

## Insurance Tracker

### Private players' Individual WRP grows ~23% YoY in Feb'21

LIC grew ~9% YoY, private players' market share rises to ~60% over FY21 YTD

- Private players' Individual weighted received premium (WRP) saw a strong rebound (23% YoY) in Feb'21 (v/s 7% YoY in Jan'21), while the industry posted a 17.8% YoY growth and LIC grew at 9.4% YoY. The rebound in private players continued, led by a focus on Non-PAR, with ULIPs seeing a recovery. In FY21 YTD, private players' Individual WRP fell 1.6% YoY. The same for the industry fell 7.5% YoY.
- Among listed players, SBILIFE posted a strong rebound (~53% YoY) in Feb'21 after showing muted trends for many months. IPRULIFE too posted a growth of 6.3% after reporting a consecutive decline for the past 13 months. The resilient performance continued at MAXF, up ~32% YoY. However, the growth momentum in HDFCLIFE slowed, up ~16% YoY (v/s 24% in Jan'21).
- Mid-sized players reported strong growth, with Bajaj Allianz/Kotak Life reporting a growth of 43%/29% YoY. Birla Sun Life/TATA AIA grew ~13%/3.5% YoY.
- LIC reported a growth of ~9% YoY (v/s a decline of 45% YoY in Jan'21) in Individual WRP. During FY21 YTD, LIC's Individual WRP declined 15.2% YoY.
- We expect premium growth to rebound over FY22 after seeing tepid trends, with ULIP showing a revival. Players continue to focus strongly on Non-PAR and Protection segments. Among players, we prefer MAXF and SBILIFE.

### Performance of key private players

The combined market share of listed players – SBILIFE, ICICI Prudential Life, HDFCLIFE, and MAXF – on an individual WRP basis stood ~60% as of Feb'21 (v/s ~63% in FY20). Tata AIA, Bajaj Allianz, and Birla Sun Life are firmly positioned among the 5-7th largest Private Insurers on individual WRP. Among the key listed players, on the basis of individual WRP –

- HDFCLIFE** reported a 16.1% YoY growth (+10.8% YoY in FY21 YTD). Total un-weighted premium grew ~20% YoY (+12.5% YoY in FY21 YTD).
- SBILIFE** saw a strong rebound, with 53.4% YoY growth (-4% YoY in FY21 YTD). Total un-weighted premium grew 61.8% YoY (+16.8% YoY in FY21 YTD).
- IPRULIFE** posted a 6.3% YoY growth (26.9% YoY decline in FY21 YTD). However, total un-weighted premium fell 19% YoY (4.3% YoY dip in FY21 YTD).
- MAXF** reported a 32.1% YoY growth (+13.7% YoY in FY21 YTD). Total un-weighted premium grew 30.7% YoY (+16.8% YoY in FY21 YTD).

### Private players' Individual WRP market share rose to ~64% in Feb'21 (60% in FY21 YTD)

Private players' Individual WRP market share improved ~270bp MoM to ~64% in Feb'21 v/s ~62% in Jan'21. LIC's market share stood at 40% in FY21 YTD. During FY21 YTD, SBILIFE (14%) remained the largest Private Insurer in terms of Individual WRP, followed by HDFCLIFE (9.5%), and IPRULIFE (7.2%). On an un-weighted basis, SBILIFE was the largest Private Insurer with a market share of 7.7%, followed by HDFCLIFE (7.3%), and IPRULIFE (4.6%).

#### Individual WRP and YoY growth (%)

Individual WRP, INR m	Feb'21	YoY gr (%)
<b>Grand Total</b>	<b>71,242</b>	<b>17.8</b>
<b>Total Public</b>	<b>25,436</b>	<b>9.4</b>
<b>Total Private</b>	<b>45,806</b>	<b>23</b>
SBI Life	9,465	53.4
ICICI Prudential	6,246	6.3
HDFC Life	6,189	16.1
Max Life	5,486	32.1
Tata AIA	3,148	3.5
Bajaj Allianz	2,679	43.2
Kotak Life	2,218	28.8
Birla Sun Life	1,655	13.4
PNB Met Life	1,432	11.6

Source: IRDAI, LIC Council, MOFSL

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**Growth in Protection moderates v/s 1HFY21**

After reporting robust growth in the Protection business over 1HFY21, the pace of growth has moderated over the past few months. However, the trend still remains healthy. **For Private Insurers, Individual un-weighted non-single premium grew ~22% YoY in Feb'21, while Individual sum assured declined ~19% YoY.**

**Among listed players**

- **HDFCLIFE** reported a 28% decline in sum assured as against 18% growth in total un-weighted Individual non-single premium.
- **IPRULIFE** reported a 26% dip in sum assured v/s a 2% growth in total un-weighted Individual non-single premium.
- **SBILIFE** reported a 29% growth in sum assured as compared to a 52% growth in total un-weighted Individual non-single premium.
- **MAXF** reported a 1% fall in sum assured v/s 32% growth in total un-weighted Individual non-single premium.

