

Current Issues of Life Insurance

9th January 2024

Life Insurance - the year gone by

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Member of Life Insurance Advisory Group



Snapshot - Regulation Updates



Snapshot - Regulation Updates



- **Comments**

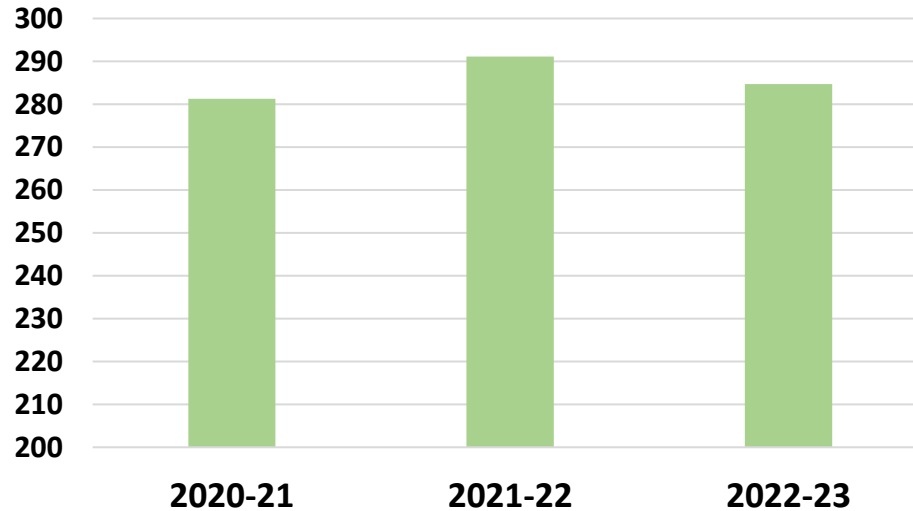
Industry Performance



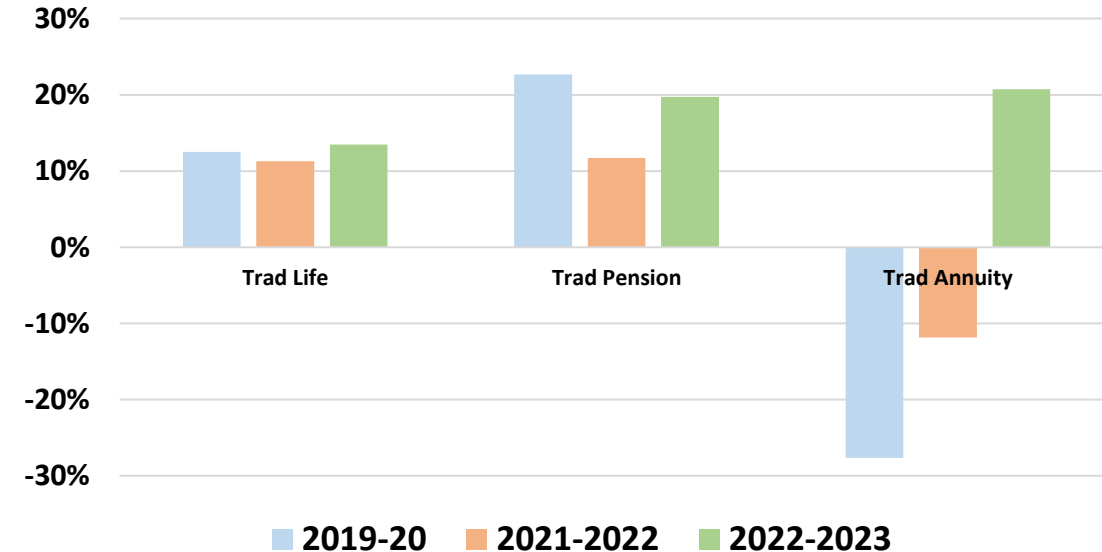
- The YOY growth of FYP was 37% In Year 2021-2022 and -1% in Year 2022-2023
- The YOY growth of RYP was in the range of 8-9% in the last 3 Years
- While the UL grew by 13% and 3% respectively in 2021-22 and 2022-23 the growth of Trad AUM remained stable at 10-11% over this period.

