

## Sector Thematic

# Life Insurance

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### Recovery may be swift with protection driving margins

Google trends indicate a steep rise in interest for term and health insurance to near all-time high levels. We also observe increased interest in HDFC Life and SBI Life as companies. Increased sales of health and term insurance is consistent with trends observed during pandemics such as SARS and MERS and even currently in India. 1QFY21 data indicates that protection sales have improved - the sum assured/premium ratio (x) has increased to 56.3 vs. 32.4 for FY20. This ratio was even higher in May-20 at 61.0. Additionally, June-20 life insurance sales data indicates that recovery may come about swiftly. Jun-20 NBP/APE for private life insurers' individual business recovered impressively to 2.3/-7.0% YoY (1QFY21 NBP/APE declined 17.7/23.1% YoY). Lastly, we believe agency will be a key driver for margins as this channel is accustomed to sell higher margin products (PAR/NPAR) and will also be more motivated in these partially open conditions. Companies such as MAXL with large proprietary channel and SBILIFE with deep distribution strength and low cost structure are our top picks in the sector.

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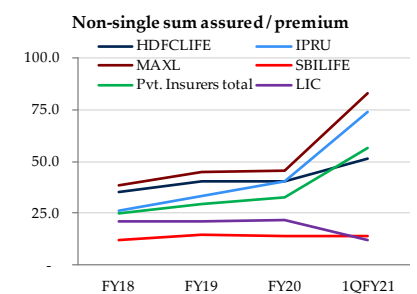
# Life Insurance

## Recovery may be swift with protection driving margins

- Increased interest in term and health products.** Google trends indicate a steep rise in interest for term and health insurance to near all-time high levels. We also observe increased interest in HDFC Life and SBI Life as companies. Search for ULIPs has decreased significantly, most likely due to subdued markets and customers' desire for stability and assured returns. We believe demand will likely be driven by NPAR (savings and protection) in the near term and then move to PAR as risk appetite returns. We believe demand for ULIPs is still some time away.
- Past pandemics show increased sales and lower persistency trends.** A study of past pandemics such as SARS (CY 2002-04) and MERS (CY 2013-14) demonstrates increased sales of health insurance during the pandemics and life insurance post the pandemics. Singapore also displayed lower persistency following the outbreak (Singapore Life Insurance Industry Persistency on pg. 9). We expect similar trends to play out in India.
- Protection to gain vs. savings.** We expect the savings business to face headwinds as lower business activity impacts savings levels. Companies with high dependence on ULIPs are likely to be impacted significantly - IPRU/SBILIFE: 64.7/69.6% of individual APE. Additionally, companies that have large credit protect portfolios will also see some declines as loan growth remains challenged – HDFC LIFE/IPRU: 17.1/8.0% of APE is from group business. 1QFY21 data indicates that protection sales have improved - the sum assured/ premium ratio (x) has increased to 56.3 vs. 32.4 for FY20. This ratio was even higher in May-20 at 61.0.
- Jun-20 data indicates that recovery may be swift.** Jun-20 NBP/APE for private life insurers' individual business recovered impressively to 2.3/-7.0% YoY (1QFY21 NBP/APE declined 17.7/23.1% YoY). It indicates that traction is improving even for the savings business. NBP for HDFCLIFE/MAXL/SBILIFE grew an impressive -0.2/20.0/3.6% YoY. HDFCLIFE has delivered this performance on a base growth of 70%+. Individual NBP declined 28.5% YoY, most likely due to lower appetite for ULIPs.
- Agency to drive margins higher.** Agency has always had a higher share of PAR/NPAR (savings and protection) in the mix. Additionally, agents work on commissions and will be more motivated in this environment. With 31% of APE from proprietary channels, we expect MAXL to report strong numbers. 1QFY21 NBP declined by only 1.1% vs. other private sector insurers' NBP decline of 25.4%. We believe SBILIFE's business may get impacted as parent SBI will focus more on collections rather than new sales.
- Hardening reinsurance rates.** Indian life insurers are witnessing a hardening of term reinsurance premiums. Companies are reworking rates for end consumers while trying to ensure the least impact on their margins. Amongst the companies, SBI LIFE is likely to get least impacted as it was charging higher rates vs. competitors. HDFC LIFE/IPRU/MAXL are re-pricing their term products to maintain margins.

Company	MCap (Rs bn)	CMP (Rs)	Reco.	TP (Rs)
HDFCLIFE	1,191	592	NR	540*
IPRU	598	417	ADD	460
MAXF	190	562	BUY	620
SBILIFE	859	860	BUY	975

\*Fair value



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### Companies:

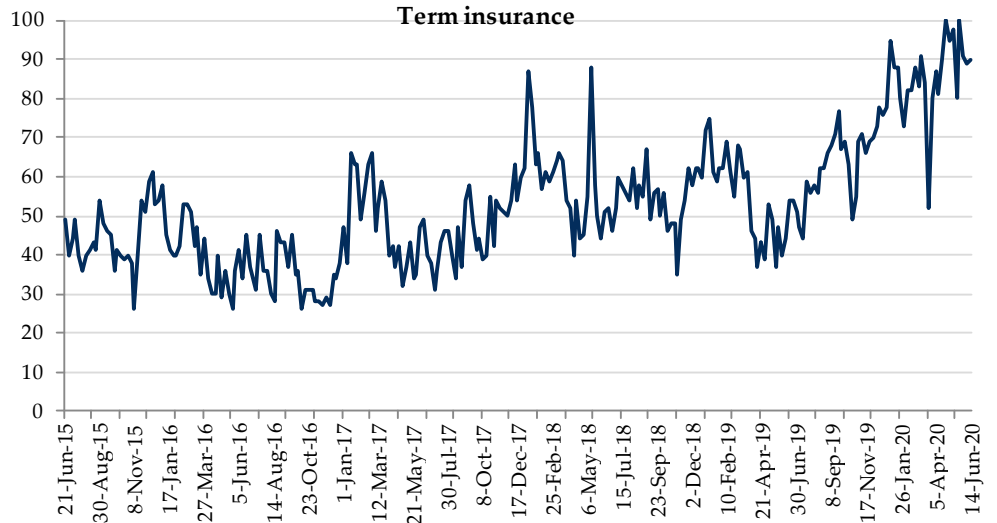
- **IPRU:** We like IPRU's re-engineered business model, which is **focused on a more diversified product** mix along with an increased protection share. We expect VNB to grow at FY19-22E CAGR of 11.3%, mainly due to the COVID-19 impact in FY21E. Lower-than-expected growth in FY21E may delay the goal of doubling VNB by FY23E. We rate IPRU as an ADD with a TP of Rs 460 (Mar-21E EV + 21.1x Mar-22E VNB). Risks: lower growth, persistency, protection share and higher-than-expected costs.
- **MFSL:** A strategic JV partner such as AXSB provides long-term distribution capability, ending the uncertainty and market anxiety over the future of the AXSB distribution arrangement. We expect MAXL to deliver FY21/22E operating RoEVs of 13.8/16.9%. The stock is currently trading at FY21/22E P/EV of 2.4/2.1 and adj. P/VNB of 21.6/17.8. We maintain a BUY rating on the stock with an unchanged TP of Rs 620 (FY21/22E P/EV of 2.7/2.3 and P/VNB of 25.2/21.1). MFSL is one of our top picks in the sector. Risks: lower growth, persistency, protection share and higher-than-expected costs. It also has a regulatory risk of the deal with Axis Bank getting rejected or delayed.
- **SBI LIFE:** Over FY21E, we expect COVID-19 and changes in personal taxation to cause significant disruption to insurance sales (FY21E APE: -13.1% YoY). We also expect slower sales from parent SBI as the bank gets more focused on collections. We, however, take a longer-term view on the business and appreciate the strong distribution footprint of its parent SBI (24k+ branches), improving protection share (FY20: 8.9%, +212bps YoY), lowest operating cost ratios (9.9%), and improving margins (VNBM: 20.7%). We expect SBI LIFE to deliver FY21/22E RoEVs of 13.4/15.1%. We rate it a BUY with a TP of Rs 975 (Mar-21E EV + 28.9x Mar-22E VNB). It is one of our top picks in the sector. **Risk:** lower growth, renewals, and protection share are key risks to our call.

### Increased interest for term and health products

- Google trends indicate a steep rise in interest for term insurance to near all-time high levels. Searches have been high from Haryana, Maharashtra, and Karnataka.
- Search for health insurance, too, has surged even after the seasonally strong March quarter.
- We also observe increased interest in HDFC Life and SBI Life. HDFC Life's "sanchay plus par" and "click to protect" are seeing high interest.
- For Max Life, we see increased interest in the "guaranteed" plan.
- Search for ULIPs has decreased significantly, most likely due to subdued markets and customers' desire for stability and assured returns.

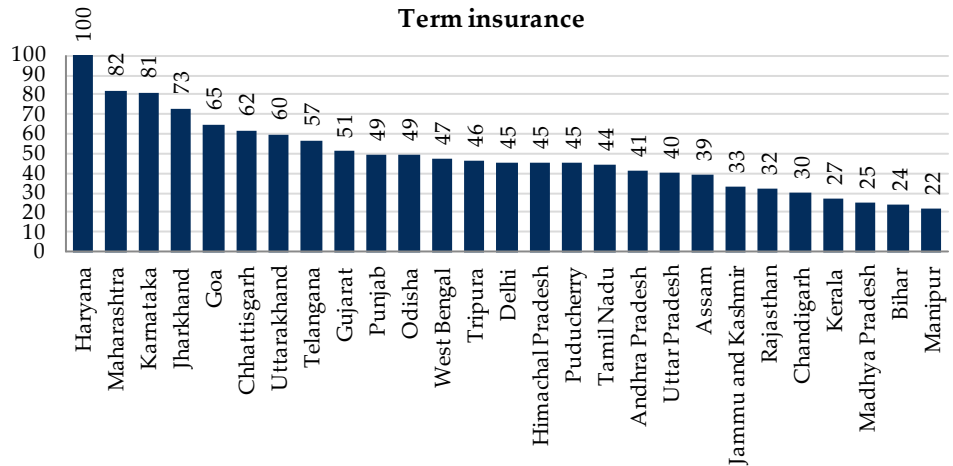
*Life insurance companies expected to be key beneficiaries of term insurance sales, post the pandemic outbreak.*

