

Monthly Business Update

Life Insurance | Sector Update

October 09, 2023

Private players show strong traction; IPRU Life weak

Key Points

- Individual APE for private life insurers grew by 12.3% YoY in Sept'23 (vs. 9.7% for industry). HDFC Life/Max Life/SBI Life outperform with strong growth of 25.8%/28.9%/15.8% YoY.
- IPRU Life saw a slowdown of 5.3% YoY due to a 22% decline in primary banca partner's contribution while LIC posted a subdued growth of 5% YoY.
- Industry Group APE contracted by 36% YoY due to a 43% YoY decline in LIC's Group business. Top private players picked up well within Group insurance.
- On YTD basis, SBI Life holds market share at 16.2%. Max Life sees a consistent rise (5.8% share) while HDFC Life/Tata AIA Life/IPRU Life's share remains stable.
- We expect growth in 2HFY24 APE to be driven by a consistent rise in retail protection volume for top private players (ex-IPRU Life).

Strong show by large private players (ex-IPRU Life): Individual APE for private players saw a decent growth at 12.3% YoY in Sept'23 (vs 20.7%/15.5% in Aug'23/July'23). Large players surpassed industry with HDFC Life/Max Life/SBI Life growing by 25.8%/28.9%/15.8% YoY while IPRU Life continued to post weak numbers (decline of 5.3% YoY). On 1HFY24 basis, we have observed a similar trend, with strong growth of 19.1%/19.9%/16.6% for HDFC Life/Max Life/SBI Life while growth remains flat for IPRU Life. We expect strong growth in retail protection to drive demand in 2HFY24. Small players such as Bajaj Allianz and Tata AIA Life continue to garner market share with YoY growth of 29.5% and 14.8%, respectively. LIC posted a muted growth of 5% YoY, dragging industry growth down to 9.7% YoY.

Industry Group APE contracts 36% YoY driven by LIC: Private players saw moderate growth in Group business (up 12% YoY), led by HDFC Life (+18% YoY), Max Life (+66% YoY), IPRU Life (+32% YoY) and SBI Life (+19% YoY). However, the largest player in the segment, LIC registered a decline of 43% YoY, resulting in a 36% decline in Industry Group APE.

Private players gain market share; Max Life outperforms: On YTD'24 basis, SBI Life retained market leadership position with 16.2% share (individual APE). Among others, share of HDFC Life/Tata AIA Life/IPRU Life stood stable at 10.3%/6.6%/6.0% while Max Life (5.8%) continued to garner share. Overall private sector market share stood at 65.8% (up 250bps YoY) while LIC continues to cede market share (34.2%).

Private players grow volume; IPRU Life a laggard: Total New Business Premium (NBP) grew by 10.5% YoY in Sept'23 for private players, driven by strong growth in Max Life (24% YoY). While HDFC Life/SBI Life saw a decent growth of 13%/ 15.7% YoY, IPRU Life saw a contraction of 2.4% YoY on account of a 22% YoY decline in main channel partner's contribution (ICICI Bank). ICICI Bank's APE declined by 15% YoY in 2QFY24 while growth from other channels was tepid at 7%. LIC's NBP contracted by 27.5% YoY due to a decline in its Group business. Consequently, Industry NBP was down 15.6% YoY.

Please refer to the disclaimer towards the end of the document.

Exhibit 1: Individual APE

Individual APE (Rsmn)	Sept'23	Growth (YoY) (%)	Market share (%)
SBI Life	14,919	15.8%	16.7%
HDFC Life	9,352	25.8%	10.4%
ICICI Prudential Life	5,622	-5.3%	6.3%
Max Life	5,681	28.9%	6.3%
Tata AIA Life	5,827	14.8%	6.5%
Bajaj Allianz Life	4,995	29.5%	5.6%
Kotak Mahindra Life	1,873	-1.0%	2.1%
Aditya Birla Sun Life	2,281	-0.6%	2.5%
PNB Met Life	2,036	1.7%	2.3%
Canara HSBC OBC Life	1,732	14.3%	1.9%
India First Life	1,501	-2.1%	1.7%
Reliance Nippon Life	788	2.9%	0.9%
Exide Life	0	-100.0%	0.0%
Star Union Dai-ichi Life	1,640	8.6%	1.8%
Shriram Life	722	17.7%	0.8%
Bharti Axa Life	745	7.7%	0.8%
Future Generali Life	311	22.7%	0.3%
Edelweiss Tokio Life	423	7.2%	0.5%
IDBI Federal Life	489	29.4%	0.5%
Aviva Life	176	-4.6%	0.2%
Pramerica Life	136	7.5%	0.2%
Aegon Life	9	1226.5%	0.0%
Private Total	61,259	12.3%	68.4%
LIC	28,330	4.7%	31.6%
Grand Total	89,589	9.7%	100.0%

