

# Monthly Business Update

## Life Insurance | Sector Update

December 07, 2023

### Industry growth contracts; Max Life stands out

#### Key Points

- Individual APE for private life insurers declined marginally by 1.3% YoY in Nov'23 (vs. 3.8% decline for the industry). HDFC Life, IPRU Life and SBI Life witnessed a decline of 3.7%/2.7%/2.7% YoY while Max Life grew by 8.3% YoY. LIC posted a decline of 8.7% YoY.
- Industry Group APE contracted by 44% YoY due to a 48% YoY decline in LIC's Group business. SBI Life and HDFC Life also saw large declines while IPRU Life and Max Life continued to witness growth.
- On YTD basis, SBI Life holds a market share of 16.5%. Max Life sees a consistent rise in market share at 5.9% while HDFC Life/Tata AIA Life/IPRU Life's share remains stable.
- We expect growth in 2HFY24 APE on the back of recovery in Retail Protection volume for top private players.

**Max Life outperforms:** Individual APE for private players saw a marginal decline of 1.3% YoY in Nov'23 (vs growth of 19.8%/12.3% in Oct'23/Sept'23). APE for HDFC Life/IPRU Life/SBI Life declined by 3.7%/2.7%/2.7% YoY while Max Life's APE continued to grow at 8.3% YoY, aided by new launches (SWAG PAR and SEWA). On YTD basis, top private players have performed well, with strong growth of 15.4%/20.2%/13.3% YoY for HDFC Life/Max Life/SBI Life while growth remains suppressed for IPRU Life due to a weak 1HFY24 (2.7% YoY). Among the new entrants, Bajaj Allianz continues to garner market share with Individual APE growth of 26.5% in Nov'23. LIC saw a decline of 8.7% YoY in its APE, causing overall industry growth to decline by 3.8%. We continue to expect strong growth in Retail Protection to drive demand for private players in 2HFY24.

**Industry Group APE sees a sharp fall:** Private players saw a decline in Group APE of 17% YoY mainly due to HDFC Life/SBI Life/Bajaj Allianz reporting a decline of 29%/31%/40%. However, Max Life and IPRU Life continued to grow well at 117% YoY and 50% YoY, respectively. The largest player in the segment, LIC, registered a decline of 48% YoY, resulting in a 44% YoY decline in Industry Group APE.

**Private players continue to gain market share:** On YTD'FY24 basis, SBI Life has retained market leadership position with a 16.5% share (individual APE). Among others, the share of HDFC Life/Tata AIA Life/IPRU Life/Max Life stands stable at 10.2%/6.5%/6.0%/5.9%. Overall private sector's market share stands at 66.2% (up 250bps YoY) while LIC continues to cede market share (33.8%).

**Slow growth in volume:** Total New Business Premium (NBP) witnessed a fall of 10% YoY in Nov'23 for private players due to a decline reported by HDFC Life (-21% YoY) and SBI Life (-10% YoY). IPRU Life registered a muted growth of 2% YoY while Max Life grew at a decent rate of 8% YoY. LIC's NBP contracted by 33% YoY, causing overall industry NBP to fall by 25% YoY.

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

**Exhibit 1: Individual APE and Total APE**

	Individual APE			Total APE		
(Rsmn)	Nov-23	Growth (YoY) (%)	Market share (%)	Nov-23	Growth (YoY) (%)	Market share (%)
SBI Life	14,060	-2.7%	17.6%	14,496	-3.9%	15.1%
HDFC Life	8,685	-3.7%	10.9%	9,685	-7.2%	10.1%
ICICI Prudential Life	4,485	-2.7%	5.6%	4,993	0.9%	5.2%
Max Life	4,912	8.3%	6.1%	5,025	9.5%	5.2%
Tata AIA Life	4,925	-13.7%	6.2%	4,951	-13.6%	5.2%
Bajaj Allianz Life	4,716	26.5%	5.9%	4,900	21.4%	5.1%
Kotak Mahindra Life	1,847	5.7%	2.3%	2,061	4.7%	2.2%
Aditya Birla Sun Life	2,308	-19.0%	2.9%	2,502	-22.2%	2.6%
PNB Met Life	1,568	-8.9%	2.0%	1,659	-8.1%	1.7%
Canara HSBC OBC Life	1,332	12.9%	1.7%	1,368	14.0%	1.4%
India First Life	1,460	-0.7%	1.8%	701	-10.4%	0.7%
Reliance Nippon Life	680	-12.1%	0.9%	1,527	-1.9%	1.6%
Exide Life	NA	NA	NA	NA	NA	NA
Star Union Dai-ichi Life	1,401	-3.1%	1.8%	655	26.7%	0.7%
Shriram Life	608	25.7%	0.8%	1,439	-3.5%	1.5%
Bharti Axa Life	394	-17.9%	0.5%	402	-19.1%	0.4%
Future Generali Life	221	-1.4%	0.3%	222	-1.8%	0.2%
Edelweiss Tokio Life	307	14.1%	0.4%	309	13.9%	0.3%
IDBI Federal Life	441	17.6%	0.6%	466	17.6%	0.5%
Aviva Life	112	-27.8%	0.1%	113	-27.4%	0.1%
Pramerica Life	149	29.2%	0.2%	212	40.0%	0.2%
Aegon Life	NA	NA	NA	NA	NA	NA
<b>Private Total</b>	<b>54,621</b>	<b>-1.3%</b>	<b>68.4%</b>	<b>57,708</b>	<b>-2.3%</b>	<b>60.2%</b>
LIC	25,284	-8.7%	31.6%	38,157	-27.1%	39.8%
<b>Grand Total</b>	<b>79,906</b>	<b>-3.8%</b>	<b>100.0%</b>	<b>95,865</b>	<b>-14.0%</b>	<b>100.0%</b>

