Analysis of Life Insurance Industry in India

For Canara HSBC Life Insurance

September 2025

Crisil Intelligence

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Crisil Intelligence

Macroeconomic scenario in India

As per IMF, Global economy is witnessing downside risks as major policy shifts take control

As per the International Monetary Fund (IMF) (World Economic Outlook – July(Update) 2025 outlook), global GDP growth is projected at 3% in CY2025 and 3.1% in CY2026 as compared to 2.9% projected in April 2025 for CY2025 and 3.0% projected for CY2026. Global growth numbers have been revised on account stronger-than-expected front-loading in anticipation of higher tariffs result of lower average effective US tariff rates announced in April with improvement in financial conditions along with weaker US dollar and fiscal expansion in some major jurisdictions. Global inflation is projected at 4.2% in CY2025 and 3.6% in CY2026. Furthermore, the risks to inflation remain significant going forward, with tariffs being imposed by US on imports. Real GDP in US grew at an annualised rate of 3.3% for Q2 2025, after decline of 0.5% in Q1 2025. Consumer spending grew modestly by 1.6%, following a weak 0.5% rise in the previous quarter. A surge in imports and business investment, particularly in information processing equipment, suggests firms and households front-loaded purchases in anticipation of tariff-driven price increases. The euro area's GDP rose 1.4 in the second quarter of 2025 compared to 0.6% in first quarter of 2025.

The United States (US) administration announced a host of tariffs on products such as automobile, automobile parts, steel and aluminium in the first three months of CY2025. Alongside the primary tariffs, the US administration has imposed retaliatory tariffs w.e.f. 27th Aug 2025 on India with total 50% tariff to penalise the oil imports from Russia. This can hit the Indian exports to USA who currently constitutes substantial portion of total exports, particularly textile, gems, jewellery, leather, marine, chemicals.

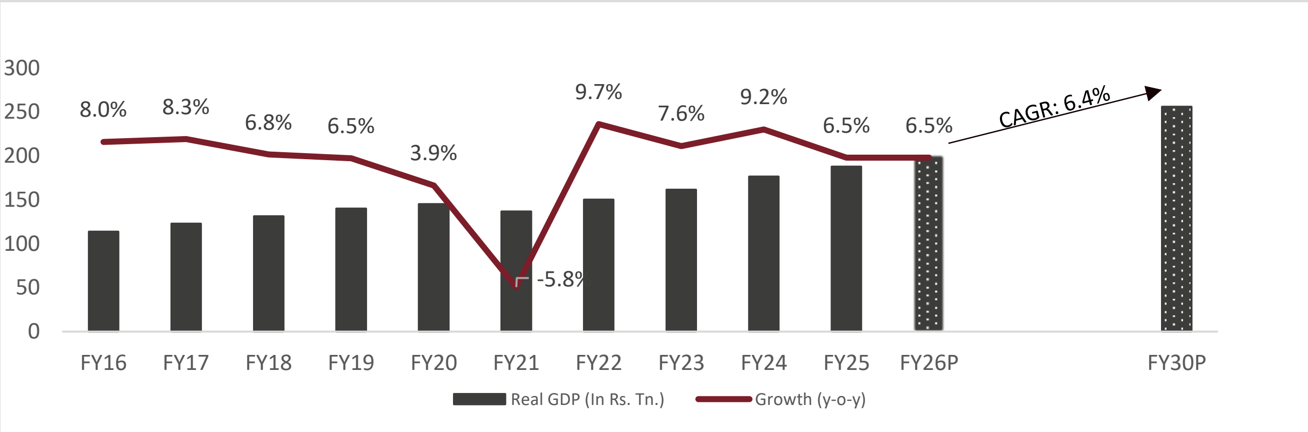
India to remain one of the world's fastest-growing economies

India is expected to remain one of the fastest-growing economies in the world despite challenges posed by global geopolitical instability. In March 2025, the National Statistical Office (NSO), in its second advance estimate of national income, projects the country's real gross domestic product (GDP) to expand 6.5% on-year in Fiscal 2025. Further, GDP growth recorded at 7.8% for Q1FY26. The Indian economy was among the fastest-growing even before the Covid-19 pandemic. In the years leading up to the global health crisis, which disrupted economic activities, the country's economic indicators improved gradually owing to strong local consumption and lower reliance on global demand.

Going forward, the expectation of slower global growth, along with anticipated reciprocal tariffs on India after three months, is likely to exert downside risks to Crisil's 6.5% growth forecast for fiscal 2026. Uncertainty about the duration and frequent changes in tariffs could also hinder domestic investments. Interest rate cuts, income tax relief and easing inflation are expected to provide tailwinds to domestic consumption in Fiscal 2026, while the expected normal monsoon will support agricultural incomes. Moreover, the anticipated decline in global crude oil prices, resulting from a potential global slowdown, is expected to provide additional support to domestic growth.

Private consumption is expected improve further on expectations of healthy agricultural production and cooling food inflation. Softer food inflation should create space in household budgets for discretionary spending. Secondly, the tax benefits announced in Union Budget 2025-2026 and increased allocations towards key asset- and employment generating schemes are expected to support consumption. Easing monetary policy by the Reserve Bank of India (RBI) is expected to support discretionary consumption. Crisil Intelligence expects the RBI's Monetary Policy Committee (MPC) to cut the repo rate by 50-75 bps in Fiscal 2026. The central bank's recent liquidity-easing measures and easier regulations for non-banking financial companies are expected to transmit the benefits from an easier monetary policy to the broader economy. Geopolitics will continue to be the key monitorable, given the wide-ranging changes that the Donald Trump administration is expected to bring about. Exports will have to navigate heightened uncertainties given United States (US) tariffs.

Indian economy expected to grow at 6.5% in Fiscal 2026

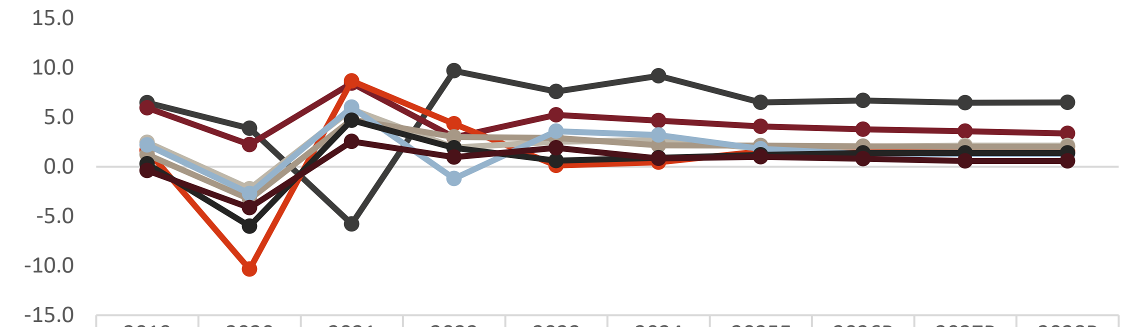


Note: E – estimated, P – projected. GDP growth until Fiscal 2024 is actual. GDP estimate for Fiscal 2025 is based on the NSO's second advance estimates. GDP projection for Fiscal 2026 is based on Crisil Intelligence estimates and that for Fiscals 2026-2029 is based on International Monetary Fund (IMF) estimates

Source: NSO, Crisil Intelligence, IMF (World Economic Outlook – July 2025)

Over the past three fiscals (Fiscals 2023 to 2025), the Indian economy has outperformed its global counterparts by witnessing a faster growth. In the IMF's July 2025 update, it raised the GDP growth forecast for India highlighting India's improved prospect for private consumption particularly in rural areas. Going forward as well, IMF projects that the Indian economy will remain strong and would continue to be one of the fastest growing economies.

India is one of the fastest-growing major economies (real GDP growth, % on-year)



	2019	2020	2021	2022	2023	2024	2025E	2026P	2027P	2028P
India	6.5	3.9	-5.8	9.7	7.6	9.2	6.5	6.7	6.5	6.5
China	6.0	2.2	8.5	3.0	5.2	4.6	4.1	3.8	3.6	3.4
United Kingdom	1.6	-10.4	8.7	4.3	0.1	0.5	1.5	1.7	1.7	1.6
United States	2.5	-2.2	5.8	1.9	2.5	2.7	1.9	2.0	2.1	2.1
Brazil	1.2	-3.3	4.8	3.0	2.9	2.2	2.1	2.1	2.0	2.0
Russia	2.2	-2.7	6.0	-1.2	3.6	3.2	1.8	1.3	1.3	1.3
South Africa	0.3	-6.0	4.7	1.9	0.6	0.9	1.2	1.4	1.4	1.4
Japan	-0.4	-4.1	2.6	1.0	1.9	0.9	1.0	0.8	0.6	0.6

Note: All forecasts refer to IMF forecasts. GDP growth is based on constant prices. Data represented is for calendar years. Growth numbers for India until 2026 are for financial year, 2025 is as per the NSO's second advance estimates for Fiscal 2025. Post Fiscal 2025, all estimates for India are as per the IMF and for calendar years. Data represented for other countries is for calendar years
Source: IMF (World Economic Outlook – July 2025), Crisil Intelligence

India secured the 3rd position in terms of GDP based on purchasing power parity, accounting for a share of 8.2% of the world total, projected to increase to 9.7% in CY 2029.

Country	CY 2024		CY 2029P	
	Gross domestic product based on purchasing-power-parity (PPP) share of world total (%)	Ranking	Gross domestic product based on purchasing-power-parity (PPP) share of world total (%)	Ranking
China	19.1	1	19.6	1
United States	15.0	2	14.3	2
India	8.2	3	9.7	3
Russia	3.6	4	3.2	4
Japan	3.4	5	3.0	5
Germany	3.1	6	2.8	6
Brazil	2.4	7	2.3	8
Indonesia	2.4	8	2.6	7
France	2.2	9	2.1	9
United Kingdom	2.2	10	2.0	10

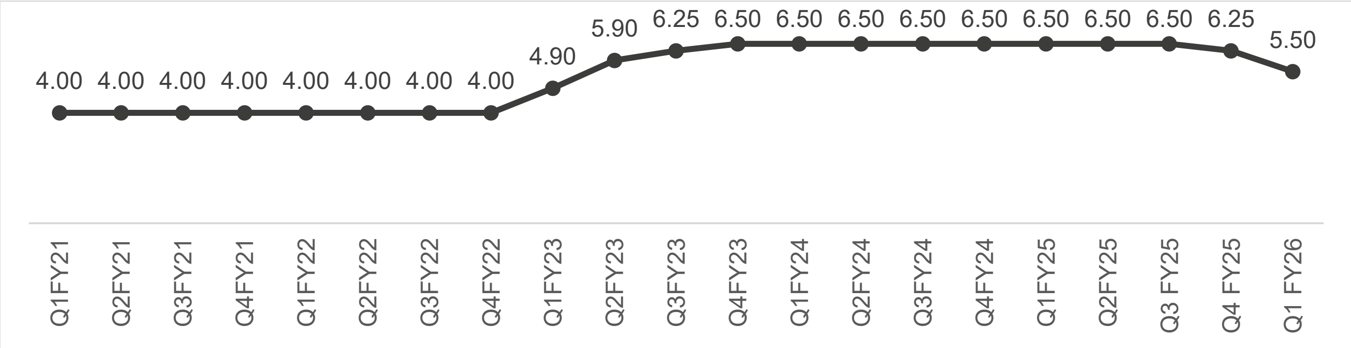
Note: P- Projected, Source: IMF World Economic Outlook-July 2025, Oct Database, Crisil Intelligence

RBI keeps the repo rate at 550 bps and maintained stance to 'neutral' unchanged in the August 2025 Meeting

The Reserve Bank of India's (RBI) Monetary Policy Committee (MPC) had cut key policy rates by 25 basis points (bps) in the policy meeting in April 2025, and by 50 bps in the June 2025 meeting. With inflation softening over the last six months, the MPC is shifting its focus to supporting domestic growth, which faces heightened downside risks following geopolitical tensions and weather-related uncertainties. In India, the repo rate is now 5.50%, standing deposit facility (SDF) rate is 5.25% and marginal standing facility (MSF) rate is 5.75%. Systemic liquidity has been in surplus since the start of this fiscal until July. A 100- bps cut in cash reserve ratio (CRR) between September and December 2025 will further help maintain adequate liquidity.

Other central banks are also in action to support economy; The US Federal Reserve (Fed) reduced the interest rate by 25 bps each in November and December 2024 to 4.25% - 4.50% and is expected to cut rate in upcoming September 2025 FOMC meeting. The Bank of England (BoE) in August 2025 eased the UK interest rate by 25 bps to 4.0% making it fifth consecutive cut since August 2024.

Repo rate in India (%)

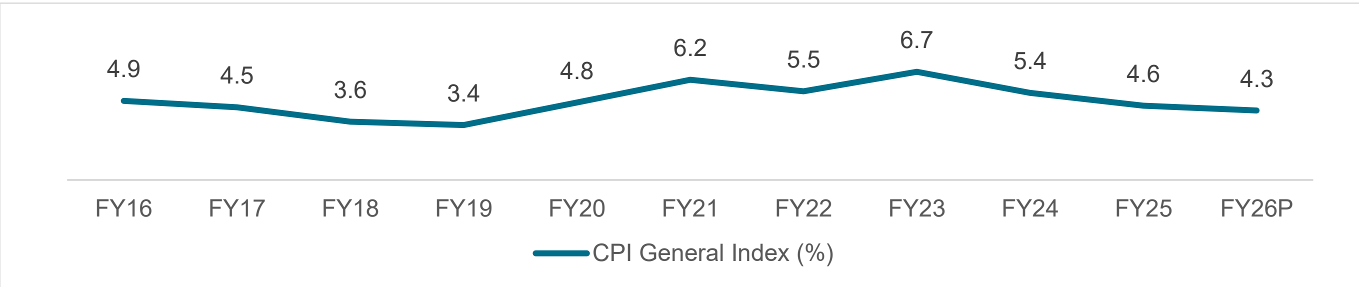


Source: RBI, Crisil Intelligence

Consumer Price Index ("CPI") inflation to average at 4.3% in FY26

Consumer price index (CPI) inflation softened sharply to 4.6% in March 2025 from 5.4% in March 2024 due to easing food inflation and core index. Food inflation eased to 7.3% from 7.5% in March 2024, led by softer inflation in vegetables, pulses and cereals. Core Index has fell sharply to 3.5% from 4.3% mainly owing to easing of housing inflation to 2.8% from 3.9% for the same time period. That said, monthly CPI inflation dropped further in June to 2.1%, the lowest since January 2019 from 2.8% in May as food inflation turned negative and fuel inflation continued easing.US inflation rose to 3.2% in June 2025 from 3% in January 2025 well above the US central bank's target of 2.0%. Crisil Intelligence expects CPI inflation to continue to soften in FY26 to 4.3%.

Inflation to moderate to 4.3% in Fiscal 2026



Note: P = Projected, Source: Crisil Intelligence

Macroeconomic outlook for India (Fiscal 2026)

Macro variables	FY25	FY26P	Rationale for outlook
Real GDP (y-o-y)	6.5%#	6.5%	Lower inflation and RBI's rate cuts are expected to boost growth in Fiscal 2026, assuming a normal monsoon and lower crude oil prices. Any substantial pick up in investment growth will hinge on accelerating private capex. Exports face headwinds from tariff hikes initiated by the US.
Consumer Price Index (CPI) inflation (y-o-y)	4.6%	4 3%	In fiscal 2026, food inflation is expected to ease further supported by a healthy rabi crop, assuming normal southwest monsoon that benefits the kharif crop and expectations of soft global food prices. A high base for food inflation this fiscal will also provide some relief. Non-food inflation could see some more hardening lifted by a low base this fiscal and some impact of a weaker rupee. A sharper-than-expected weakening in the rupee, price shock to global oil prices due to any geopolitical turmoil and risks from climate change could impose upside pressures on the forecast.
10-year Government security yield (Fiscal end)	6.7%	6.3%	Crisil expects yields to ease mildly next fiscal, supported by rate cuts, softer inflation and lower crude oil prices. Crisil expects the RBI to cut interest rates further in fiscal 2026 given softening inflationary pressures. However, risks from currency depreciation and any unforeseen flare-up in food prices could impact the timing of rate cuts
Fiscal Deficit (% of GDP) *	4.8%	4.4%	Fiscal consolidation will be made possible via moderating revenue expenditure thrust even as capex focus is broadly maintained. The budget banks on revenue collection to remain robust.
CAD (Current Account Deficit as % of GDP)	-0.6%	-1.3%	Current account deficit (CAD) is expected to increase owing to headwinds to exports from US tariffs. Lower crude oil prices, healthy services trade balance and robust remittances growth will prevent CAD from widening too much.
Rs/$ (March average)	86.6	87.5	A manageable CAD would mean not much pressure on the rupee but geopolitical shocks could keep the rupee volatile

*P – Projected, # As per NSO second advance estimates *FY24 and FY25 numbers are government's revised and budget estimates; Source: Reserve Bank of India (RBI), National Statistics Office (NSO),* Crisil Intelligence

Maharashtra leads in contributing the highest GDP share, approximately 14% for Fiscal 2024.

Maharashtra held the top position in contributing the highest percentage to the total GDP at a constant prices, accounting for approximately 14% of the GDP, followed by Tamil Nadu. Sikkim exhibited the highest GDP per capita at INR 3.6 lakhs. Assam achieved the highest Compound Annual Growth Rate (CAGR) of 6.6% from FY 2019 to FY 2024.

States	GDSP in INR. Bn. (FY19)	GDSP in INR. Bn. (FY24)	Contribution to GDP	Population in '000 (FY24 P)	Worker Population Ratio (in %)^	GDP Per Capita in INR '000 (FY24)	GDSP CAGR (FY19-FY24)
Maharashtra	19,573.8	24,109.0	13.9%	127,360	57.6	189.3	4.3%
Tamil Nadu	12,046.7	15,713.7	9.0%	77,089	54.7	203.8	5.5%
Gujarat*	11,830.2	14,660.0	8.4%	72,367	61.5	202.6	4.4%
Uttar Pradesh	10,973.5	14,233.6	8.2%	238078	53.9	59.8	5.3%
Karnataka	10,851.0	14,232.3	8.2%	68,115	55.6	208.9	5.6%
West Bengal	7,389.2	9,040.9	5.2%	99,563	56.1	90.8	4.1%
Rajasthan	6,432.8	8,451.2	4.9%	81,897	58.8	103.2	5.6%
Andhra Pradesh	6,266.1	8,208.9	4.7%	53,340	58.6	153.9	5.5%
Telangana	6,084.0	7,929.4	4.6%	38,272	57.7	207.2	5.4%

Delhi	5,653.3	6,722.5	3.9%	21,752	45.8	309.1	3.5%
Madhya Pradesh	5,432.7	6,603.6	3.8%	87,610	63.4	75.4	4.0%
Kerala	5,542.3	6,351.4	3.7%	35,920	50.5	176.8	2.8%
Haryana	5,330.0	6,340.3	3.6%	30,573	44.9	207.4	3.5%
Odisha	3,867.3	5,209.1	3.0%	46,566	58.9	111.9	6.1%
Punjab	3,970.2	4,958.8	2.9%	30,926	50.2	160.3	4.5%
Bihar	3,813.8	4,645.4	2.7%	128,592	47.0	36.1	4.0%
Chhattisgarh	2,445.8	3,219.4	1.9%	30,524	70.1	105.5	5.7%
Assam	2,310.4	3,185.6	1.8%	36,047	54.5	88.4	6.6%
Jharkhand	2,292.7	2,850.7	1.6%	39,963	60.9	71.3	4.5%
Uttarakhand	1,860.8	2,133.8	1.2%	11,755	53.5	181.5	2.8%
Himachal Pradesh	1,164.1	1,428.0	0.8%	7,505	73.8	190.3	4.2%
Jammu & Kashmir	1,150.6	1,384.2	0.8%	13,701	60.7	101.0	3.8%
Goa*	530.6	544.4	0.3%	1,583	45.1	343.9	0.5%
Tripura	367.5	464.6	0.3%	4,184	54.3	111.0	4.8%
Chandigarh*	298.7	338.4	0.2%	1,243	45.6	272.3	2.5%
Meghalaya	237.2	283.4	0.2%	3,379	65.8	83.9	3.6%
Pondicherry	262.1	267.7	0.2%	1,683	49.6	159.0	0.4%
Sikkim	186.2	249.0	0.1%	695	74.0	358.3	6.0%
Manipur*	182.6	222.6	0.1%	3,253	48.7	68.4	4.0%
Mizoram*	161.0	201.7	0.1%	1,250	55.2	161.4	4.6%
Nagaland*	168.7	201.5	0.1%	2,253	69.4	89.5	3.6%
Arunachal Pradesh*	166.7	187.9	0.1%	1,576	64.9	119.2	2.4%
Andaman & Nicobar Islands*	68.7	76.2	0.0%	404	60.0	188.6	2.1%

*Note: *GDSP for FY23, P- Projected, Population taken as per state wise projected population for FY24 by census of India 2011, states arranged basis FY24 GDSP, Constant GDSP is considered, (^) Worker Population Ratio (WPR) (in per cent) according to usual status for each State/UT (Age group: 15 years and above)*
Source: Ministry of Labour & Employment, RBI, Crisil Intelligence

Key structural reforms: Long-term positives for the Indian economy

- Financial inclusion improved significantly with the help of schemes like Pradhan Mantri Jan Dhan Yojana **("PMJDY")**, Pradhan Mantri Jeevan Jyoti Bima Yojana **("PMJJBY")** and Pradhan Mantri Suraksha Bima Yojana **("PMSBY").**
- The GST regime has been stabilizing fast and is expected to bring more transparency and formalization, eventually leading to higher economic growth
- The government has also launched the JAM trinity (Jan Dhan, Aadhar and Mobile) which aims to link Jan Dhan accounts, mobile numbers and Aadhar cards of all Indian nationals to transfer cash benefits directly to the bank account of the intended beneficiary and avoid leakage of government subsidies.
- India Stack, set of digital infrastructure including Aadhar, UPI, Digi locker, e-KYC and e-Sign has enabled many unbanked citizens to access formal financial services, promoting financial inclusion.