**Exhibit 1: Un-weighted new business premium and growth**

INR m	Feb'21	YoY growth	FY21 YTD	YTD growth	FY20	YoY growth (%)
<b>Grand Total</b>	<b>2,24,252</b>	<b>21.0%</b>	<b>23,48,612</b>	<b>0.6%</b>	<b>25,88,966</b>	<b>20.6</b>
<b>Total Public</b>	<b>1,29,206</b>	<b>24.2%</b>	<b>15,60,686</b>	<b>-3.0%</b>	<b>17,79,771</b>	<b>25.2</b>
<b>Total Private</b>	<b>95,046</b>	<b>16.9%</b>	<b>7,87,926</b>	<b>8.6%</b>	<b>8,09,196</b>	<b>11.5</b>
HDFC Life	18,959	20.0%	1,72,512	12.5%	1,73,963	16.2
SBI Life	17,507	61.8%	1,80,643	16.8%	1,65,918	20.3
ICICI Prudential	17,370	-19.0%	1,08,751	-4.3%	1,23,482	20.4
Max Life	7,318	30.7%	56,137	16.8%	55,836	8.2
Bajaj Allianz	6,929	50.3%	50,213	9.3%	51,787	5.2
Kotak Life	6,403	35.5%	39,819	-8.7%	51,058	28.4
Birla Sun Life	3,604	-12.7%	38,512	21.2%	36,571	-6.6
Tata AIA	3,541	-0.9%	33,529	17.4%	32,411	30.9
PNB Met Life	2,233	27.6%	15,978	0.6%	17,787	5.8

Source: IRDAI, LIC Council, MOFSL

**Exhibit 2: Individual WRP, growth, and market share**

INR m	Feb'21	YoY gr (%)	Market sh (%)	FY21 YTD	YTD gr (%)	Market sh. (%)	FY20	YoY Gr. (%)	Market Share (%)
<b>Grand Total</b>	<b>71,242</b>	<b>17.8</b>	<b>100.0</b>	<b>6,24,274</b>	<b>-7.5</b>	<b>100.0</b>	<b>7,34,885</b>	<b>6.2</b>	<b>100.0</b>
<b>Total Private</b>	<b>45,806</b>	<b>23.0</b>	<b>64.3</b>	<b>3,72,568</b>	<b>-1.6</b>	<b>59.7</b>	<b>4,20,314</b>	<b>4.8</b>	<b>57.2</b>
<b>Total Public</b>	<b>25,436</b>	<b>9.4</b>	<b>35.7</b>	<b>2,51,705</b>	<b>-15.2</b>	<b>40.3</b>	<b>3,14,572</b>	<b>8.3</b>	<b>42.8</b>
SBI Life	9,465	53.4	13.3	87,217	-4.0	14.0	97,711	9.1	13.3
ICICI Prudential	6,246	6.3	8.8	45,065	-26.9	7.2	66,427	-6.4	9.0
HDFC Life	6,189	16.1	8.7	59,389	10.8	9.5	59,646	19.0	8.1
Max Life	5,486	32.1	7.7	40,094	13.7	6.4	40,785	5.2	5.5
Tata AIA	3,148	3.5	4.4	27,049	14.5	4.3	26,918	20.6	3.7
Bajaj Allianz	2,679	43.2	3.8	19,878	17.5	3.2	19,268	10.6	2.6
Kotak Life	2,218	28.8	3.1	13,837	0.4	2.2	16,454	-1.3	2.2
Birla Sun Life	1,655	13.4	2.3	15,959	7.2	2.6	17,018	0.5	2.3
PNB Met Life	1,432	11.6	2.0	11,492	-1.5	1.8	12,964	-5.5	1.8