Source: Life Insurance Council, Nirmal Bang Institutional Equities Research

**Exhibit 2: Individual APE growth (% , YoY)**

Individual APE growth (% , yoy)	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23
Bajaj Allianz Life	26%	15%	26%	30%	68%	8%	18%	17%	33%	33%	30%	27%	27%
Birla Sun Life	95%	13%	8%	43%	88%	27%	33%	35%	9%	-3%	-1%	21%	-19%
HDFC Standard Life	62%	33%	27%	38%	118%	15%	19%	28%	1%	24%	26%	20%	-4%
ICICI Prudential Life	-3%	-8%	1%	7%	59%	-31%	4%	12%	8%	12%	-5%	21%	-3%
Max Life	0%	-10%	9%	6%	60%	-4%	2%	12%	19%	49%	29%	38%	8%
SBI Life	30%	31%	8%	0%	12%	-5%	8%	5%	31%	34%	16%	16%	-3%
Tata AIA Life	57%	29%	36%	59%	97%	14%	21%	22%	21%	7%	15%	23%	-14%
<b>Private Total</b>	<b>27%</b>	<b>16%</b>	<b>14%</b>	<b>18%</b>	<b>56%</b>	<b>-1%</b>	<b>10%</b>	<b>12%</b>	<b>16%</b>	<b>21%</b>	<b>12%</b>	<b>20%</b>	<b>-1%</b>
LIC	13%	3%	3%	-3%	10%	-5%	-1%	-11%	14%	3%	5%	2%	-9%
<b>Total industry</b>	<b>22%</b>	<b>12%</b>	<b>10%</b>	<b>10%</b>	<b>38%</b>	<b>-3%</b>	<b>6%</b>	<b>3%</b>	<b>15%</b>	<b>14%</b>	<b>10%</b>	<b>13%</b>	<b>-4%</b>

Source: Life Insurance Council, Nirmal Bang Institutional Equities Research

## Exhibit 3: Individual APE market share (YTD) (%)

Indi APE market share (YTD) (%)	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23
Bajaj Allianz Life	4.9%	4.8%	4.8%	4.9%	5.0%	6.0%	5.9%	5.7%	5.6%	5.6%	5.6%	5.6%	5.7%
Aditya Birla Sun Life	2.7%	2.7%	2.7%	2.7%	2.9%	2.8%	2.9%	3.0%	2.8%	2.8%	2.7%	2.7%	2.7%
HDFC Life	9.5%	9.7%	9.8%	10.0%	10.5%	10.4%	10.6%	10.6%	9.9%	10.3%	10.3%	10.2%	10.2%
ICICI Prudential Life	6.3%	6.1%	6.1%	6.2%	6.5%	5.2%	5.5%	5.9%	5.9%	6.0%	6.0%	6.1%	6.0%
Max Life	5.2%	5.4%	5.3%	5.4%	5.8%	4.8%	5.0%	5.5%	5.5%	5.6%	5.8%	5.8%	5.9%
SBI Life	15.6%	16.7%	16.6%	16.1%	14.6%	15.2%	15.0%	14.9%	15.5%	16.0%	16.2%	16.3%	16.5%
Tata AIA Life	6.2%	6.3%	6.3%	6.4%	6.8%	6.7%	6.7%	6.8%	6.7%	6.6%	6.6%	6.6%	6.5%
<b>Private Total</b>	<b>63.7%</b>	<b>65.1%</b>	<b>64.9%</b>	<b>65.2%</b>	<b>65.8%</b>	<b>63.9%</b>	<b>63.4%</b>	<b>64.7%</b>	<b>64.2%</b>	<b>65.1%</b>	<b>65.8%</b>	<b>65.9%</b>	<b>66.2%</b>
LIC	36.3%	34.9%	35.1%	34.8%	34.2%	36.1%	36.6%	35.3%	35.8%	34.9%	34.2%	34.1%	33.8%
<b>Grand Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Source: Life Insurance Council, Nirmal Bang Institutional Equities Research