- The Insolvency and Bankruptcy Code (IBC) is a reform that will structurally strengthen the identification and resolution of insolvency in India. It attempts to simplify legal processes, preserve value for creditors and provide them with greater certainty of outcome.

- Key initiatives such as SabsePehle life insurance, reducing compliance burden for insurance companies, and permitting 100% FDI in the insurance sector have been implemented to foster the entire insurance ecosystem.

The GST Council has announced the exemption of individual life and health insurance policies from GST, previously taxed at 18%.**Key growth drivers**

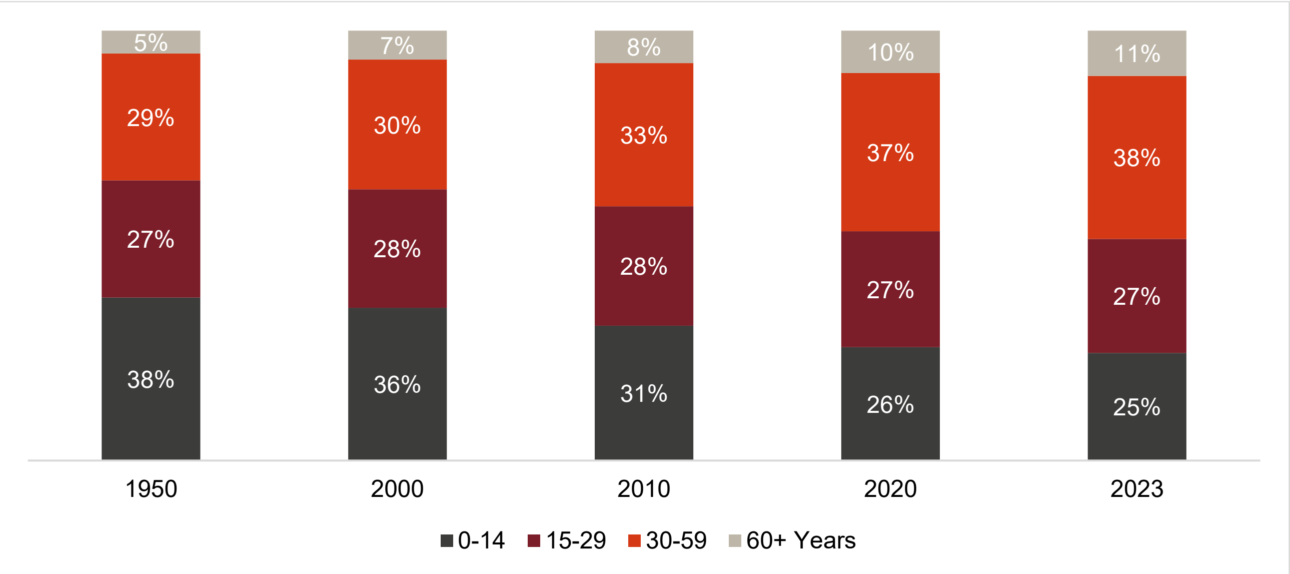
India has the highest young population (15-29 years) with 381.5 million individuals, among the major economies (CY2023)

Country	0-14	15-29	30-59	60+ Years
India	360.3	381.5	545.0	151.2
South Africa	16.5	16.0	24.4	6.3
China	236.0	248.4	659.9	278.4
Brazil	42.1	47.5	88.6	32.9
Russian Federation	25.5	22.4	63.3	34.2
United Kingdom	12.0	12.5	27.0	17.3
United States of America	60.4	67.7	133.8	81.6

Note: Values in millions. Source: World Urbanization Prospects: 2024

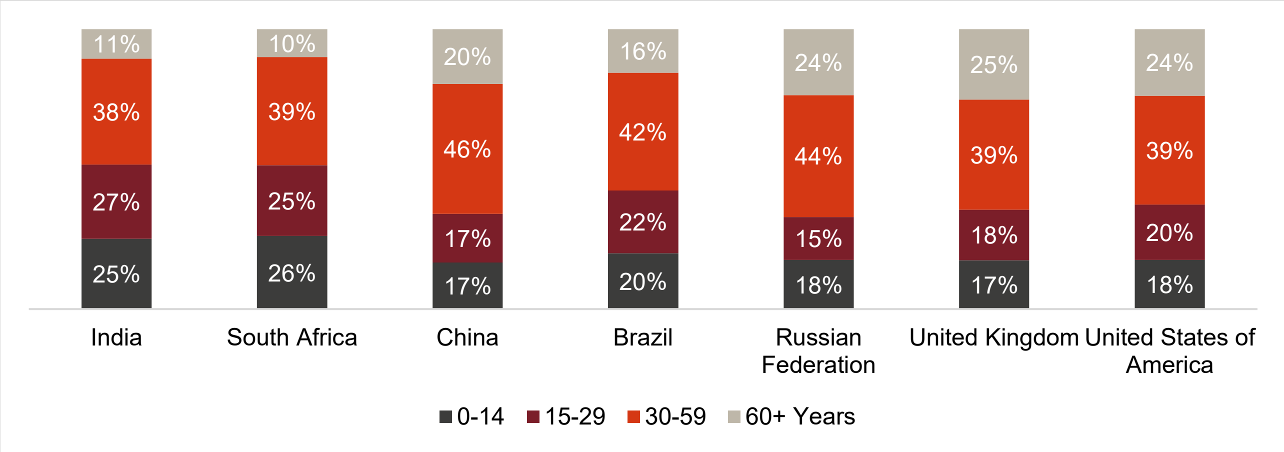
India stands as the nation with the largest population globally, comprising a substantial segment of 381.5 million individuals aged between 15 and 29 years. This demographic presents immense potential for various sectors, including the insurance industry, to tap into a significant market and address the evolving needs of this dynamic age group. As the young population in India increases, the insurable population within the country is also estimated to expand.

Trend in India's Population share (CY)



Source: World Urbanization Prospects 2024

India has the highest share of young population (15-29 years) among the major economies (CY2023)

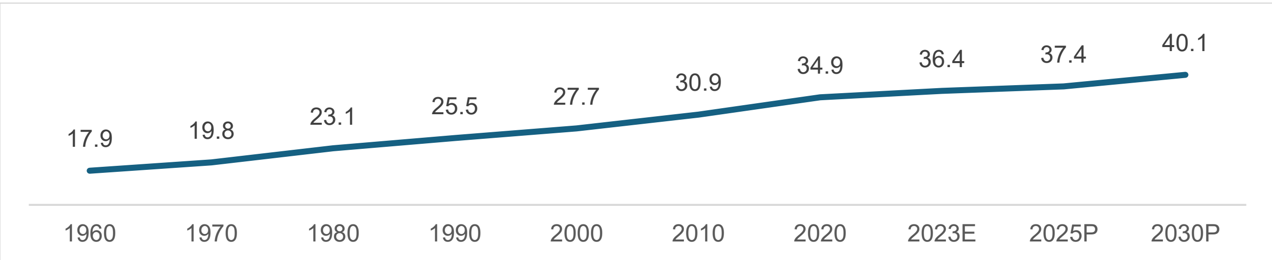


Source: World Urbanization Prospects: 2024

Rising Urbanization

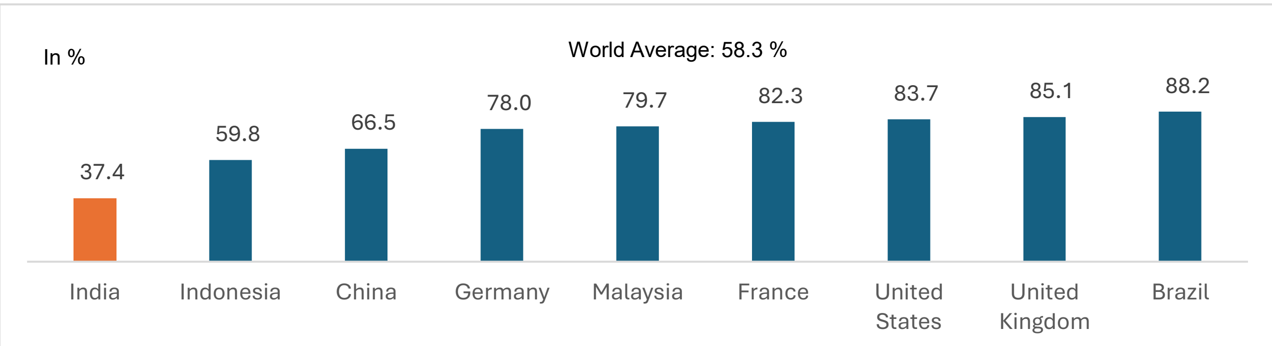
Urbanization is one of India's most important economic growth drivers. It is expected to drive substantial investments in infrastructure development, which in turn is expected to create jobs, develop modern consumer services, and increase the ability to mobilize savings. India's urban population has been rising consistently over the decades. As per the 2018 revision of World Urbanization Prospects, the urban population was estimated at 36% of India's total population in 2023. According to the World Urbanization Prospects, the percentage of the population residing in urban areas in India is expected to increase to 40% by 2030.

Urban population as a percentage of total population (%)



Note: E- Estimated, P – Projected, Figures in percentage, Source: Census 2011, World Urbanization Prospects.

Urban population as a percentage of total population in % (CY 2025P)

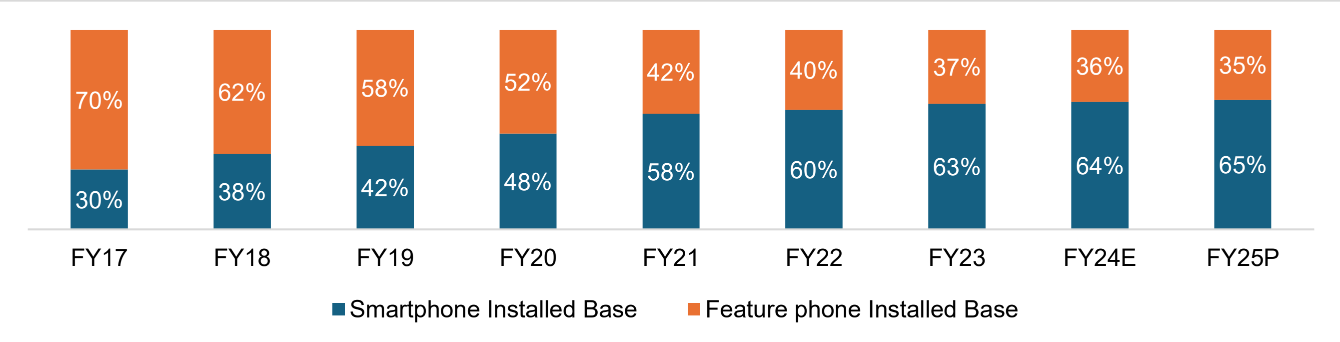


Note: P- Projected. Source: United Nations World Urbanization Prospects

Digitization aided by technology to play pivotal role in growth of economy

Technology is expected to play an important role by progressively reducing the cost of reaching out to smaller markets. India has seen a tremendous rise in fintech adoption in the past few years. Among many initiatives by the government, the Unified Payments Interface (UPI) is playing a pivotal role towards financial inclusion. It provides a single-click digital interface across all systems for smartphones linked to bank accounts and facilitates easy transactions using a simple authentication method. The volume of digital transactions has also seen a surge in the past few years, driven by increased adoption of UPI. Apart from financial services industry, digitization in other industries like retail will also play an important role in the growth of economy.

Younger users to drive adoption of smartphones



Note: E: Estimated, P: Projected; Source: Crisil Intelligence

Rise in 4G and 5G penetration and smartphone usage

India had 1151 million wireless subscribers at the end of FY25. The reach of mobile network, internet and electricity is continuously expanding the subscriber footprint to remote areas leading to rising smartphone and internet penetration in India. In FY23, 5G was launched which led to conversion of 25 million subscribers to 5G. This shift was facilitated by offering 5G services at the price of 4G data plans, coupled with a surge in data demand and the accessibility of affordable handsets. In FY27, Crisil Intelligence expects 5G subscribers to reach 415-425 million since data consumption will increase due to high usage on OTT platforms, in education services, banking services, healthcare, and the gaming industry.

All-India mobile and data subscriber base

	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26P	FY27P
Wireless subscribers (million)	1,170	1,183	1,162	1,157	1,181	1,142	1,144	1,165	1,151	1,162	1,174
Data subscribers (million)	401	473	615	720	799	814	883	956	942	982	1,035
Data subscribers as a proportion of wireless subscribers	34%	40%	53%	62%	68%	71%	77%	80%	82%	85%	88%
4G data subscribers (million)	131	287	478	635	719	734	786	710	665	630	580
4G data subscribers' proportion	33%	61%	78%	88%	90%	90%	89%	74%	~58%	~54%	~49%
5G data subscribers (million)	-	-	-	-	-	-	25	175	235	314	421

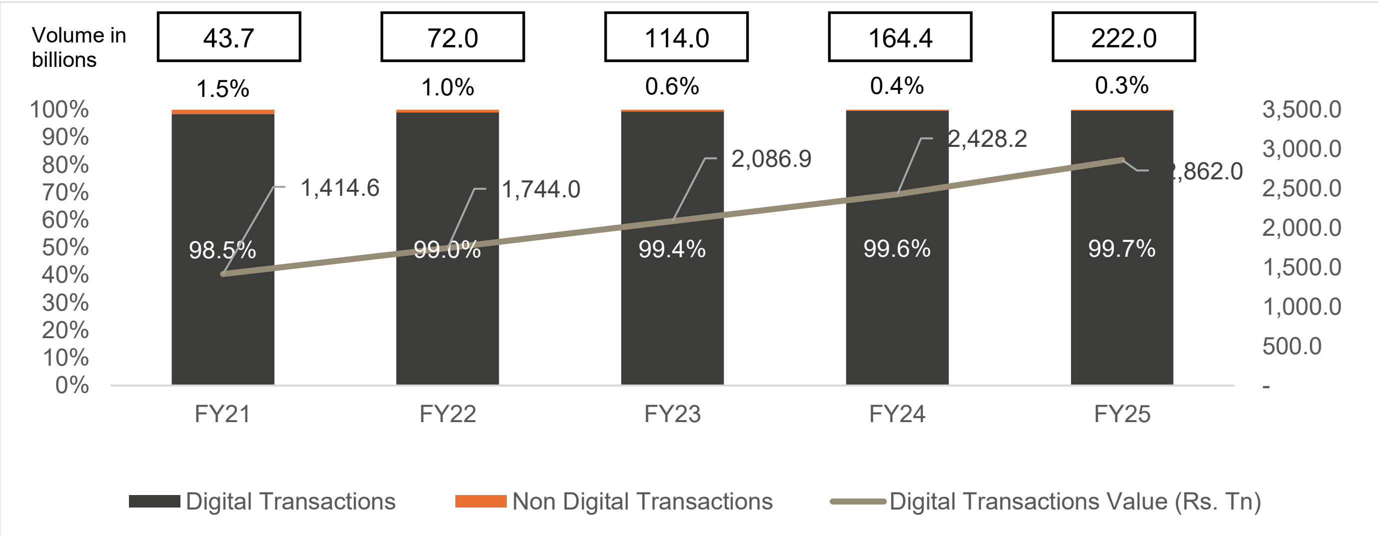
Note: P: Projected, Source: TRAI, Crisil Intelligence

UPI has seen a massive growth among retailers as a preferred method of payment which increased from 22.3 billion in FY21 to 186 billion in FY25 in terms of volume of transactions and in terms of value it grew from Rs. 41 trillion to Rs. 261 trillion between the same period.

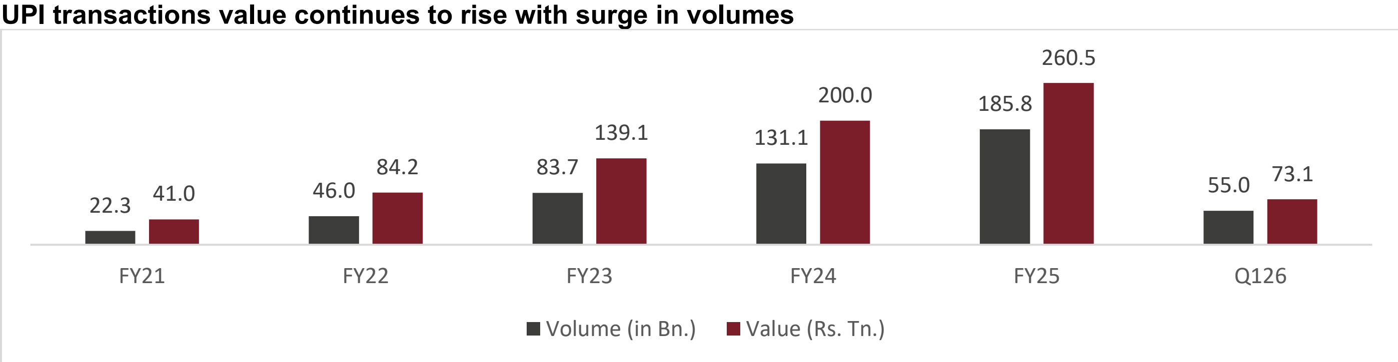
Retail Payment	Volume (In Bn.)						Value (In Rs. Tn.)					
	FY21	FY22	FY23	FY24	FY25	Q126	FY21	FY22	FY23	FY24	FY25	Q126
IMPS	3.3	4.7	5.7	6.0	5.6	1.36	29.4	41.7	55.9	65.0	71.3	18.68
NEFT	3.1	4.0	5.3	7.3	9.6	2.30	251.3	287.3	337.2	391.4	443.6	114.5
UPI	22.3	46.0	83.7	131.1	185.8	54.96	41.0	84.2	139.1	200.0	260.5	73.13
Credit Cards	1.8	2.2	2.9	3.6	4.77	1.37	6.3	9.7	14.3	18.3	16.4	5.57
Prepaid payment instruments	5.0	6.6	7.5	7.9	7.02	2.07	2.0	2.8	2.9	2.8	2.16	0.62
Paper based Instruments	0.7	0.7	0.7	0.7	0.6	0.14	56.3	66.5	71.7	72.1	71.13	17.91

Source: RBI, Crisil Intelligence

Trend in value and volume of digital payments



UPI transactions value continues to rise with surge in volumes

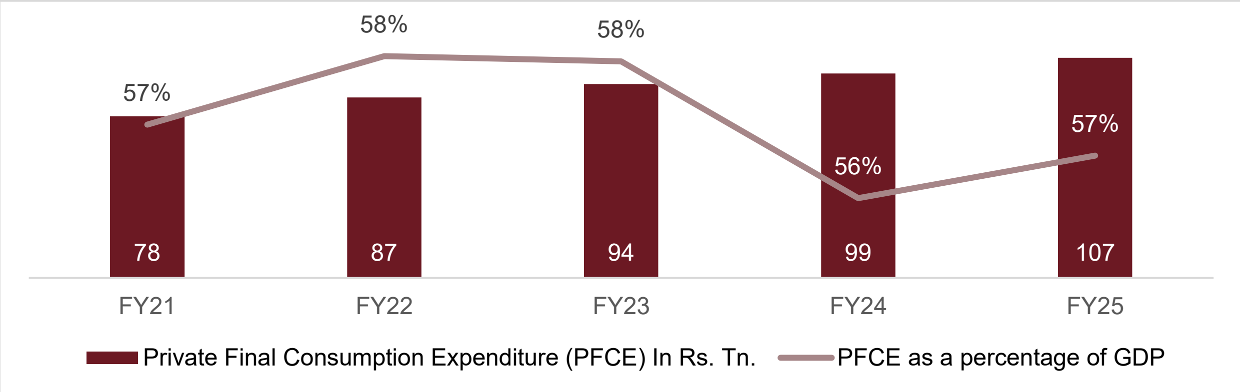


Source: RBI, Crisil Intelligence

Private Final Consumption Expenditure (PFCE) as a % of GDP

As per second advance estimates for FY25, private consumption is estimated to grow 7.6% year on year, up from Rs. 99 trillion in FY24 to Rs. 107 trillion in FY25. PFCE constituted 57% of the real GDP in Fiscal 2025, up by 1% from Fiscal 2024. Private consumption is expected improve further on expectations of healthy agricultural production and cooling food inflation.