**Google Trends: Interest for “term insurance” peaking out, post COVID outbreak**



Source: Google Trends, HSIE Research

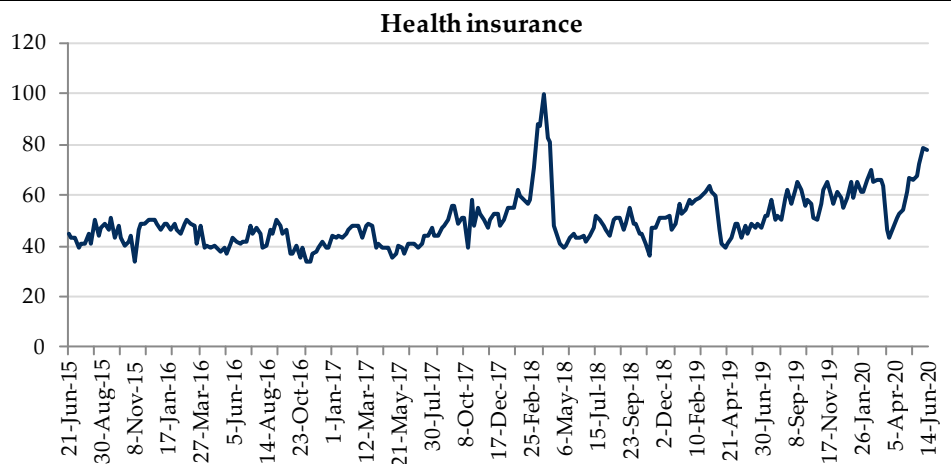
**Google Trends: Statewise interest for “term insurance”**



Source: Google Trends, HSIE Research

*Interest for term insurance is highest from Haryana, Maharashtra, and Karnataka.*

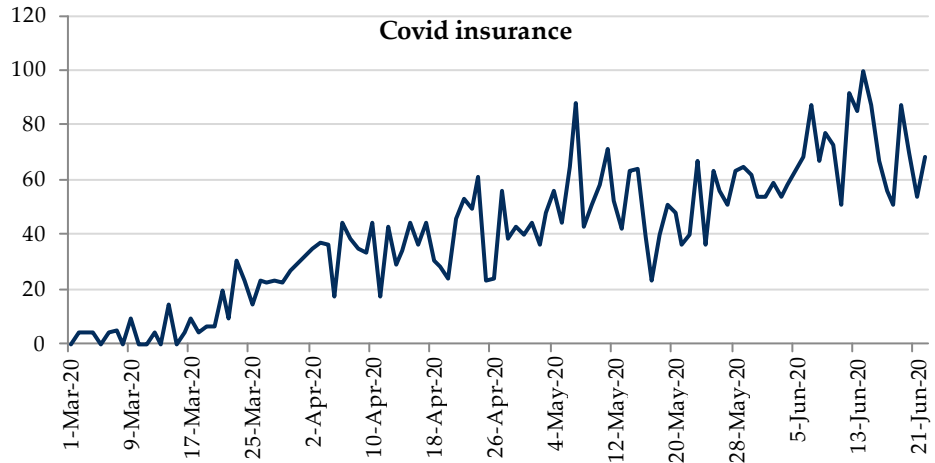
**Google Trends: Sharp rise in interest for “health insurance”**



Source: Google Trends, HSIE Research

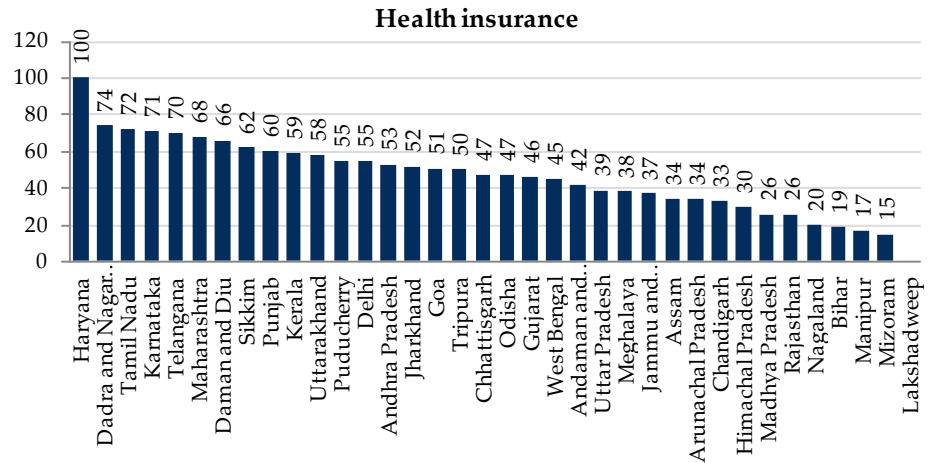
*Search for “health insurance” and “COVID insurance” saw sharp rise, post COVID-19 outbreak as fear drives sales.*

**Google Trends: Interest for "COVID insurance" peaks in June-20**



Source: Google Trends, HSIE Research

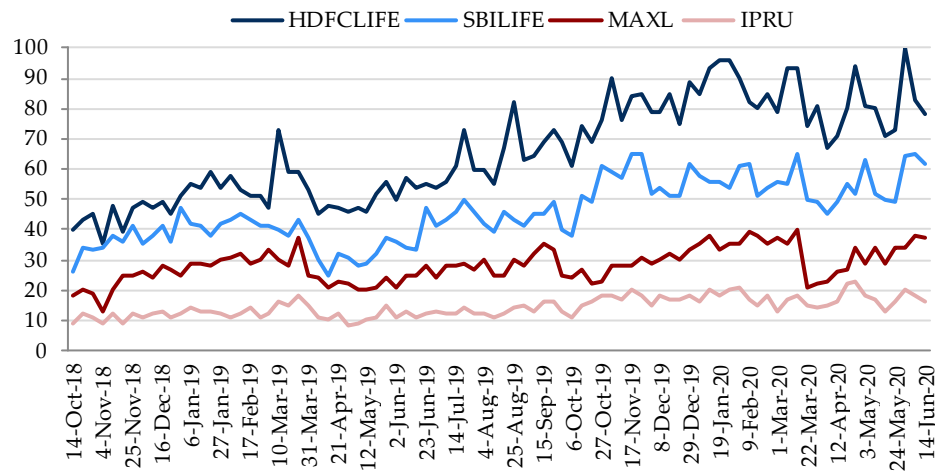
**Google Trends: Statewise interest for "health insurance"**



Source: Google Trends, HSIE Research

*Interest for health insurance is high in Haryana, Tamil Nadu, and Karnataka.*

**Google Trends: Searches for "HDFC LIFE" and "SBI LIFE" surges in June-20**



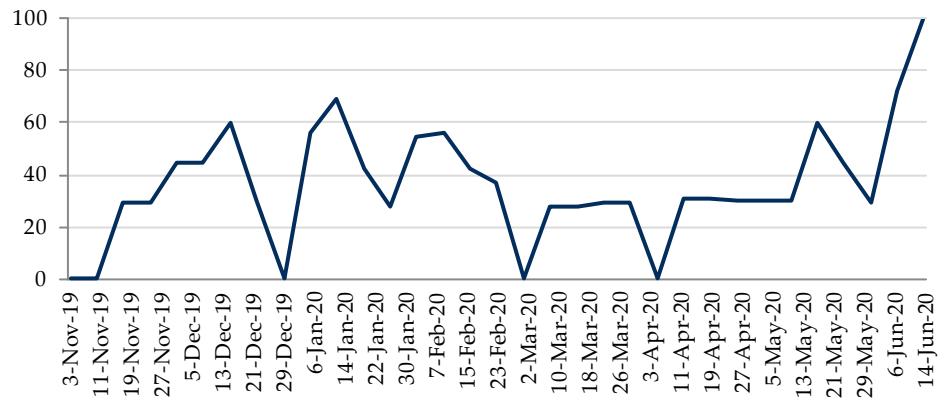
Source: Google Trends, HSIE Research

*HDFC LIFE and SBI LIFE continue to see increased interest, post the COVID-19 outbreak.*

**Google Trends: Interest for “Sanchay Plus PAR” peaks in June-20**

*HDFC LIFE’s Sanchay Plus PAR saw strong interest as people look out for more stable and guaranteed payout life insurance plans.*

Sanchay Plus PAR

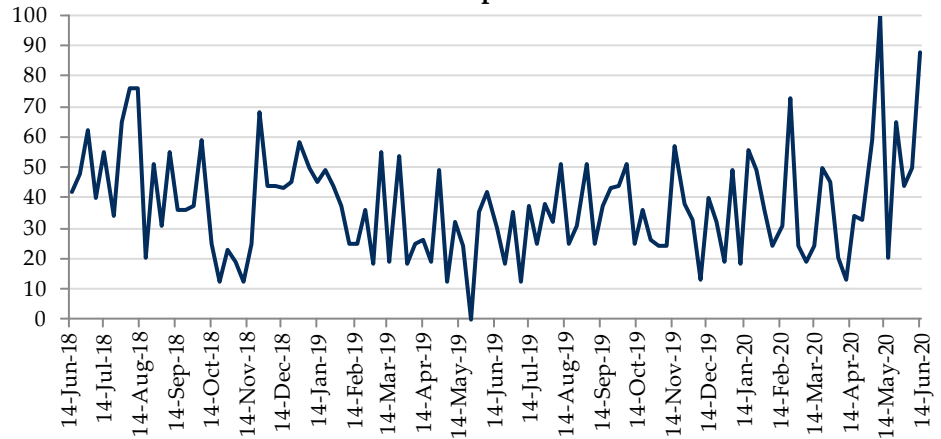


Source: Google Trends, HSIE Research

**Google Trends: HDFC LIFE’s “Click to protect” saw strong interest post-COVID-19 outbreak**

*Interest in HDFC LIFE’s pure protection plan “click to protect” saw strong uptick in May-20.*