## Exhibit 4: Individual APE market share (YTD change) (bps)

Indi APE market share (change) (bps)	MoM	YoY
Bajaj Allianz Life	4 bps	80 bps
Aditya Birla Sun Life	2 bps	2 bps
HDFC Life	10 bps	74 bps
ICICI Prudential Life	(6 bps)	(26 bps)
Max Life	4 bps	64 bps
SBI Life	17 bps	91 bps
Tata AIA Life	(5 bps)	29 bps
<b>Private Total</b>	<b>33 bps</b>	<b>250 bps</b>
LIC	(33 bps)	(250 bps)
<b>Grand Total</b>	<b>0 bps</b>	<b>0 bps</b>

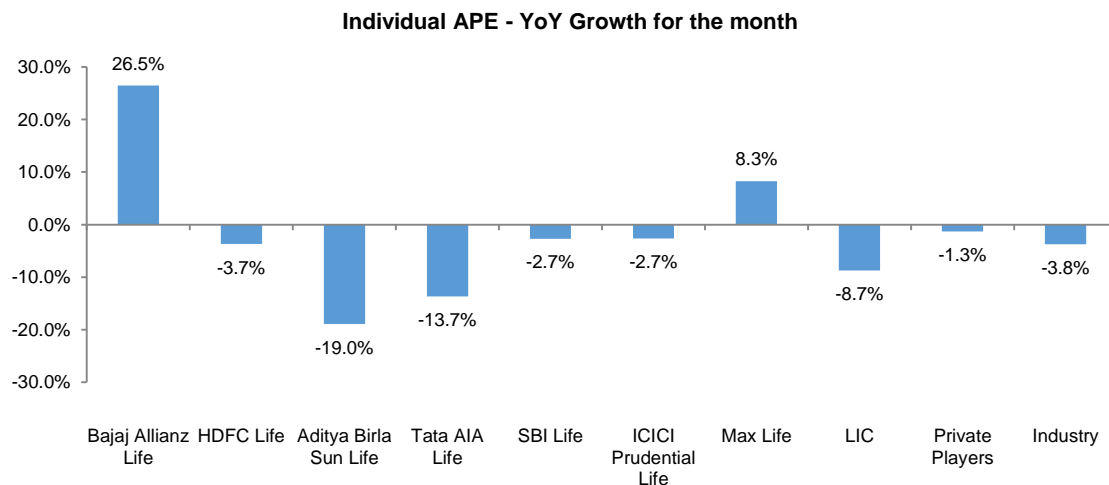
Source: Life Insurance Council, Nirmal Bang Institutional Equities Research

## Exhibit 5: Individual New Business Premium

Individual NBP (Rsmn)	Nov-23	Growth (YoY) (%)	Market share (%)
SBI Life	19,081	-2.8%	17.4%
HDFC Life	11,301	-10.3%	10.3%
ICICI Prudential Life	5,552	-12.9%	5.1%
Max Life	6,294	-0.8%	5.7%
Tata AIA Life	5,381	-16.0%	4.9%
Kotak Mahindra Life	2,730	1.7%	2.5%
Bajaj Allianz Life	5,064	21.7%	4.6%
Aditya Birla Sun Life	2,660	-18.3%	2.4%
PNB Met Life	1,636	-8.2%	1.5%
Canara HSBC OBC Life	1,344	1.7%	1.2%
India First Life	1,483	-3.5%	1.4%
Reliance Nippon Life	707	-11.2%	0.6%
Star Union Dai-ichi Life	1,451	-6.6%	1.3%
Exide Life	NA	NA	NA
Shriram Life	641	27.8%	0.6%
Bharti Axa Life	400	-18.5%	0.4%
Future Generali Life	223	-3.2%	0.2%
Edelweiss Tokio Life	315	12.0%	0.3%
IDBI Federal Life	627	6.3%	0.6%
Aviva Life	126	-22.4%	0.1%
Pramerica Life	149	25.9%	0.1%
Aegon Life	NA	NA	NA
<b>Private Total</b>	<b>67,177</b>	<b>-5.1%</b>	<b>61.2%</b>
LIC	42,631	-9.9%	38.8%
<b>Grand Total</b>	<b>109,808</b>	<b>-7.0%</b>	<b>100.0%</b>