Trend in Private Final Consumption Expenditure

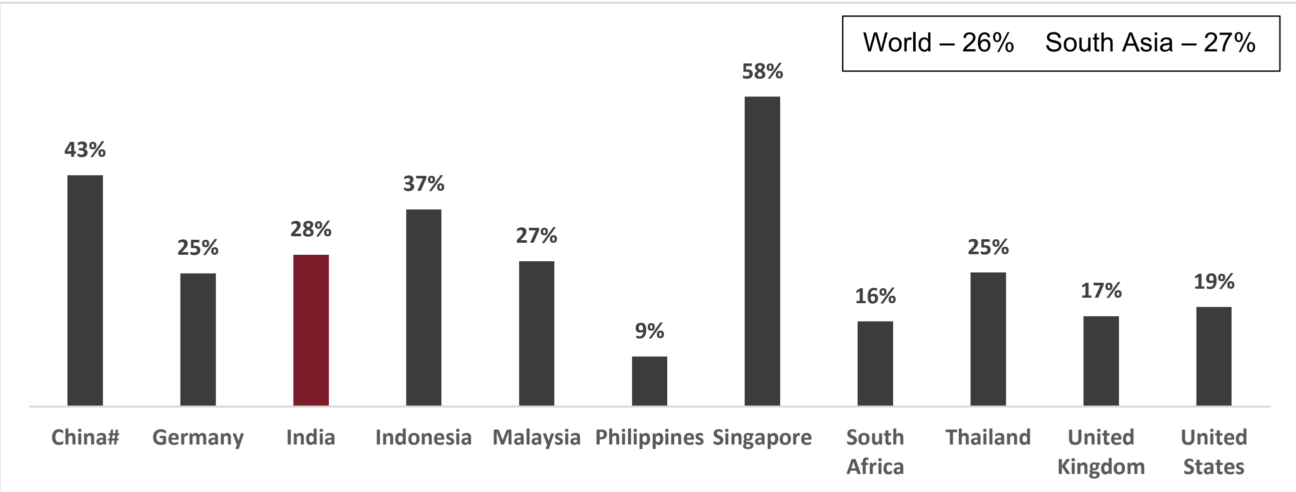


Note: Real GDP is considered for calculations, Source: PIB, MOSPI, Crisil Intelligence

Household savings expected to increase

India's gross domestic savings as a percentage of GDP slightly declined from 29.3% in 2023 from 28% in 2024, highlighting the economy's higher consumption based on improved income levels. Compared with most of the emerging market peers, India had a favourable gross domestic savings rate, which was greater than the global average (26.0% in 2024).

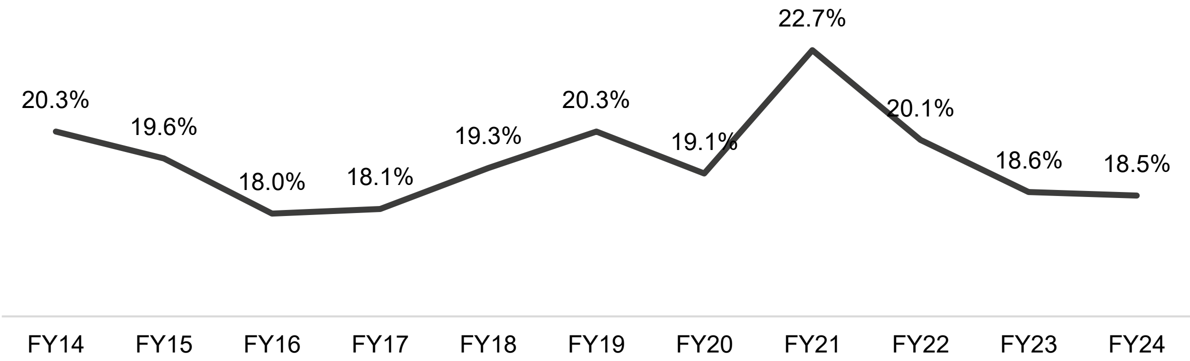
India's gross domestic savings rate is higher than the global average (2024)



*Note: The savings rate is in %. * Data for CY2022*
Source: World Bank, Crisil Intelligence

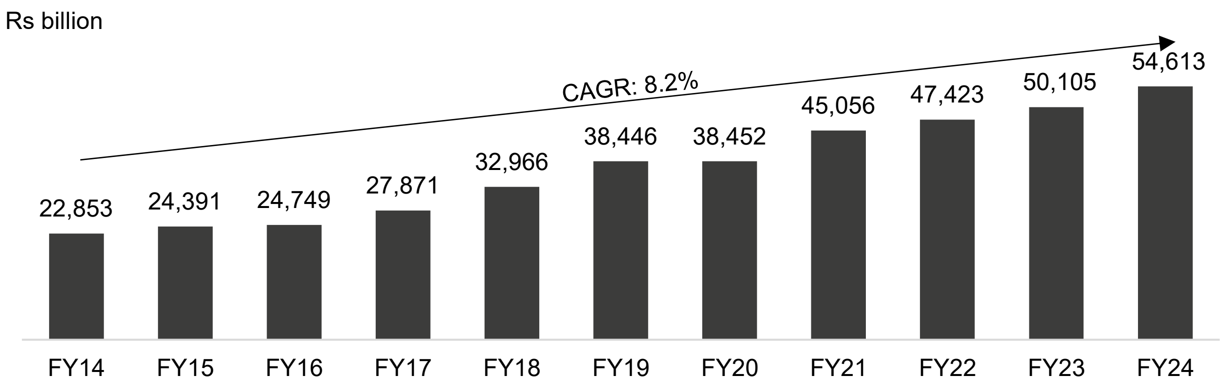
During the pandemic, household savings as a percentage of GDP increased from 19.1% in Fiscal 2020 to 22.7% in Fiscal 2021. However, household savings moderated to 18.6% in Fiscal 2023 and 18.5% in Fiscal 2024, due to households borrowing at a faster pace than they were saving since the pandemic. This was driven by a significant retail credit push by lenders, increased willingness among individuals (particularly the younger demographic) to borrow, and enhanced access to lenders facilitated by technological advancement. Crisil Intelligence expects India to remain a high-savings economy owing to a higher gross domestic savings rate than the global average.

Household savings as a percentage of GDP moderated in Fiscals 2022 and 2023



Source: MoSPI, NSO, Crisil Intelligence

Household savings growth



Source: MoSPI, Crisil Intelligence

Gross domestic savings trend

Parameters (Rs billion)	Mar-2014	Mar-2015	Mar-2016	Mar-2017	Mar-2018	Mar-2019	Mar-2020	Mar-2021	Mar-2022	Mar-2023	Mar-2024
Gross Domestic Savings (GDS)	36,082	40,200	42,823	48,251	54,807	60,004	59,411	57,869	73,631	82,440	92,592
Household sector savings (net financial savings, and savings in physical assets and in the form of gold and silver ornaments)	22,853	24,391	24,749	27,871	32,966	38,446	38,452	45,056	47,423	50,105	54,613
Household sector savings as a proportion of GDS (%)	63%	61%	58%	58%	60%	64%	65%	78%	64%	61%	59%
Gross financial savings	11,908	12,572	14,962	16,147	20,564	22,637	23,246	30,670	26,120	29,276	34,306
Net financial savings (% of household sector savings)	36%	36%	45%	41%	40%	39%	40%	52%	36%	27%	28%

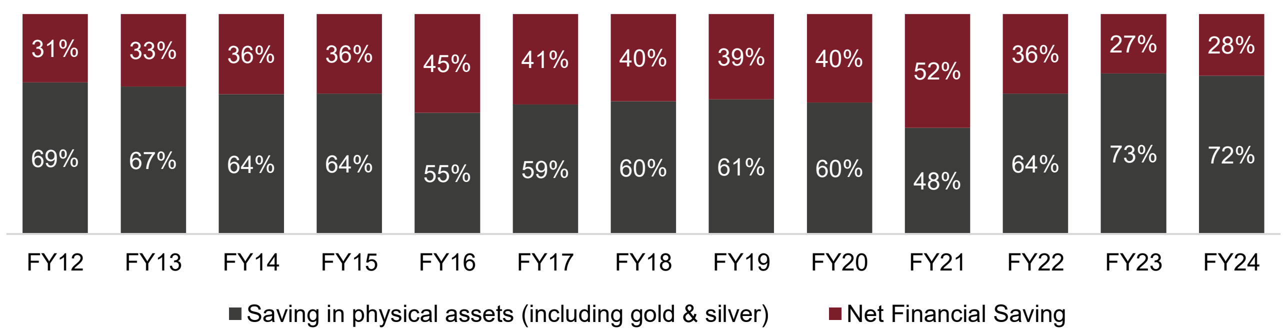
Parameters (Rs billion)	Mar-2014	Mar-2015	Mar-2016	Mar-2017	Mar-2018	Mar-2019	Mar-2020	Mar-2021	Mar-2022	Mar-2023	Mar-2024
Savings in physical assets (% of household sector savings)	62%	62%	53%	57%	59%	60%	59%	47%	63%	72%	70%
Savings in the form of gold and silver ornaments (% of household sector savings)	2%	2%	2%	2%	1%	1%	1%	1%	1%	1%	1%

Note: Data is for financial year ended March 31.Net financial savings are financial savings after excluding financial liabilities. Physical assets are those held in physical form, excluding gold and silver ornaments
Source: MoSPI, National Accounts Statistics, Crisil Intelligence

Unlike most other countries, where financial savings dominate, physical assets constitute the majority of household savings in India. In Fiscal 2014, household savings in physical assets stood at 64%. The share decreased to 48% in Fiscal 2021 due to pandemic-induced nationwide lockdowns and slowdown in construction of houses. With the lifting of lockdowns post-pandemic, it surged to 64% in Fiscal 2022 and 72% in Fiscal 2024 owing to an increase in construction of houses.

Crisil Intelligence expects the share of financial assets in net household savings to increase over the next five years, as elevated inflation after the pandemic could have further goaded investors to move to higher-yielding instruments in real terms. Interestingly, households are also opting to hold more cash after enduring the pandemic shock.

Trend of household savings in India



Source: Handbook of Statistics on Indian Economy 2023-24, RBI, MoSPI, Crisil Intelligence

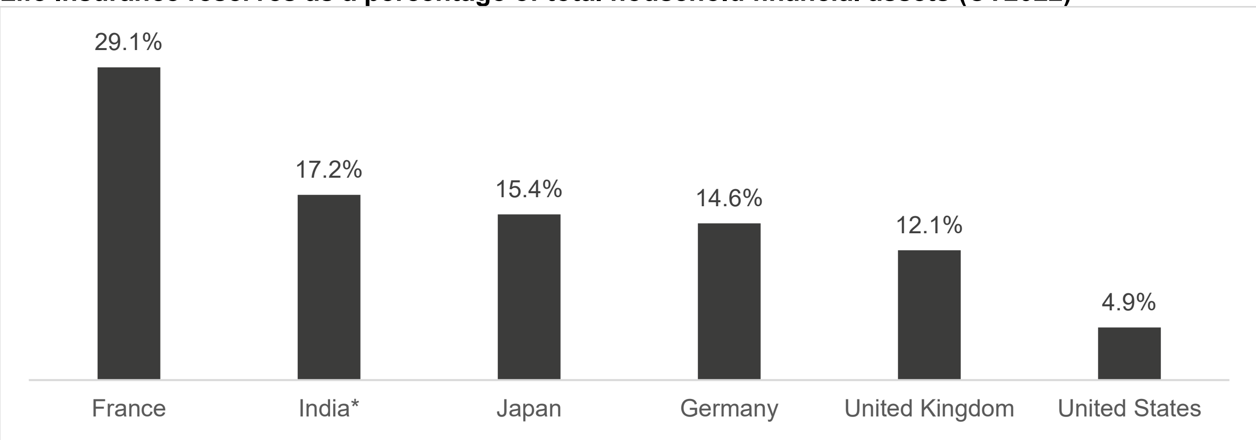
Total household financial assets recorded a jump in Fiscal 2021 on account of the pandemic. A substantial portion of household financial savings consists of bank and non-bank deposits, which grew to Rs 13.9 trillion in Fiscal 2024. Mutual funds have emerged as the fastest-growing segment of financial savings after deposits, rising from Rs 0.4 trillion in Fiscal 2019 to Rs 2.4 trillion in Fiscal 2024 reporting a CAGR of 8.27% during the same period. Investment in life insurance has grown from Rs. 3.4 trillion in Fiscal 2019 to Rs. 5.9 trillion in Fiscal 2024.

Household Financial Assets (in Rs trillion)	FY19	FY20	FY21	FY22	FY23	FY24	CAGR (FY19-24)
Deposit (bank and non-bank)	8.7	8.8	12.4	8.4	11.1	13.9	10.75%
Life insurance funds	3.4	3.7	5.7	4.9	5.5	5.9	3.95%

Provident and pension funds (including PPF)	4.4	5.0	5.0	5.5	6.3	7.2	5.42%
Currency	2.8	2.8	3.8	2.7	2.4	1.2	-15.23%
Mutual funds	0.4	0.6	0.6	1.6	1.8	2.4	8.27%
Equities	0.3	0.3	0.4	0.5	0.2	0.3	-9.77%
Small savings (excluding PPF)	2.7	2.6	2.4	2.4	2.0	3.1	5.13%
Total household financial assets	22.7	23.9	30.4	25.9	29.2	34.0	5.54%

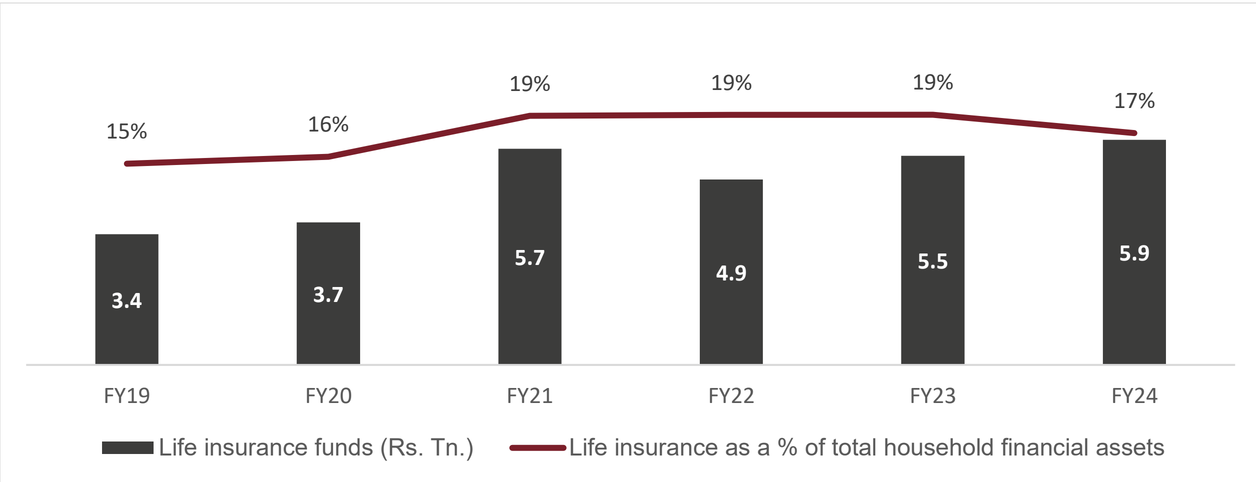
Source: RBI, Crisil Intelligence

Life Insurance reserves as a percentage of total household financial assets (CY2022)



*Note: *data for India for Fiscal 2024, Source: OECD, RBI,*

Share of Life Insurance funds as a percentage of Household Financial savings for India stood at 17% in FY24

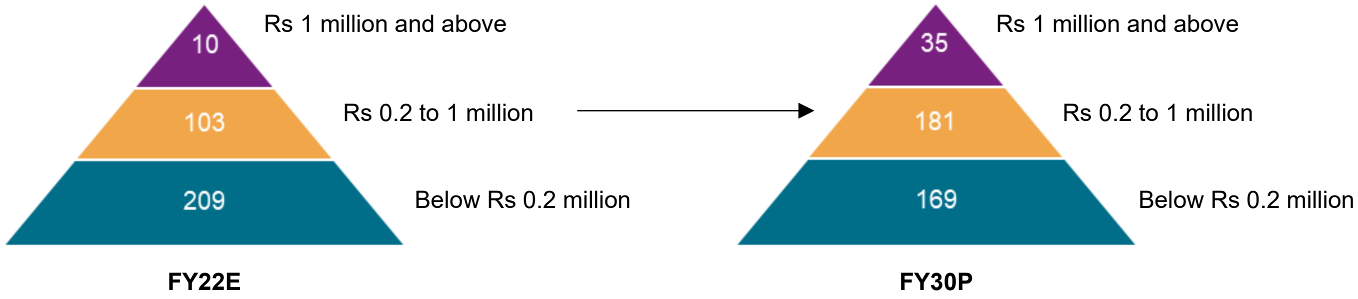


Source: RBI, Crisil Intelligence

Rising middle-income population to support India's growth story

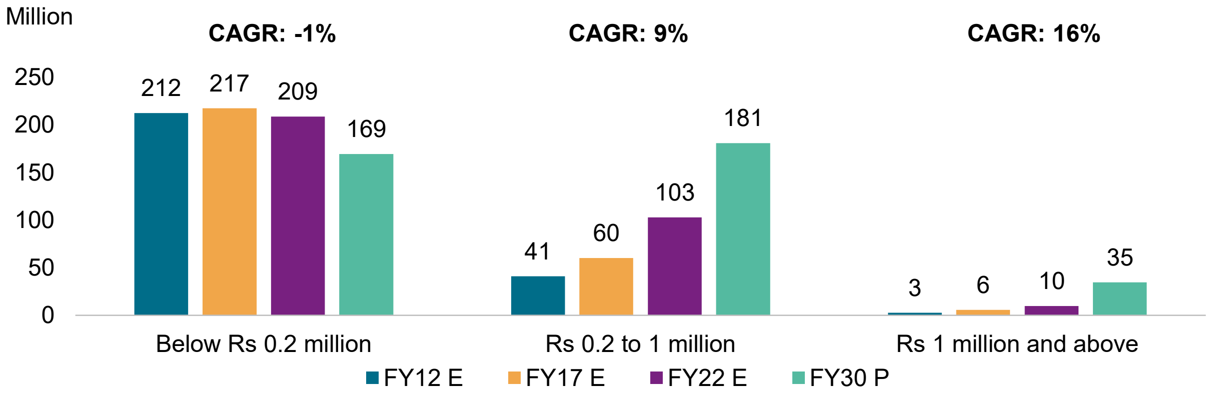
Middle-income India' (defined as households with annual income of Rs 0.2-1.0 million) has been expanding over the past decade and is expected to continue to do so with rising GDP and household incomes. Crisil Intelligence estimates there were 41 million middle-income households in India in Fiscal 2012 and expects the number to increase to 181 million by Fiscal 2030. A large number of households that have entered the middle-income bracket in the past few years are likely to be from semi-urban and rural areas. MSMEs, the backbone of the economy, account for approximately 30% of the GDP and 45% of manufacturing output and employ a substantial 11 crore people. The growth of MSMEs is crucial in generating employment opportunities. Crisil Intelligence believes that improvement in literacy levels, better access to information and awareness, increase in the availability of necessities and the improvement in road infrastructure have increased the aspirations of Middle India, which is likely to translate into increased demand for financial products including life insurance and financial services providers. Low insurance penetration in Tier 2/3 cities is also expected to boost life insurance product growth in the upcoming years.

