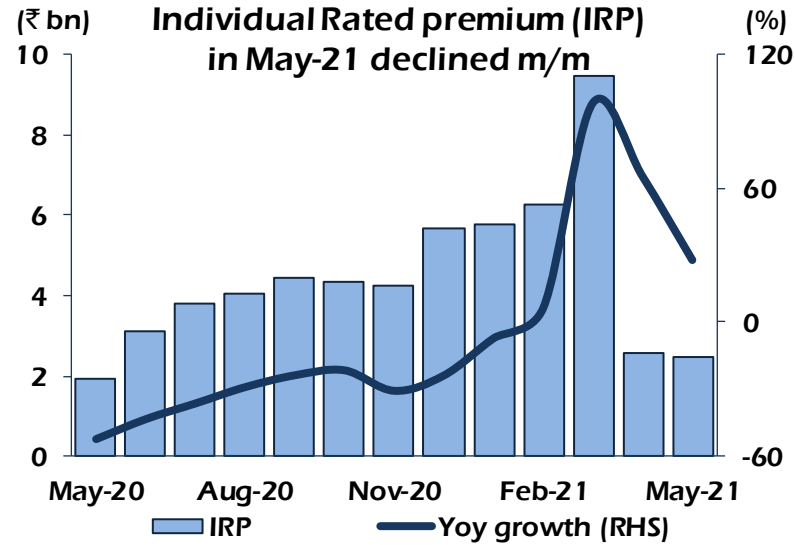
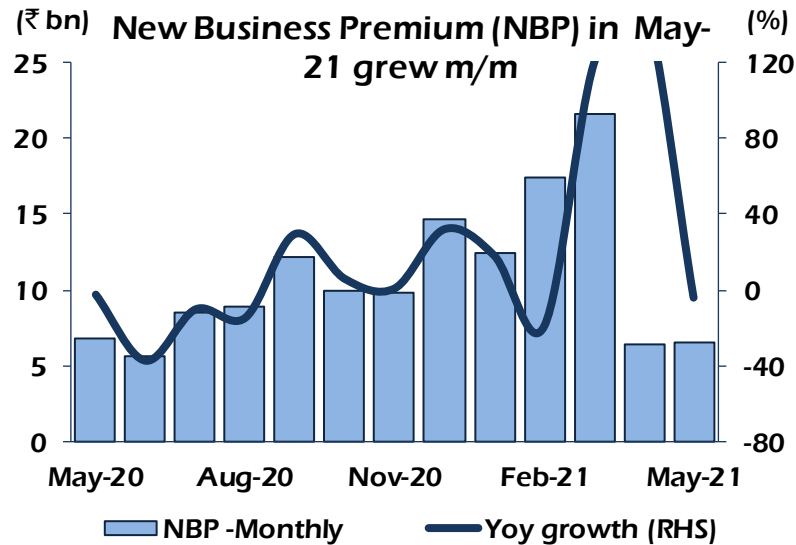
HDFC Life – Number one position on both, NBP and APE basis

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