Source: Life Insurance Council, Nirmal Bang Institutional Equities Research

Exhibit 2: Individual APE growth (% YoY)

Individual APE growth (% yoy)	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23
Bajaj Allianz Life	28%	28%	26%	15%	26%	30%	68%	8%	18%	17%	33%	33%	30%
Birla Sun Life	5%	15%	95%	13%	8%	43%	88%	27%	33%	35%	9%	-3%	-1%
HDFC Standard Life	1%	-13%	62%	33%	27%	38%	118%	15%	19%	28%	1%	24%	26%
ICICI Prudential Life	-5%	-26%	-3%	-8%	1%	7%	59%	-31%	4%	12%	8%	12%	-5%
Max Life	-3%	0%	0%	-10%	9%	6%	60%	-4%	2%	12%	19%	49%	29%
SBI Life	-2%	6%	30%	31%	8%	0%	12%	-5%	8%	5%	31%	34%	16%
Tata AIA Life	33%	67%	57%	29%	36%	59%	97%	14%	21%	22%	21%	7%	15%
Private Total	6%	3%	27%	16%	14%	18%	56%	-1%	10%	12%	16%	21%	12%
LIC	-2%	4%	13%	3%	3%	-3%	10%	-5%	-1%	-11%	14%	3%	5%
Total industry	4%	3%	22%	12%	10%	10%	38%	-3%	6%	3%	15%	14%	10%

Source: Life Insurance Council, Nirmal Bang Institutional Equities Research

Exhibit 3: Total APE

Total APE (Rsmn)	Sept'23	Growth (YoY) (%)	Market share (%)
SBI Life	15,517	15.9%	14.3%
HDFC Life	10,565	24.9%	9.8%
ICICI Prudential Life	6,130	-3.0%	5.7%
Max Life	5,799	29.5%	5.4%
Tata AIA Life	5,853	14.8%	5.4%
Bajaj Allianz Life	5,584	37.5%	5.2%
Kotak Mahindra Life	2,092	-0.4%	1.9%
Aditya Birla Sun Life	2,593	-12.0%	2.4%
PNB Met Life	2,103	1.4%	1.9%
Canara HSBC OBC Life	1,790	16.1%	1.7%
Reliance Nippon Life	913	3.0%	0.8%
India First Life	1,589	-5.6%	1.5%
Exide Life	0	-100.0%	0.0%
Shriram Life	755	16.5%	0.7%
Star Union Dai-ichi Life	1,714	6.3%	1.6%
Bharti Axa Life	758	7.3%	0.7%
Future Generali Life	312	22.0%	0.3%
Edelweiss Tokio Life	426	5.4%	0.4%
IDBI Federal Life	516	29.3%	0.5%
Aviva Life	178	-3.7%	0.2%
Pramerica Life	207	22.4%	0.2%
Aegon Life	15	1454.8%	0.0%
Private Total	65,411	12.2%	60.4%
LIC	42,847	-18.3%	39.6%
Grand Total	1,08,258	-2.3%	100.0%

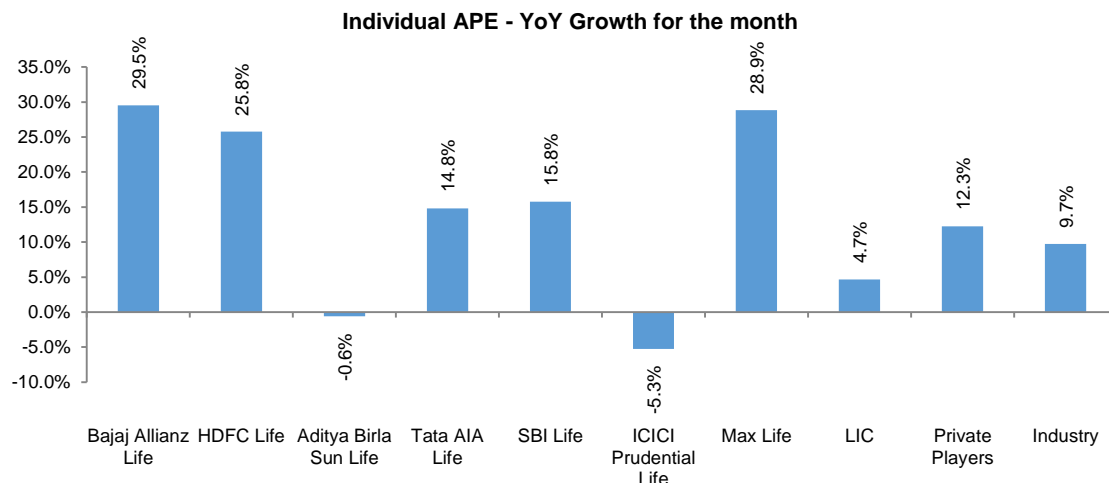
Source: Life Insurance Council, Nirmal Bang Institutional Equities Research