Middle-income households (defined as households with annual income of Rs 0.2-1.0 million) to increase over Fiscals 2022-2030 (in millions)



Source: Crisil Intelligence

Middle-income households (defined as households with annual income of Rs 0.2-1.0 million) expected to reach ~181 million by FY30



Note: E: Estimated, P: Projected; CAGR period from FY12E to FY30P, Source: Crisil Intelligence

Indian life insurance industry

Evolution of the life insurance industry

Life Insurance in India since its beginning in the 1800s has undergone significant transformations. Post independence, Indian government nationalized the life insurance industry in India by estabilishing the Life Insurance Corporation of India (LIC). LIC became the sole provider of life insurance in India, thus playing an important role in popularizing life insurance products. The Insurance Regulatory and Development Authority (IRDA) Act of 1999 and Insurance Act of 1938 provided legal framework to the nascent life insurance industry in India.

In 1999, the liberalization of the Indian economy introduced private life insurance companies in the market. The process of opening the sector to private players had begun in early 1990. In 1993, committee under the chairmanship of R N Malhotra recommended private players to enter the insurance market. The committee also recommended that foreign players be allowed to enter Indian insurance market preferably through joint ventures. ICICI Prudential Life Insurance and HDFC Life Insurance estabilished in 2000 were the first private life insurance company to start their operations post liberalization.

As at June, 2025, there were 25 private sector life insurance companies and one public sector life insurance company, i.e., LIC are registered with IRDAI.

Timeline of private players' entry into life insurance industry

2000 - 2005

Entry of private players:
Bank led:
- HDFC Life Insurance Company Ltd.
- ICICI Prudential Life Insurance Company Ltd.
- Kotak Mahindra Life Insurance Ltd.
- PNB Metlife India Insurance Company Ltd.
- SBI Life Insurance Company Ltd.

Non-Bank led:
- Max Life Insurance Company Ltd.
- Aditya Birla Sunlife Insurance Company Ltd.
- Bajaj Allianz Life Insurance Company Ltd.
- Reliance Nippon Life Insurance Company Ltd.
- TATA AIA Life Insurance Company Ltd.
- Aviva Life Insurance Company India Ltd.
- Sahara India Life Insurance Company Ltd.

2005 – 2015

Entry of private players:
Bank led:
- Canara HSBC Life Insurance Company Ltd.
- Star Union Dai-ichi Life Insurance Company Ltd.
- IndiaFirst Life Insurance Company Ltd.
- Ageas Federal Life Insurance Company Ltd.

Non-Bank led:
- Shriram Life Insurance Company Ltd.
- Bharti AXA Life Insurance Company Ltd.
- Future Generali India Life Insurance Company Ltd.
- Pramerica Life Insurance Company Ltd.
- Edelweiss Tokio Life Insurance Company Ltd.
- Bandhan Life Insurance Company Ltd. (previously Aegon Life Insurance Company Limited)

Post 2015

Entry of private players:
Non-Bank led:
- Acko Life Insurance Ltd.
- CreditAccess Life Insurance Ltd.
- Go Digit Life Insurance Ltd.

Note: Max Life Insurance was founded in 2000 as a joint venture between Max Financial Services Limited and New York Life, After New York Life exited the joint venture in 2012, the company was renamed Max Life Insurance Co. Ltd. and Mitsui Sumitomo Insurance took over New York Life's stake, In 2021, Axis Bank became a promoter of Max Life Insurance thereby making it a bank led insurance player. Bandhan Life Insurance Company Ltd. is categorised as a non-bank led life insurer due to its recent acquisition and the prior entity "Aegon Life" being a non-bank led life insurer.
Source: IRDAI Handbook, Crisil Intelligence

Types of life insurance products

Classification of insurance products

Life insurance products primarily meet a variety of insurance needs such as for protection, savings, market linked savings, pension and health-related benefit requirement of customers for individuals as well as groups. Insurance companies have to design products to efficiently fulfil these requirements. The following are the major categories of insurance products:

Annuity Products

In such products, insured gets regular income stream for life or a predetermined period in return for an investment or a series of payments.

Protection Products

In such products, the nominee of the policyholder gets lump sum payment in the event of the death of the policy holder.

Participating products

Under such products, an insurer invests the amount received in the form of premiums in a pooled participating fund to pay for certain fixed benefits as well as to share the surplus in the form of bonus as a discretionary benefit. It is a type of savings product.

Non-participating products

Non-participating is a savings product which provides a fixed number of benefits on contingent event(s) covered under the product. The policyholders do not participate in the profit or losses of the underlying business. Therefore, the product is also known as without profit product. As all the benefits are guaranteed, the element of discretionary benefits such as in the case of participating products does not exist. This category includes pure-term products (mainly covering death benefit only), savings product (providing survival benefits in addition to death cover), and immediate or deferred annuity (providing series of payments).

Unit-linked insurance products

ULIP is a long-term investment product. The returns under ULIP are directly linked to changes in the underlying investment. The investment risk and reward is, therefore, directly attributable to the policyholder. So, unlike non-linked products, a ULIP holder can monitor the performance of the policy through net asset value (NAV) released by the companies regularly.

Health insurance products

Life insurers are allowed to sell defined benefit health insurance products to cover health-related risks. Health insurance products may cover a specific disease such as cancer or a combination of diseases and the benefits are payable in case of the covered person stays in hospital for at least 24 hours or on undergoing surgery on diagnosis of the covered disease.

Group products

On the group platform, the product may be protection or savings under linked and non-linked categories. Group term plans provide benefits of life insurance coverage to a group of individuals. The policies are offered to groups such as, banks, professional and microfinance institutions. Types of group insurance products are:

1. **Employer Employee Insurance:** Employer employee insurance is a type of insurance provided by employers to their employees covering a wide range of benefits including health insurance, life insurance etc. This type of insurance provides benefits and essential protection to employees at affordable rates.
    - Group term life insurance: In this type of insurance, employees are covered for a specific period "term".
    - Gratuity: In this policy, employers can meet their obligation to pay their employees gratuity by investing in a fund managed by a life insurance company.
    - Superannuation: In this type of group insurance, employers can contribute to a fund that helps provide regular income to employee's post-retirement.
2. **Non-employer-employee Insurance:** It is an insurance plan that can be purchased by a group of people. The insurance can be provided by associations, professional organisations etc.
    - Credit Life Insurance: It is a type of group insurance that specifically aims to cover outstanding loan in the event of death of borrower.
    - Affinity Insurance: It is a type of group insurance that covers a group of individuals for a particular insurance product thereby sharing the cost and risk of insurance.

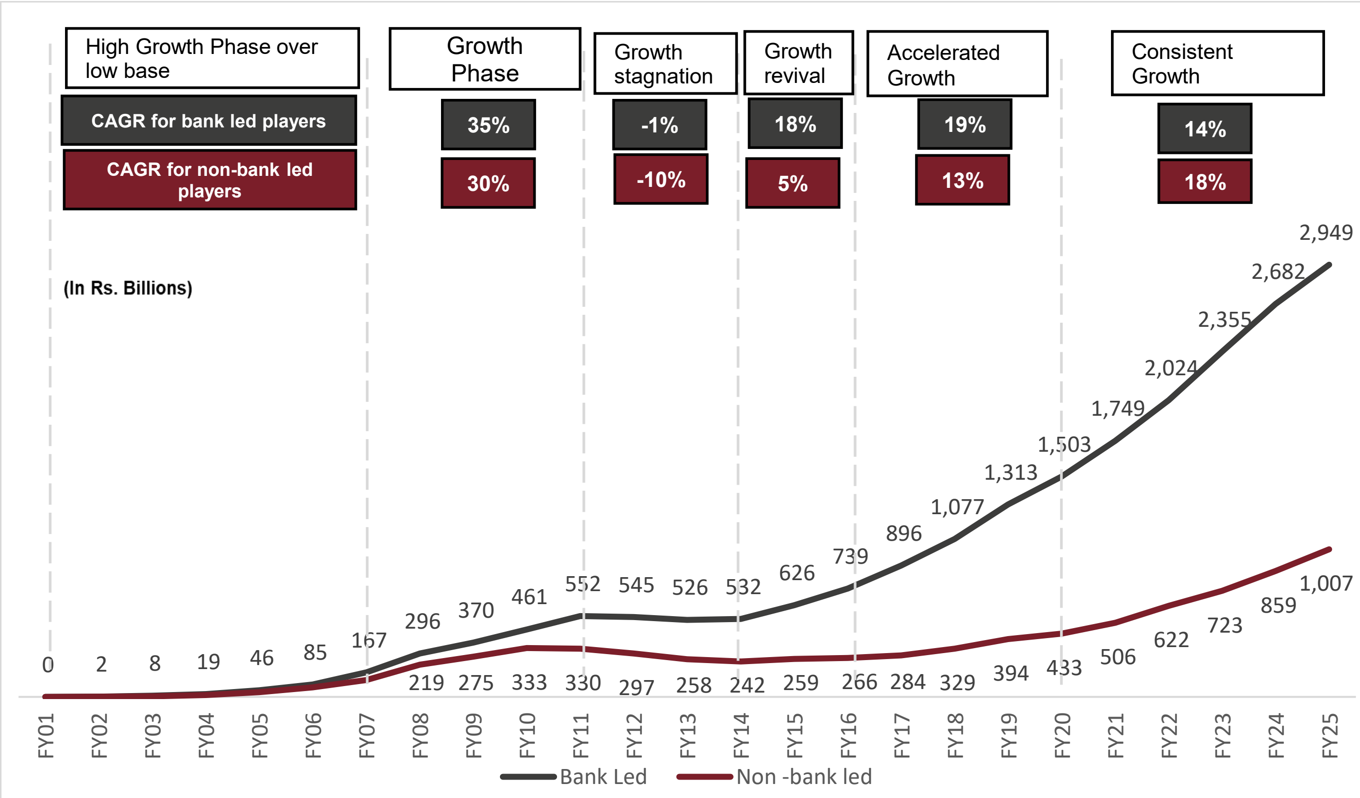
Riders

Riders are add-on covers to the base policy provided at an additional cost to facilitate additional benefits linked to accident, critical illness, premium waiver benefit, etc. By virtue of the rider(s), the additional risk can optionally be availed by the policyholders at a lower cost. The objective of the rider is to facilitate and diversify additional benefits to customers. The rider benefits and eligibility criterion for a customer are subject to certain regulatory terms and conditions.

Bank Led Insurance Players have consistently outgrown Non-Bank Led players in terms of growth in Total Premium

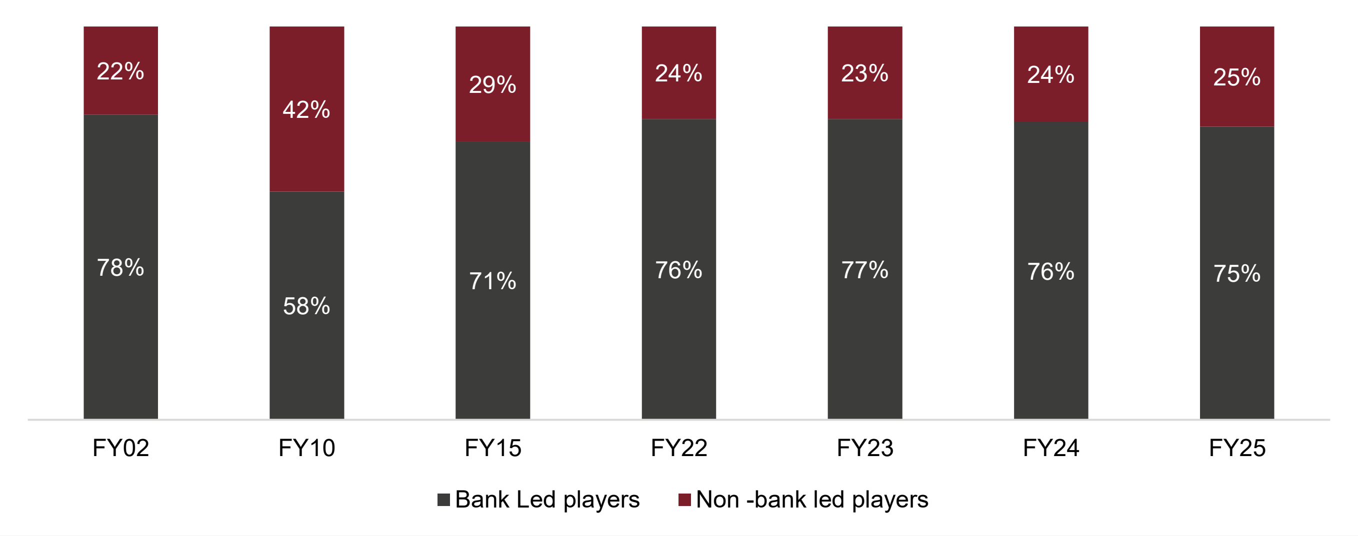
For this section, Crisil Intelligence has analysed performance of life insurance players excluding LIC led by banks (both public and private banks) and non-banks. Since privatisation of Indian Life Insurance sector in 2000s, banks were keen to partner or open life insurance companies to help increase their revenue share and service the existing customer set with a wider range of products thereby enhancing customer relationships and profitability.

Trend in total premium generated for bank led and non-bank led life insurers (excluding LIC) in Rs. billion



Note: The above numbers exclude LIC.
Bank Led players include Ageas Federal Life Insurance Company Ltd., Canara HSBC Life Insurance Company Ltd., HDFC Life Insurance Company Ltd., ICICI Prudential Life Insurance Company Ltd., IndiaFirst Life Insurance Company Ltd., Kotak Mahindra Life Insurance Ltd., Axis MaxLife Insurance Company Ltd., PNB Metlife India Insurance Company Ltd., SBI Life Insurance Company Ltd., Star Union Dai-ichi Life Insurance Company Ltd.
Axis Bank acquired stake in Max Life insurance in 2021 as a co-promoter. The company is categorized as a bank led insurance company to make the industry numbers consistent across years.
PNB Bank acquired stake in Met Life India in 2013. The company is categorized as a bank led insurance company to make the industry numbers consistent across years.
Non-bank led players include the remaining life insurance companies for the Fiscal year.
Bandhan Life Insurance Company Ltd. is categorised as a non-bank led life insurer due to its recent acquisition and the prior entity "Aegon Life" being a non-bank led life insurer.
Source: IRDAI Handbook, Public Disclosures, Crisil Intelligence

Trend of market share for bank led and non-bank led life insurers (excluding LIC)



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Source: IRDAI Handbook, Public Disclosures, Crisil Intelligence

Robust growth of life insurance industry from Fiscals 2007 to 2011

Total premium for bank led insurance players rose at a sharp 35% CAGR between Fiscals 2007 and 2011, owing to aggressive foray by players into strategizing their distribution strategy and players offering more linked products. Players focussed on opening new offices/customer touch points and increasing their corporate agent network. Players strengthened their product portfolio thereby offering a range of products and invested into marketing efforts to build their brand and increase customer trust.

As compared to bank led insurers, non-bank led life insurers grew at 30% CAGR between Fiscals 2007 and 2011.

Industry underwent a transition from Fiscals 2011 to 2014

After the sharp growth during Fiscal 2007 to 2011, the industry saw a sudden slowdown over the subsequent three years. Regulatory changes by the IRDAI with respect to linked products, decline in financial savings rate and weak performance of the equity markets led to the deceleration. Bank led life insurers total premium growth was higher as compared to non-bank led life insurer growth from Fiscal 2011 to Fiscal 2014.

The IRDAI's regulation capping product charges resulted in a decline in the commission of linked products, thereby making sales of these products less lucrative for intermediaries. The move affected the growth of private players because of their high exposure to linked products; linked products constituted 71% share of private players' portfolio mix in Fiscal 2011.

Meanwhile, private players relooked at their product offerings, distribution channel mix, and operational efficiency. The focus on traditional products increased, as reflected in the share of linked products in the product mix declining from 71% in Fiscal 2011 to 45% in Fiscal 2014. Sales via the banking channel was enhanced and the industry went slow on branch rollouts as against the significant branch expansion before 2010; these moves reduced upfront infrastructure cost and selling expense. Additionally, the focus on technology increased. All these moves resulted in the industry's return on equity (RoE) rising from -3% in Fiscal 2011 to 17% in Fiscal 2014.

Revival between Fiscals 2014 and 2016

After the slowdown between Fiscals 2011 and 2014, the total premium of bank led players grew at 18% CAGR during Fiscals 2014 to 2016, outpacing the growth of non-bank led players at 5% CAGR. In this period, the growth of players can be attributed to adoption of technology by insurers and the industry adapting to the revised product regulations and the environment. Growth was also because of macro factors such as expectations of improvement in economic growth and cooling inflation.

Accelerated growth between Fiscals 2016 and 2020

Bank led insurance player's total premium continued to grow between Fiscal 2016 and 2020 at a strong rate of 19% CAGR. Non-bank led life insurers grew at a slower rate of 13% CAGR in comparison. Emerging distribution channels such as web aggregators, IMFs, etc. were introduced during this phase. Growth was also witnessed due to increase in financial savings, share of life insurance in household financial savings and healthy returns provided by equity and debt markets during this period.

Consistent growth in pandemic (2021 and 2022)

While the industry witnessed sequential growth decline in new business premium during Q4 of Fiscal 2020, Q1 of Fiscal 2021 and Q1 of Fiscal 2022 due to Covid-19, the year-on-year growth in total premium remained unaffected in Fiscal 2021 and 2022. Industry grew at 9.7% and 10.2% year-on-year in Fiscal 2021 and 2022 respectively. The strong recovery in Fiscal 2022 indicates a strong perceptible shift in the attitude and awareness towards life insurance. The financial impact of the pandemic also led to people valuing the protection and fallback offered by life insurance products in tough times. The total premium growth for Bank Led life insurers in Fiscal 2021 and 2022 was 16.4% and 15.7% respectively year-on-year basis whereas the same for Non-Bank Led players was higher at 17.0% and 23.0% in Fiscal 2021 and 2022 respectively. Further, the life insurance industry, which mainly depended on in-person interaction, has adopted more digital ways of selling products and services amid the pandemic.

Post pandemic recovery phase 2023 onwards.