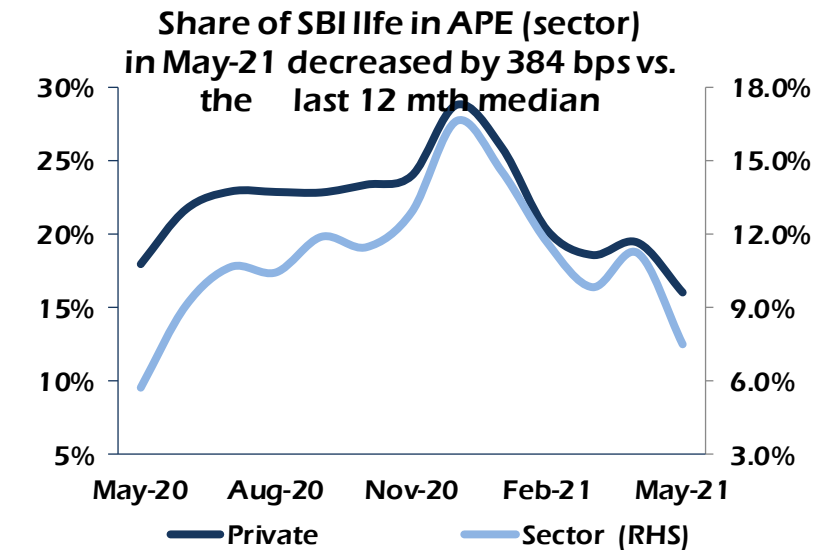
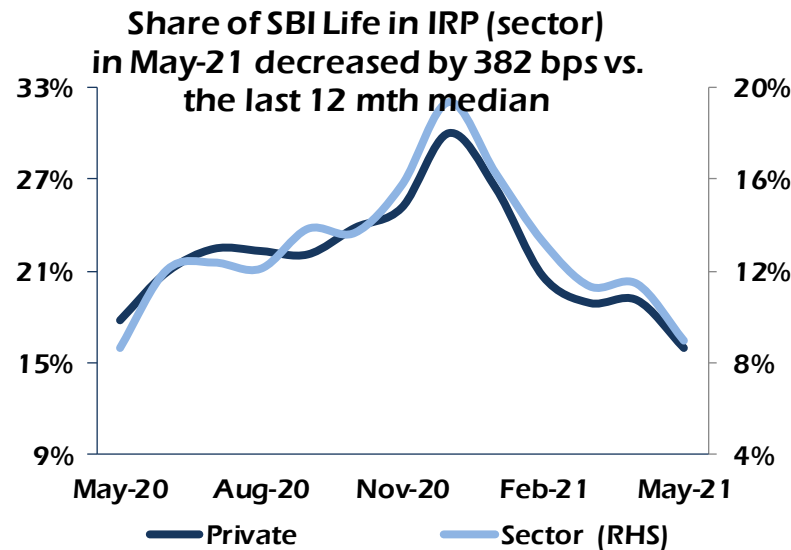
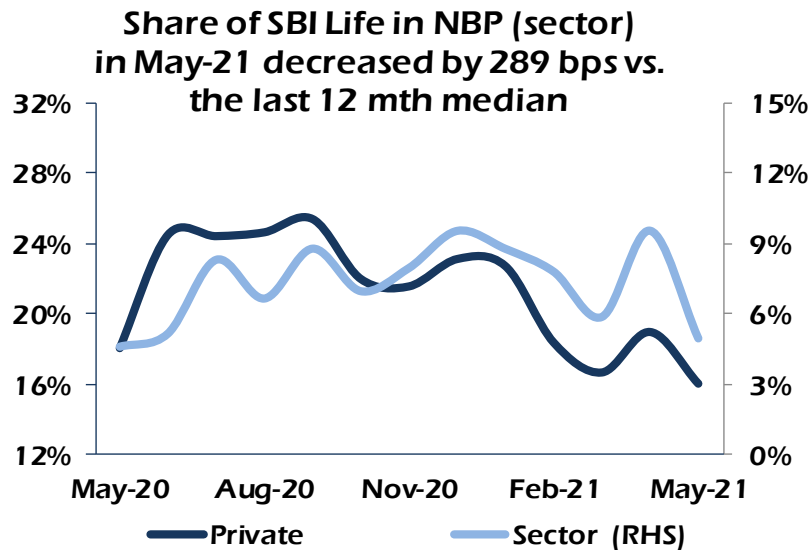
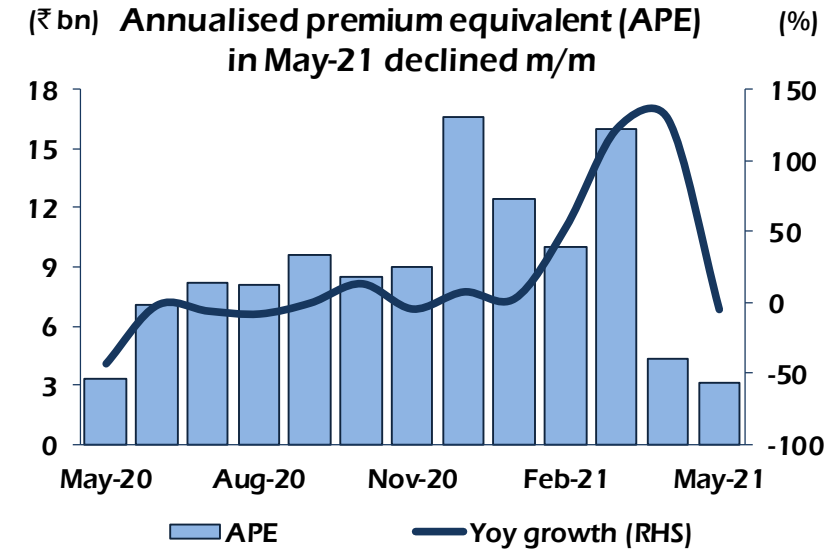
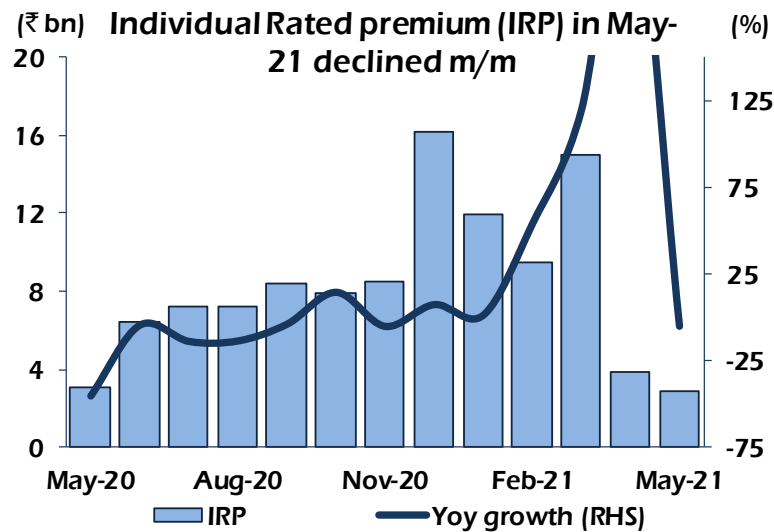
