

Private life insurance companies drive industry's growth in May

FE BUREAU
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THE LIFE INSURANCE industry maintained growth in May, with private players saw the annual premium equivalent (APE) increasing 38% year-on-year. Life Insurance Corporation of India (LIC)'s APE growth was lower than private players at 10% year-on-year at ₹2,149.4 crore in May, according to data from Kotak Institutional Equities Research.

Officials in the insurance industry say in the first two months of this fiscal, growth was more into both traditional as well as unit-lined products, particularly into non-single premiums. "Most large private players reported 20-30% growth in APE; high growth at ICICI Prudential Life (up 100% y-o-y) lifted private sector individual APE growth to 46%; excluding ICICI Prudential Life, the rest of the private sector reported 30% individual APE growth.

LIC remained muted at 5% y-o-y. Overall industry was up 24% in individual APE during the month," said a report from Kotak Institutional Equities Research.

The report also suggests that the average ticket size of most large players in individual non-single segment went up in May. For example, ICICI Prudential Life Insurance's average policy size increased to ₹96,399 last month, compared with ₹63,353 in May 2016. Many others such as Bajaj Allianz, Indi- aFirst Life Insurance and IDBI Federal Life In-

Adjusted life insurance premium collections

(in FY18 YTD)



Insurance companies	Total (₹ cr)	Growth (% , y-o-y)
Bajaj Allianz	216	113
Birla Sun Life	97	15
ICICI Prudential	1,079	117
Kotak Old Mutual	125	28
Reliance Life	87	22
HDFC Life	435	16
Max Life	244	29
LIC	3,600	6

Source: Kotak Institutional Equities

surance witnessed increase in their ticket size.

However, Bharti Axa, Exide Life and Sahara Life saw negative APE in May. "Last year, we had seen growth coming from the group business, but in the first two months of this year, we have seen very strong participation from individual in both single premium and non-single premium policies. Even the performance of LIC was very strong on the individual non-single premium (segment) in May," said a senior official from a leading insurance company.

The research report also said private players reported growth of 52% y-o-y at

₹3,607.7 crore in APE, while LIC saw its growth at just 6% y-o-y at ₹3,600.4 crore in April and May.

According to Kotak Institutional Equities Research, "Max Life remains steady with 22% growth in May 2017; this compares with 25% growth in FY17. Interestingly, its ticket size is reducing – down 11% y-o-y, 19% q-o-q. This may be due to increase in policies in the protection segment and lower share of unit-linked policies. Bajaj Life and Birla SL remained strong with 67% and 32% growth, respectively. Both reported about 35% growth in average ticket size."