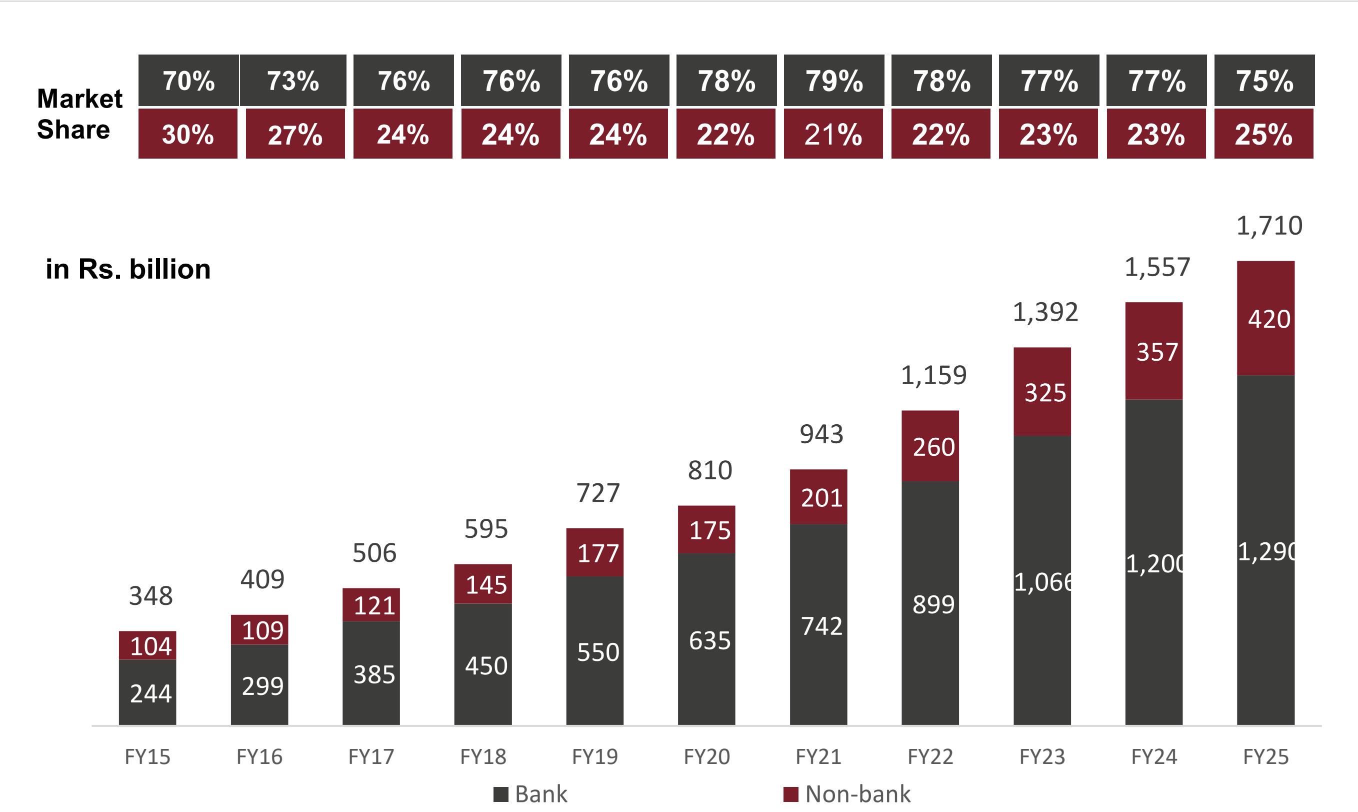
The total premiums of the industry continued to grow in the mid-teens clocking year-on-year growth of 16.3% in Fiscal 2023 followed by a growth of 15.1% in Fiscal 2024. This growth was due to the post-pandemic recovery as the pandemic subsided, economic activity recovered, leading to increased consumer spending, including on life insurance products. Increased focus on health and wellness, led to growing demand for life insurance products that incorporated wellness or health-related features. During this period the total premium growth for Bank Led life insurers in Fiscal 2023 and 2024 was 16.4% and 13.9% respectively year-on-year basis whereas the same for Non-Bank Led players was higher at 16.2% and 18.9% in Fiscal 2023 and 2024 respectively.

The Changes that were introduced in the Budget 2024 in which life insurance policies with maturity proceeds issued after April 1, 2023, having an annual premium of more than Rs. 5 Lakh (apart from Unit-linked Insurance Policies, or ULIPs) were subject to taxation and the changes in Budget 2025 in which ULIPs with annual premiums exceeding Rs 2.5 lakh were considered as capital assets, making them taxable at par with equity-oriented mutual funds impacted the growth rates of the industry. In Fiscal 2025 the overall industry premiums grew at 11.7% year-on-year. The growth of Bank led players dropped to 9.9% whereas the non-bank led players grew at 17.2%. The increasing adoption of digital technologies, such as online platforms and mobile apps, have improved the customer experiences, improved underwriting, and increased efficiency in the life insurance industry.

Bank Led Players have increased their market share in New Business Premium in the last ten years

Like the trend in the total premium, the new business premium also witnessed growth of 18.3% CAGR and 14.7% CAGR for bank led and non-bank led players respectively during Fiscal 2014 to 2025. However, in recent years from FY2020-2025, CAGR for non-bank led insurers is higher at 19.2% as compared to bank insurers at 15.2%. Growth of unit linked products, rise of individual agents and corporate agents in case of individual NBP and direct channels in case of Group NBP contributed to growth of new business premium of players.

Trend in NBP for bank led and non-bank led players (excluding LIC)



Note: The above numbers exclude LIC.
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Bandhan Life Insurance Company Ltd. is categorised as a non-bank led life insurer due to its recent acquisition and the prior entity "Aegon Life" being a non-bank led life insurer.
Source: IRDAI Handbook, LIC Council, Public Disclosures, Crisil Intelligence

Trend in Total Premium, NBP and market share for bank led and non-bank led players (excluding LIC) for Q1FY25 and Q1FY26.

Year	Q1FY25		Q1FY26	
	Bank led	Non-bank Led	Bank led	Non-bank Led
Total Premium (Rs. billion)	518	180	587	199
Market share - Total Premium(%)	74%	26%	75%	25%
New Business Premium (Rs. billion)	240	83	262	79
Market share - New Business Premium(%)	74%	26%	77%	23%

Note: The above numbers exclude LIC.
Bank Led players include Ageas Federal Life Insurance Company Ltd., Canara HSBC Life Insurance Company Ltd., HDFC Life Insurance Company Ltd., ICICI Prudential Life Insurance Company Ltd., IndiaFirst Life Insurance Company Ltd., Kotak Mahindra Life Insurance Ltd., Axis MaxLife Insurance Company Ltd., PNB Metlife India Insurance Company Ltd., SBI Life Insurance Company Ltd., Star Union Dai-ichi Life Insurance Company Ltd.
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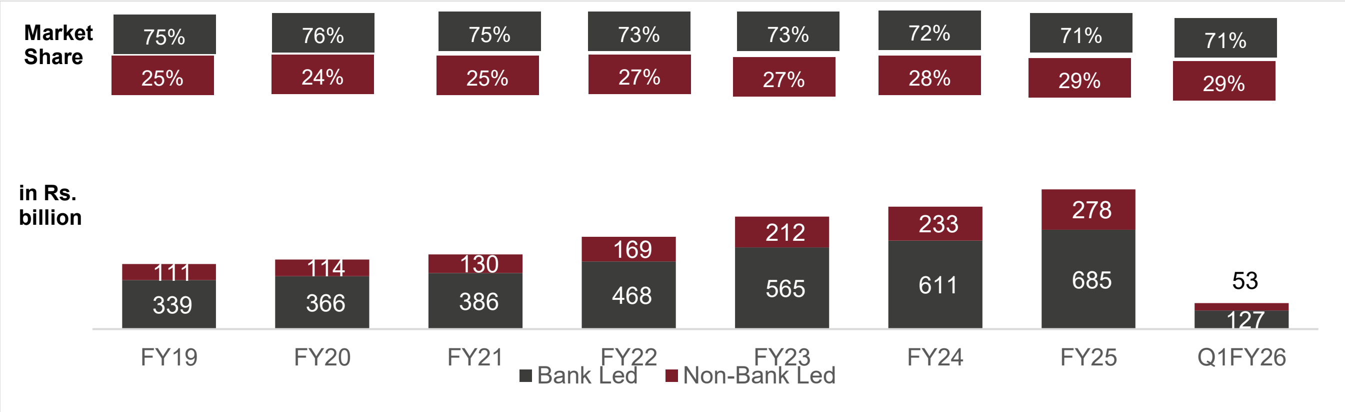
Source: IRDAI Handbook, LIC Council, Public Disclosures, Crisil Intelligence

Bank Led Players have 71% market share in Annualized Premium Equivalent (APE) for Fiscal 2025

Bank Led life insurance players have maintained their market share at 70-75% in the last ten years in terms of Annualized Premium Equivalent. Life insurance players have shown consistent performance in terms of APE over the last years on account of superior underwriting, younger demographic wanting insurance, rise in digital channels and government push for life insurance in rural areas.

Trend in Annualized Premium Equivalent (APE)[1] for bank led and non-bank led players (excluding LIC)

[1] APE has been estimated as the sum of annualized first year premiums on regular premium policies, and 10.00% of single premiums, written by the Company during the Fiscal year/period from both retail and group customers.



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Source: IRDAI Handbook, LIC Council, Public Disclosures of LI Players, Crisil Intelligence

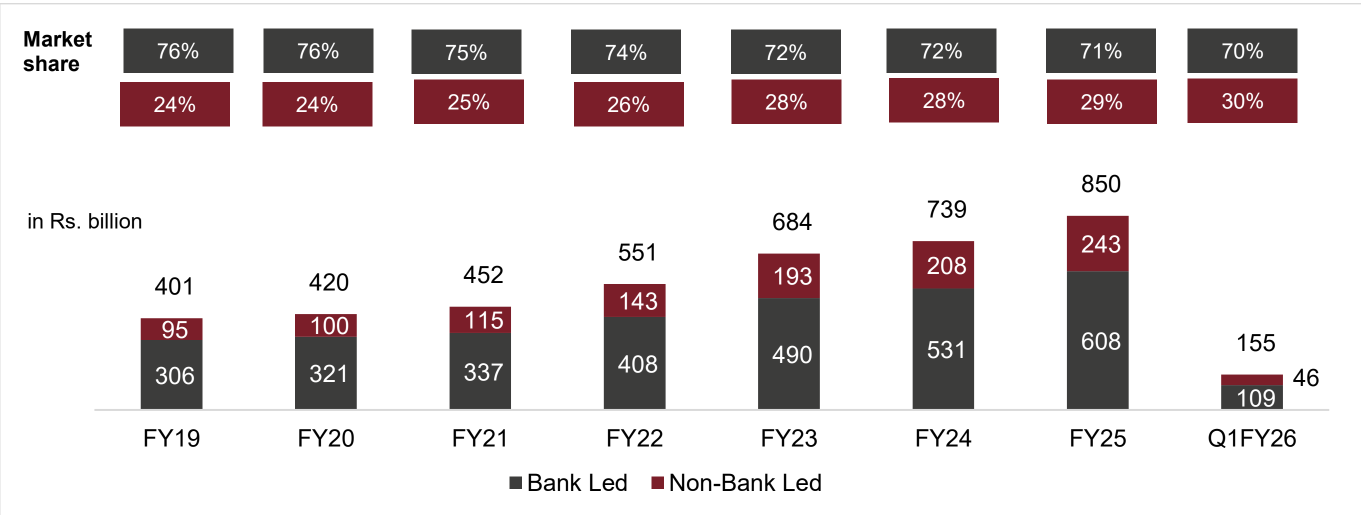
Market Share of top 10 players in terms of Annualized Premium Equivalent for private players (excluding LIC)

	FY19	FY20	FY21	FY22	FY23	FY24	FY25	Q1FY26
Top 10 Players	86%	87%	88%	90%	89%	90%	89%	89%
Others	14%	13%	12%	10%	11%	10%	11%	11%

Note: The above numbers exclude LIC.

Market Share of top 10 players have remained rangebound in 85-90% from fiscal 2019 to Fiscal 2025 on account of increase in insurance penetration.

Trend in Individual WPI for bank led and non-bank led players (excluding LIC)



Note: The above numbers exclude LIC.
Individual WPI is defined as addition of 10% of individual single premium and individual non single premium.

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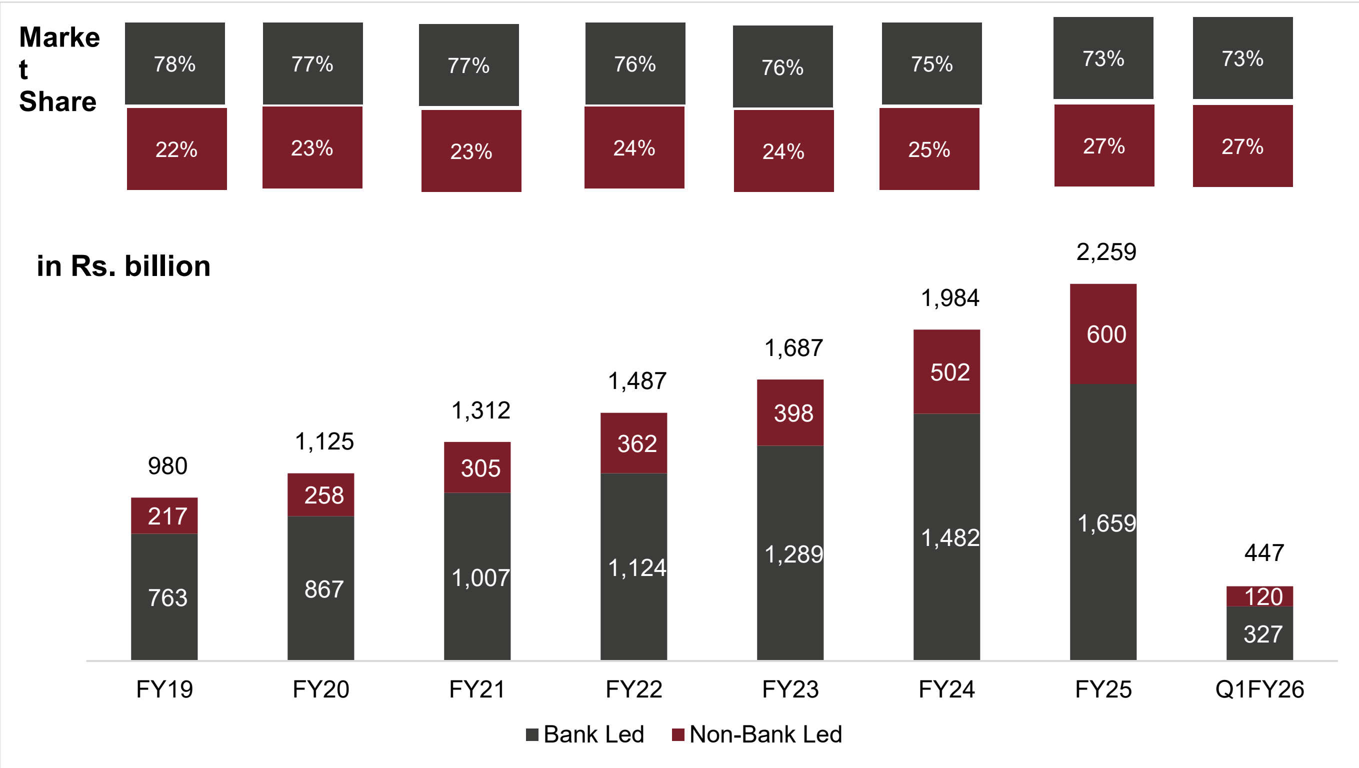
Source: IRDAI Handbook, LIC Council, Public Discloures of LI Players, Crisil Intelligence

Renewal Premium

Study of renewal premium is an important indicator of quality of business underwritten by the insurers. As per IRDAI, increase in renewal premium reflects the increase in insurer's persistency ratio and enables insurers to bring down overall cost of doing business. Players are using digital technologies to upgrade the infrastructure helping in easy renewal of policies.

Trend in Renewal Premium for bank led and non-bank led players (excluding LIC)



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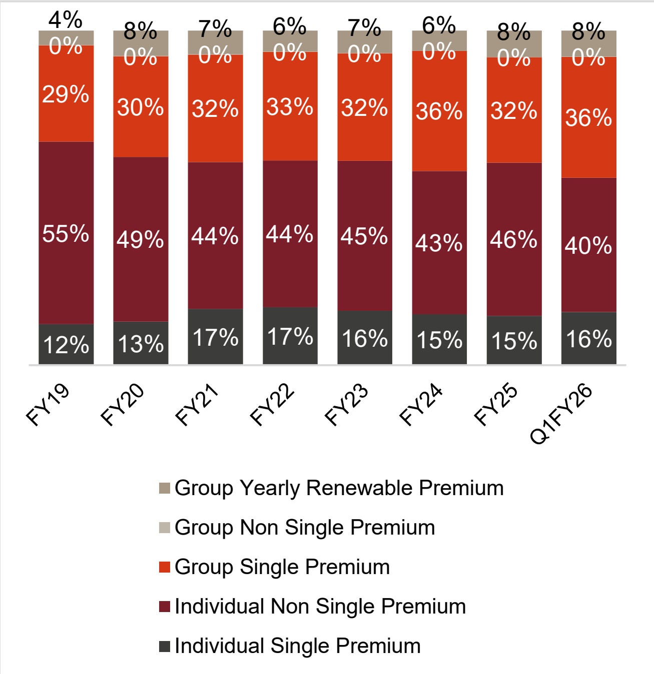
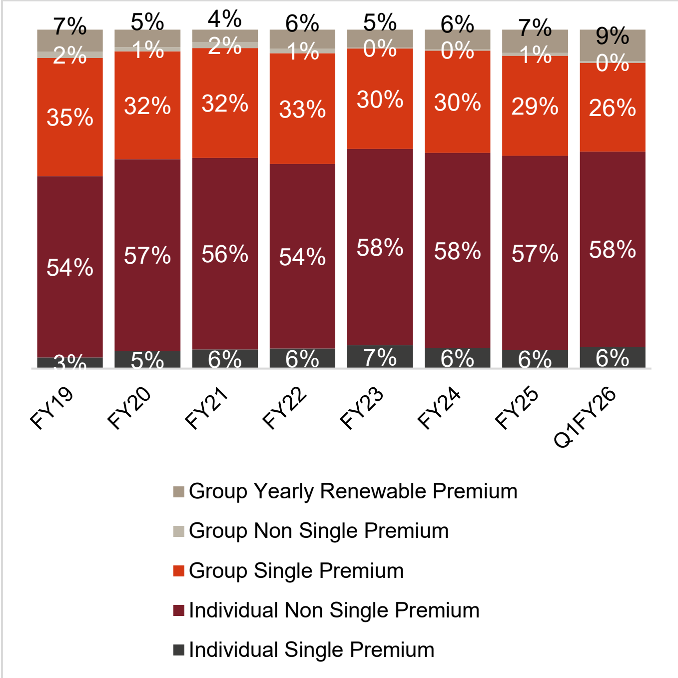
Source: IRDAI Handbook, LIC Council, Public Disclosures of LI Players, Crisil Intelligence

Bank Led Life Insurance Players have higher contribution from individual policies as compared to Non-Bank Led Life players

Bank Led life insurance players have higher contribution from individual premium as compared to Non-Bank led players. Banks have well developed branch network in the country and by leveraging the estabilished customer base of the bank, bank led insurance players have been able to tap higher premium from individual policies.