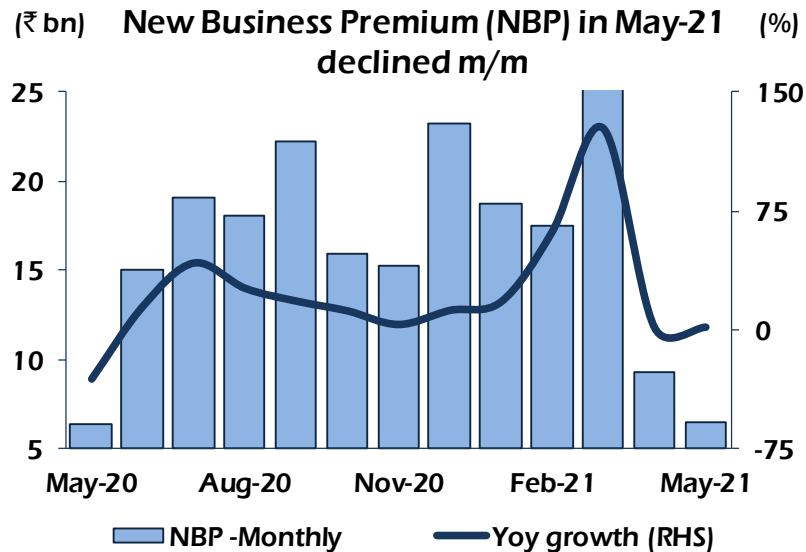
ICICI Prudential – Third position on APE basis

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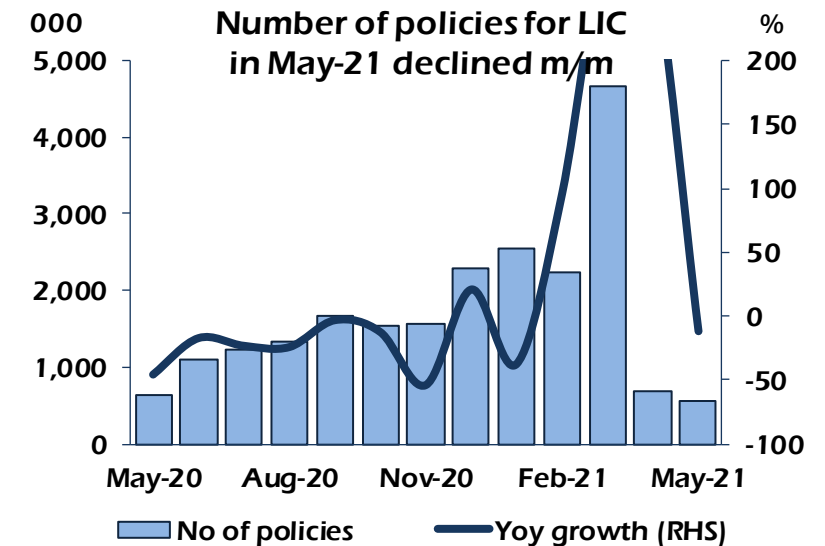