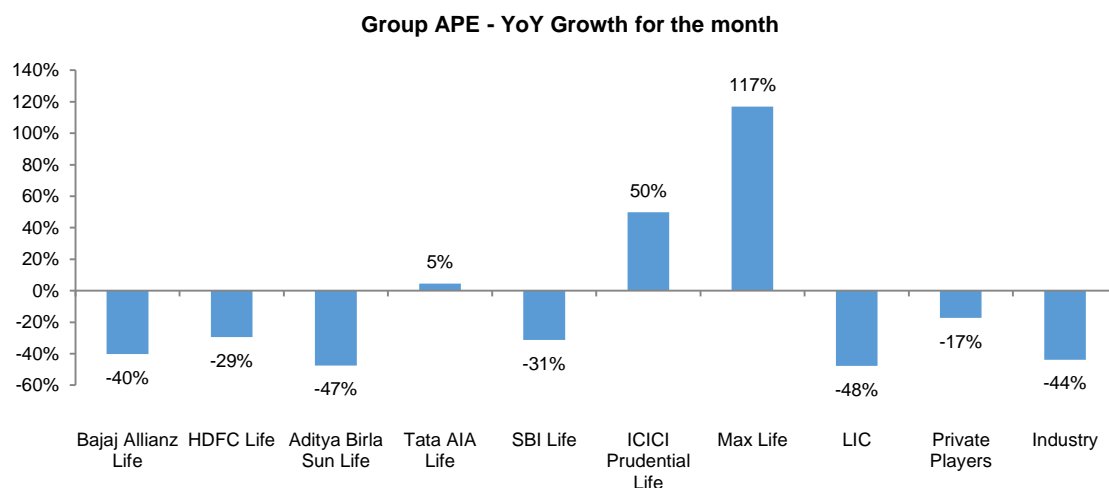
Source: Life Insurance Council, Nirmal Bang Institutional Equities Research

## Exhibit 6: Private players' APE marginally declines by 1.3% YoY



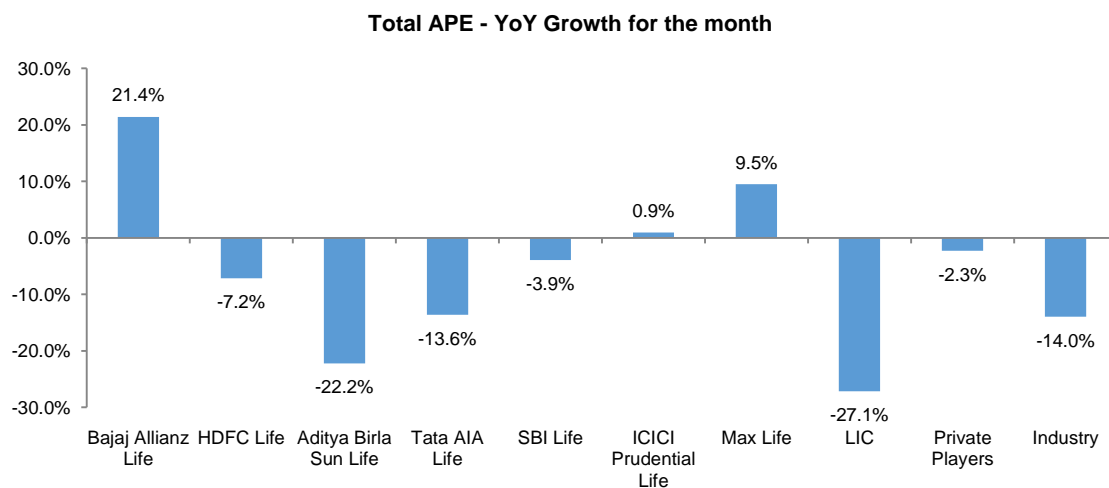
Source: Life Insurance Council, Nirmal Bang Institutional Equities Research

## Exhibit 7: LIC's APE contracts by 48% YoY in Group business



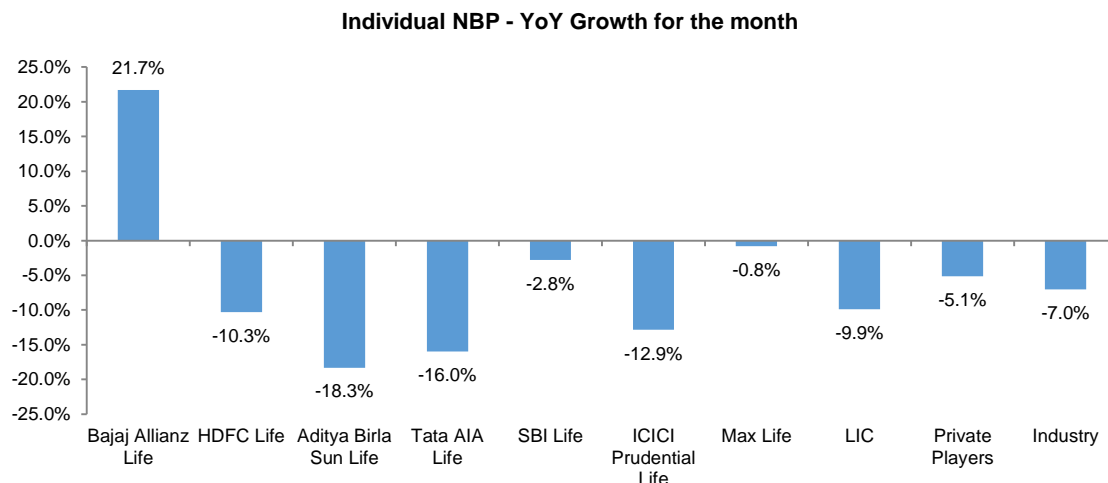
Source: Life Insurance Council, Nirmal Bang Institutional Equities Research

