

# Life insurers report 33% Q1 growth in new premium

## Life Bureau

**Mumbai, July 12:** The Life insurance industry witnessed a strong growth in new business premium during the first quarter of current financial year. Data from the Life Insurance Council shows that new business premium rose around 33.2% year-on-year for the quarter ended June 30, 2016.

The growth was led by Life Insurance Corporation of India (LIC), which saw its new business premium for the quarter at ₹22,594.55 crore, a surge of 37.53% compared with the previous year.

The new business premi-

um for private players stood at ₹8,798.34 crore during the reviewed quarter, a growth of 23.23%. Officials in the industry say the surge in the premium was largely due to huge participation in unit-linked insurance plans (ULIPs).

The data from the Life Insurance Council also shows that total new business premium of the insurance sector stood at ₹31,392.55 crore for the June quarter, against ₹23,568.88 crore in the year-ago period.

Private players such as HDFC Life, Max Life Insurance and Kotak Mahindra Old Mutual Life Insurance witnessed growth of 23-78%

## New business premium of top life insurers for the quarter ended June 30, 2016

Particular	April-June '16 (₹ in cr)	April-June '15 (₹ in cr)	Difference (%)
LIC	22,594.22	16,428.23	37.53
HDFC Life	1,409.29	1,093.94	28.83
ICICI Prudential	1,258.89	1,220.79	3.12
Bajaj Allianz	579.76	673.41	-13.91
Kotak Mahindra	476.9	386.82	23.29
SBI	1,862.46	1,042.66	78.63
Max Life	569.98	459.14	24.14
<b>Industry total</b>	<b>31,392.55</b>	<b>23,568.88</b>	<b>33.19</b>

Source: Life Insurance Council

for the June quarter. Market participants say in the last few months, there was active participation from all these segments – single premium policies, traditional policies and

group policies.

Rajesh Sud, executive vice chairman and managing director, Max Life Insurance, said, "Max Life reported a significant growth in new sales

in Q1FY17 (Y-o-Y +22%). Growth was broad based and was driven by strong performance across the proprietary channels and company's key partnerships mainly due to improvement in ticket size and efficiency. A prudent strategy resulting in higher sales of long term saving & protection (LTSP) products also contributed to the good performance."

In terms of sales, 47,21,364 policies were sold in the June quarter, up by just 1.66% against 46,44,333 policies sold in the same period a year ago.

Though the industry reported growth in the June quarter, companies such as

Aviva Life Insurance, Bajaj Allianz Life Insurance and Reliance Life among others saw fall in new business premium.

Many players believe that the worst is over for life insurance companies, and they will grow by 15-18% in the current financial year. "June quarter is typically considered a lean period for the life insurance industry as many people buy policies only towards the end of a financial year. But with growth of over 30%, we are sure that the industry can post strong numbers in new premium by the end of current financial year," said a senior official of a top life insurance company.