Click to protect

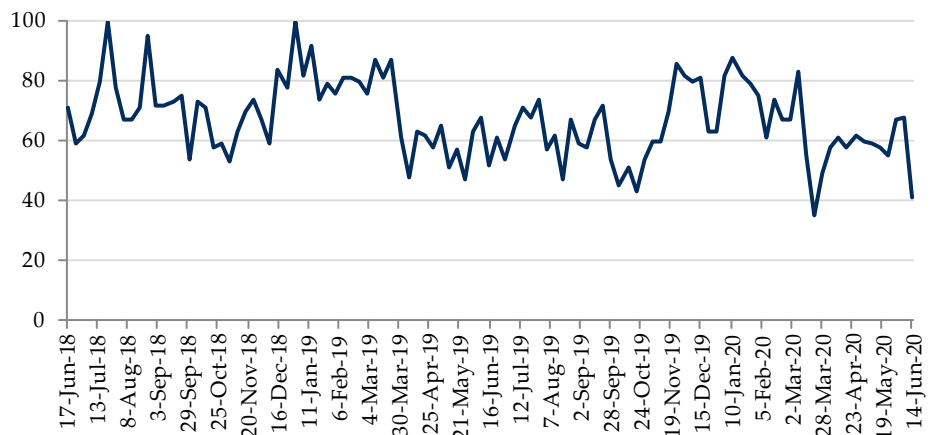


Source: Google Trends, HSIE Research

**Google Trends: Interest for “ULIP” continues to fall post-COVID-19 outbreak**

*Customers remain wary of volatile market conditions and are avoiding ULIPs.*

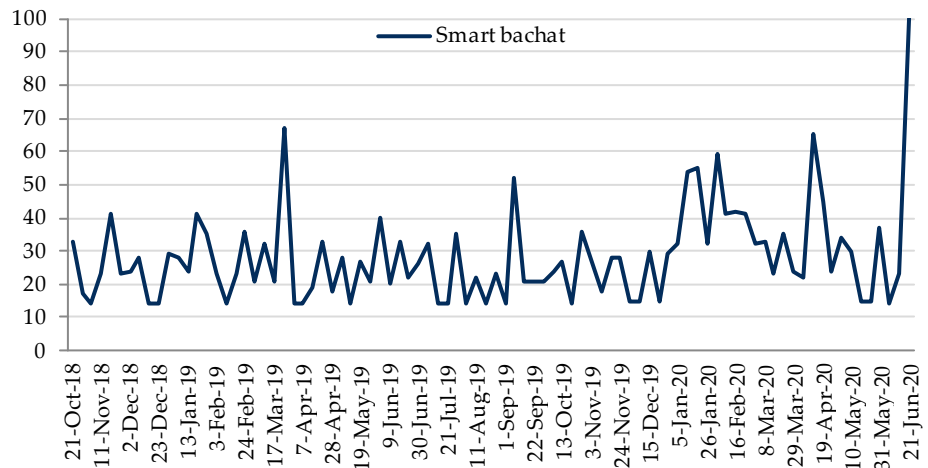
ULIP



Source: Google Trends, HSIE Research

### Google Trends: Interest for SBI LIFE's "Smart bachat" peaks in June-20

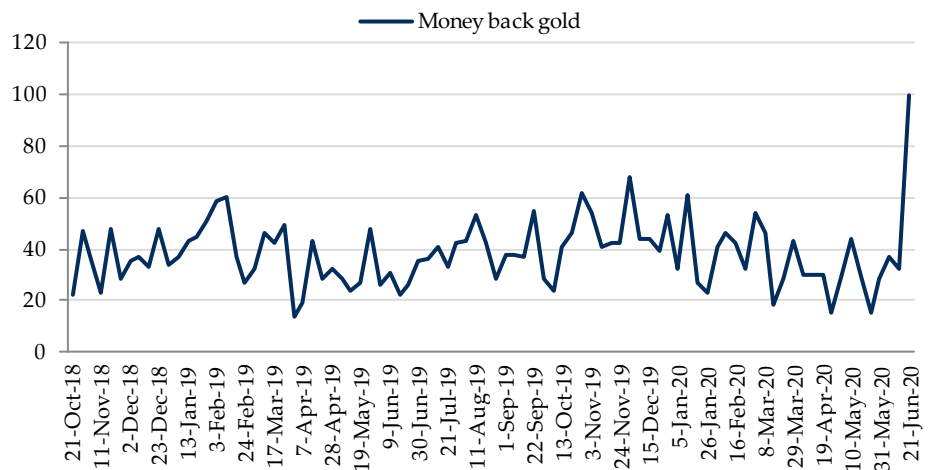
Interest for SBI LIFE's "Smart Bachat" rose post the COVID-19 outbreak.



Source: Google Trends, HSIE Research

### Google Trends: Interest for "Money-back gold" peaks in June-20

SBI LIFE's NPAR savings plan "money back gold" saw increased interest in June-20.



Source: Google Trends, HSIE Research

## Past pandemics show increased sales and lower persistency trends

- A study of past pandemics such as SARS (CY 2002-04), and MERS (CY 2013-14) demonstrates increased insurance sales of health insurance during the pandemics and life insurance post the pandemics.
- Singapore also displayed lower persistency following the outbreak (table Singapore Life Insurance Industry Persistency Trend). We expect similar trends to play out in India while quantifying the same is difficult.
- April and May's data indicates that protection sales have improved- sum assured/ premium ratio (x) for Apr/May-20 has increased to 81.3/61.0 vs. 32.4 for FY20.
- Savings share increased in Jun-20 resulting in the sum assured / premium ratio to decline to 56.3 in 1QFY21.

### China:

- Sales for whole life and term policies declined in CY2004 before improving in 2005 and 2006.
- During 2004, premiums declined 23.6% YoY during the pandemic i.e. 2002-04.

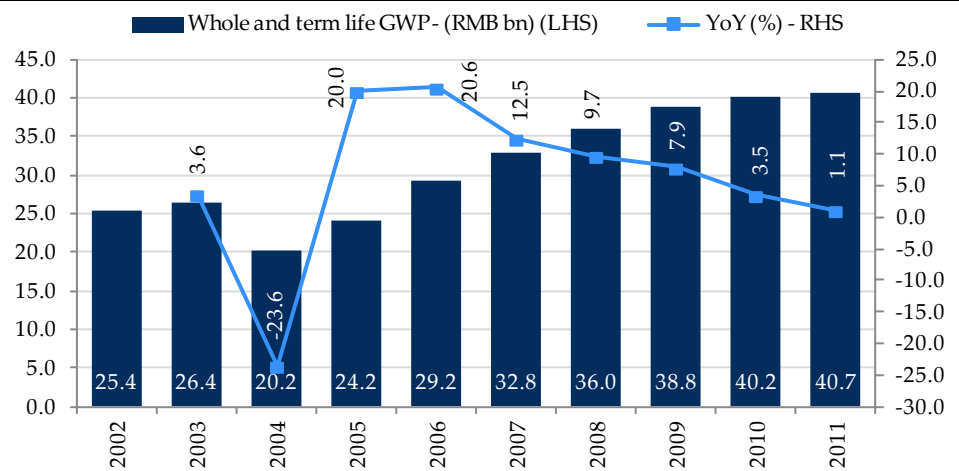
**Singapore:**

- The ratio of sum assured to individual NBP spiked between 2004-07 to a peak of 35x vs. pre-SARS level of ~5.0x. The share of term insurance increased to ~28% in regular premium products and ~12% within single premium products.
- While the entire non-linked business declined over 2002-04, term insurance held steady and increased 9.3x in 2005 to S\$444.1mn, post the SARS pandemic.
- Linked business declined by 45.2% YoY to S\$2.2bn in 2003 before improving in 2004.
- Persistency also dropped during the pandemic before bouncing back. See table Singapore life insurance industry persistency trend table on pg. 9.

**Middle East:**

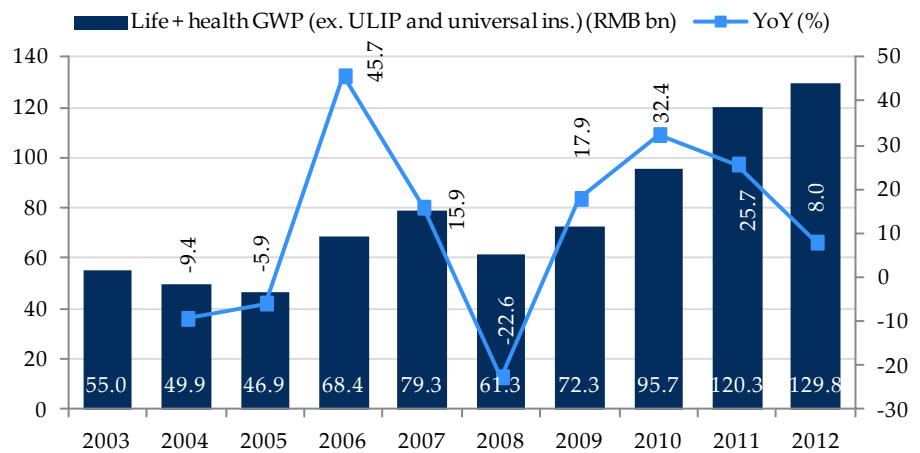
- Health insurance saw a sharp uptick in CY2014/15, growing 21.9/20.7%.
- Growth for life insurance protection and savings plans came off during the pandemic but picked up CY2015 onwards.

**China: China Life whole and term life premium trend**



Source: China Life Insurance company, HSIE Research

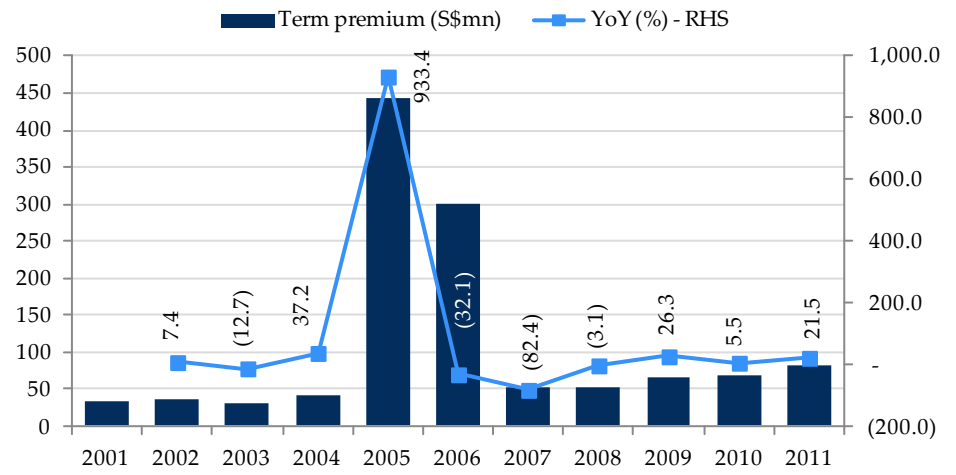
**China: PingAn life and health insurance premium trend**