Source: IRDAI, LIC Council, MOFSL

**Exhibit 3: Market share among private players on un-weighted and individual WRP**

INR m (%)	Un-weighted premiums			Individual WRP		
	Feb'21	FY21 YTD	FY20	Feb'21	FY21 YTD	FY20
<b>Grand Total</b>	<b>2,24,252</b>	<b>23,48,612</b>	<b>25,88,966</b>	<b>71,242</b>	<b>6,24,274</b>	<b>7,34,885</b>
<b>Total Private</b>	<b>95,046</b>	<b>7,87,926</b>	<b>8,09,196</b>	<b>45,806</b>	<b>3,72,568</b>	<b>4,20,314</b>
SBI Life	18.4%	22.9%	20.5%	20.7%	23.4%	23.2%
HDFC Standard	19.9%	21.9%	21.5%	13.5%	15.9%	14.2%
ICICI Prudential	18.3%	13.8%	15.3%	13.6%	12.1%	15.8%
Max Life	7.7%	7.1%	6.9%	12.0%	10.8%	9.7%
Tata AIA	3.7%	4.3%	4.0%	6.9%	7.3%	6.4%
Bajaj Allianz	7.3%	6.4%	6.4%	5.8%	5.3%	4.6%
Birla Sun Life	3.8%	4.9%	4.5%	3.6%	4.3%	4.0%
Kotak Life	6.7%	5.1%	6.3%	4.8%	3.7%	3.9%
PNB Met Life	2.3%	2.0%	2.2%	3.1%	3.1%	3.1%
Canara HSBC OBC	2.0%	2.5%	1.9%	2.9%	2.2%	2.3%

Source: IRDAI, LIC Council, MOFSL

**Exhibit 4: Individual single premium and sum assured trends for key players**

INR m	Individual single premium				Individual single sum assured			
	Feb'21	YoY growth	FY21 YTD	YoY growth	Feb'21	YoY growth	FY21 YTD	YoY growth
<b>Grand Total</b>	<b>29,992</b>	<b>65.4%</b>	<b>3,79,203</b>	<b>30.9%</b>	<b>41,893</b>	<b>56%</b>	<b>3,43,694</b>	<b>31.5%</b>
<b>Total Public</b>	<b>15,636</b>	<b>76.0%</b>	<b>2,63,267</b>	<b>26.2%</b>	<b>12,051</b>	<b>91%</b>	<b>1,16,503</b>	<b>7.2%</b>
<b>Total Private</b>	<b>14,356</b>	<b>55.2%</b>	<b>1,15,936</b>	<b>43.1%</b>	<b>29,842</b>	<b>45%</b>	<b>2,27,191</b>	<b>48.8%</b>
ICICI Prudential	4,371	153.0%	22,317	81.5%	5,554	111%	37,476	42.3%
HDFC Standard Life	2,709	-11.2%	30,428	17.3%	889	-73%	10,056	-36.4%
SBI Life	2,653	118.6%	22,123	47.5%	2,358	64%	19,042	28.0%
Kotak Life	1,774	89.3%	9,517	45.9%	15,975	97%	73,633	65.8%
Max Life	1,272	20.6%	12,757	30.9%	2,684	20%	30,409	37.2%
Tata AIA	288	-27.1%	5,449	35.5%	733	-52%	32,404	118.2%
Canara HSBC OBC	237	-6.9%	3,864	361.0%	272	0%	4,231	332.8%