## Exhibit 8: Total APE decreases by 14% for the industry



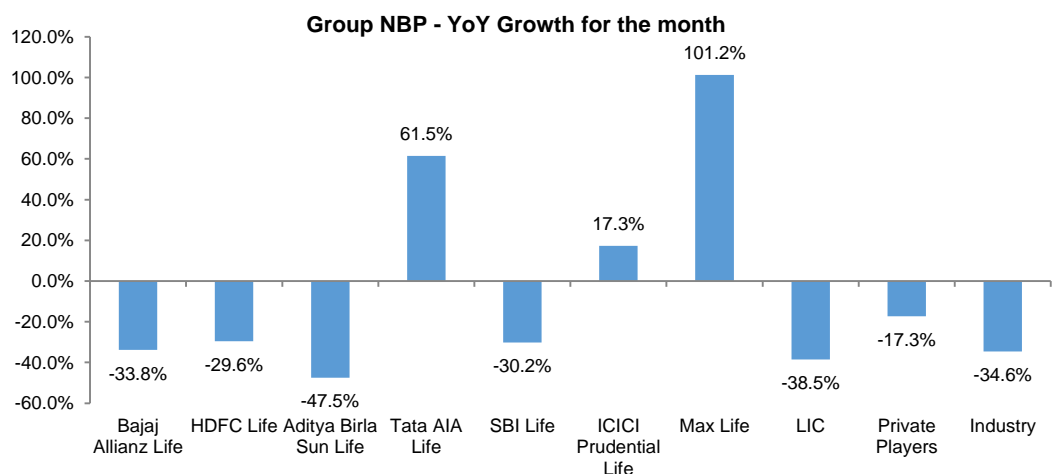
Source: Life Insurance Council, Nirmal Bang Institutional Equities Research

## Exhibit 9: Individual NBP – overall decline reported by top players



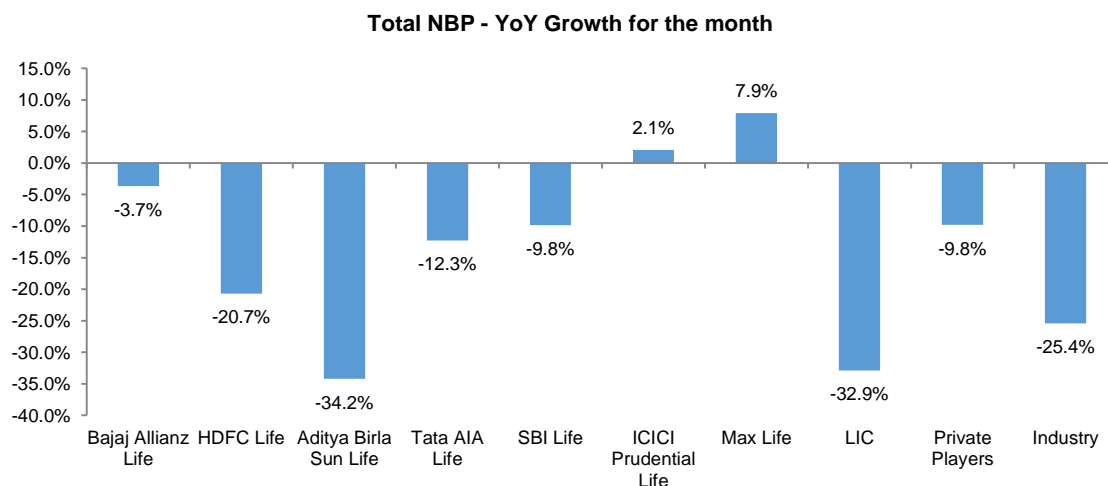
Source: Life Insurance Council, Nirmal Bang Institutional Equities Research

## Exhibit 10: Industry Group NBP falls by 34.6%; Max Life & Tata AIA outperform



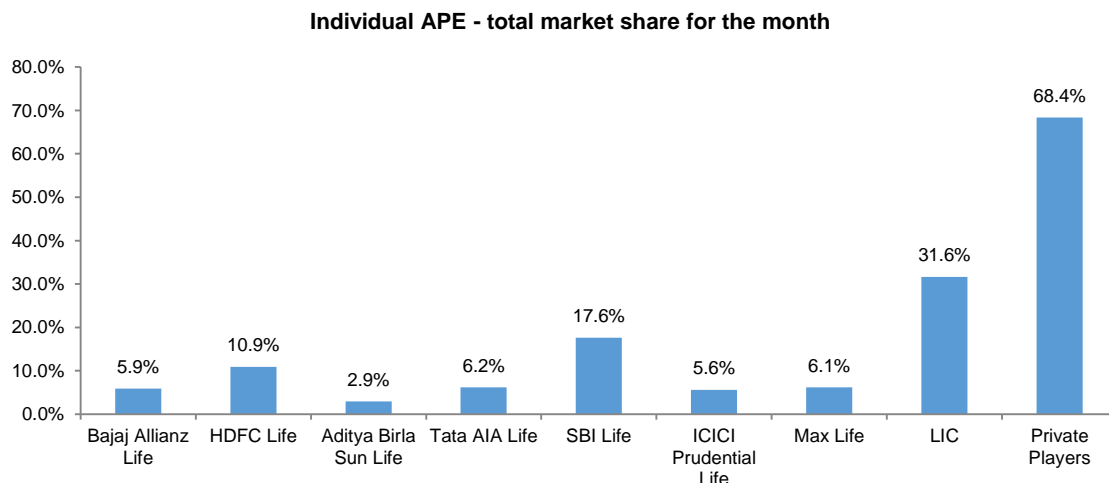
Source: Life Insurance Council, Nirmal Bang Institutional Equities Research