Source: Ping AN Insurance company, HSIE Research



**Singapore: Term NBP trend**



Source: Monetary Authority of Singapore, HSIE Research

## Singapore Life Insurance Industry Persistency Trend

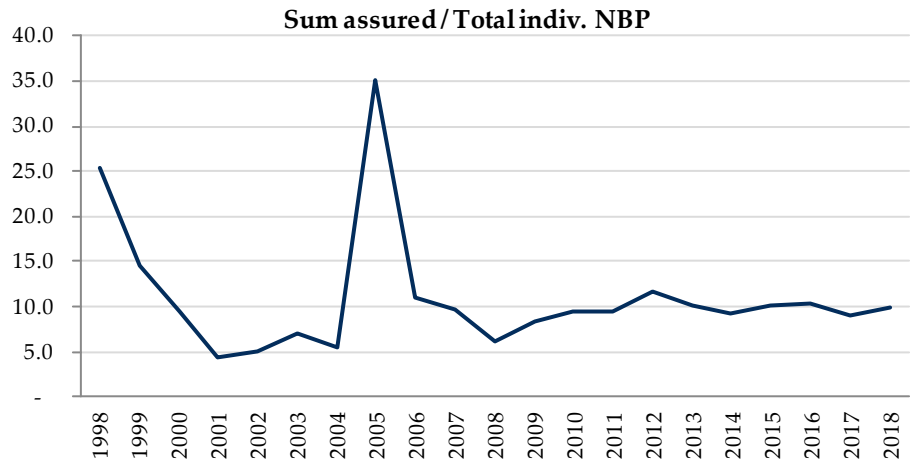
CY	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>2001</b>														
1-yr			98.2	93.7	89.8	85.9	82.7							
2-yr			98.4	93.3	87.7	84.9								
3-yr			98.9	93.7	90.7									
4-yr			97.8	92.3										
5-yr			98.1											
<b>2002</b>														
1-yr				97.8	93.3	88.3	85.6	82.5						
2-yr				98.4	93.4	89.1	85.9							
3-yr				98.2	93.9	90.4								
4-yr				97.7	92.0									
5-yr				97.3										
<b>2003</b>														
1-yr					98.4	93.4	89.2	86.1	82.7					
2-yr					98.1	93.8	90.6	97.4						
3-yr					97.7	92.6	88.4							
4-yr					97.5	91.8								
5-yr					95.4									
<b>2004</b>														
1-yr						98.3	94.4	91.1	88.1	85.9				
2-yr						97.8	93.0	89.3	85.8					
3-yr						97.7	92.6	89.0						
4-yr						96.0	89.9							
5-yr						95.7								
<b>2005</b>														
1-yr							97.5	97.2	96.7	97.3	97.0			
2-yr							91.8	91.4	90.8	90.3				
3-yr							87.5	87.6	86.1					
4-yr							84.0	83.9						
5-yr							80.9							
<b>2006</b>														
1-yr								97.2	96.7	97.4	97.3	98.0		
2-yr								91.4	90.8	90.9	92.1			
3-yr								87.7	86.6	86.8				
4-yr								84.0	83.9					
5-yr								81.7						
<b>2007</b>														
1-yr									94.7	95.6	94.5	96.8	97.6	
2-yr									88.7	88.8	89.1	92.3		
3-yr									84.4	84.8	85.6			
4-yr									81.8	82.1				
5-yr									79.9					
<b>2008</b>														
1-yr										96.5	95.9	97.1	98.0	97.6
2-yr										90.3	90.9	92.8	93.7	
3-yr										86.7	87.8	89.7		
4-yr										84.4	85.8			
5-yr										82.7				

Source: Monetary Authority of Singapore, HSIE Research

*Persistency declined significantly between 2005-07.*

**Singapore: Sum assured to indiv. NBP spiked between 2004-07**

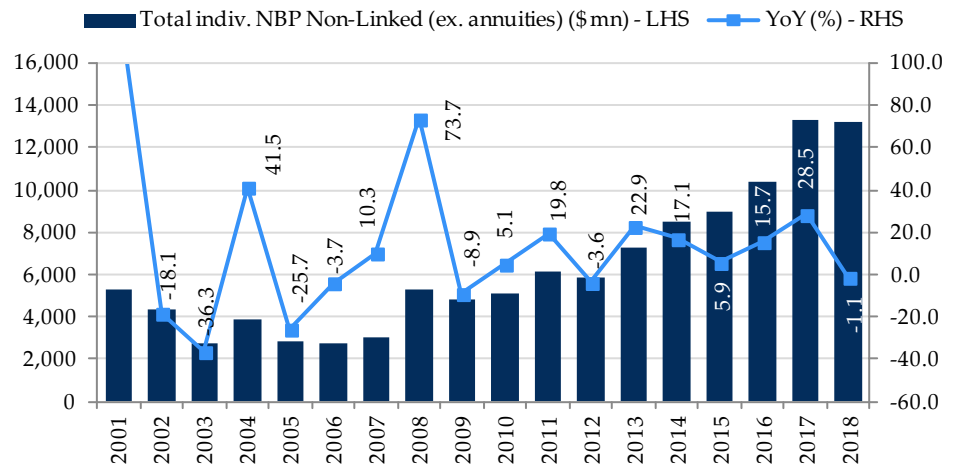
*Spike in sum assured to individual NBP ratio in 2005 indicates increased sale of protection products post the SARS outbreak 2002-04.*



Note: Indiv. NBP excludes annuities  
Source: Monetary Authority of Singapore, HSIE Research

**Singapore: Non-linked business trend**

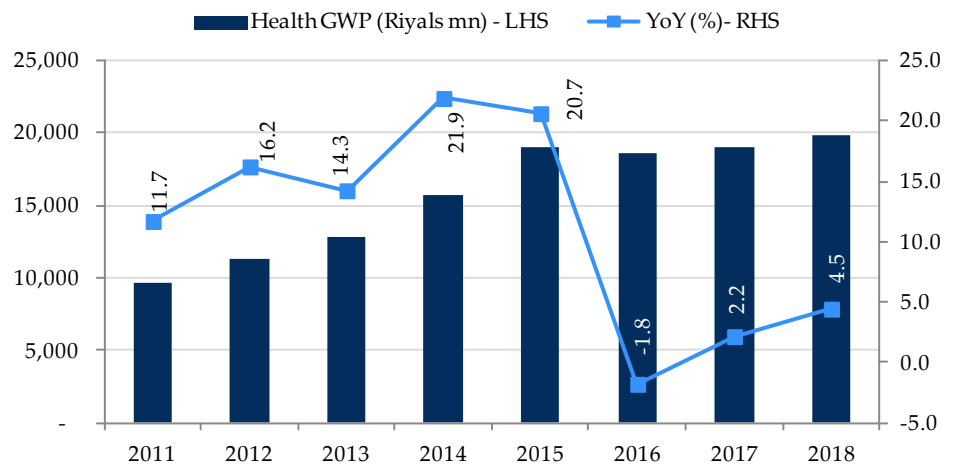
*Non-linked business saw a sharp rise in individual NBP post the pandemic in 2004.*



Source: Monetary Authority of Singapore, HSIE Research

**Saudi Arabia: Health GWP trend**

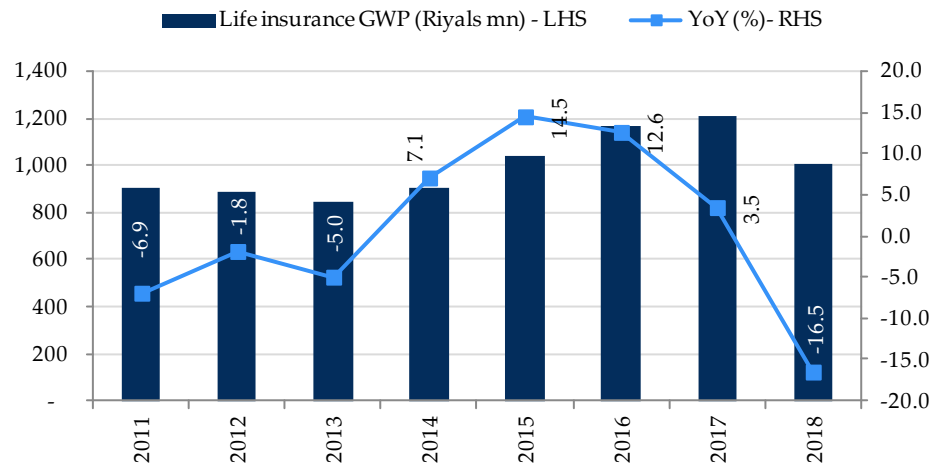
*Health insurance saw a sharp uptick in CY2014-15 during MERS outbreak 2012-14.*



Source: Saudi Arabian Monetary Authority, HSIE Research

## Saudi Arabia: Life insurance GWP trend

Sales for life insurance picked up post the MERS outbreak in CY2015-16.



Source: Saudi Arabian Monetary Authority, HSIE Research

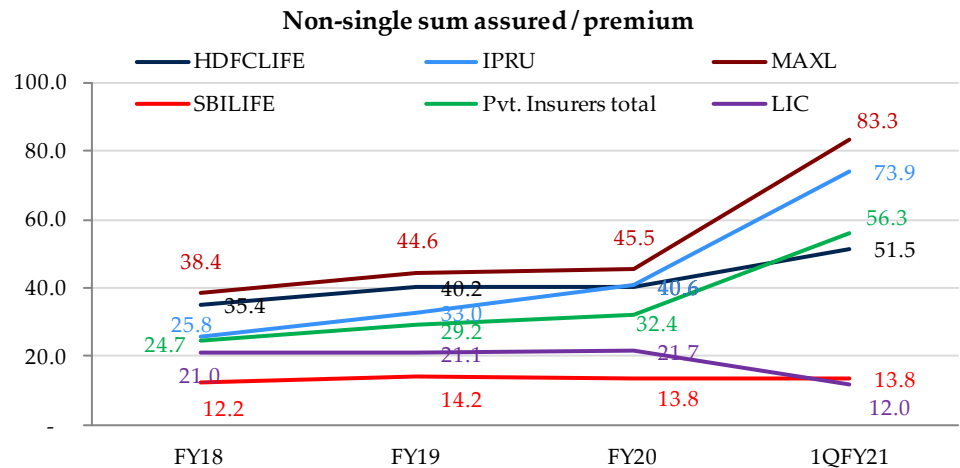
## Protection to gain vs. savings

- We expect the savings business to be significantly affected as lower business activity impacts income and savings levels. This is also reflected in the low level of interest seen for ULIPs on google trends.
- Companies with a greater dependence on ULIPs are likely to be impacted significantly- IPRU/SBILIFE: 64.7/69.6% of individual APE.
- Additionally, companies with large credit protect portfolios will also see some declines as loan growth remains challenged- HDFC LIFE/IPRU: 17.1/8.0 % of total APE is a group.
- 1QFY21 data indicates that protection sales have improved - the sum assured/premium ratio (x) has increased to 56.3 vs. 32.4 for FY20. This ratio was even higher in May-20 at 61.0.