Source: IRDAI, LIC Council, MOFSL

**Exhibit 5: Individual non-single premium and sum assured trends for key players**

INR b	Individual non-single premium				Individual non-single sum assured			
	Feb'21	YoY growth	FY21 YTD	YoY growth	Feb'21	YoY growth	FY21 YTD	YoY growth
<b>Grand Total</b>	<b>68.2</b>	<b>16.3%</b>	<b>586.4</b>	<b>-9.3%</b>	<b>1,692.1</b>	<b>-5.6%</b>	<b>16,318.9</b>	<b>-8.1%</b>
<b>Total Public</b>	<b>23.9</b>	<b>6.8%</b>	<b>225.4</b>	<b>-18.3%</b>	<b>584.9</b>	<b>35.0%</b>	<b>4,414.3</b>	<b>-26.6%</b>
<b>Total Private</b>	<b>44.4</b>	<b>22.2%</b>	<b>361.0</b>	<b>-2.5%</b>	<b>1,107.2</b>	<b>-18.5%</b>	<b>11,904.6</b>	<b>1.3%</b>
SBI Life	9.2	52.1%	85.0	-4.9%	115.4	29.2%	1,103.0	-10.7%
HDFC Standard Life	5.9	17.7%	56.3	10.5%	163.7	-27.8%	1,936.8	-3.3%
ICICI Prudential	5.8	1.9%	42.8	-29.1%	194.8	-26.0%	1,958.0	-18.2%
Max Life	5.4	32.4%	38.8	13.2%	163.8	-1.2%	1,893.0	21.1%
Tata AIA	3.1	3.9%	26.5	14.2%	175.7	-45.5%	1,698.0	-8.1%
Bajaj Allianz	2.7	43.3%	19.8	17.8%	49.8	20.4%	654.3	139.3%
Kotak Life	2.0	25.3%	12.9	-1.8%	50.9	6.4%	566.8	34.7%
Birla Sun Life	1.6	12.9%	15.8	7.1%	36.7	-15.7%	394.1	-9.5%
PNB Met Life	1.4	10.8%	11.4	-2.2%	34.6	-5.9%	515.5	54.0%

Source: IRDAI, LIC Council, MOFSL

**Exhibit 6: Ratio of Individual non-single sum assured to Individual non-single premium slows down, indicating moderation in Protection trends**

%	FY20	May'20	Jun'20	Jul'20	Aug'20	Sep'20	Oct'20	Nov'20	Dec'20	Jan'21	Feb'21	FY21 YTD
Bajaj Allianz	17	85	98	36	29	23	27	23	18	20	19	33
SBI Life	14	14	14	16	17	14	14	12	10	12	13	13
Tata AIA	81	102	67	67	60	52	56	51	44	53	56	64
HDFC Life	41	54	41	38	35	32	33	27	25	28	28	34
ICICI Prudential	41	75	63	48	65	37	41	41	36	34	34	46
Birla Sun Life	29	30	28	28	25	22	27	27	20	22	22	25
Kotak Life	32	77	61	56	48	47	54	46	33	29	25	44
Max Life	46	107	65	70	54	42	41	38	36	41	31	49
PNB Met Life	30	104	58	60	48	40	43	32	22	26	24	45
<b>Total Private</b>	<b>32</b>	<b>61</b>	<b>45</b>	<b>39</b>	<b>37</b>	<b>29</b>	<b>31</b>	<b>27</b>	<b>23</b>	<b>25</b>	<b>25</b>	<b>33</b>
Total Public	22	10	16	16	17	23	21	22	22	25	25	20
<b>Grand Total</b>	<b>28</b>	<b>35</b>	<b>33</b>	<b>29</b>	<b>29</b>	<b>27</b>	<b>27</b>	<b>25</b>	<b>23</b>	<b>25</b>	<b>25</b>	<b>28</b>

Source: IRDAI, LIC Council, MOFSL

**Exhibit 7: Valuation matrix**

	Rating	M-cap (INR b)	CMP (INR)	TP (INR)	Upside (%)	EVOP (INR b)		EV per share (INR)		VNB margin (%)		Op. RoEV (%)		P/EVOP (x)		P/EV (x)	
						FY22E	FY23E	FY22E	FY23E	FY22E	FY23E	FY22E	FY23E	FY22E	FY23E	FY22E	FY23E
<b>Life Insurance</b>																	
HDFCLIFE	Neutral	1,469	727	650	-11	45.9	54.3	146	171	26.2	26.4	18.4	18.5	32.0	27.0	5.0	4.3
IPRULIFE	Buy	689	480	575	20	41.4	47.9	223	255	27.1	27.7	14.9	15.0	16.6	14.4	2.2	1.9
SBILIFE	Buy	927	927	1,050	13	56.5	69.6	363	431	21.1	21.8	18.4	19.2	16.4	13.3	2.6	2.2
MAXF	Buy	315	913	1,000	10	23.9	27.8	322	380	24.5	24.2	20.3	20.0	20.6	17.7	3.5	3.0

Note: MFS' valuation ratio adjusted for MFS' stake (80%) and holding company discount (20%)