Exhibit 4: Individual New Business Premium

Individual NBP (Rsmn)	Sept'23	Growth (YoY) (%)	Market share (%)
SBI Life	20,663	8.4%	15.8%
HDFC Life	12,228	12.1%	9.4%
ICICI Prudential Life	6,833	-15.5%	5.2%
Max Life	7,541	19.0%	5.8%
Tata AIA Life	6,334	9.7%	4.9%
Kotak Mahindra Life	2,630	-14.9%	2.0%
Bajaj Allianz Life	5,426	25.4%	4.2%
Aditya Birla Sun Life	2,565	-9.3%	2.0%
PNB Met Life	2,111	-0.4%	1.6%
Canara HSBC OBC Life	1,795	2.9%	1.4%
India First Life	5,468	243.5%	4.2%
Reliance Nippon Life	814	3.1%	0.6%
Star Union Dai-ichi Life	1,699	6.6%	1.3%
Exide Life	0	-100.0%	0.0%
Shriram Life	774	20.1%	0.6%
Bharti Axa Life	758	6.9%	0.6%
Future Generali Life	320	24.0%	0.2%
Edelweiss Tokio Life	471	19.6%	0.4%
IDBI Federal Life	811	74.4%	0.6%
Aviva Life	195	-1.7%	0.1%
Pramerica Life	136	4.6%	0.1%
Aegon Life	9	805.4%	0.0%
Private Total	79,579	10.5%	61.0%
LIC	50,946	10.4%	39.0%
Grand Total	1,30,526	10.5%	100.0%

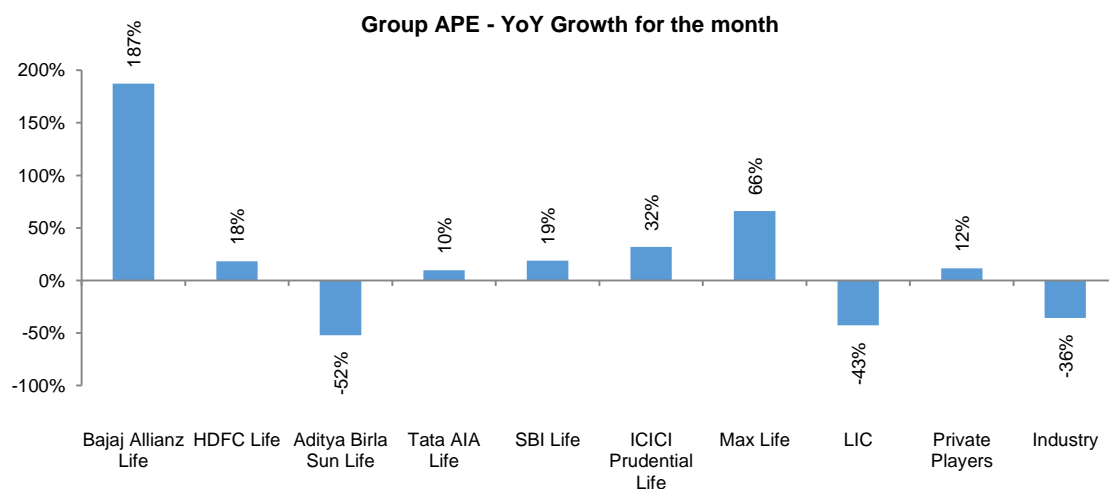
Source: Life Insurance Council, Nirmal Bang Institutional Equities Research