Bank Led Life Insurance Players	Non-Bank Led Life Insurance Players





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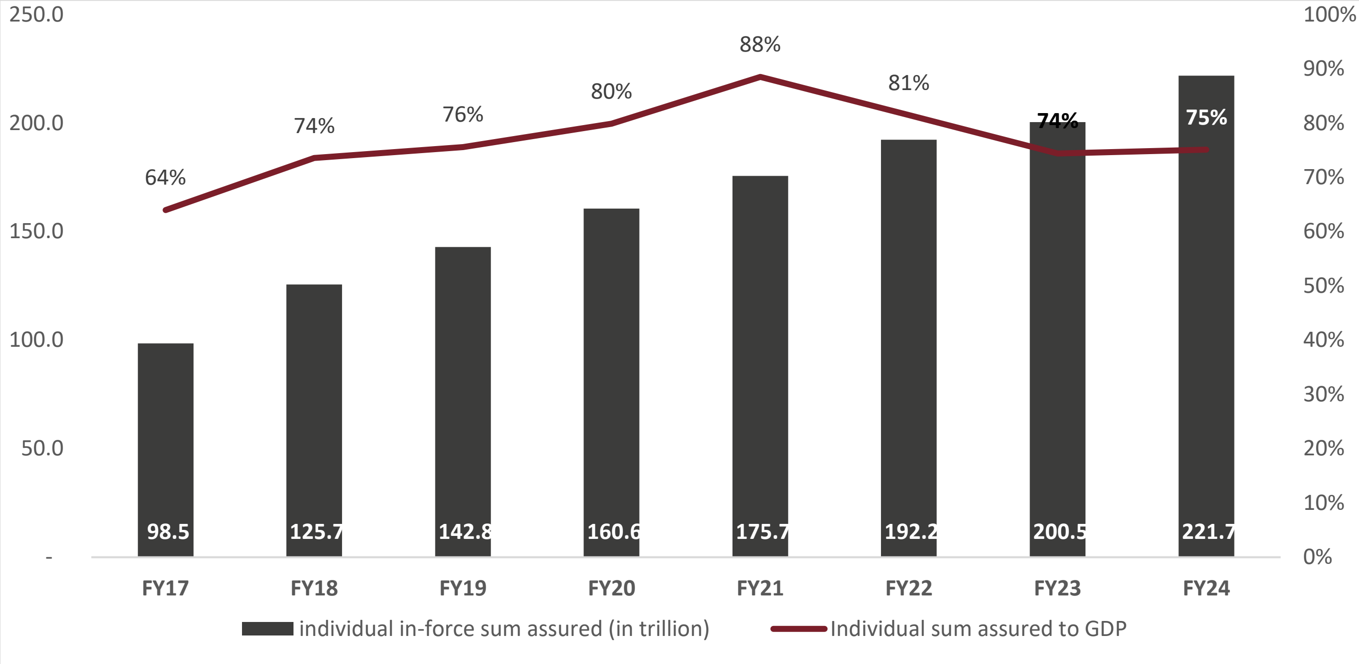
Source: IRDAI Handbook, LIC Council, Public Disclosure, Crisil Intelligence

Movement in key industry parameters

Life insurance coverage has increased appreciably

The total sum assured under the individual life insurance business is at ~INR 221.7 trillion for Fiscal 2024 in India which is ~75% of India's GDP (at current prices). The sum assured for individual insurance increased at 12.3% CAGR during Fiscal 2017 to Fiscal 2024.

Trend in individual in-force sum assured



Source: IRDAI Handbook, Company reports, MOSPI, Crisil Intelligence

Bancassurance[2] to continue to log robust growth

The life insurance industry, especially bank led life insurance players, have leveraged banking channels, along with other distribution channels, to foster growth. Growth for bancassurance network was driven by private life insurance players with banks as promoters and players who have empanelled large private or public sector banks with a strong branch network as their corporate agents. This has led to an increase in the share of bancassurance channels and a decline in the share of individual agents, in the distribution of individual life insurance products.

For non-bank led life insurance players, the share of bancassurance decreased to ~36% of individual NBP in FY25 from ~38% in FY21, as banks were allowed to have tie ups with multiple insurers thus solidifying the prominence of bank network as a distribution channel. Indian life insurers are leveraging the strong branch presence of their bancassurance partners to drive growth.

Brokers are emerging as significant distribution channels in the insurance sector, offering customers the ability to compare products from multiple providers, thus facilitating informed decision-making.

Trend in channel-wise share of individual NBP for bank led life insurance players

Channel-wise new business share	FY21	FY22	FY23	FY24	FY25	Q1FY26
Individual agents	20%	20%	20%	21%	21%	13%
Corporate agents – Banks	60%	60%	58%	57%	54%	40%
Corporate agents – Others	3%	3%	4%	3%	2%	9%
Brokers	2%	2%	3%	3%	4%	6%
Direct business[3]	15%	15%	14%	16%	18%	32%

[2] *"Corporate agents – Banks" only*
[3] *Includes offline direct selling and online business through company website*

Crisil Intelligence

Note: *Individual NBP for bank led insurance players in Fiscals 2021, 2022, 2023 and 2024 was Rs 446 billion, Rs 544 billion, Rs 644 billion and Rs 693 billion respectively. Remaining share of individual NBP is contributed by Referrals, Micro Agents, Web aggregators, CSCs, etc.*

Source: IRDAI Handbook of Statistics, Public disclosures of LI players, Crisil Intelligence

Trend in channel-wise share of individual NBP for non- bank led life insurance players

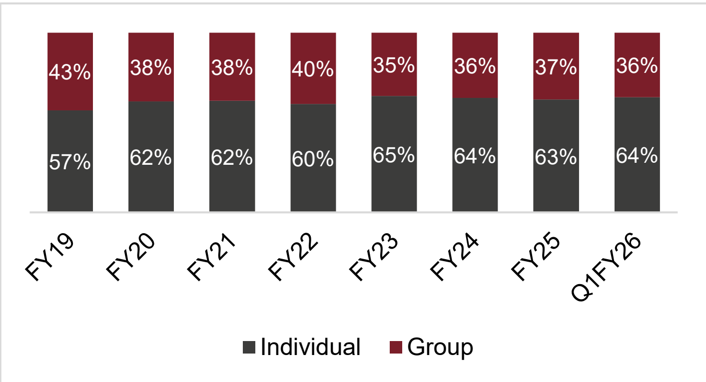
Channel-wise new business share	FY21	FY22	FY23	FY24	FY25	Q1FY26
Individual agents	36%	34%	31%	29%	28%	19%
Corporate agents – Banks	38%	39%	40%	36%	36%	28%
Corporate agents – Others	5%	5%	4%	4%	6%	14%
Brokers	5%	7%	10%	10%	11%	15%
Direct business	16%	14%	15%	20%	19%	23%

Note: *Individual NBP for non-bank led life insurance players in Fiscals 2021, 2022, 2023 and 2024 was Rs 121 billion, Rs 155 billion, Rs 210 billion and Rs 227 billion, respectively. Remaining share of individual NBP is contributed by Referrals, Micro Agents, Web aggregators, CSCs, etc.*

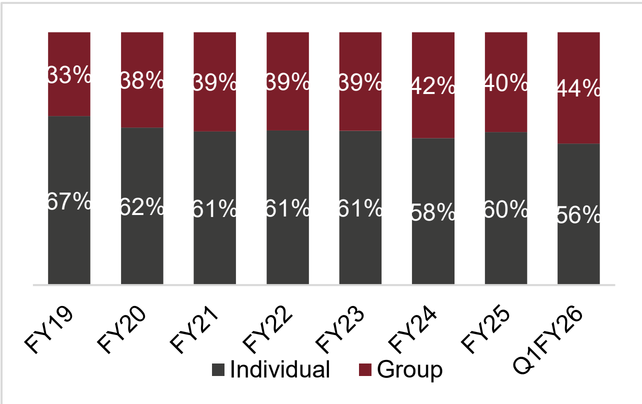
Source: IRDAI Handbook of Statistics, Public disclosures of LI players, Crisil Intelligence

Share of individual (Basis NBP) for bank and non-bank led players

Individual and group business share of bank led life players



Individual and group business share of non- bank led life players



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Source: IRDAI Handbook, LIC Council, Public Disclosures of LI Players, Crisil Intelligence

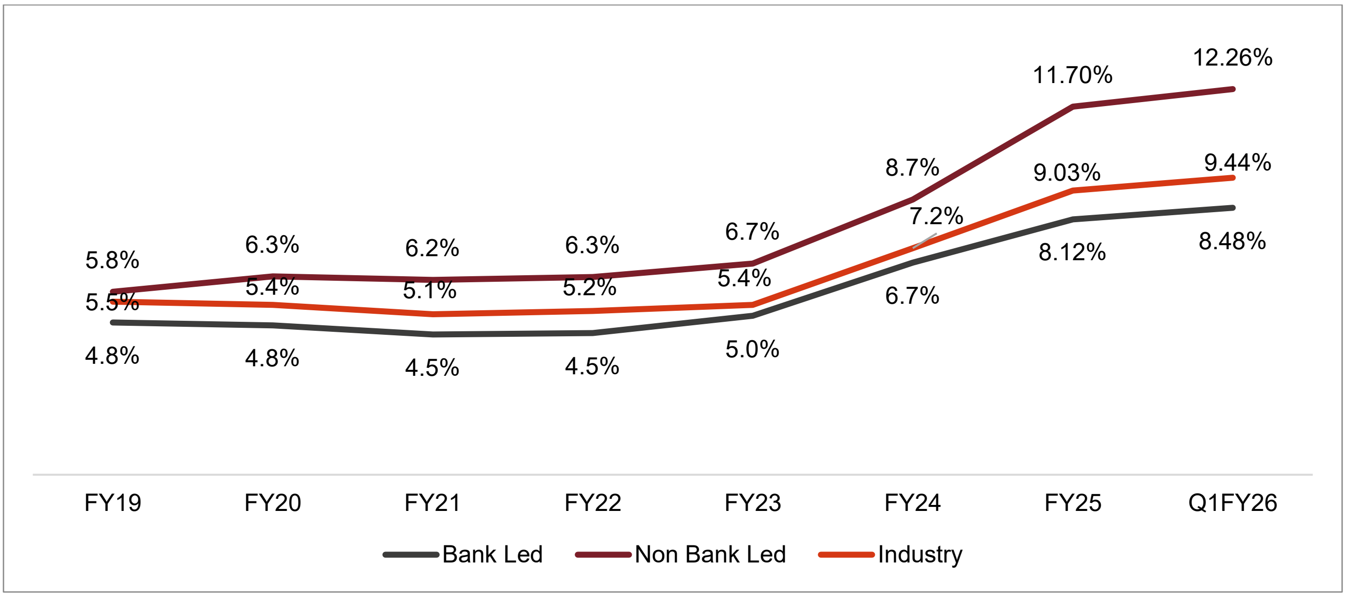
Commission ratio (as % of total premium) for bank led insurance players lower as compared to non-bank led players

Due to IRDAI's new regulations in 2010, which capped the commission on linked products, commissions have substantially declined since then. Hence, during the 5-year period ending Fiscal 2024, the commission ratio was rangebound for the industry. The IRDAI (Expenses of Management, Including Commission of Insurers) Regulations, 2024 were amended to give life insurers greater flexibility in managing their expenses, including commissions.

Companies can now impose expenses including commission at company level. This flexibility is reflected in the rise in commissions for the industry.

Commission ratio (as % of total premium) was lower for bank led insurance players for last seven years as compared to non-bank led insurance players.

Trend in commission ratio for private players and industry



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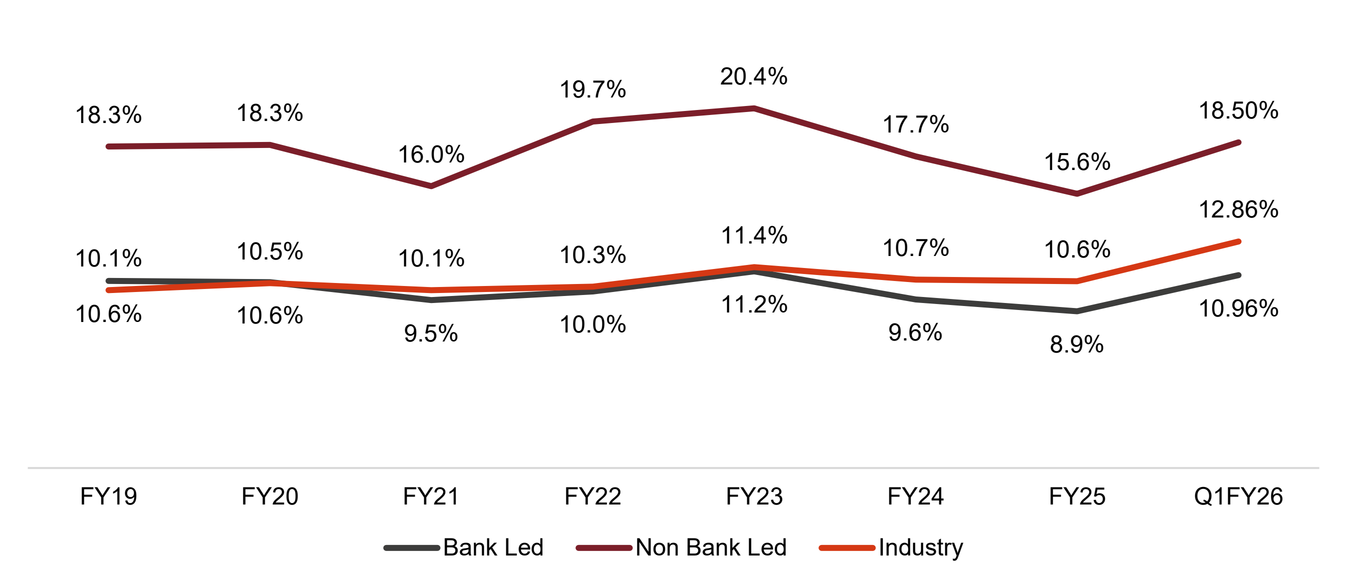
Source: IRDAI Handbook, LIC Council, Public Disclosures of LI Players, Crisil Intelligence

Operating expense ratio for players over last few fiscals

The operating expense ratio for the bank led insurance players were consistently lower than non-bank led players from the last seven years on account of increasing adoption of technology and leveraging partner's banca network helping optimise operating cost for bank led life insurance players.

Operating expense ratio (as % of total premium) for players



Source: Public disclosures of LI Players, Crisil Intelligence
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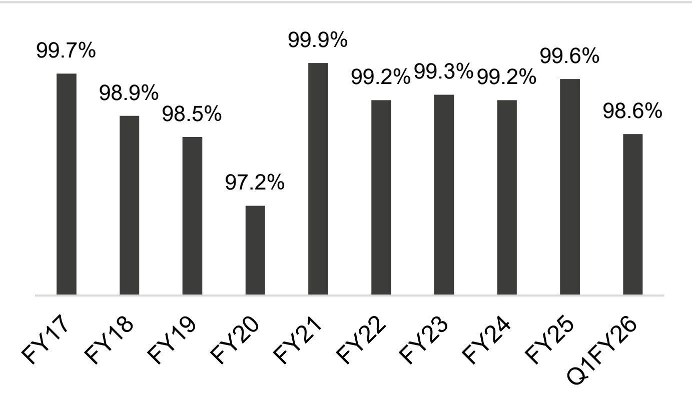
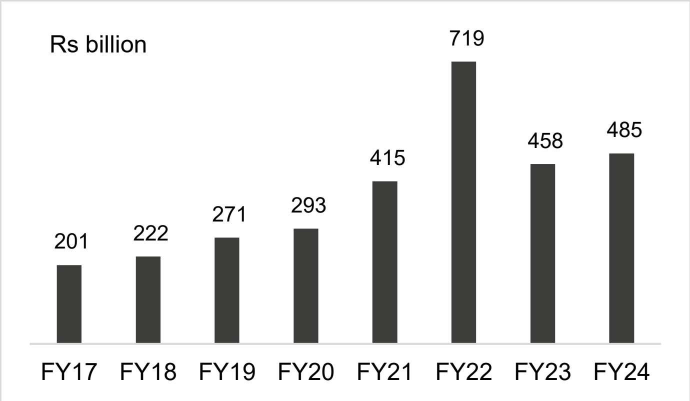
Claim settlement ratio for overall industry at 99.6% for Fiscal 2025

Death claims settled by life insurance players (overall industry) increased at 8% CAGR during Fiscals 2019 to 2024, whereas the total premium increased at 10% CAGR during the same period. The claim settlement ratio (claims settled/claims received) stood at 99.2% in Fiscal 2024 and improved to 99.6% in Fiscal 2025.



Source: IRDAI Handbook, Company reports, Crisil Intelligence

Total value of claims settled by life insurers (Individual & Group)

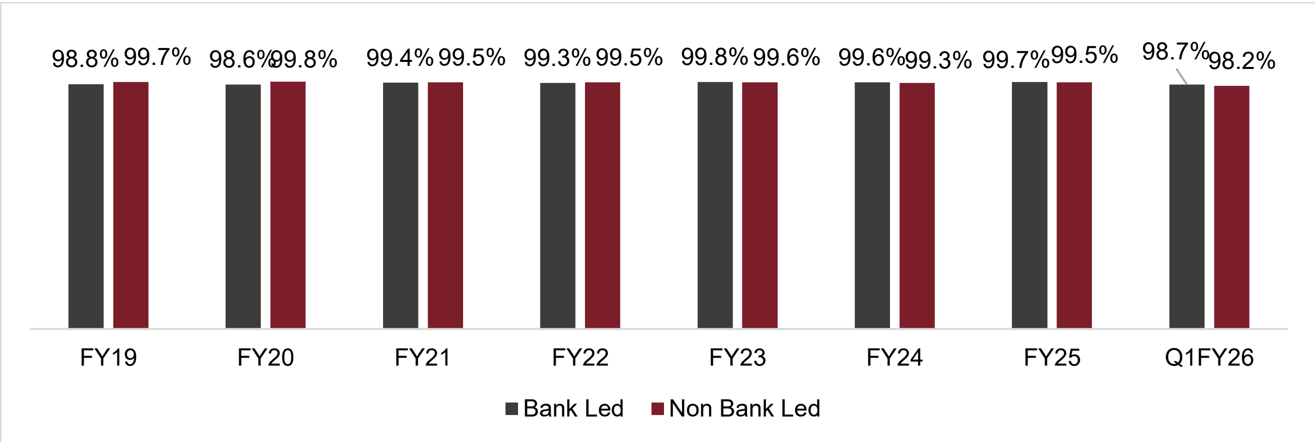


Source: IRDAI Handbook, Crisil Intelligence

Claims settlement ratio of industry (Individual & Group)

Source: IRDAI Handbook, Crisil Intelligence

Claims settlement ratio of industry for bank and non-bank led insurance players



Source: Public disclosures of LI Players, Crisil Intelligence
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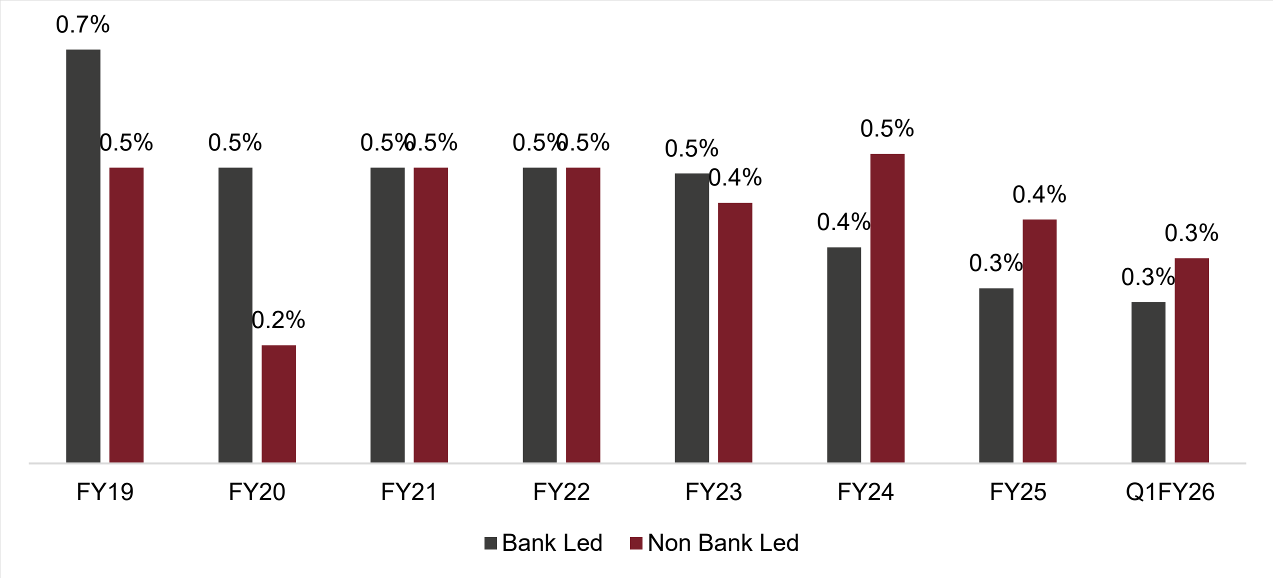
Claims repudiation ratio of industry for bank and non-bank led insurance players