Source: IRDAI, LIC Council, MOFSL

Exhibit 8: Peer comparison of key insurers across various key metrics

INR b Policyholder's A/c	HDFC Life		IPRU Life		SBI Life		Max Life	
	FY20	9MFY20	FY20	9MFY20	FY20	9MFY20	FY20	9MFY20
<b>Net premium income</b>	<b>322.2</b>	<b>252.5</b>	<b>328.8</b>	<b>230.9</b>	<b>403.2</b>	<b>342.1</b>		
First year premium	60.4	44.7	65.1	31.6	98.3	66.8	40.9	29.5
Renewal premium	154.7	121.3	209.4	155.9	240.4	201.7	106.0	76.7
Single premium	111.9	90.8	59.8	48.8	67.6	77.6	15.0	13.0
<b>Shareholder A/c</b>								
<b>PAT</b>	<b>13.0</b>	<b>10.4</b>	<b>10.7</b>	<b>9.0</b>	<b>14.2</b>	<b>9.2</b>	<b>5.4</b>	<b>4.2</b>
<b>APE</b>								
ULIP	17.2	10.7	47.7	19.1	74.8	46.4	15.8	10.0
PAR	11.7	16.3	NA	NA	11.7	6.5	12.4	5.2
Term	4.9	3.3	11.2	7.0	9.6	8.3	5.4	4.9
Non-PAR savings	25.2	14.0	12.5	11.3	7.4	8.3	7.5	10.0
Group	NA	NA	2.5	2.2	4.0	5.3	NA	NA
Annuity	2.5	2.3	NA	NA	NA	NA	NA	NA
<b>Total individual APE</b>	<b>61.5</b>	<b>46.6</b>	<b>NA</b>	<b>NA</b>	<b>99.0</b>	<b>66.0</b>	<b>41.2</b>	<b>30.1</b>
<b>Total APE</b>	<b>71.6</b>	<b>53.8</b>	<b>73.8</b>	<b>39.5</b>	<b>107.5</b>	<b>74.8</b>	<b>41.5</b>	<b>30.4</b>
<b>APE (%)</b>								
ULIP	28.0	23.0	64.7	48.2	69.6	62.0	38.0	33.0
PAR	19.0	35.0	NA	NA	10.9	8.7	30.0	17.0
Term	8.0	7.0	15.1	17.8	8.9	11.1	13.0	16.0
Non-PAR savings	41.0	30.0	16.9	28.5	6.9	11.1	18.0	33.0
Group	NA	NA	3.3	5.5	3.7	7.1	NA	NA
Annuity	4.0	5.0	NA	NA	NA	NA	NA	NA
<b>Distribution mix (%)</b>								
Bancassurance	55.0	63.0	50.8	42.1	64.9	64.4	68.0	69.0
Individual agents	14.0	12.0	21.2	24.1	27.7	24.2	31.0	30.0
Direct	22.0	19.0	12.6	12.6	NA	NA	NA	NA
Broker	9.0	6.0	7.4	8.2	NA	NA	NA	NA
Others	NA	NA	8.0	12.9	7.3	11.4	1.0	1.0
<b>Key Ratios (%)</b>								
<b>Operating ratios</b>								
Total Cost	17.5	16.3	15.9	14.6	9.9	8.5	20.8	21.7
Solvency ratio	184	202	194	226	195	234	207	208
<b>Profitability ratios</b>								
VNB margin	25.9	25.6	21.7	26.0	18.7	19.3	21.6	25.9
RoE	20.8	18.4	15.0	NA	17.4	13.0	20.0	22.0
Op. RoEV	18.2	18.3	15.2	NA	20.5	NA	20.3	18.0
<b>Persistency ratios</b>								
13th Month	90.1	90.7	85.3	85.0	86.1	86.2	83.0	83.0
25th Month	80.2	83.2	77.4	75.9	78.5	79.0	71.0	69.0
37th Month	73.8	73.1	69.0	67.8	71.6	72.9	63.0	61.0
49th Month	67.2	68.7	66.4	65.9	67.3	66.9	59.0	57.0
61st Month	55.0	54.2	57.4	59.6	59.9	61.7	52.0	54.0
<b>Key Metrics (INR b)</b>								
VNB	19.2	14.1	16.1	10.3	20.1	14.5	9.0	7.9
EV	206.3	250.5	230.3	NA	262.9	NA	99.8	117.2
AUM	1,272	1,656	1,530	2,049	1,604	2,095	685	850
Equity portion (%)	29.0	36.0	40.0	46.0	21.0	27.0	17.0	23.1

Source: MOSL, Company

## NOTES

Explanation of Investment Rating	
Investment Rating	Expected return (over 12-month)
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

\*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

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