Exhibit 5: Private players grow at 12.3% YoY



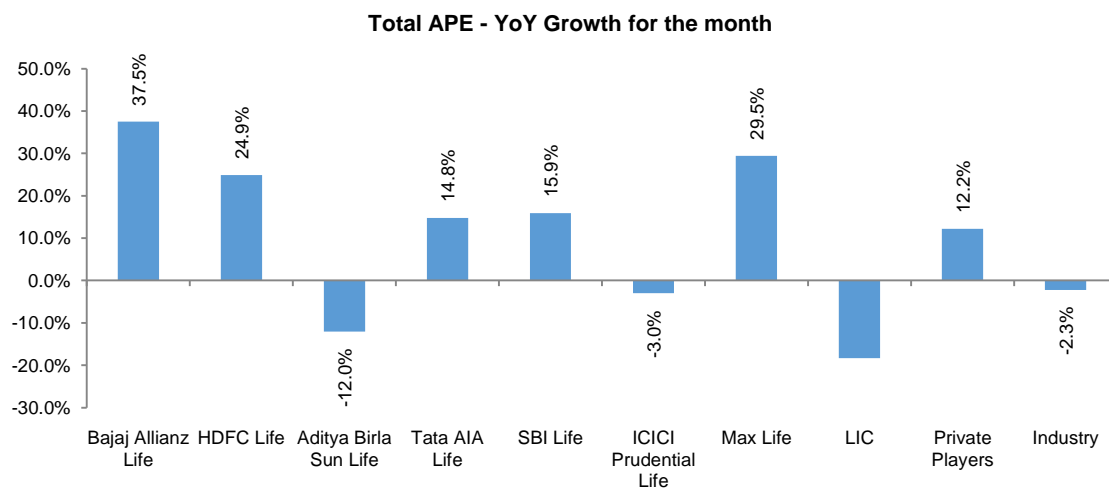
Source: Life Insurance Council, Nirmal Bang Institutional Equities Research

Exhibit 6: LIC contracts 43% YoY



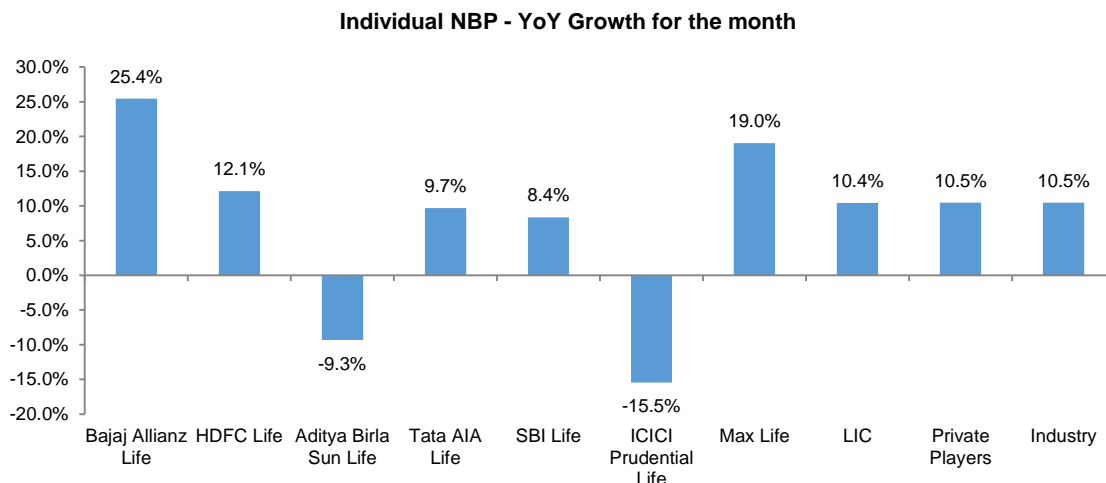
Source: Life Insurance Council, Nirmal Bang Institutional Equities Research

Exhibit 7: Total APE decreases by 2.3% for the industry



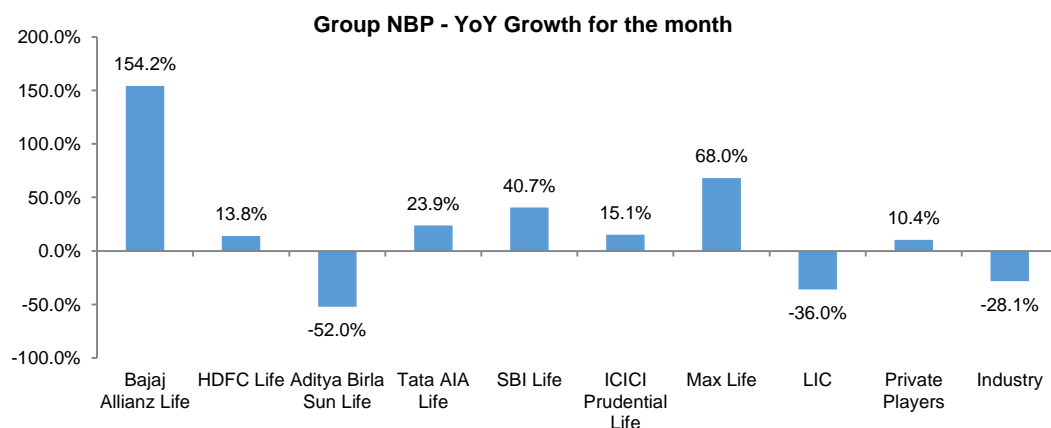
Source: Life Insurance Council, Nirmal Bang Institutional Equities Research