## Exhibit 11: Total NBP falls by 9.8%/25.4% for private players/industry



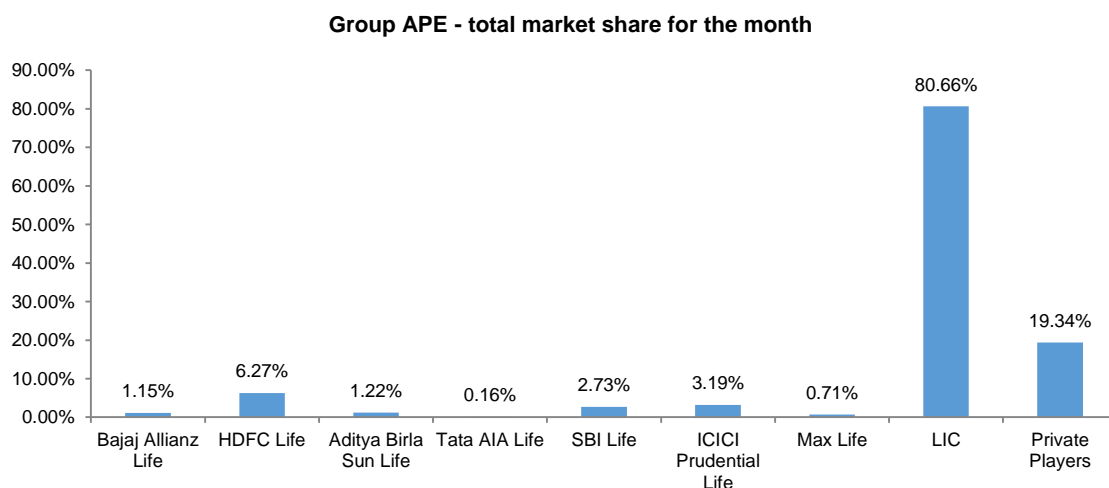
Source: Life Insurance Council, Nirmal Bang Institutional Equities Research

## Exhibit 12: SBI Life retains market leadership



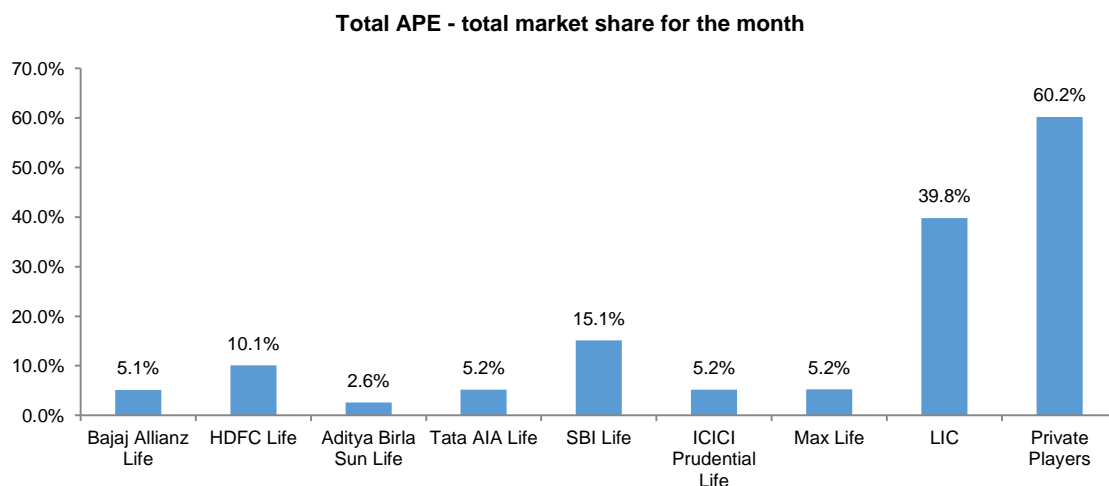
Source: Life Insurance Council, Nirmal Bang Institutional Equities Research

