**Life insurers' new business premia up 18% in August despite large base**

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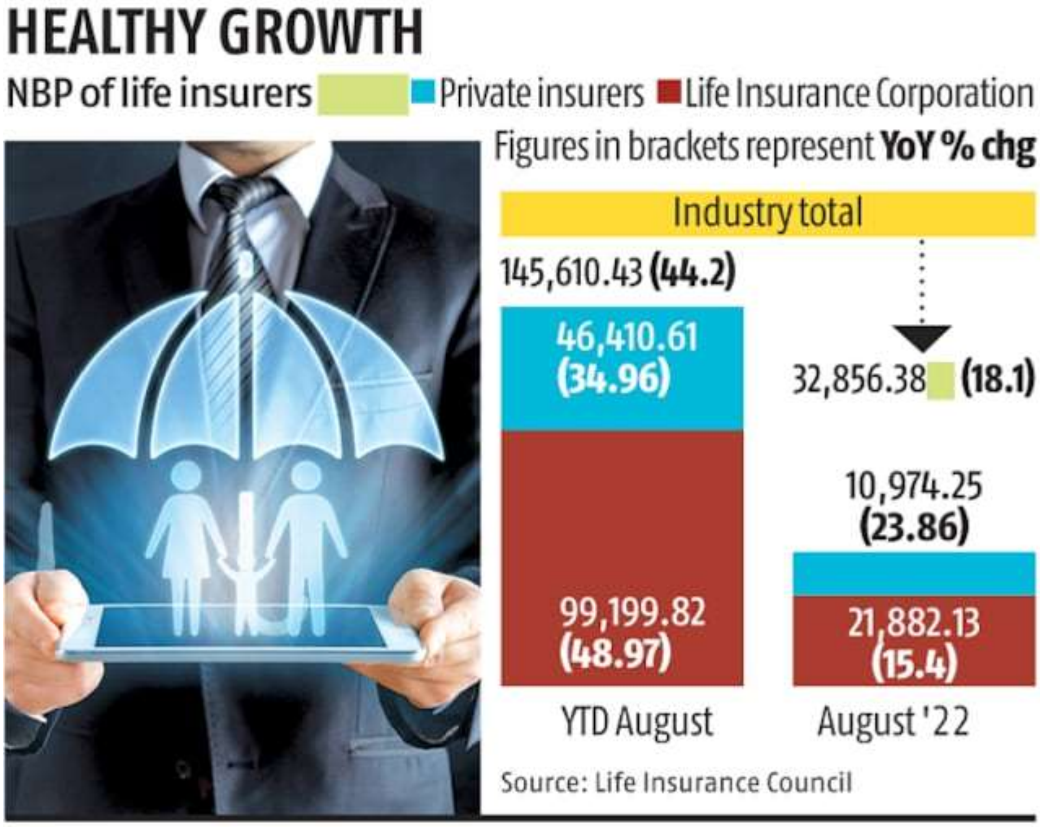
Life insurance companies reported an 18 per cent year-on-year (YoY) growth in new business premia in August, despite a large base, because of healthy growth in premia of private sector insurers.

The data put out by the Life Insurance Council shows life insurer's reported new business premia (NBP) to the tune of Rs 32,856.38 crore in August. While private sector insurers' NBP increased by 24 per cent to Rs 10,974.25 crore, Life Insurance Corporation (LIC) NBP rose 15 per cent to Rs 21,882 crore.




Private insurers witnessed strong growth in premia owing to a healthy rise in group single premia and group yearly renewable premia. LIC's rise in premia was largely due to the increase in group single premia. NBP is the premium acquired from new policies for a particular year. It is the sum of the first-year premium and single premium accounted for during the year.

Brokerage houses earlier flagged that growth in NBP in August will not be as robust as seen in the past few months, primarily owing to a large base. NBP of life insurance companies had seen a jump of 91 per cent year-on-year (YoY) in July.

Among large private sector insurers, ICICI Prudential Life's NBP increased by 11.3 per cent, while HDFC Life's and SBI Life's NBP rose by 16.80 per cent and 21 per cent, respectively.

In FY23, so far, life insurers have reported a 44 per cent YoY increase in premia to Rs 1.45 trillion, with LIC's premium witnessing 49 per cent growth and private insurers growing 35 per cent YoY. In the April-June quarter (Q1FY23), life insurers saw their NBP rise by 40 per cent over the same period a year ago, on account of a lower base.

According to experts, premium growth of life insurers shall remain healthy this year, given it is the first year since the pandemic without any restrictions. While it is expected that demand for term, annuity, and guaranteed products will remain robust, unit-linked products may take a hit, given the volatility in the equity markets.