Exhibit 8: Individual NBP - Private players grow in tandem with Industry



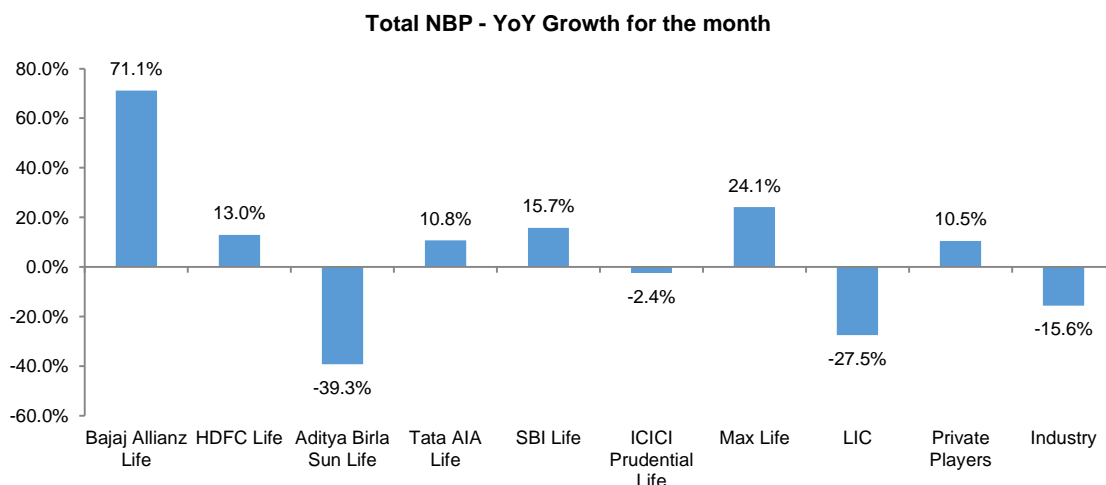
Source: Life Insurance Council, Nirmal Bang Institutional Equities Research

Exhibit 9: LIC drags down Group NBP volume



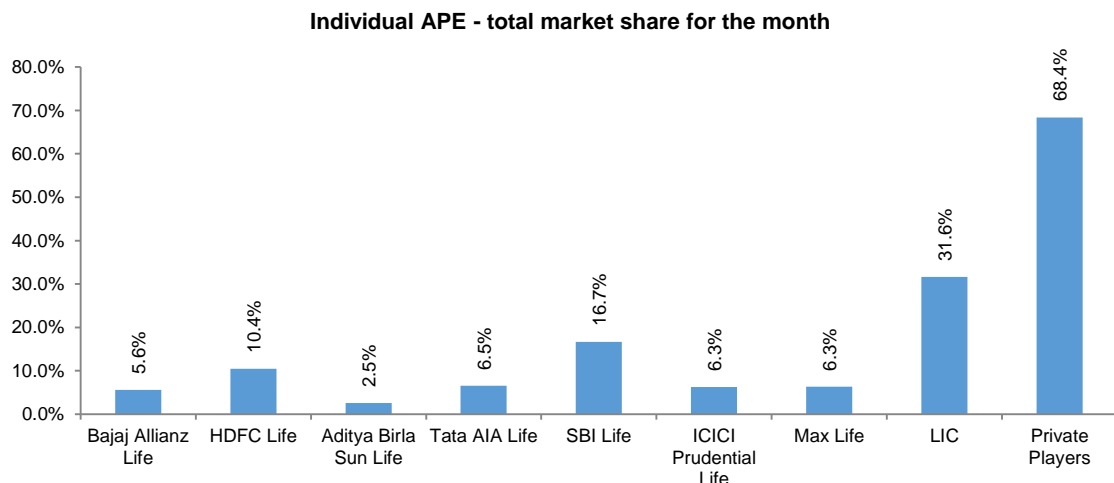
Source: Life Insurance Council, Nirmal Bang Institutional Equities Research