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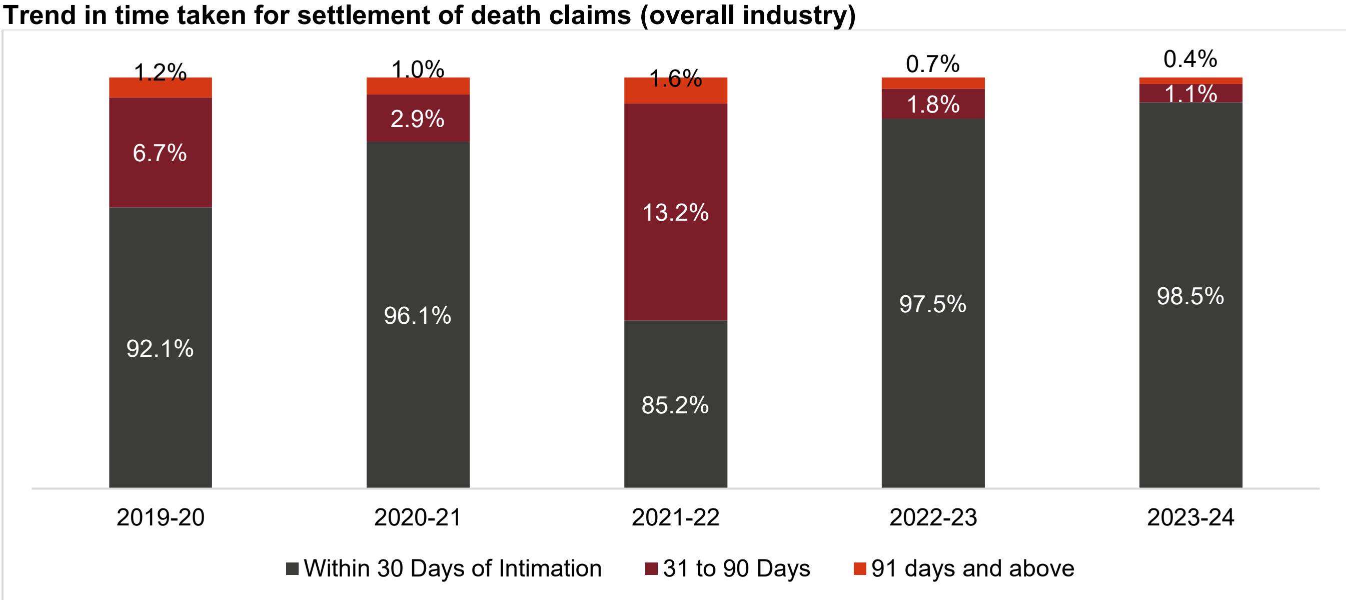
Further, claims settlement took longer in Fiscal 2022 as compared to Fiscal 2021. The number of claims settled within 30 days of intimation dropped from 96.1% in Fiscal 2021 to 85.2% in Fiscal 2022 on account of rise in the number of overall claims during Covid-19 and impact of lockdown on the ability to conduct verifications which resulted in delayed processes. Subsequently, the share of claims settled in 31 to 90 days and 91 days and above increased from 2.9% and 1.0% respectively in Fiscal 2021 to 13.2% and 1.6% in Fiscal 2022 respectively.

Trend in time taken for settlement of death claims (overall industry)



Source: IRDAI Handbook, Crisil Intelligence

Higher persistency ratio for bank led players as compared to Non-Bank led players

Persistency Ratios (on number of policies)

	FY23		FY24		FY25	
	Bank Led	Non-Bank Led	Bank Led	Non-Bank Led	Bank Led	Non-Bank Led
13th Month	76.20%	70.00%	76.90%	70.60%	79.18%	73.18%
25th Month	64.80%	57.80%	67.40%	63.20%	69.59%	59.82%
37th Month	60.10%	50.10%	59.90%	54.40%	64.91%	56.91%
49th Month	54.20%	46.80%	57.70%	51.60%	60.43%	51.38%
61th Month	44.70%	39.90%	47.20%	44.00%	53.43%	45.14%

Source: Public disclosuresof LI Players, Crisil Intelligence
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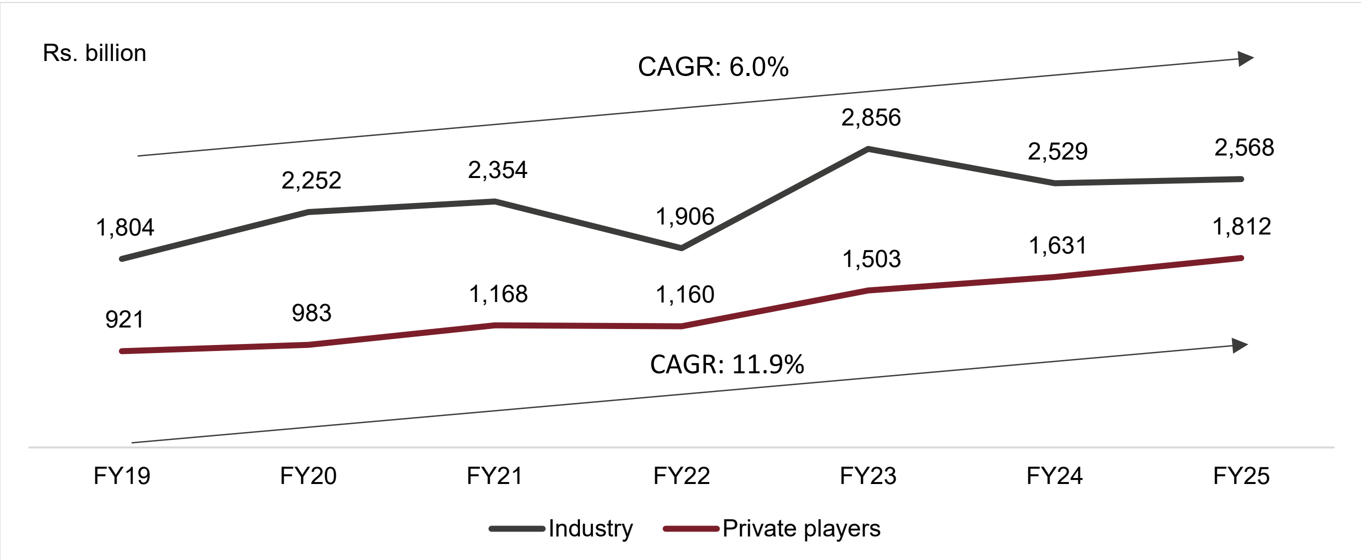
Net new cash *(total premium minus net benefits paid)* impacted in Fiscal 2022

The share of private players in the net new cash added by the life insurance industry witnessed a significant rise during the last 7 years ending Fiscal 2025.

Net new cash additions for private players and industry



Source: Public disclosures of individual insurers, Crisil Intelligence

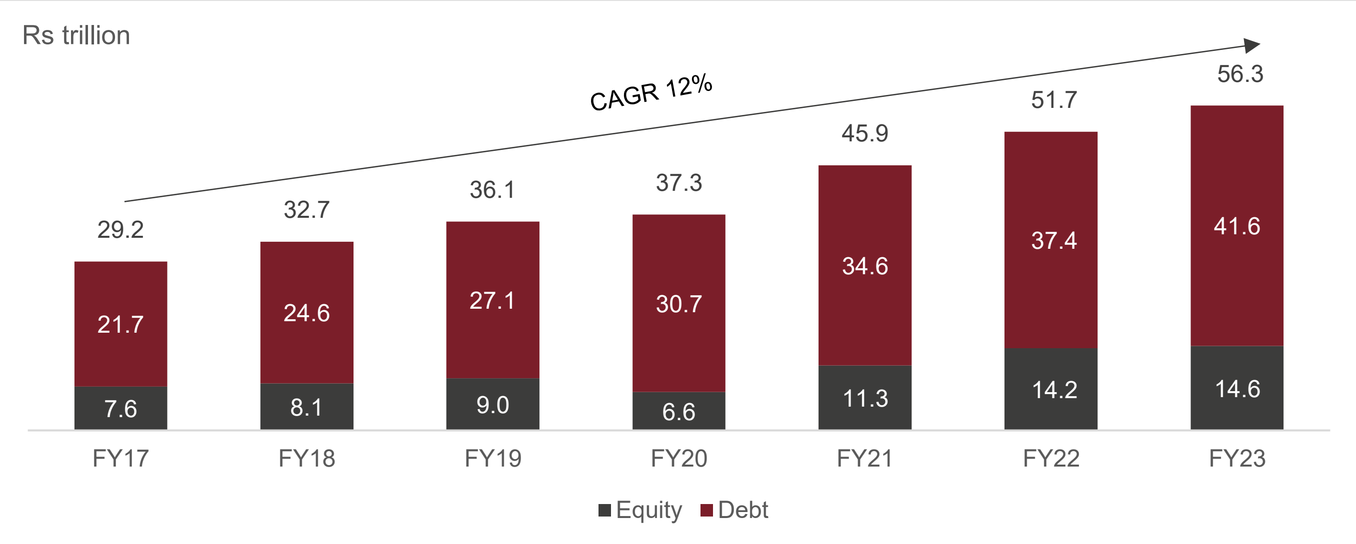
Mix of investment books of life insurers

Considering the nature of the business and the need to protect any downside risk, debt accounts for a large portion of the investment portfolio of life insurers. Further, in case of Investment assets in life fund and Pension, Annuity & Group Business, the life insurers have to invest minimum of 25% and 20% of their overall portfolio respectively in

Central Government Securities as per IRDAI guidelines. For Fiscal 2024, Life Insurance Players had 60% investments parked in central government securities as well as State government & other approved securities.

The share of equity in the total investment portfolio of life insurers has changed from 25.9% for Fiscal 2017 to 23.0% for Fiscal 2024. LIC has more than 70% of its investment portfolio in debt, whereas the corresponding percentage is 55-60% in the case of private players. Insurance companies invest high amounts in infrastructure bonds, due to the long-term nature of their liabilities. The total investment of the life insurance sector in infrastructure was Rs. 3.8 trillion for Fiscal 2024.

Trend in investment book of life insurers (overall industry)



Source : LI Council MIS reports, Crisil Intelligence

Mis-selling ratio (share of UFBP grievances to total grievances) has come down across industry over the period for life insurers

Mis-selling situations can arise in the life insurance industry where there is saving and/or investment element along with risk coverage element. To receive grievances against insurers, IRDAI has set up a call centre. IRDAI has also started to maintain a Bima Bharosa online portal for grievance management. Complaints categorised under unfair trade practices include misrepresentation of terms, conditions and benefits available under the life insurance products, false advertising or representation of a product, bundled with other products, free prize or gift offers, deceptive pricing etc. Mis-selling ratio (share of UFBP grievances to total grievances) has remained volatile. It improved in Fiscal 2024 and has rebound in fiscal 2025. Through regulatory initiatives and rising customer awareness total number of grievances registered under UFBP (Unfair Business Practices) has reduced in the last few years.

However, mis-selling ratio (share of UFBP grievances to total grievances) for players excluding LIC stands high at 58% for Fiscal 2025. For bank led life insurers, the ratio stood at 54%, while for non-bank led players the ratio was high at 64% for Fiscal 2025.

	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2024	Fiscal 2025
Total Number of grievances registered under UFBP (Unfair Business Practices)	43,444	30,674	25,716	26,107	23,335	27,297

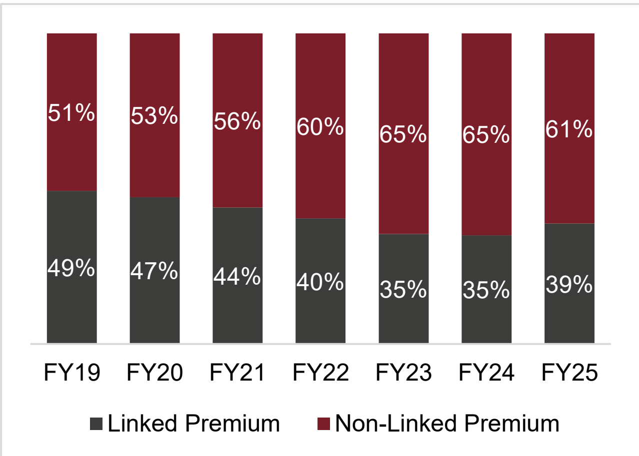
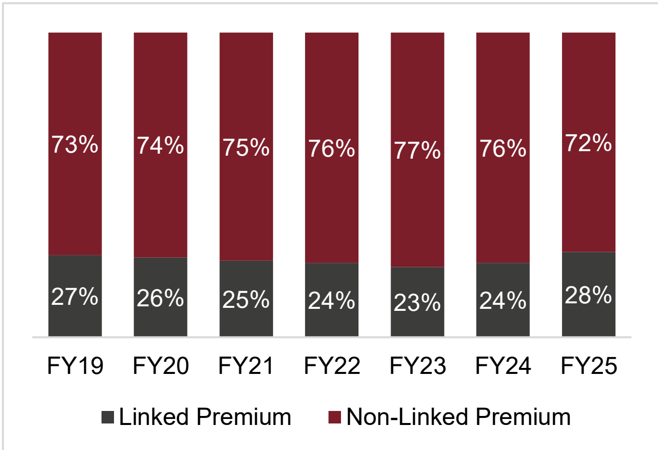
Total Number of grievances registered against life insurers	1,65,217	1,51,046	1,54,826	1,24,293	1,20,726	1,16,248
Share of UFBP grievances to total grievances	26%	20%	17%	21%	19%	23%

Source: IRDAI annual report, Crisil Intelligence

Non-linked products on the rise

On a total premium basis, the share of linked insurance products for bank led players shrank to 39% in Fiscal 2025 from 49% in Fiscal 2019, indicating the increasing preference among consumers for non-linked products and rising awareness about non-par savings and annuity products among bank led insurance players. Additionally, the applicability of tax on the return generated from Unit Linked Insurance Plans (ULIPs) with an annual premium of more than INR 0.25 million (announced in Budget 2021[4]) has dented incremental big-ticket demand for ULIPs from newer customers. In FY24, government proposed to tax income from all non-ULIP products i.e. par and non-par where aggregate insurance premium paid in a year exceeds Rs 5 lakh. The proposal came into effect from April 2023.

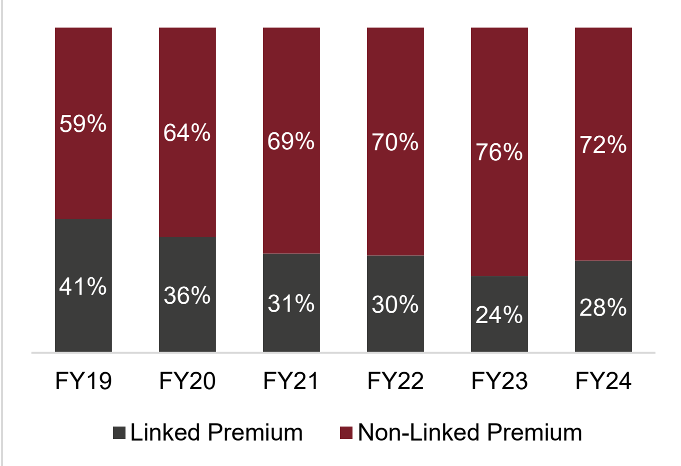
Rising share of non-linked products for players (basis total premium)

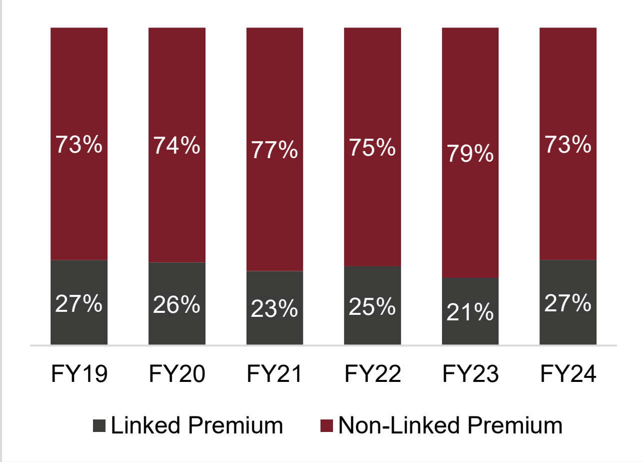
Industry product mix (basis total premium) for bank led players	**Industry product mix (basis total premium) for non-bank led players**
	

Share of linked products remains low for players (basis NBP)

Industry product mix (basis new business premium) for Bank led players	**Industry product mix (basis new business premium) for Non-Bank led players**

[4] *As per Union budget 2021, return from ULIP policies (including bonus) will be taxable if the annual premium paid exceeds Rs. 2.5 Lakhs for one policy or aggregate of multiple ULIP policies issued to an individual*





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Impact of market volatility on ULIP premium

A unit linked insurance plan (ULIP) is a multi-faceted product that offers both insurance coverage and investment exposure in equities or bonds. Part of the premiums goes toward insurance coverage, while the remaining portion is pooled with assets from other policyholders and invested in either equities, bonds, or a combination of both. Due to this, the ULIP portfolio of all life players witnesses some downturn in demand when the capital market cycle is not favourable.

Protection, non-par savings and annuity products to drive industry growth

A majority of the leading insurers have increased their focus on non-participating savings, protection and annuity products over the past few years[5], taking into account the evolving market need. This has enabled higher growth for insurers. For example, protection plans are products that provide full protection and financial stability to the policyholder's family in the event of any unforeseen circumstances. Earlier, individuals used to treat insurance as an investment rather than a security. However, this has changed over the years, with customers and insurers shifting their focus towards protection products.[6]

Because of decreasing demand for ULIPs, a possible decrease in demand for large-ticket-size savings products due to the regulations announced in Union budget 2023-24, and a corresponding increase in awareness about the benefits of life insurance apart from tax saving, demand for protection and other savings/annuity products has increased. Furthermore, insurers introduced additional features and riders on protection plans, such as providing customers with an option to customise a term plan based on their needs in terms of changing the life cover, extending the policy term, adding riders, etc. Under annuity, insurers have launched plans with deferred options and guaranteed

[5] *The share of non-linked products (as a % of NBP) for private life insurers increased to 72% in Fiscal 2024 from 56% in Fiscal 2018*
[6] *APE of Protection products for top 3 private life insurers grew at CAGR of ~18% from FY21 to FY24.*

returns and a protection option to penetrate newer and less-tapped customer segments, examples include products like SBI Life Smart Swadhan Plus, ABSLI Guaranteed annuity plus, IndiaFirst Life Guaranteed Annuity Plan, etc. Annuity is also a retirement need and hence the growth of the product has picked up.

As per Crisil Intelligence, the penetration of protection, non-par savings and annuity products as a proportion of total addressable population is modest currently, but awareness about these products has increased manifold since the onset of the Covid-19 pandemic. Going forward, due to increasing push by insurance companies, use of online platforms and increasing awareness about the benefits of these products, we expect demand to gain traction and act as a major growth driver for the industry.

Product evolution over years

Indian life insurance industry has seen a change in product preference from both insurer as well as customer point of view in the last decade. The primary source of premium in the first decade after privatization was linked plans, however, after regulations from IRDAI introducing structure related changes of ULIP plans in 2010 and 2013, there was a shift seen towards other product categories.

Product categories like non-participatory savings, term, annuity and health started to evolve and various innovative products were launched during this period (2010-2013). These products were developed keeping in mind the changing preferences, payment pattern and point of sales of customers. The count of endowment products (including ULIP endowments) grew by 50% in March 2025 as compared to March 2020. Annuity and ULIP category saw a growth of 116.0% and 26.7% respectively during the same period.

For top 10 private life insurance players (as per Total premium in FY25), the count of endowment products grew by 52% in March 2025 as compared to March 2020. Annuity and ULIP category saw a growth of 173% and 48% respectively during the same period.