Business mix (APE)		IPRU				MAXF				SBILIFE				HDFCLIFE			
		FY17	FY18	FY19	FY20	FY17	FY18	FY19	FY20	FY17	FY18	FY19	FY20	FY17	FY18	FY19	FY20
Individual	%	98.4	97.3	95.3	92.0	97.0	96.0	96.0	95.0	89.5	92.5	93.7	92.1	89.3	88.4	83.1	82.9
PAR	%	9.6	10.9	8.6	12.7	54.0	43.0	39.5	30.5	16.6	24.4	18.7	10.9	31.2	24.8	15.0	15.7
Non-PAR	%	1.1	0.5	0.9	4.2	9.0	8.0	9.0	18.0	0.7	0.8	0.4	6.9	8.0	8.0	16.6	37.3
ULIP	%	84.1	81.9	79.6	64.7	30.0	41.0	41.5	38.5	70.9	66.5	70.8	69.6	46.4	51.3	45.7	23.2
Protection	%	3.6	4.0	6.2	10.4	4.0	4.0	6.0	8.0	1.2	0.7	3.8	4.7	3.6	4.4	5.8	6.6
Group	%	1.6	2.7	4.7	8.0	3.0	4.0	4.0	5.0	10.5	7.5	6.3	7.9	10.7	11.6	16.9	17.1
Savings	%	1.3	1.0	1.6	3.3	NA	NA	NA	NA	5.5	2.8	3.3	3.7	6.5	4.7	6.0	6.6
Protection	%	0.3	1.7	3.1	4.7	3.0	4.0	4.0	5.0	5.1	4.7	3.0	4.2	4.2	6.9	10.9	10.6
Total	%	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100

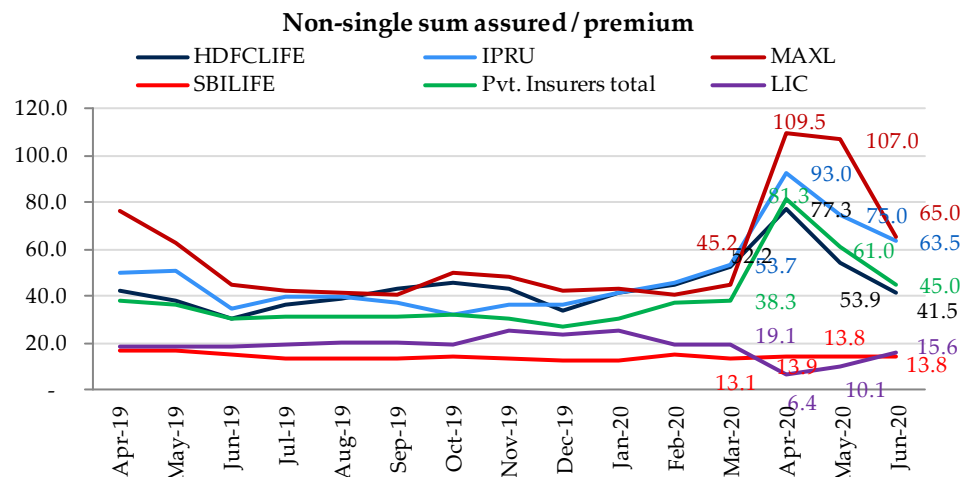
Source: Company financials and disclosures, HSIE Research

## Spike in non-single sum assured to premium in 1QFY21



Source: IRDAI, HSIE Research

## Non-single sum assured to premium trend for last 15 months



Source: IRDAI, HSIE Research

## Jun-20 data indicates that recovery may be swift

NBP/APE for private life insurers' individual business recovered impressively to 2.3/-7.0% YoY (1QFY21 NBP/APE declined 17.7/23.1% YoY). This indicates that traction is improving even for the savings business.

**Individual business:**

- Jun-20 NBP/APE for private life insurers' individual business grew 2.3/-7.0% YoY. 1QFY21 NBP/APE declined 17.7/23.1% YoY.
- LIC's individual NBP grew 17.7% YoY post the 56.8/9.8% YoY decline seen in Apr/May-20. 1QFY21 NBP/APE declined 11.7/11.2% YoY.
- Total industry (including LIC) NBP/APE grew 9.6/-1.4% YoY. 1QFY21 NBP/APE declined 14.7/18.2% YoY.
- **HDFC Life: Individual NBP/APE growth was flattish at -0.2/-3.1% YoY. 1QFY21 NBP/APE declined 21.0/18.9% YoY. Growth is most likely from the Sanchay Plus PAR product.**
- **IPRU: IPRU reported individual NBP/APE decline of 28.5/43.5% YoY to Rs 4.6/3.1bn. IPRU's individual business performed in-line with expectations but underperformed peers. We expect limited pay protection to continue to do well with growth also coming from other non-linked segments. Expect ULIP to remain subdued. 1QFY21 NBP/APE declined 40.5/49.4% YoY.**

- MAXL's NBP/APE grew an impressive 20.0/13.3% YoY to Rs 4.7/3.5bn. Despite the partial lockdown conditions, performance has been strong. We believe that MAXL's proprietary channel has done well, with some recovery in bancassurance. We believe that guaranteed NPAR savings and protection are key drivers of growth. 1QFY21 NBP/APE declined 4.3/3.6% YoY.
- Revival in new business growth for SBILIFE- Individual NBP/APE grew 3.6/-5.0% YoY to Rs 8.2/6.4bn. Recovery has been strong after Apr/May-20 where the company underperformed peers. We expect an improving protection share, with a well-balanced product mix. 1QFY21 NBP/APE declined 28.5/35.5% YoY.
- Amongst other private insurers, TATA AIA's NBP grew 31.9% YoY, while Birla Sun Life's NBP grew 14.7% YoY.
- Bajaj Life: Individual NBP/APE grew 16.4/13.6% YoY.

### 1QFY21 Individual NBP and market-share

*(Note: Private insurers' market-share is calculated excluding LIC.)*

- LIC continues to gain market share (51.5%, +174bps YoY) as NBP declined 11.7% YoY (lower than industry average).
- HDFC LIFE's NBP market share decreased 88bps YoY to 20.6% and IPRU's market share declined to 12.0% (-462bps YoY).
- MAXL's market share was at 11.3% (+238bps YoY).
- SBI LIFE's market share declined by 268bps YoY to 17.6%.

### Group Business:

- 1QFY21 NBP for private insurers declined 21.3% YoY while APE declined 19.7% YoY.
- For 1QFY21, HDFC LIFE, IPRU and MAXL reported decline in NBP of 45.8%, 15.2% and 53.3% YoY respectively, while SBI LIFE's NBP grew 34.3% YoY. In the current environment, credit protect business has been severely hit. Most of the business is group term insurance and group savings.

### Private sector Individual NBP grew 2.3% in Jun-20.

Particulars	Individual		Group		Total		YTD - Individual		YTD - Group		YTD - Total	
	Jun-20	YOY (%)	Jun-20	YOY (%)	Jun-20	YOY (%)	1QFY21	YOY (%)	1QFY21	YOY (%)	1QFY21	YOY (%)
Aditya Birla Sun Life	1.7	14.7	3.3	417.6	5.0	137.2	3.3	1.7	5.9	213.5	9.2	79.7
Bajaj Allianz Life	1.7	16.4	0.8	-74.8	2.5	-46.2	3.4	-0.5	4.0	-40.5	7.4	-26.8
Bharti Axa Life	0.4	-17.6	0.1	-75.5	0.5	-36.1	0.9	-28.2	0.2	-74.9	1.1	-42.8
DHFL Pramerica Life	0.1	-34.8	0.1	-84.2	0.2	-68.4	0.3	-36.5	0.1	-90.7	0.4	-74.1
HDFC Standard Life	8.4	-0.2	5.0	-2.0	13.5	-0.9	15.7	-21.0	10.8	-45.8	26.5	-33.4
ICICI Prudential Life	4.6	-28.5	1.1	-58.1	5.6	-37.1	9.1	-40.5	5.9	-15.2	15.0	-32.6
IDBI Federal Life	0.3	-1.6	0.0	-62.4	0.4	-17.3	0.6	-22.0	0.1	-76.5	0.6	-37.9
Kotak Mahindra Life	1.8	51.7	1.0	-40.1	2.9	-1.8	3.6	18.4	2.1	-67.0	5.7	-39.7
Max Life	4.7	20.0	0.2	-26.8	4.9	17.1	8.6	4.3	0.4	-53.3	9.0	-1.1
PNB Met Life	1.1	3.2	0.2	-53.7	1.3	-13.0	2.0	-16.9	0.4	-54.6	2.4	-26.5
SBI Life	8.2	3.6	6.9	31.4	15.0	14.7	13.4	-28.5	17.2	34.3	30.6	-3.0
Tata AIA Life	3.3	31.9	0.1	2.6	3.4	30.9	6.9	25.1	0.2	-6.5	7.2	23.9
<b>Private players Total</b>	<b>40.4</b>	<b>2.3</b>	<b>20.9</b>	<b>-7.6</b>	<b>61.3</b>	<b>-1.3</b>	<b>75.9</b>	<b>-17.7</b>	<b>52.1</b>	<b>-21.3</b>	<b>128.1</b>	<b>-19.2</b>
LIC	42.2	17.7	185.2	-17.5	227.4	-12.7	80.8	-11.7	284.5	-20.2	365.3	-18.5
<b>Industry total</b>	<b>82.6</b>	<b>9.6</b>	<b>206.1</b>	<b>-16.6</b>	<b>288.7</b>	<b>-10.5</b>	<b>156.7</b>	<b>-14.7</b>	<b>336.6</b>	<b>-20.4</b>	<b>493.4</b>	<b>-18.6</b>

Source: IRDAI, HSIE Research

## Individual NBP Market Share

Particulars	Individual		Group		Total		YTD - Individual		YTD - Group		YTD - Total	
	Jun-20	YOY (bps)	Jun-20	YOY (bps)	Jun-20	YOY (bps)	1QFY21	YOY (bps)	1QFY21	YOY (bps)	1QFY21	YOY (bps)
Aditya Birla Sun Life	4.2	45	16.0	1257	8.2	480	4.3	82	11.3	846	7.2	394
Bajaj Allianz Life	4.2	51	3.9	-179	4.1	-343	4.5	78	7.6	-246	5.8	-61
Bharti Axa Life	1.0	-24	0.3	2	0.8	-41	1.2	-18	0.3	-62	0.9	-35
DHFL Pramerica Life	0.3	-14	0.3	4	0.3	-53	0.4	-11	0.2	-137	0.3	-63
HDFC Standard Life	20.9	-52	24.0	1010	22.0	9	20.7	-88	20.7	-934	20.7	-442
ICICI Prudential Life	11.3	-486	5.2	-2718	9.2	-525	12.0	-462	11.3	81	11.7	-234
IDBI Federal Life	0.9	-3	0.2	8	0.6	-12	0.7	-4	0.1	-32	0.5	-15
Kotak Mahindra Life	4.6	149	4.9	113	4.7	-2	4.7	142	4.0	-560	4.4	-150
Max Life	11.7	173	0.9	29	8.1	126	11.3	238	0.8	-52	7.0	128
PNB Met Life	2.6	2	0.9	14	2.0	-27	2.7	2	0.7	-53	1.9	-19
SBI Life	20.2	25	32.8	1322	24.5	341	17.6	-268	33.0	1367	23.9	398
Tata AIA Life	8.2	183	0.4	-12	5.5	136	9.1	312	0.4	6	5.6	194
<b>Private players*</b>	<b>48.9</b>	<b>-350</b>	<b>10.1</b>	<b>99</b>	<b>21.2</b>	<b>198</b>	<b>48.5</b>	<b>-174</b>	<b>15.5</b>	<b>-18</b>	<b>26.0</b>	<b>-17</b>
LIC*	51.1	350	89.9	-99	84.3	-198	51.5	174	84.5	18	74.0	17
<b>Industry</b>	<b>100.0</b>	<b>0</b>	<b>100.0</b>	<b>0</b>	<b>100.0</b>	<b>0</b>	<b>100.0</b>	<b>0</b>	<b>100.0</b>	<b>0</b>	<b>100.0</b>	<b>0</b>

