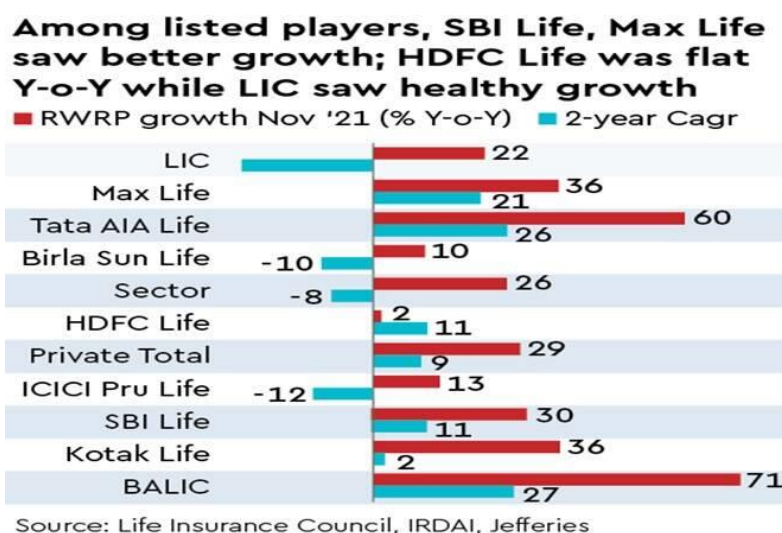


Life insurance: Momentum was sustained in November

13th December, 2021, [Financial Express](#)

Indian Life Insurers saw growth picking up in Nov'21 on favourable base with retail APE up 26% y-o-y (pvt at 29% and LIC at 22%). SBI Life maintained high growth clip (+30%). IPRU Life slowed somewhat to 13% but tracking est, while HDFC Life was soft at 2%. Max Life saw sharp improvement at 36% – product launch helping. Guarantees, annuities & ULIPs have likely stayed strong. Some sequential pickup in retail term is likely but full-fledged growth to be Q4 onwards.



Growth stays strong in Nov'21: Life insurers continued to post healthy y-o-y growth clip in Nov-21, with sector retail APE growing 26% y-o-y – private players continued to lead growing 29% y-o-y with LIC also growing well at 22%. Sequentially too, sector saw positive growth, private players growing at 7% m-o-m and sector at 5%.

SBI Life stays strong, Max Life surprises, IPRU Life in line: Among listed insurers, SBI Life has sustained strong growth (+30% y-o-y) for fifth straight month – likely led by a continued agency push and growth across product lines. Growth for Max Life jumped up sharply to 36%YoY (after 3 months of single digit growth)– new product launch in par segment and continuing push through agency and Axis Bank has likely helped. Growth for IPRU Life was somewhat softer at 13% y-o-y– however its YTD growth is still impressive at 31% and company stays on track for attaining its FY23 VNB guidance. HDFC Life posted a flattish retail APE (up ~2% y-o-y) – somewhat underwhelming, though company is not overly concerned over one month underperformance and base was somewhat high for HDFCL vs peers. Among unlisted insurers, Bajaj and Tata posted healthy 71%/60% y-o-y growth, while Birla was moderate at 10% growth.

Savings products likely stayed strong, credit protect led on term side: By product, we believe non-par savings has likely stayed course with intra month lower short end rates helping. Annuities present structural opportunity and would have contributed fairly to overall growth in Nov'21. ULIPs have also likely remained strong even as capital market was somewhat volatile during the month. On retail term growth would still be mostly a Q4 story post reinsurance price hikes, in our view. Credit protect would have stayed strong on improving disbursement trends.

Strength to sustain in remainder of H2: The premium run rate is likely to stay strong into rest of H2 and should show sequential traction, albeit the favourable base will moderate somewhat in Q4. Reinsurance-driven repricing in retail term protect remains a key monitorable – most players have indicated protecting margins and our discussion with companies and distributors suggest strong demand is likely to absorb the price hike.