Exhibit 10: Total NBP grows 10.5% for private players



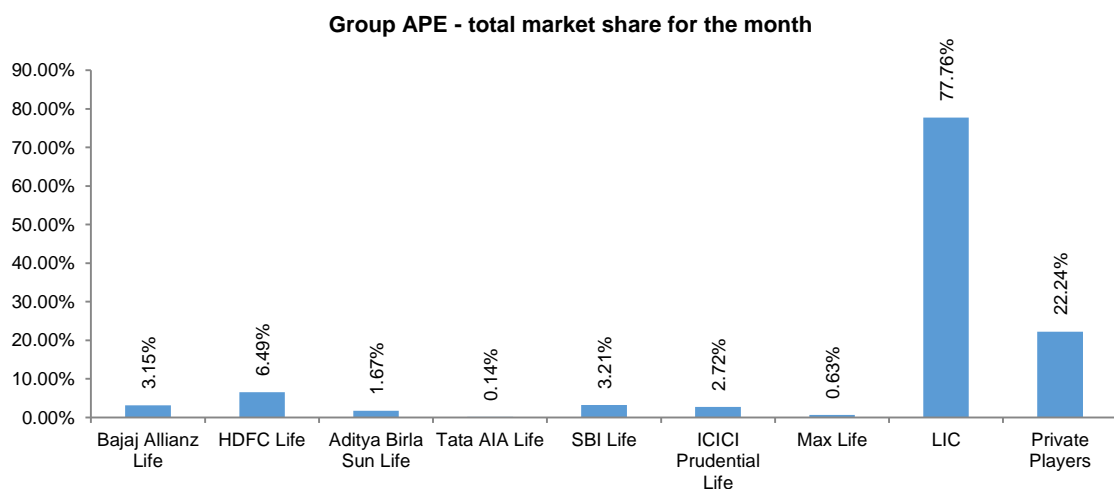
Source: Life Insurance Council, Nirmal Bang Institutional Equities Research

Exhibit 11: SBI Life remains market leader



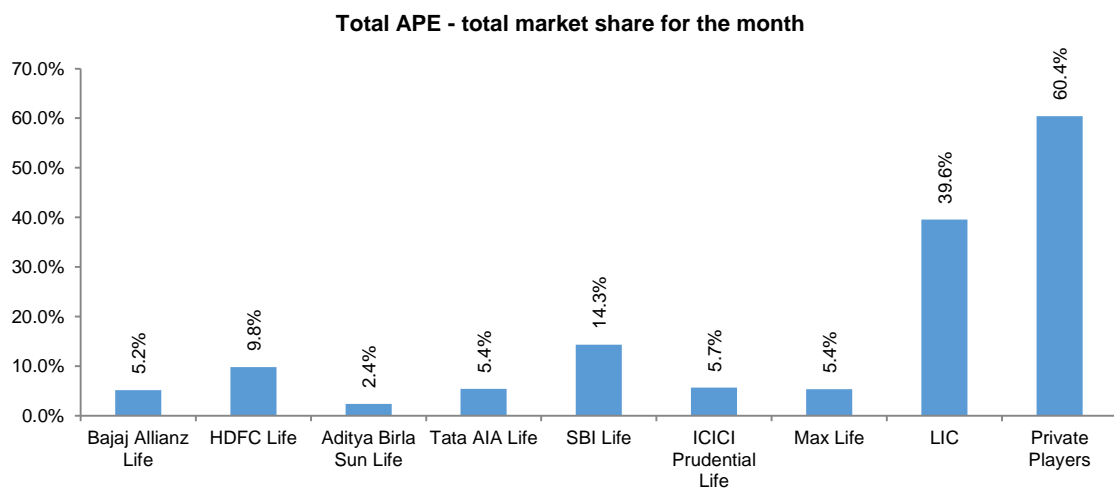
Source: Life Insurance Council, Nirmal Bang Institutional Equities Research