Industry Growth

New Policies Issued (in Lakhs)

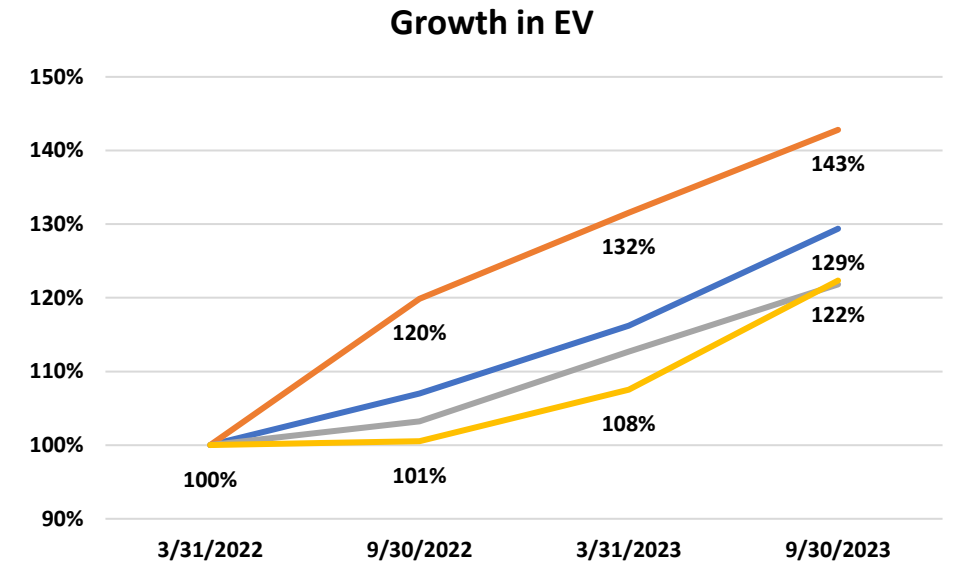
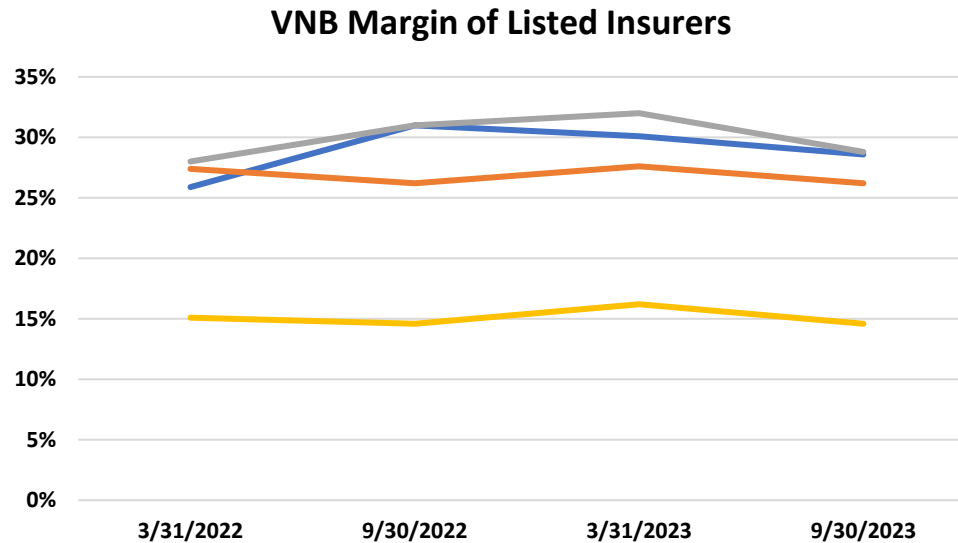


Premium Growth by LoB



- There is a fall in total new policy issued in 2022-23 as compared to previous year.
- Annuity business saw high growth in 2022-23 compared to a downturn in 2021-22 and 2019-20.
- The Non-Par Savings Business grew significantly over last two years.
- Claim settlement ratio: Individual LoB 98.45% in 2022-23, Group LoB 99.35%