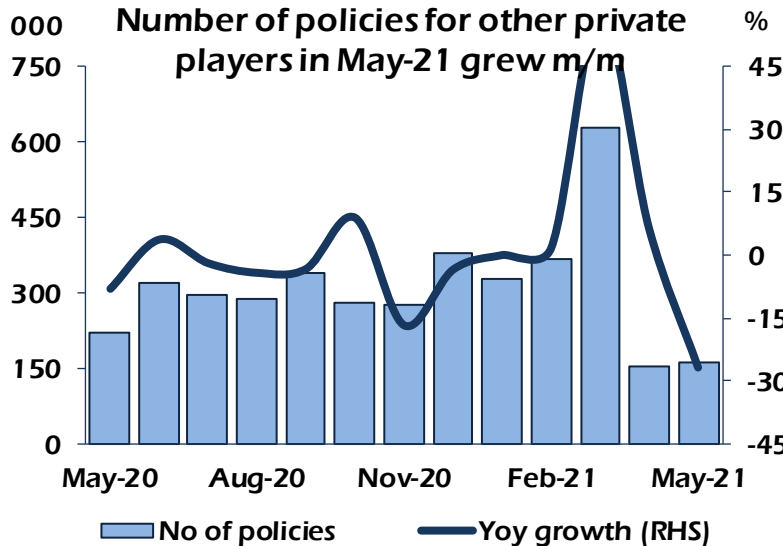
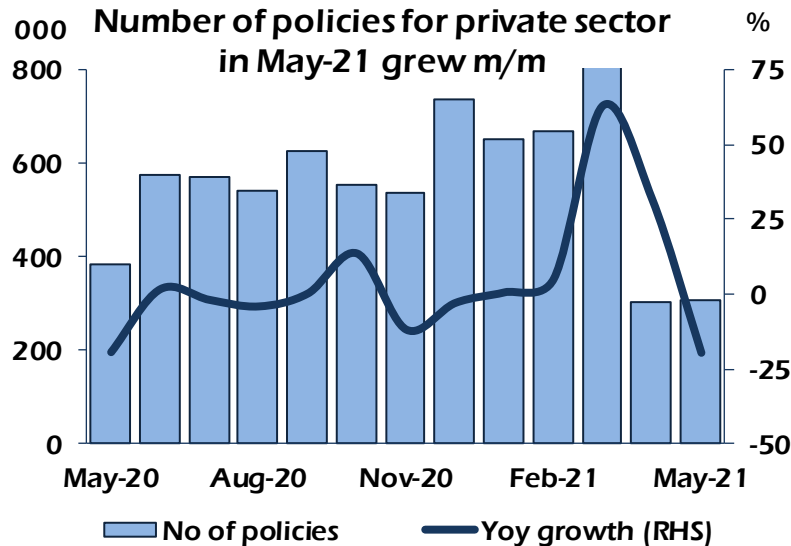
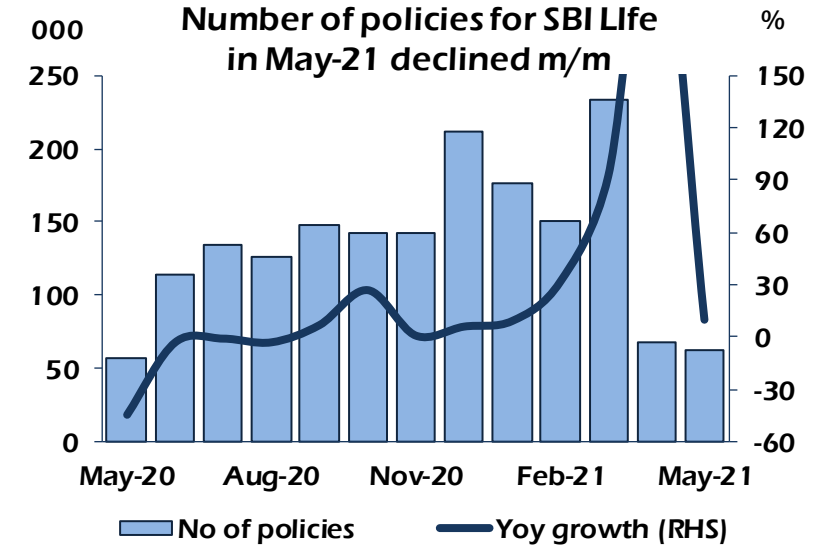
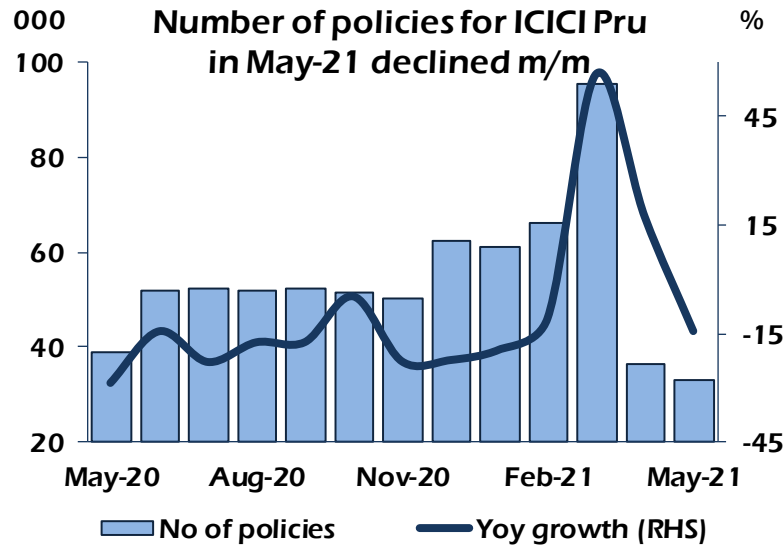
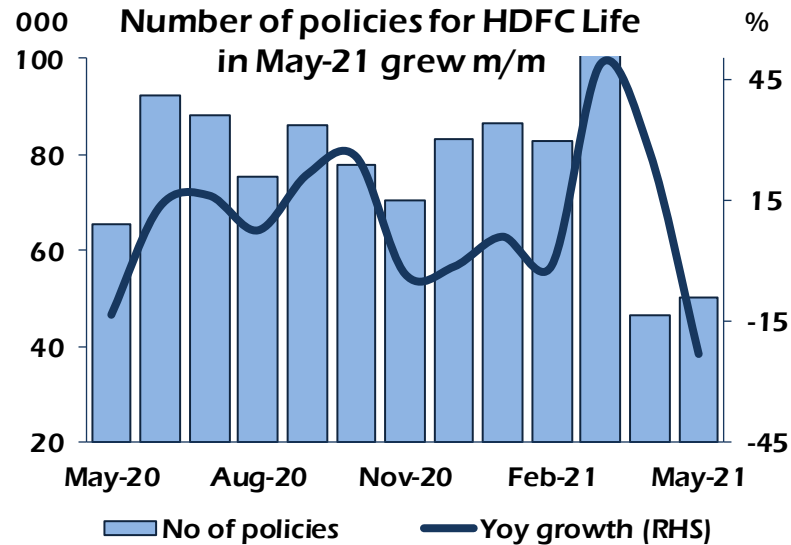
SBI Life – Second position on APE basis

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Policies sale – Weak month

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