Exhibit 12: LIC continues to dominate Group APE



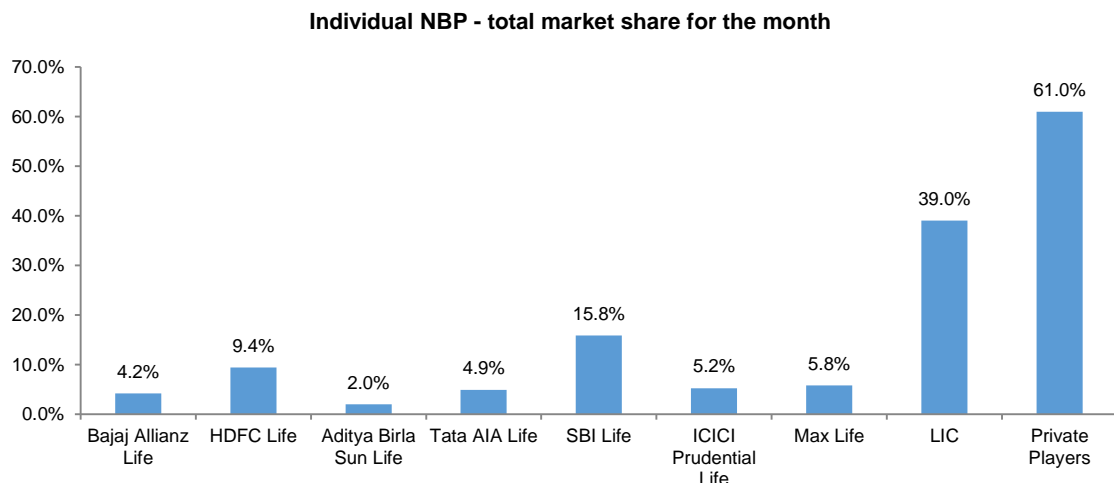
Source: Life Insurance Council, Nirmal Bang Institutional Equities Research

Exhibit 13: Total APE - Private players hold 60% market share



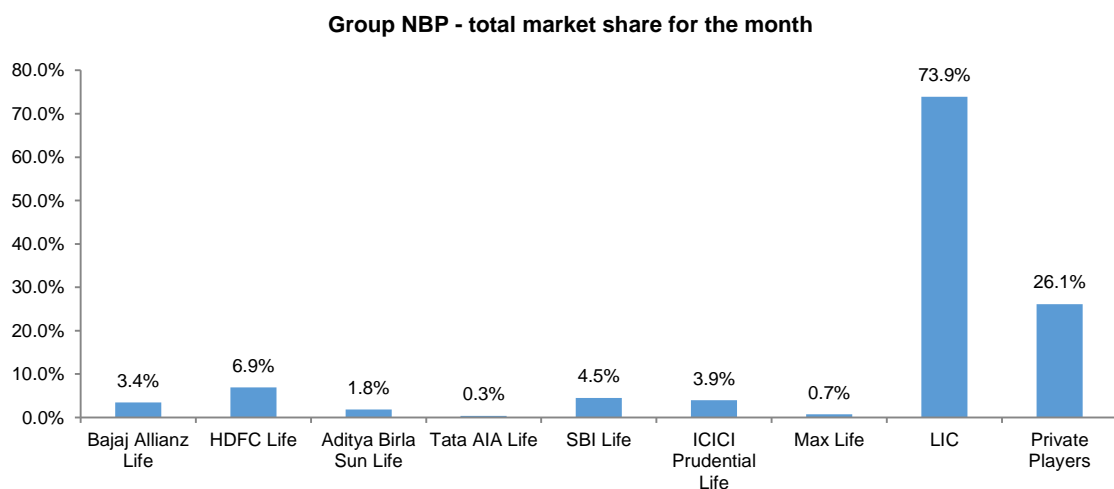
Source: Life Insurance Council, Nirmal Bang Institutional Equities Research

Exhibit 14: Individual NBP – Private players hold major share



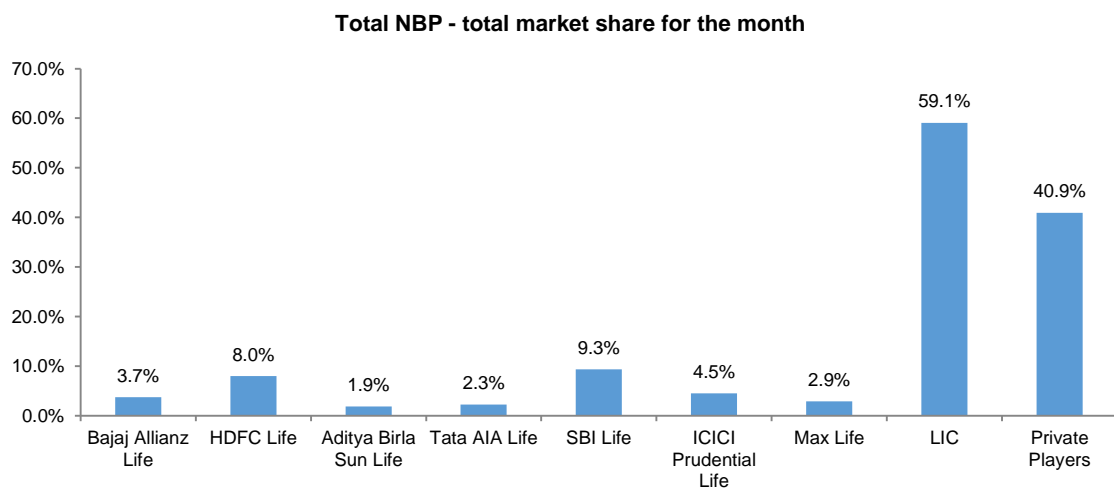
Source: Life Insurance Council, Nirmal Bang Institutional Equities Research