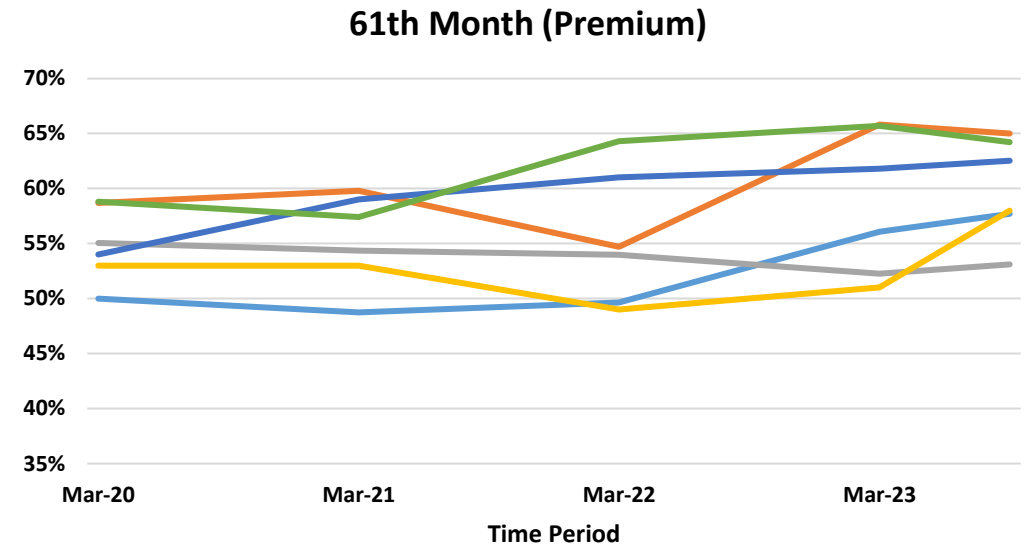
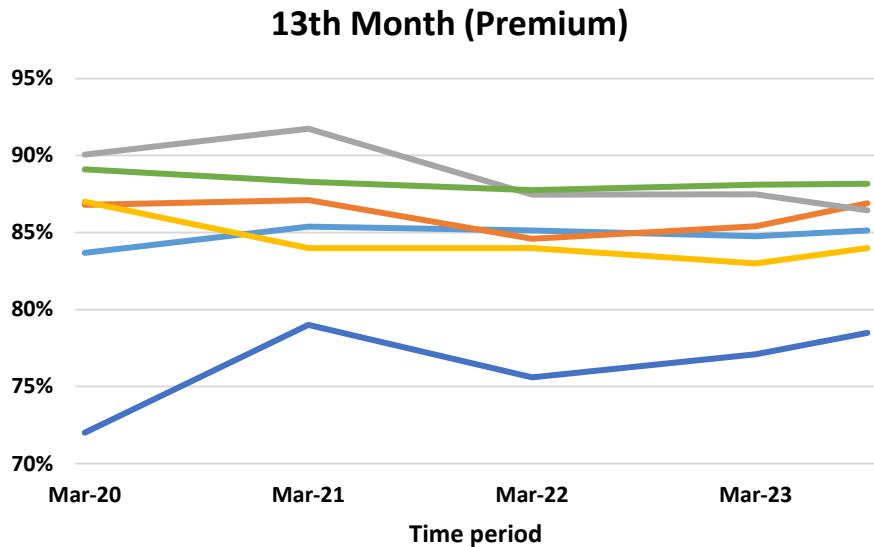
VNB Margin and EV Growth – Listed Co.



While VNB Margin ranges from 15-29% in 09/2023

EV has demonstrated a growth of 122% to 143% between 03/2022 and 09/2023.