\* LIC, Total private players market share on total market share basis while individual insurers on private market share basis

Source: IRDAI, HSIE Research

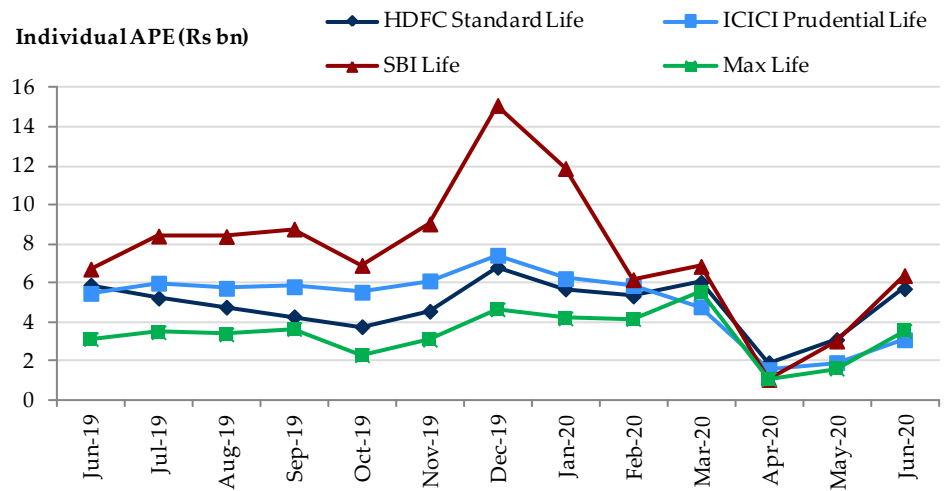
## Private sector Individual APE declined 7.0% in Jun-20

Particulars	Individual		Group		Total		YTD - Individual		YTD - Group		YTD - Total	
	Jun-20	YOY (%)	Jun-20	YOY (%)	Jun-20	YOY (%)	1QFY21	YOY (%)	1QFY21	YOY (%)	1QFY21	YOY (%)
Aditya Birla Sun Life	1.6	15.6	0.3	404.3	2.0	33.8	3.1	5.0	0.6	218.3	3.7	18.5
Bajaj Allianz Life	1.6	13.6	0.1	-74.8	1.7	-2.7	3.3	-0.5	0.4	-40.5	3.7	-7.2
Bharti Axa Life	0.4	-18.6	0.0	-75.5	0.4	-21.3	0.9	-25.4	0.0	-74.9	0.9	-27.8
DHFL Pramerica Life	0.1	-34.0	0.0	-84.2	0.1	-42.9	0.3	-29.3	0.0	-90.7	0.3	-41.7
HDFC Standard Life	5.7	-3.1	0.5	-2.0	6.2	-3.1	10.7	-18.9	1.1	-45.8	11.8	-22.4
ICICI Prudential Life	3.1	-43.5	0.1	-58.1	3.2	-44.2	6.6	-49.4	0.6	-15.2	7.1	-47.6
IDBI Federal Life	0.1	-45.7	0.0	-63.3	0.1	-46.5	0.2	-56.5	0.0	-77.4	0.2	-57.7
Kotak Mahindra Life	1.2	23.7	0.1	-42.0	1.3	13.3	2.4	7.7	0.2	-67.9	2.6	-9.8
Max Life	3.5	13.3	0.0	-26.8	3.6	13.0	6.2	-3.6	0.0	-53.3	6.2	-4.2
PNB Met Life	0.9	-9.5	0.0	-53.2	0.9	-11.3	1.9	-22.2	0.0	-53.7	1.9	-23.2
SBI Life	6.4	-5.0	0.7	30.7	7.1	-2.4	10.5	-35.5	1.8	39.9	12.3	-29.9
Tata AIA Life	2.4	18.0	0.0	26.6	2.5	18.1	5.4	17.2	0.1	42.5	5.5	17.5
<b>Private players*</b>	<b>30.5</b>	<b>-7.0</b>	<b>2.1</b>	<b>-8.8</b>	<b>32.6</b>	<b>-7.1</b>	<b>58.0</b>	<b>-23.1</b>	<b>5.5</b>	<b>-19.7</b>	<b>63.5</b>	<b>-22.8</b>
LIC*	22.4	7.5	22.7	-81.4	45.1	-68.5	47.9	-11.2	51.0	-68.4	98.9	-54.1
<b>Industry</b>	<b>52.9</b>	<b>-1.4</b>	<b>24.8</b>	<b>-80.1</b>	<b>77.7</b>	<b>-56.4</b>	<b>105.9</b>	<b>-18.2</b>	<b>56.5</b>	<b>-66.4</b>	<b>162.4</b>	<b>-45.4</b>

\* LIC, Total private players market share on total market share basis while individual insurers on private market share basis

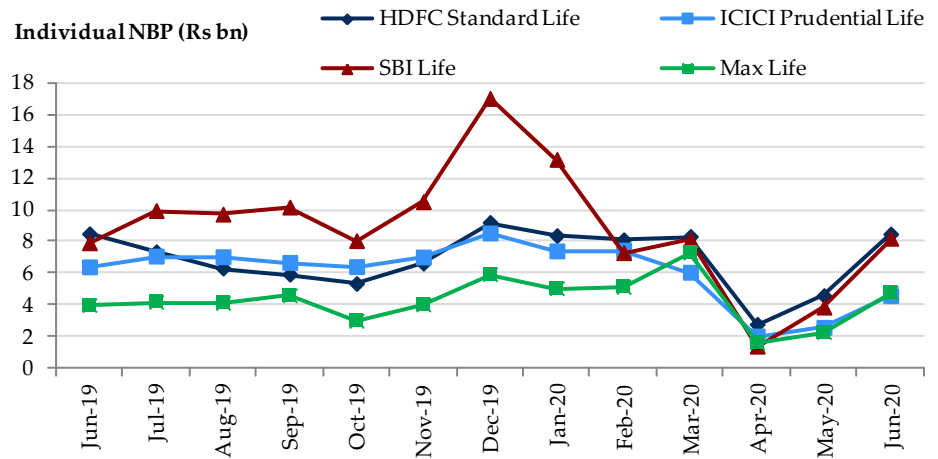
Source: IRDAI, HSIE Research

**Individual APE of top players for last 13 months**



Source: IRDAI, HSIE Research

**Individual NBP of top players for last 13 months**



Source: IRDAI, HSIE Research



**Agency to be key:**

- Agency, historically also, sells higher-margin products- PAR/NPAR (protection and savings) vs. ULIP.
- With 31% of APE from proprietary channels, we expect MAXL to deliver strong numbers. For 1QFY21TD the decline in total NBP has been only 1.1% vs. other private sector insurers' NBP decline of 25.4%. This outperformance is mainly due to the agency channel.
- We expect SBI LIFE's business to get impacted as parent SBI will be more focused on collections than on new sales.
- We expect large private banks such as HDFCB, ICICIBC, and AXSB to navigate this environment better.

Channel mix (Overall)		IPRU				MAXF				SBI LIFE				HDFCLIFE			
		FY17	FY18	FY19	FY20	FY17	FY18	FY19	FY20	FY17	FY18	FY19	FY20	FY17	FY18	FY19	FY20
		Total APE				Individual APE				New Business Premium				Individual APE			
Bancassurance	%	57.3	52.3	56	51	70.0	72.0	69.6	68.0	53.0	62.0	64.0	60.0	72.0	70.5	64.0	55.0
Agency	%	23.8	25.4	22	21	29.0	27.0	29.8	31.0	22.0	25.0	21.0	20.0	12.0	11.0	13.0	14.0
Direct	%	9.8	13.5	12	13	-	-	-	-	-	-	-	-	5.0	5.0	4.0	9.0
Brokers and others	%	9.1	8.8	11	15	1.0	1.0	1.0	1.0	25.0	13.0	15.0	20.0	11.0	13.5	19.0	22.0
<b>Total</b>	%	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

Source: Company financials and disclosures, HSIE Research

*Within proprietary channel 74% of sales are non-linked vs. just 53% for the banca channel.*

**Max LIFE- Product mix (%)**

Distribution ( indiv. APE basis)	FY17	FY18	FY19	FY20
<b>Proprietary</b>				
PAR	73.0	60.0	58.0	47.0
NPAR Protection	10.0	11.0	14.0	17.0
NPAR Savings	2.0	0.0	3.0	10.0
ULIP	15.0	29.0	26.0	26.0
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>Bancassurance</b>				
PAR	48.0	38.5	34.0	25.0
NPAR Protection	1.0	2.0	2.0	4.0
NPAR Savings	12.0	11.0	12.0	24.0
ULIP	39.0	48.5	52.0	47.0
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: Company, HSIE Research

**IPRU: Product mix (%)**

<u>Distribution (on indiv. APE)</u>	FY15	FY16	FY17	FY18	FY19	FY20
<b>Bancassurance</b>						
ULIP	88.4	88.9	92.1	89.9	93.4	86.7
Par	10.0	9.1	5.3	7.3	2.1	2.2
Non par	-	-	0.4	0.1	0.6	1.8
Protection	1.5	2.0	2.2	2.7	3.9	9.3
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>Agency</b>						
ULIP	78.5	76.4	79.5	81.8	75.3	49.9
Par	19.2	19.6	14.2	13.5	18.1	32.5
Non par	1.0	0.8	2.0	0.4	0.5	7.3
Protection	1.3	3.2	4.3	4.3	6.1	10.3
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>Direct</b>						
ULIP	90.5	84.3	85.4	88.0	79.2	66.7
Par	2.8	7.7	5.0	4.3	5.3	10.7
Non par	4.7	3.6	3.1	2.4	6.4	11.0
Protection	2.0	4.4	6.5	5.3	9.1	11.6
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>Corporate Agents</b>						
ULIP	62.0	47.4	46.5	36.8	28.2	21.9
Par	34.4	49.0	44.1	49.9	49.5	40.0
Non par	2.4	0.5	0.4	0.5	0.6	10.4
Protection	1.2	3.1	9.0	12.8	21.8	27.8
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

Source: Company, HSIE Research

Agency channel is key driver for higher margin PAR / NPAR products.