## Exhibit 13: LIC continues to dominate Group APE



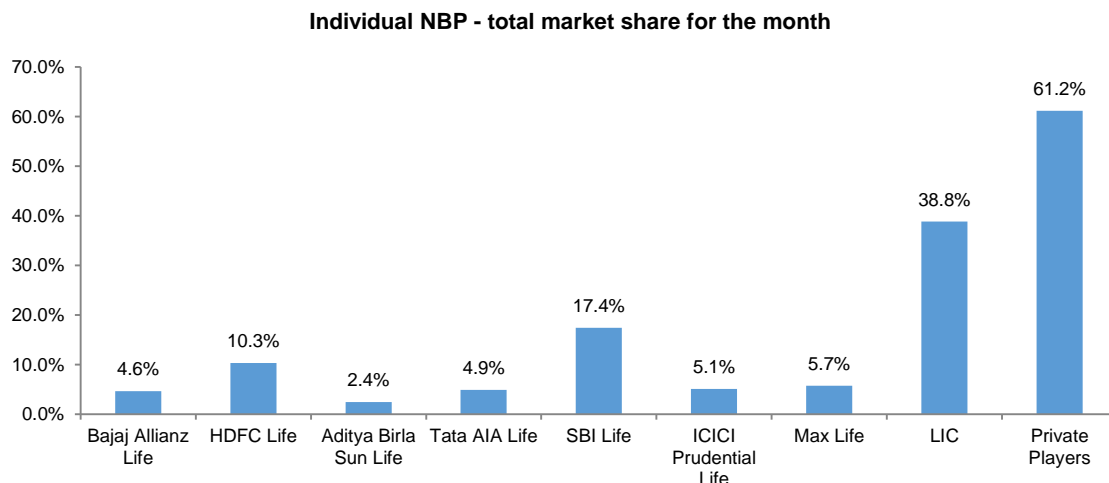
Source: Life Insurance Council, Nirmal Bang Institutional Equities Research

## Exhibit 14: Total APE - Private players hold 60% market share



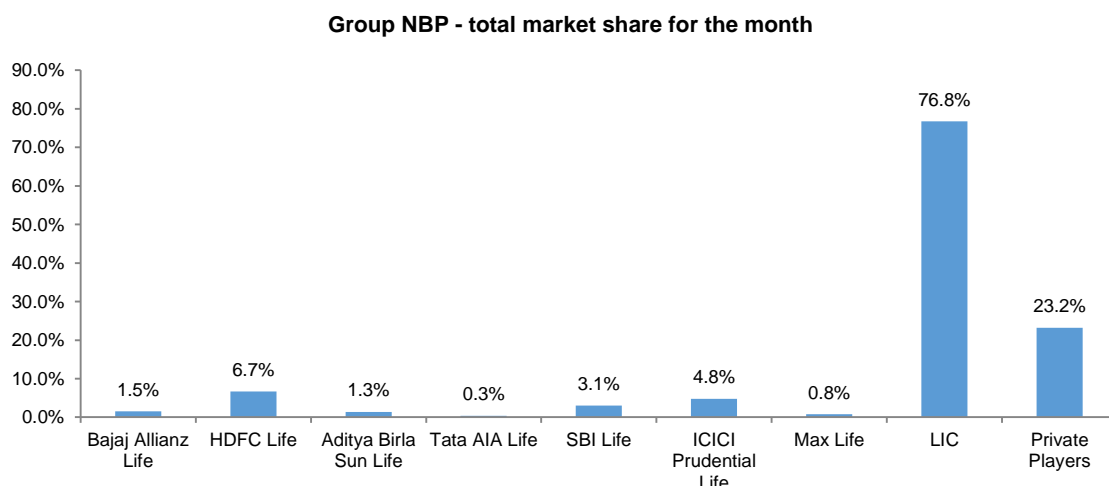
Source: Life Insurance Council, Nirmal Bang Institutional Equities Research

## Exhibit 15: Individual NBP – Private players hold major share



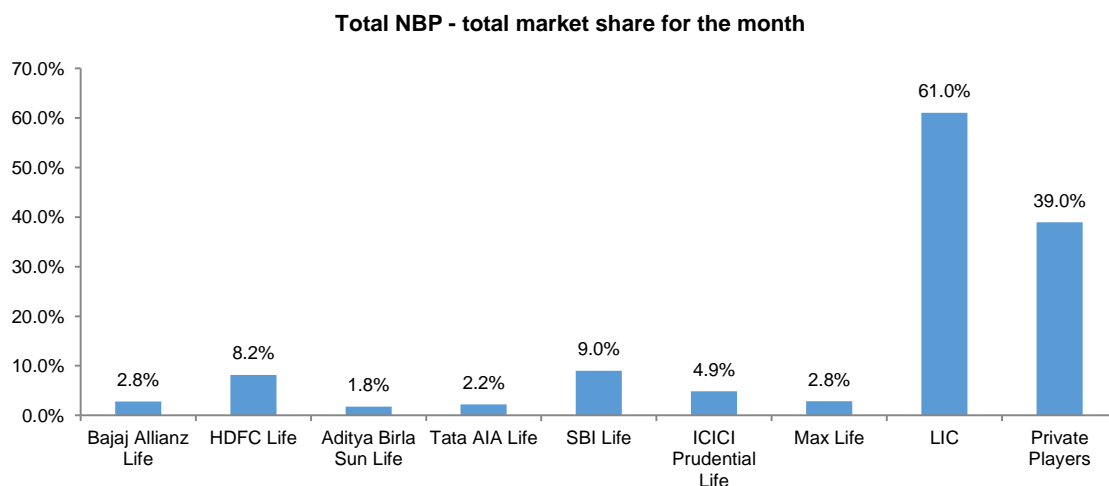
Source: Life Insurance Council, Nirmal Bang Institutional Equities Research