Persistency of six major players



- As on September 2023 13th month premium persistency for Individual RP + LPPT ranges from 78-88%
- The 61st month persistency ranges from 53-65%

Economic Drivers



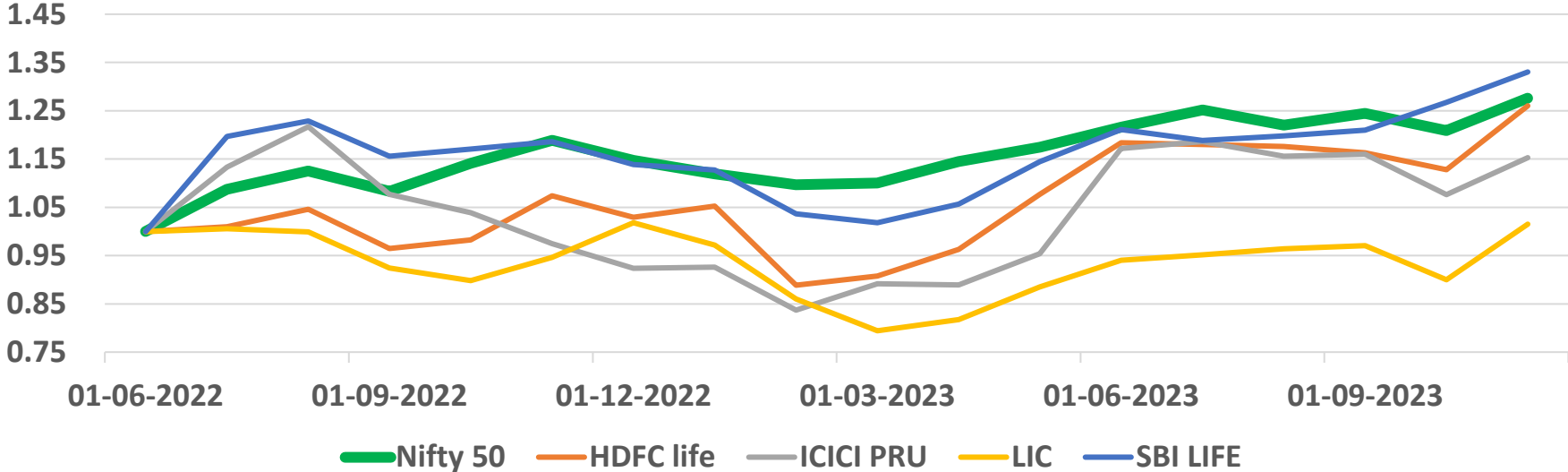
Source: <https://tradingeconomics.com/>

- 10-year G-Sec moved from 6.843% in 31/03/2022 to 7.315% in 31/03/2023 (7.235% in 05/01/2023).
- Nifty return was -1.76% from 31/03/2022 to 31/03/2023 whereas from 31/03/2023 to 31/12/2023 the growth was around 25%.

Nifty Vs Life Insurance Stocks



Nifty vs Life Insurance Stocks



New Entrants and M&A



digit



Sar utha ke jiyoo!



Life Expectancy

Life expectancy, 2021

The period life expectancy at birth, in a given year.