**SBI LIFE: Product mix (%)**

<u>Distribution (On indiv. APE)</u>	FY17	FY18	FY19	FY20
<b>Bancassurance</b>				
Participating	13.7	24.9	15.9	6.9
Non participating	2.6	1.7	5.6	13.6
Unit linked	83.7	73.4	78.5	79.6
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>Agency</b>				
Participating	27.1	29.5	28.3	21.9
Non participating	1.0	0.8	1.8	8.8
Unit linked	71.9	69.7	69.9	69.4
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>Others</b>				
Participating	50.0	42.9	44.4	27.3
Non participating	25.0	14.3	22.2	36.4
Unit linked	25.0	42.9	33.3	36.4
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

Source: Company, HSIE Research

Of the large private life insurers, agency channel of SBI LIFE sells relatively lower NPAR.

**HDFC LIFE- Product mix (%)**

Distribution (on indiv. APE)	FY17	FY18	FY19	FY20
<b>Bancassurance</b>				
UL	61.0	64.0	67.0	35.0
Par	30.0	26.0	14.0	17.0
Non par savings	8.0	8.0	15.0	44.0
Non par protection	1.0	1.0	2.0	2.0
Non par others	-	1.0	2.0	2.0
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>Agency</b>				
UL	25.5	33.0	26.0	12.0
Par	56.5	48.0	40.0	33.5
Non par savings	5.5	5.0	17.0	39.5
Non par protection	10.5	11.0	12.0	12.0
Non par others	2.0	3.0	5.0	3.0
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>Direct</b>				
UL	47.0	58.0	50.0	33.0
Par	29.0	17.0	8.0	14.0
Non par savings	11.0	9.0	12.0	20.0
Non par protection	6.0	5.0	6.0	4.0
Non par others	7.0	11.0	24.0	29.0
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>Online</b>				
UL	51.0	47.0	43.0	28.0
Par	3.0	1.0	1.0	11.0
Non par savings	1.0	-	15.0	26.0
Non par protection	45.0	52.0	34.0	32.0
Non par others	-	-	7.0	3.0
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>Company</b>				
UL	52.5	57.5	55.0	28.0
Par	34.5	28.5	18.0	19.0
Non par savings	8.0	7.0	15.0	41.0
Non par protection	4.0	5.0	7.0	8.0
Non par others	1.0	2.0	5.0	4.0
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

Source: Company, HSIE Research

*For HDFC LIFE: PAR and NPAR account for 88% of agency sales vs. 65% that of bancassurance.*

*72% of corporate business is PAR + NPAR.*

- **Hardening reinsurance rates.** Indian life insurers are witnessing a hardening of term reinsurance premiums. Companies are reworking rates for end consumers while trying to ensure the hit to their margins is minimal. Amongst the companies, SBI LIFE is likely to get least impacted as it was charging higher rates vs. competitors. HDFC LIFE/IPRU/MAXL are re-pricing their term products to maintain margins. Higher term rates may impact volumes in FY21E.
  - SBI LIFE was most likely paying higher reinsurance costs and, hence, rates for the company are not expected to go up substantially. Correspondingly, the company will not be increasing rates to the extent other competitors are likely to.
  - IPRU: The company intends to maintain absolute VNB between its limited pay and pure term variants; as a result of this, protection margins may come off a bit.

## Life Insurance Comps

	Unit																
Bloomberg Ticker		IPRU				MAXF				SBILIFE				HDFCLIFE			
Rating		ADD				BUY				BUY				Not Rated			
Current market price	Rs	417				562				860				593			
Market Capitalisation	Rs bn	599				193				860				1,192			
Target price	Rs	460				620				975				540*			
Upside/(Downside)	%	10.2				10.4				13.3				(6.3)			
<b>Profitability</b>		FY19	FY20	FY21E	FY22E	FY19	FY20	FY21P	FY22E	FY19	FY20	FY21E	FY22E	FY19	FY20	FY21E	FY22E
VNB Margin	%	17.0	21.7	23.4	24.4	21.7	21.6	21.8	22.4	19.8	20.7	21.0	21.6	24.6	25.9	27.3	27.7
Total RoEV	%	19.6	8.4	13.6	15.2	27.5	16.7	13.8	16.9	18.9	16.8	13.4	15.1	22.5	12.7	15.6	16.6
Operating RoEV	%	20.2	15.2	13.6	15.2	22.4	20.3	13.8	16.9	17.7	20.0	13.4	15.1	20.1	18.2	15.6	16.6
Non-operating RoEV	%	-0.6	-6.8	0.0	0.0	5.1	-3.5	0.0	0.0	1.2	-3.2	0.0	0.0	2.4	-5.5	0.0	0.0
RoE	%	17.1	15.5	18.4	17.8	21.0	19.5	19.5	19.6	19.2	17.4	20.1	21.6	24.6	23.5	24.4	26.8
<b>Valuation at CMP</b>		FY19	FY20	FY21E	FY22E	FY19	FY20	FY21P	FY22E	FY19	FY20	FY21E	FY22E	FY19	FY20	FY21E	FY22E
P/EV	x	2.8	2.6	2.3	2.0	3.1	2.1	2.4	2.1	3.6	3.1	2.7	2.4	6.5	5.8	5.1	4.4
P/EVOP	x	15.8	18.2	19.2	15.2	19.6	13.0	20.0	14.4	24.2	18.1	23.3	18.2	39.0	35.9	37.1	30.6
Implied P/VNB	x	31.0	23.9	24.0	18.6	30.1	16.8	21.7	17.9	34.3	28.1	29.8	23.8	67.5	52.6	58.5	48.5
Implied P/VIF	x	4.2	3.9	3.6	3.3	6.0	3.9	3.6	3.2	5.7	4.9	4.4	4.0	9.6	8.9	7.9	7.0
P/B	x	8.7	8.0	6.8	6.0	10.0	9.0	7.5	6.7	11.5	9.7	7.9	6.6	21.1	17.0	14.6	12.3
P/E	x	52.2	53.8	39.9	35.8	49.8	49.2	43.7	39.2	64.8	60.5	43.3	33.3	93.6	80.2	64.3	49.8
P/AUM	x	0.4	0.4	0.3	0.3	0.4	0.3	0.3	0.3	0.6	0.5	0.5	0.4	0.9	2.0	0.8	0.7
<b>Valuation at TP</b>		FY19	FY20	FY21E	FY22E	FY19	FY20	FY21P	FY22E	FY19	FY20	FY21E	FY22E	FY19	FY20	FY21E	FY22E
P/EV	x	3.1	2.9	2.5	2.2	3.4	2.3	2.7	2.3	4.1	3.5	3.1	2.7	6.0	5.3	4.7	4.0
P/EVOP	x	17.4	20.1	21.1	16.8	21.6	14.3	22.1	15.9	27.5	20.6	26.4	20.6	36.3	33.4	34.6	28.4
Implied P/VNB	x	35.6	27.7	27.9	21.9	34.4	19.9	25.2	21.1	40.3	33.3	35.7	28.9	62.4	48.4	53.8	44.5
Implied P/VIF	x	4.6	4.3	4.0	3.6	6.6	4.3	4.0	3.6	6.4	5.6	5.0	4.5	8.9	8.2	7.3	6.4
P/B	x	9.6	8.8	7.5	6.6	11.0	9.9	8.2	7.4	13.1	11.0	9.0	7.5	19.7	15.9	13.6	11.4
P/E	x	57.5	59.3	44.0	39.4	55.0	54.3	48.2	43.2	73.5	68.6	49.1	37.8	87.3	74.8	60.0	46.4
P/AUM	x	0.4	0.4	0.4	0.3	0.2	0.3	0.2	0.2	0.7	0.6	0.5	0.4	0.8	1.8	0.8	0.5
<b>Per Share data</b>		FY19	FY20	FY21E	FY22E	FY19	FY20	FY21P	FY22E	FY19	FY20	FY21E	FY22E	FY19	FY20	FY21E	FY22E
EV	Rs	151	160	181	206	183	270	231	264	237	276	313	357	91	102	116	134
EVOP	Rs	26	23	22	27	34	49	28	39	36	47	37	47	15	16	16	19
VNB	Rs	9	11	11	13	17	24	17	18	19	22	20	23	8	10	8	10
VIF	Rs	99	106	115	128	120	184	155	173	152	175	193	217	62	67	75	85
Book Value	Rs	48	52	61	70	56	62	75	84	75	89	109	131	28	35	40	48
Earnings	Rs	8	8	10	12	11	11	13	14	13	14	20	26	6	7	9	12
AUM	Rs	1,117	1,143	1,240	1,432	1,278	1,854	1,728	1,976	1,393	1,588	1,869	2,185	622	298	737	859
ANW	Rs	51	55	65	78	77	90	107	127	86	110	129	149	29	36	41	49