Exhibit 15: LIC is the market leader in Group NBP



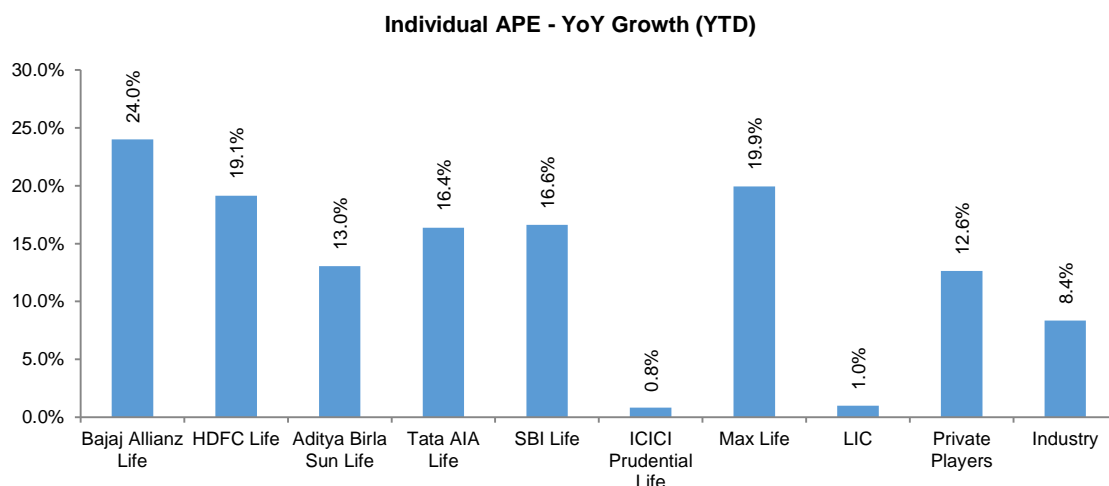
Source: Life Insurance Council, Nirmal Bang Institutional Equities Research

Exhibit 16: Total NBP - Private players hold ~41% market share



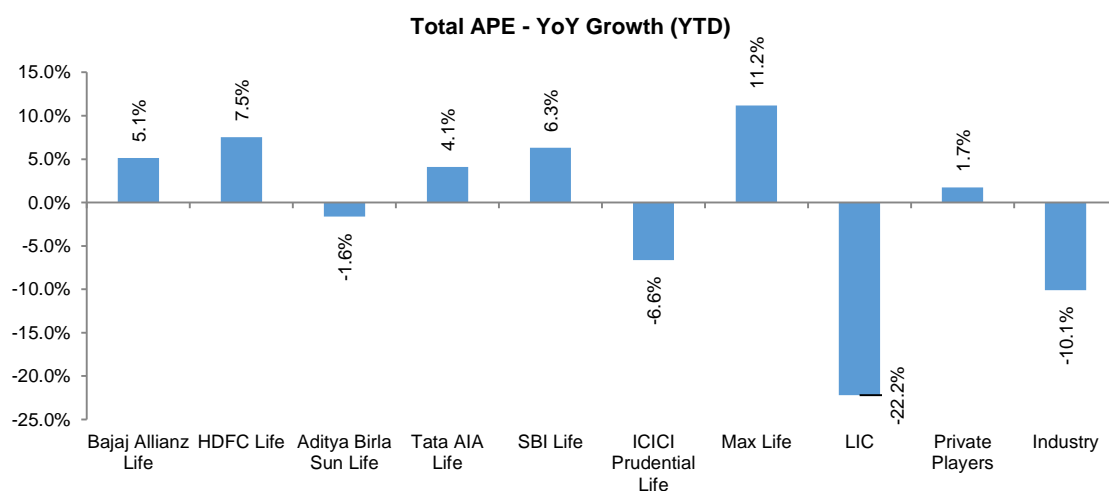
Source: Life Insurance Council, Nirmal Bang Institutional Equities Research

Exhibit 17: Individual APE - Decent growth for private players on YTD basis



Source: Life Insurance Council, Nirmal Bang Institutional Equities Research

Exhibit 18: Total APE remains flat



Source: Life Insurance Council, Nirmal Bang Institutional Equities Research

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