Table Map Chart

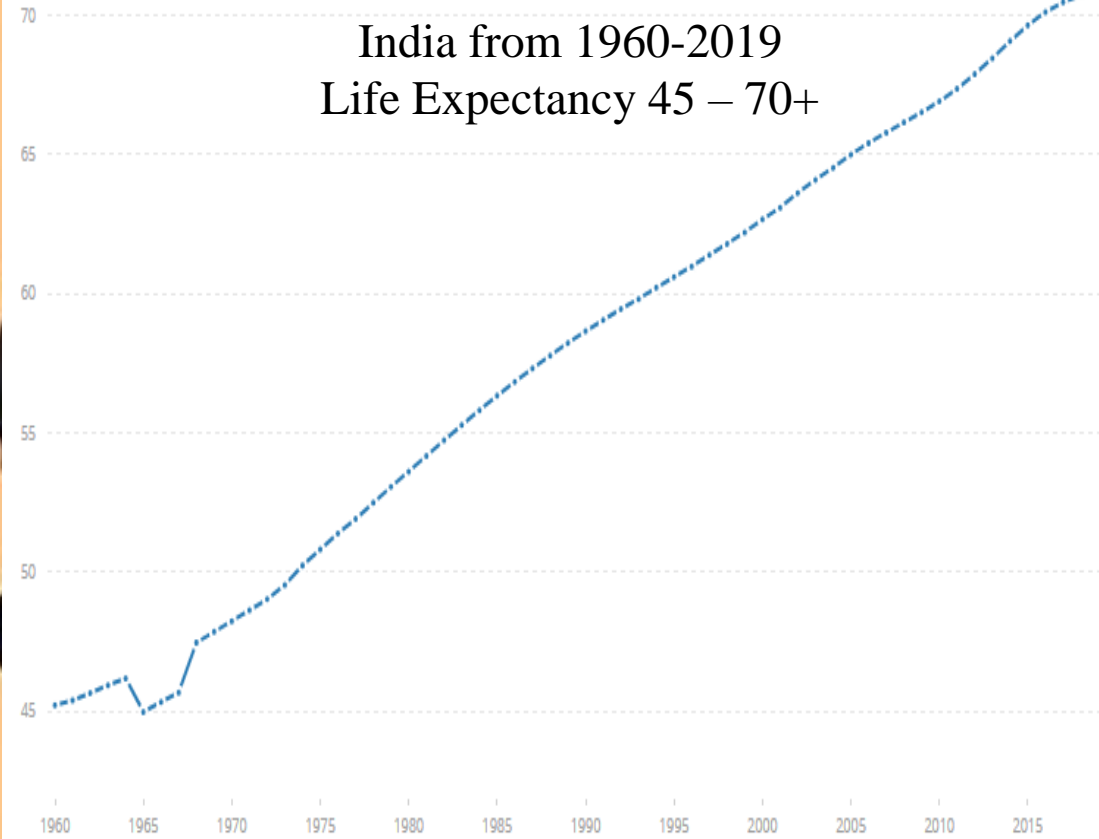
World



No data 40 years 45 years 50 years 55 years 60 years 65 years 70 years 75 years 80 years 85 years