Source: Company financials and disclosures, HSIE Research

	Unit	IPRU				MAXF				SBILIFE				HDFCLIFE			
Bloomberg Ticker		FY19	FY20	FY21E	FY22E	FY19	FY20	FY21P	FY22E	FY19	FY20	FY21E	FY22E	FY19	FY20	FY21E	FY22E
APE	Rs bn	78.0	73.8	65.8	75.0	39.5	41.5	37.3	40.5	96.9	107.4	93.3	106.2	60.5	71.6	61.7	71.2
VNB	Rs bn	13.3	16.1	15.4	18.3	8.6	9.0	8.1	9.1	19.2	22.2	19.6	22.9	15.4	19.2	16.8	19.7
Total EVOP	Rs bn	36.8	18.1	31.3	39.3	16.8	18.1	13.8	19.2	35.5	47.4	36.9	47.3	34.2	23.2	32.1	39.0
Operating EVOP	Rs bn	38.0	32.9	31.3	39.3	16.8	18.1	13.8	19.2	35.5	47.4	36.9	47.3	30.6	33.2	32.1	39.0
Non-operating EVOP	Rs bn	(1.2)	(14.8)	0.0	0.0	3.9	(3.2)	0.0	0.0	2.5	(7.6)	0.0	0.0	3.6	(10.0)	0.0	0.0
EV	Rs bn	216	230	259	296	90	100	114	130	237	276	313	357	183	207	235	270
Net worth	Rs bn	69	75	88	101	28	31	37	41	75	89	109	131	56	70	82	97
Net Profit	Rs bn	11.5	11.1	15.0	16.8	5.5	5.6	6.3	7.0	13.3	14.2	19.9	25.8	12.7	14.9	18.5	23.9
AUM	Rs bn	1,604	1,640	1,780	2,056	628	685	849	971	1,393	1,588	1,869	2,186	1,255	1,273	1,488	1,733
<b>Growth YOY</b>		<b>FY19</b>	<b>FY20</b>	<b>FY21E</b>	<b>FY22E</b>	<b>FY19</b>	<b>FY20</b>	<b>FY21P</b>	<b>FY22E</b>	<b>FY19</b>	<b>FY20</b>	<b>FY21E</b>	<b>FY22E</b>	<b>FY19</b>	<b>FY20</b>	<b>FY21E</b>	<b>FY22E</b>
APE	%	0.1	(5.4)	(10.9)	14.0	21.6	5.0	(10.1)	8.5	13.5	10.8	(13.1)	13.8	12.0	18.4	(13.9)	15.4
VNB	%	3.3	20.9	(4.1)	18.9	30.5	4.8	(9.4)	11.5	22.3	15.6	(11.7)	17.1	20.3	24.6	(12.2)	17.1
Total EVOP	%	(3.0)	(50.7)	72.5	25.8	29.5	8.0	(23.8)	38.7	13.5	33.5	(22.1)	28.2	16.3	(32.2)	38.5	21.4
Operating EVOP	%	3.2	(13.4)	(4.9)	25.8	29.5	8.0	(23.8)	38.7	13.5	33.5	(22.1)	28.2	14.2	8.5	(3.2)	21.4
Non-operating EVOP	%	(208.9)	NM	NM	NM	(921.1)	NM	NM	NM	(238.9)	NM	NM	NM	38.5	NM	NM	NM
EV	%	15.1	6.5	12.6	13.9	19.7	11.2	13.8	14.2	17.7	16.8	13.4	13.9	20.2	12.9	13.7	14.9
Net worth	%	4.5	9.7	16.3	14.8	2.9	11.0	20.6	10.9	17.0	19.1	22.4	20.2	20.0	24.0	16.5	18.6
Net Profit	%	(29.3)	(2.9)	34.6	11.7	5.1	1.2	12.7	11.5	15.3	7.2	39.7	29.9	16.2	16.7	24.6	29.2
AUM	%	15.0	2.3	8.5	15.5	20.2	9.0	24.0	14.3	21.7	14.0	17.7	16.9	17.8	1.4	17.0	16.5

\*Fair Value

		IPRU				MAXF				SBILIFE				HDFCLIFE			
APE mix		FY17	FY18	FY19	FY20	FY17	FY18	FY19	FY20	FY17	FY18	FY19	FY20	FY17	FY18	FY19	FY20
Individual	Rs bn	65.2	75.8	74.4	67.9	26.4	32.2	39.2	41.2	60.2	77.9	90.8	99.0	37.4	48.9	52.0	61.4
Group	Rs bn	1.1	2.1	3.7	5.9	0.2	0.3	0.3	0.3	5.8	7.5	6.1	8.5	3.5	6.3	10.6	12.7
<b>APE (Rs bn)</b>	<b>Rs bn</b>	<b>66.3</b>	<b>77.9</b>	<b>78.0</b>	<b>73.8</b>	<b>26.6</b>	<b>32.5</b>	<b>39.5</b>	<b>41.5</b>	<b>66.0</b>	<b>85.4</b>	<b>96.9</b>	<b>107.5</b>	<b>40.9</b>	<b>55.2</b>	<b>62.6</b>	<b>74.1</b>
YoY Growth	%	30	18	0	(5)	26	22	22	5	35	29	13	11	13	35	13	18
CAGR 3 years	%			15	4			22	15			26	-			20	22
CAGR 5 years	%			19	10			31	28			25	-			20	18
<b>Business mix-product wise</b>		<b>FY17</b>	<b>FY18</b>	<b>FY19</b>	<b>FY20</b>	<b>FY17</b>	<b>FY18</b>	<b>FY19</b>	<b>FY20</b>	<b>FY17</b>	<b>FY18</b>	<b>FY19</b>	<b>FY20</b>	<b>FY17</b>	<b>FY18</b>	<b>FY19</b>	<b>FY20</b>
		<b>Total APE</b>				<b>Total APE</b>				<b>Total APE</b>				<b>Total APE</b>			
<b>Individual</b>	%	<b>98.4</b>	<b>97.3</b>	<b>95.3</b>	<b>92.0</b>	<b>97.0</b>	<b>96.0</b>	<b>96.0</b>	<b>95.0</b>	<b>89.5</b>	<b>92.5</b>	<b>93.7</b>	<b>92.1</b>	<b>89.3</b>	<b>88.4</b>	<b>83.1</b>	<b>82.9</b>
PAR	%	9.6	10.9	8.6	12.7	54.0	43.0	39.5	30.5	16.6	24.4	18.7	10.9	31.2	24.8	15.0	15.7
Non-PAR	%	1.1	0.5	0.9	4.2	9.0	8.0	9.0	18.0	0.7	0.8	0.4	6.9	8.0	8.0	16.6	37.3
ULIP	%	84.1	81.9	79.6	64.7	30.0	41.0	41.5	38.5	70.9	66.5	70.8	69.6	46.4	51.3	45.7	23.2
Protection	%	3.6	4.0	6.2	10.4	4.0	4.0	6.0	8.0	1.2	0.7	3.8	4.7	3.6	4.4	5.8	6.6
<b>Group</b>	%	<b>1.6</b>	<b>2.7</b>	<b>4.7</b>	<b>8.0</b>	<b>3.0</b>	<b>4.0</b>	<b>4.0</b>	<b>5.0</b>	<b>10.5</b>	<b>7.5</b>	<b>6.3</b>	<b>7.9</b>	<b>10.7</b>	<b>11.6</b>	<b>16.9</b>	<b>17.1</b>
Savings	%	1.3	1.0	1.6	3.3	NA	NA	NA	NA	5.5	2.8	3.3	3.7	6.5	4.7	6.0	6.6
Protection	%	0.3	1.7	3.1	4.7	3.0	4.0	4.0	5.0	5.1	4.7	3.0	4.2	4.2	6.9	10.9	10.6
<b>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>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Channel mix (Overall)</b>		<b>FY17</b>	<b>FY18</b>	<b>FY19</b>	<b>FY20</b>	<b>FY17</b>	<b>FY18</b>	<b>FY19</b>	<b>FY20</b>	<b>FY17</b>	<b>FY18</b>	<b>FY19</b>	<b>FY20</b>	<b>FY17</b>	<b>FY18</b>	<b>FY19</b>	<b>FY20</b>
		<b>Total APE</b>				<b>Individual APE</b>				<b>New Business Premium</b>				<b>Individual APE</b>			
Bancassurance	%	57.3	52.3	56.0	51.0	70.0	72.0	69.6	68.0	53.0	62.0	64.0	60.0	72.0	70.5	64.0	55.0
Agency	%	23.8	25.4	22.0	21.0	29.0	27.0	29.8	31.0	22.0	25.0	21.0	20.0	12.0	11.0	13.0	14.0
Direct	%	9.8	13.5	12.0	13.0	-	-	-	-	-	-	-	-	5.0	5.0	4.0	9.0
Brokers and others	%	9.1	8.8	11.0	15.0	1.0	1.0	1.0	1.0	25.0	13.0	15.0	20.0	11.0	13.5	19.0	22.0
<b>Total</b>	%	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

Banca channel partners		ICICIB and SCB				(AXIS, YES, LVB)				SBI, P&SB, SIB, SYB, ALB				HDFCB, RBL, IDFCB, BFL			
AUM		FY17	FY18	FY19	FY20	FY17	FY18	FY19	FY20	FY17	FY18	FY19	FY20	FY17	FY18	FY19	FY20
AUM	Rs bn	1,229	1,395	1,604	1,530	444	522	628	685	977	1,163	1,410	1,604	917	1,066	1,256	1,272
Equity	%	46.8	47.0	48.0	40.0	24.0	22.0	22.0	17.0	23.2	23.0	23.0	21.0	41.0	39.0	38.0	29.0
Debt	%	53.2	53.0	52.0	60.0	76.0	78.0	78.0	83.0	76.8	77.0	77.0	79.0	59.0	61.0	62.0	71.0
Linked	%	71.5	69.9	NA	NA	35.0	33.0	32.0	28.0	54.0	53.0	49.0	49.0	52.0	57.0	NA	NA
Non-linked	%	28.5	30.1	NA	NA	65.0	67.0	68.0	72.0	46.0	47.0	51.0	51.0	48.0	43.0	NA	NA
Solvency ratio		FY17	FY18	FY19	FY20	FY17	FY18	FY19	FY20	FY17	FY18	FY19	FY20	FY17	FY18	FY19	FY20
Solvency	%	281	252	215	194	309	275	242	207	204	206	213	195	192	192	188	184
Market Share		FY17	FY18	FY19	FY20	FY17	FY18	FY19	FY20	FY17	FY18	FY19	FY20	FY17	FY18	FY19	FY20
Individual NBP Private Market Share	%	21.7	20.8	17.3	15.8	10.3	9.9	10.1	10.2	20.2	20.8	20.5	22.4	13.1	14.7	16.2	17.0
Individual APE Private Market Share	%	22.3	20.9	17.6	17.0	9.2	9.0	9.6	9.7	20.7	21.8	22.3	23.2	12.7	13.3	12.5	14.2
VNB Margin		FY17	FY18	FY19	FY20	FY17	FY18	FY19	FY20	FY17	FY18	FY19	FY20	FY17	FY18	FY19	FY20
Margin	%	10.1	16.5	17.0	21.7	18.2	20.2	21.7	21.6	15.7	18.4	19.8	20.7	22.3	23.2	24.6	25.9
Persistency		FY17	FY18	FY19	FY20	FY17	FY18	FY19	FY20	FY17	FY18	FY19	FY20	FY17	FY18	FY19	FY20
13th month	%	85.7	87.8	87.4	85.3	80.0	80.0	83.0	83.0	81.1	83.0	85.1	84.3	80.9	87.0	87.2	90.1
25th month	%	73.9	78.8	78.0	77.4	70.0	72.0	71.0	71.0	73.9	75.2	76.7	77.2	73.3	77.0	80.4	80.2
37th month	%	66.8	68.9	71.3	69.0	60.0	62.0	64.0	63.0	67.4	70.0	71.4	70.1	63.9	71.0	72.0	73.8
49th month	%	59.3	63.6	65.2	66.4	55.0	57.0	58.0	59.0	62.5	63.9	66.4	64.6	58.3	62.0	67.7	67.2
61th month	%	56.2	54.8	57.6	57.4	53.0	53.0	53.0	52.0	67.2	58.4	57.2	59.4	56.8	51.0	52.3	55.0

Source: Company financials and disclosures, HSIE Research

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