## Exhibit 16: LIC is the market leader in Group NBP



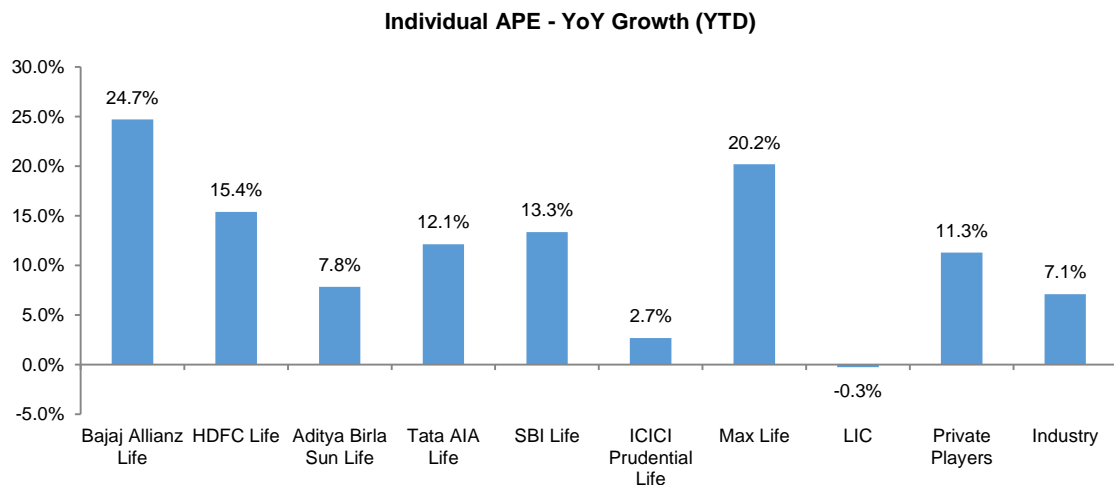
Source: Life Insurance Council, Nirmal Bang Institutional Equities Research

## Exhibit 17: Total NBP - Private players hold 39% market share



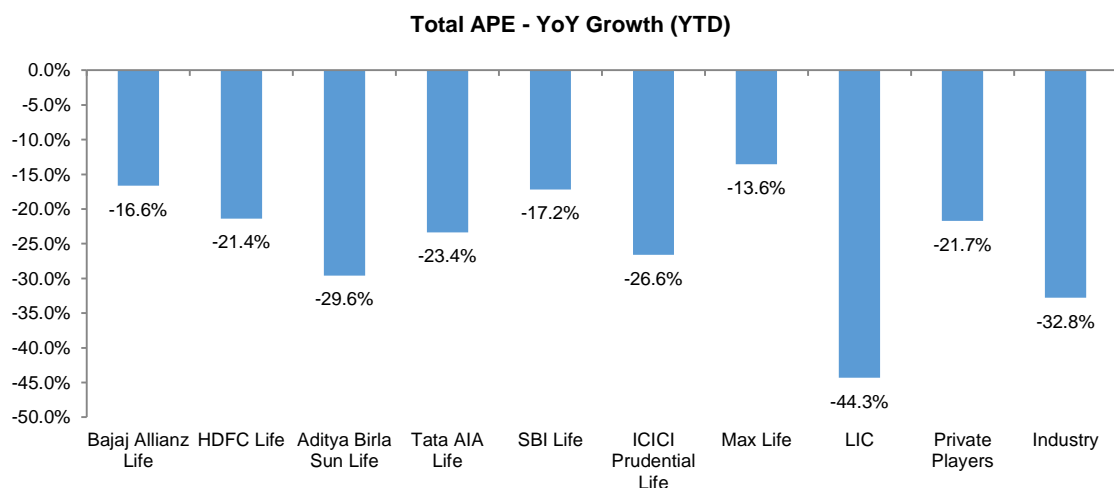
Source: Life Insurance Council, Nirmal Bang Institutional Equities Research

## Exhibit 18: Individual APE - Healthy growth for private players on YTD basis



Source: Life Insurance Council, Nirmal Bang Institutional Equities Research

## Exhibit 19: Total APE contracts



Source: Life Insurance Council, Nirmal Bang Institutional Equities Research

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