Source: <https://ourworldindata.org>

India from 1960-2019 Life Expectancy 45 – 70+



Source: <https://data.worldbank.org>

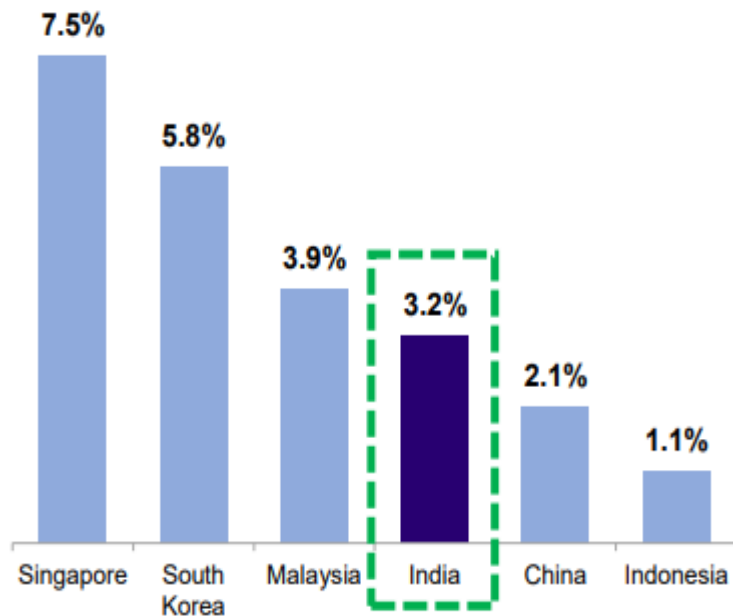
Insuring India by 2047



Current Position

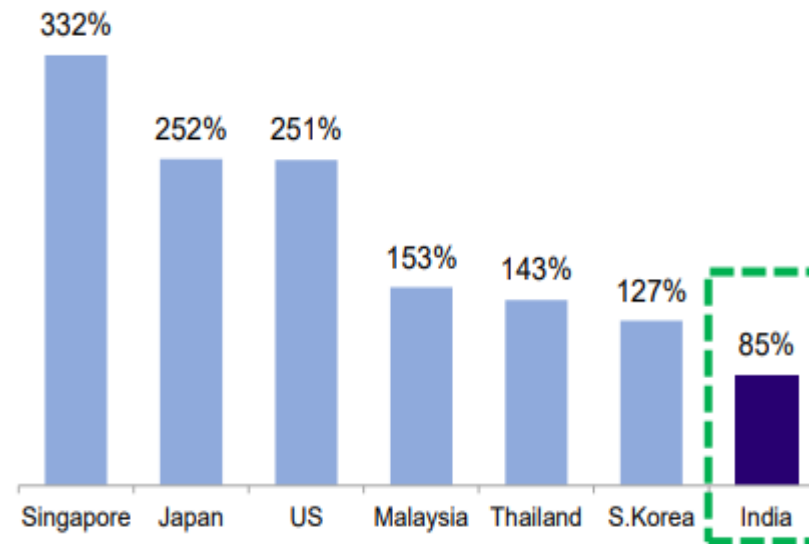


Premium as % of GDP – 2021



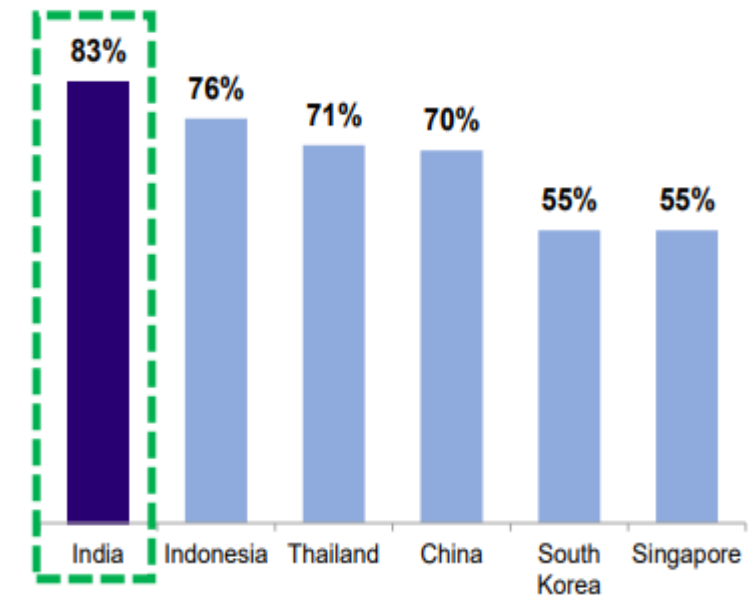
Source: Swiss Re, sigma No 4/2022

Sum Assured as % of GDP



Source: Swiss Re, “Closing Asia’s Mortality Protection Gap 2020”

Protection gap highest amongst peers



McKinsey estimates

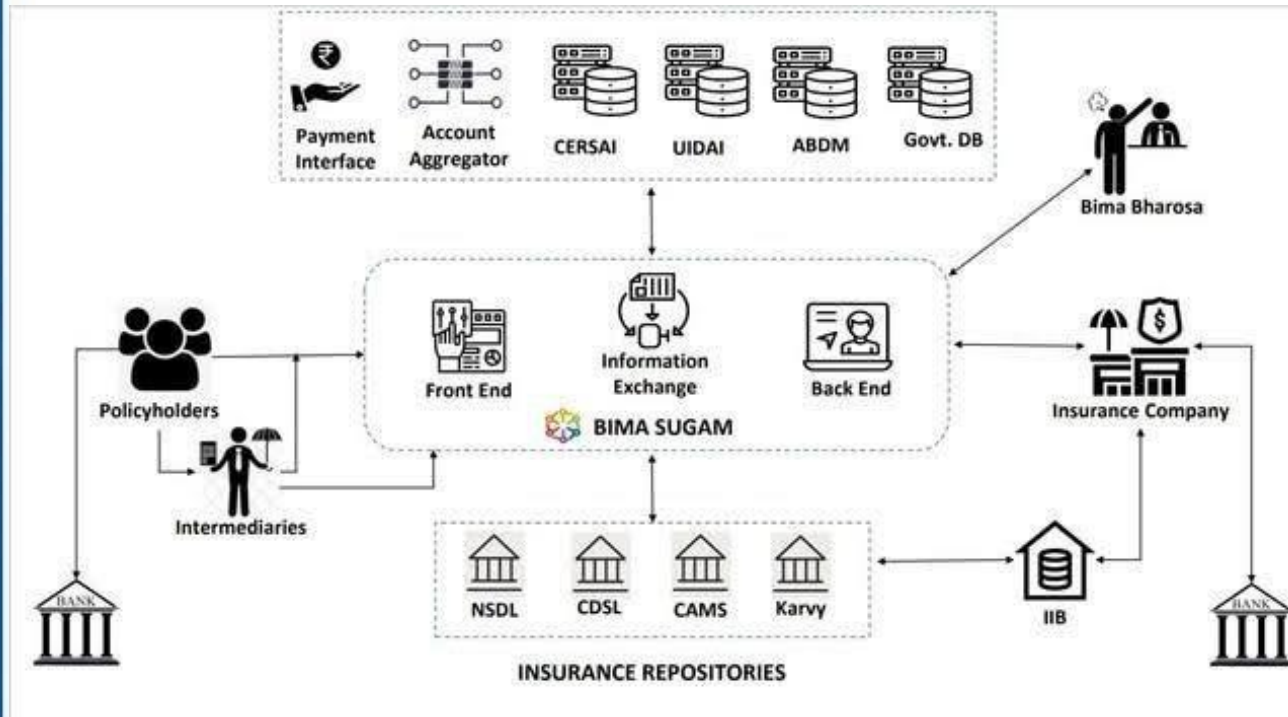
- Life Insurance penetration (premium to GDP ratio) in India is 3% in 2022-23 (3.2% in 2021-22)
- Life insurance density (premium per capita) in 2022-23 is USD 70 (USD 69 in 2021-22).

Regulatory Initiatives - Insuring India by 2047

- Strengthening three pillars
 - Policyholder
 - Right products for right customers
 - Robust grievance redressal mechanism
 - Insurer
 - Promoting ease of doing business
 - Appropriate Regulatory amendments
 - Promoting innovation
 - Intermediaries
 - Increase number of tie ups



New Initiatives



- Bima Sugam

- Electronic market-place empowering all stakeholders in the value chain

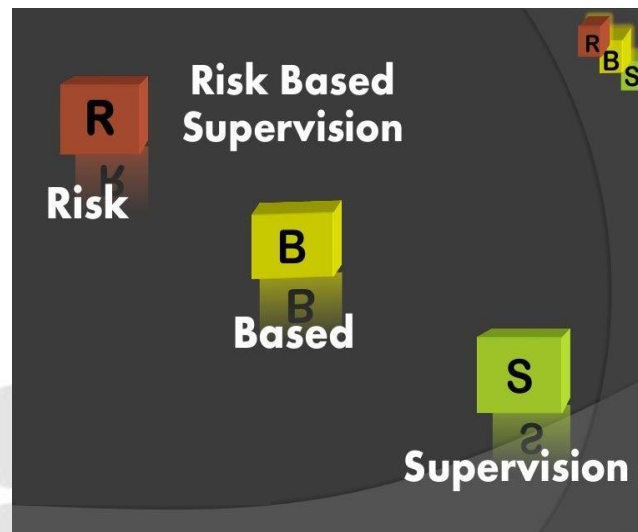
- Bima Vistaar

- Multiline product (life, health, property)

- Bima Vahak

- Tech led women centric distribution

IRDAI Mission Mode



Member Statistics

Student
Member

6618

Associate

251

Fellow

632

Newly
Qualified

56



Changing Distribution



Thank You