Combined count of major products active as at March 31, 2020, and March 31, 2025, of all insurers

Product category	Count of products		Growth %
	As at March 31, 2020	As at March 31,2025	
Endowment	185	190	2.70%
Term	179	237	32.40%
ULIP	105	133	26.67%
Annuity	25	82	228.00%
Pension	18	30	66.67%
Health	18	28	55.56%
ULIP endowment	14	7	-50.00%

Source: Life Insurance Council, Crisil Intelligence

Combined count of major products active as at March 31, 2020 and March 31, 2025 of top 10 private life insurers

Product category	Count of products		Growth %
	As at March 31, 2020	As at March 31,2025	
Endowment	78	105	34.62%
Term	90	125	38.89%
ULIP	52	77	48.08%
Annuity	15	41	173.33%

Pension	12	24	100.00%
ULIP Endowment	12	7	-41.67%
Health	6	23	283.33%

Source: Life Insurance Council, Crisil Intelligence

Micro Insurance

Insurance Regulatory and Development Authority of India (IRDAI) has created a special category of insurance policies called micro-insurance policies to promote insurance coverage amongst economically vulnerable sections of society. Earlier, LIC contributed the most both in terms of policies sold and number of micro-insurance agents. However, with the notification of the IRDAI (Micro-insurance) Regulations 2005, there has been a steady growth in the number of products catering to the needs of the poor. According to the Insurance Regulatory and Development Authority of India (IRDAI), a micro insurance portfolio refers to insurance products specifically intended for the protection of low -income people, with affordable insurance products to help them cope with and recover from financial losses.

Some of the main features of micro insurance policies available in India are as follows:

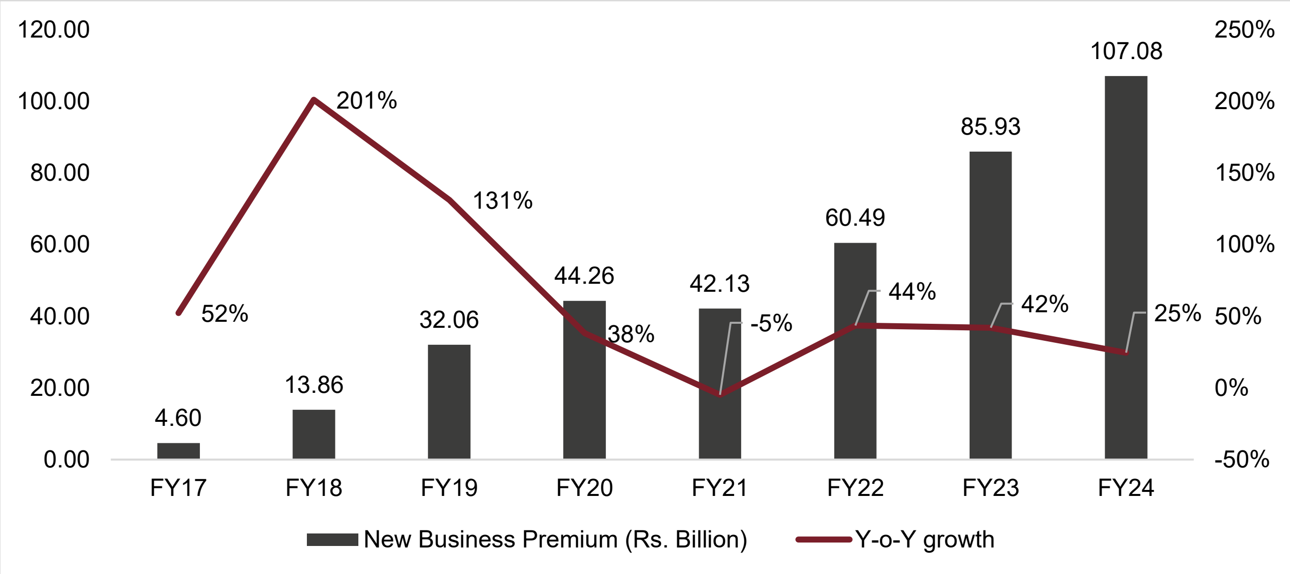
- There are different types of micro insurance plans available in the market. These plans can be life insurance or general insurance plans
- The sum insured under micro insurance plans is restricted to up to INR 2,00,000. This is done to ensure that premiums are low and affordable for the targeted population segment.
- IRDAI has made it mandatory for life and general insurance companies to sell a specific portion of micro insurance policies every year to promote the penetration of micro insurance in the rural sector which would create social welfare
- Specialised micro insurance agents are appointed to sell micro insurance plans
- The premiums are very low under micro insurance policies and can also be collected weekly in some cases

In Fiscal 2024, the new business premium from micro insurance business for the industry was INR 107.08 billion and has grown at a CAGR of 57% from Fiscal 2017 to Fiscal 2024. The Covid-19 pandemic induced lockdowns led to slight drop of 5% year-on-year in NBP in Fiscal 2021 due to a relatively high touch distribution model in the segment. Over the years, private sector insurers have increased their share in the micro insurance pie, largely driven by group business. LIC on the other hand reduced its focus on group micro insurance and reduced its number of schemes for the same which resulted in decreasing market share in overall micro insurance industry. Top 5 players in terms of premium for micro life insurers are HDFC Life Insurance Company Ltd., ICICI Prudential Life Insurance Company Ltd., Kotak Mahindra Life Insurance Ltd., Bajaj Allianz Life Insurance Company Ltd., Axis MaxLife Insurance Company Ltd. Market share for top 5 players stood at 89% for Fiscal 2024.

Despite the strong growth, the penetration of micro insurance plans is still low due to lack of awareness and the need for critical mass for the products to be commercially viable for the insurer. Therefore, it is observed that group policies account for majority share of over 90% in micro insurance.

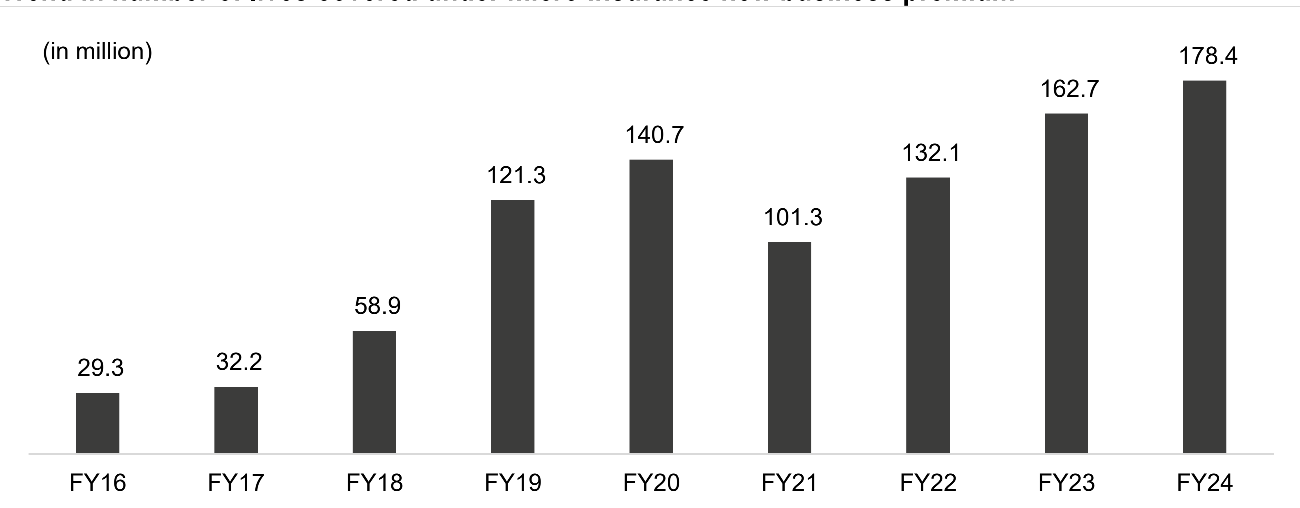
Going forward, these products are expected to witness increased uptake with rising awareness, expansion of distribution channels and higher focus from both public and private sector companies.

New business premium trend in micro insurance portfolio



Source: IRDAI Handbook on Indian Insurance Statistics 2019-20 (Table 31: New Business Under Micro-Insurance Portfolio -Life Insurers), IRDAI Annual report, Crisil Intelligence

Trend in number of lives covered under micro insurance new business premium



Note: Above chart shows annual number of lives for group category and number of policies for individual category

Source: IRDAI Handbook on Indian Insurance Statistics, Crisil Intelligence

Industry regulations

IRDAI – Statutory regulator for life insurance business since CY 2000

The life insurance industry is regulated by the Insurance Regulatory and Development Authority of India (IRDAI). In 1993, the government set up a committee led by the former RBI governor, RN Malhotra, to propose recommendations for reforms in the insurance sector. Based on the recommendations of the Malhotra committee report in 1999, IRDAI was formed as an autonomous body to regulate the insurance industry in India. IRDAI received statutory status in April 2000.

Key initiatives taken by the regulator

Reforms agenda taken up towards a fully insured India

Insurance regulatory and Development Authority of India (IRDAI) is continuously engaging with the stakeholders of the insurance industry to set out a reforms agenda for increasing insurance penetration and facilitating sustainable growth of the industry.

Under the reform agenda, IRDAI has extended the 'Use and File' procedure for majority of the Life Insurance products. The life insurance companies can launch these products without prior approval of IRDAI. Earlier, it was made mandatory for the insurance companies to take prior approval before launching any life insurance product. However, going forward the move will enable Life Insurers to launch most of the products (except Individual Savings, Individual Pensions and Annuity) in a timely manner according to the dynamic needs of the market. This will result in improving ease of doing business for the insurers and also lead to expansion of the choices available to the policyholders.

IRDAI, in its continuous endeavour towards promoting ease of doing business for insurance companies in India, has reviewed and rationalized the regulatory returns to be filed by the Insurance Companies

Reduced compliance burden for insurance companies

In order to increase the ease of doing business, IRDAI has reduced the number of off-line returns being submitted by Life Insurers from 40 to only 4 whereas the number of online returns would come down from 8 to 5. Three separate certification requirements have also been consolidated into one.

IRDAI has also discontinued submission of hard copies of any reports, returns or other documents related to actuarial valuation or reinsurance.

Life insurance industry went through a plethora of developments during Covid-19

Every year, the Indian insurance industry goes through various changes in order to provide more customer-centric products and also promote the orderly growth and development of the industry. Particularly in 2020, the regulator undertook number of steps to make sure that the coverage of life insurance increases by offering simple and standardised policy options to customers in the wake of Covid-19.

Products: Insurers were strongly encouraged to devise appropriate insurance products that would provide protection from risks arising out of Covid-19.

Standard life insurance

Today, there are plethora of term insurance products easily available in the market with different terms and conditions. This makes it difficult for customers to make an informed choice and make the right selection of the product. To address this problem, IRDAI introduced the concept of a standard product in order to provide an option for customers without any financial orientation who preferred not to get into product details and evaluation. IRDAI mandated that all life insurers offer a standard individual term life insurance plan from 01 January 2021 called 'Saral Jeevan Bima'.

Further, the IRDAI also mandated all life insurers to offer a standard individual immediate annuity product, “Saral Pension” from 1 April 2021 onwards.

Key recent regulatory frameworks

Announcement of new surrender value rules by IRDAI

As per the Master circular on Life Insurance Products, IRDAI on June 12th, 2024, introduced provisions guaranteeing a better exit payoff for Life insurance policy holders unwilling or unable to continue paying for their insurance. As per the provisions, now insurers will be liable to pay the special surrender value if the exit takes place after completing one year. Additionally, IRDAI has specified that SSV must be at least equal to the expected present value of (a) paid-up sum assured on all contingencies covered and (b) paid-up future benefits (such as income benefits), if any, and (c) accrued/vested benefits, duly allowing for survival benefits already paid (whatsoever name called), if any. The rate of interest used to calculate such expected present value shall not be more than the prevailing yield on 10 Year G-Sec with a spread of not exceeding 50 basis points.

Protection of policy holders’ interests

IRDAI issued master direction on protection of policyholders’ interests 2024. Based on this direction, life insurers are mandated to provide an essential summary of important information at various stages of an insurance contract.
This includes guidance for prospects, policyholders and customers prior to sale, at the proposal stage, upon receiving policy documents, during the policy’s term, and at the time of claim for all insurance segments. Insurers must provide a customer information sheet (CIS) for all insurance segments, outlining key policy features, benefits, and exclusions. The proposal form and CIS must be made available in regional languages upon the customer’s request.
A 30-day free look period applies to both Life and Health insurance policies, allowing policyholders to review the policy terms and conditions. In case the policyholder Is not satisfied with policy terms or conditions, he/ she has the option to return the policy within these 30 days period to the insurer for cancellation. In cases, where the insurer fails to settle claim within the specified timelines as per the master direction, then the claimant is entitled for interest at bank rate plus 2 % per annum from the date of receipt of intimation till the date of payment.

Master Circular on Expenses of Management, including Commission, of Insurers, 2024

IRDAI released a consolidated regulation on expenses of management including Commission for life, general and health insurers on 15th May 2024. As per the regulation, each Insurer shall formulate a board approved policy in place for payment of commission and prepare a future business plan. The Master Circular sets out guidelines for the payment of commission, brokerage, and other expenses (expenses of management) and requires insurers to maintain detailed records of all expenses incurred. It also mandates insurers to disclose their expense ratios and commission payments in their financial statements, enabling policyholders and stakeholders to make informed decisions. Furthermore, the circular emphasizes the need for insurers to adopt prudent and efficient expense management practices, ensuring that expenses are reasonable and commensurate with the services provided, and that policyholders' interests are protected. By issuing this Master Circular, IRDAI aims to promote a culture of transparency, accountability, and efficiency in the insurance industry, ultimately benefiting policyholders and contributing to the overall growth and development of the sector.

Corporate Governance for Insurers

IRDAI has directed insurance companies to take prior approval for the appointment of board chairperson. Existing Chairperson of the insurer as on the date of issue of the circular, i.e May 2024, has been permitted to continue as Chairperson up to 31st March 2026 or till he/she completes his/her current tenure, whichever is earlier. Under the direction, IRDAI has prohibited conflict of interest in key managerial positions. Insurers are required to ensure that Key Management Persons (KMPs) shall not simultaneously hold more than one position in the insurer that could lead to conflict or potential conflicts of interest such as 'business and control function' or 'two control functions.

FDI Cap increased from 74% to 100%

The Union Budget for FY25-26 has proposed the increase of the FDI cap to 100% moving it to the automatic route under IRDAI oversight and aligning limits with the Insurance Act, 1938. In 2024 when FDI was capped at 74%, the participation of foreign investors was as below:

Of the 26 life insurance companies in India, 20 companies have a foreign partner, of which four partners hold a 74% stake in Indian companies and five partners hold between 49% and 74%.

Circular on Protection of Policyholders' Interests, 2024

IRDAI introduced a circular on protection of policyholder's interests in 2024 which reinforced its commitment to safeguard the rights and interests of policyholders. The circular outlines a set of guidelines and directives aimed at enhancing policyholder protection, ensuring fair treatment, and promoting transparency in the insurance industry. It emphasizes the importance of insurers providing clear and concise information to policyholders, including policy terms, conditions, and exclusions, and mandates the use of simple and easily understandable language in policy documents. The circular also stipulates that insurers must have in place a robust grievance redressal mechanism, enabling policyholders to lodge complaints and receive prompt and fair resolutions. Furthermore, it requires insurers to maintain high standards of service quality, including timely settlement of claims, and to ensure that policyholders are not subjected to unfair or discriminatory practices.

Master Circular on Life Insurance Products, 2024

IRDAI in June 2024 introduced the master circular on Life Insurance Products which mentions the need for insurers to provide transparent and fair products to policyholders, and to comply with regulatory requirements. The file also includes sections on document management, file and use procedure, and customer information sheets, highlighting the importance of clear and concise communication with policyholders.

Impact of Covid-19 pandemic on life insurance Industry

The Covid-19 pandemic posed a significant challenge to the life insurance industry on various fronts. Total premium for the life insurance industry increased by 9.7% and 10.2% in Fiscal 2021 and Fiscal 2022 respectively. The death claims booked (Individual and Group combined) witnessed a surge of 15% year-on-year (by volume) in Fiscal 2021 due to Covid-19 related mortality thereby leading to 13% increase in overall benefits paid by the industry. This led to decline in policyholder's surplus account by 8% year-on-year in Fiscal 2021. The decline was the first such instance for the life insurance industry since Fiscal 2014. The benefits paid by the life insurers increased by 28% and death claims booked increased by 25% year-on-year in Fiscal 2022 primarily on account of the rise in death claims due to second wave of Covid-19 in Q1 Fiscal 2022.

However, despite the rise in the death claims, the industry showcased agility in settlement of claims and recorded 98.5% claims settlement ratio in Fiscal 2021. Further, even in Fiscal 2022, the industry recorded a claim settlement ratio of 97.6%[7] despite the steep increase of 25% year-on-year basis in number of claims received.

Further, despite second wave of Covid-19 pandemic impacting the industry performance in Q1 Fiscal 2022, the industry recorded a strong 13% year-on-year growth in new business premium for Fiscal 2022 on the back of steep recovery from Q2 Fiscal 2022 onwards.

The strong NBP growth in Fiscal 2022 indicated a strong perceptible shift in the attitude and awareness towards life insurance. The financial impact of the pandemic also led to people valuing the protection and fallback offered by life insurance products in tough times. Further, the life insurance industry, which mainly depended on in-person interaction, has adopted more digital ways of selling products and services in the past one year amid the pandemic.

Individual number of lives covered in the Q4 of Fiscals 2021 and 2022, at 11.8 million and 11.5 million, was even higher than in the pre-pandemic times (Q4 of Fiscal 2020 was 8.3 million and Q4 of Fiscal 2019 was 10.7 million); group insurance NBP also reflects a similar trend.

Number of lives covered/ policies issued impacted in first half of Fiscal 2021

In terms of claims, number of claims reported in a year (Individual + Group) grew by 25% year-on-year in Fiscal 2022. The amount of Covid death claims paid over and above the normal death claims have impacted the balance sheet of companies to some extent. Few private insurers have also raised debt from market to meet their liquidity requirements. Covid-19 has also led to insurers reworking their mortality assumptions and strengthen their underwriting norms. Also, as reinsurers hiked their rates and tightened their policies, the pricing of product offerings, especially group term policies, has increased.

IRDAI (Insurance intermediaries) (Amendment) Regulations, 2022

As per the IRDAI (Insurance intermediaries) (Amendment) Regulations, 2022 dated December 5, 2022, the following changes are made in the IRDAI (Registration of Corporate Agents) Regulations, 2015 and IRDAI (Registration of Insurance Marketing Firm) Regulations, 2015:

- Increase in the maximum limit of tie-ups with insurers for Corporate Agents from the existing three for each category of insurance to nine for each category of insurance
- Increase in the maximum limit of tie-ups with insurers for Insurance Marketing Firms from the existing two for each category of insurance to six for each category of insurance

This step has been taken to promote insurance penetration leveraging the bancassurance channel of business, which has witnessed strong growth in the sector. The share of bancassurance channel in the industry rose to ~24% of individual NBP in Fiscal 2025 from ~16% in Fiscal 2013, driven by private life insurance players (~33% share in bancassurance on an individual NBP basis in Fiscal 2025) with banks as promoters and players who have

[7] *Based on player-wise claims data*

empanelled large private or public sector banks with a strong branch network as their corporate agents. For bank led insurers, share of bancassurance channel stood at 32% in Fiscal 2025.

The reform is certainly going to work in favour of policyholders as they will have access to a varied offering from multiple insurers, which will help them in making informed decisions based on their needs. However, this may impact insurers in different ways.

- Entry of multiple players will shrink the share of the existing insurer's pie within the corporate agent (CA) business.
- It will act as an opportunity for the insurers having low bancassurance business to expand their operations by tying up with more CAs and enter into newer markets via the CA's branch network.
- This reform brings a benefit in terms of risk sharing as every insurer has a different appetite for selling products.

The Insurance Laws (Amendment) Bill, 2022 — A composite licence for the insurance sector

In view of the changing needs of the insurance sector, the Ministry of Finance, in consultation with the IRDAI and the industry, conducted a comprehensive review of the legislative framework in India in November 2022. Subsequently, the Government of India issued a draft bill titled "The Insurance Laws (Amendment) Bill, 2022". The draft bill proposes significant amendments to the Insurance Act, 1938 (Insurance Act) and the Insurance Regulatory and Development Authority Act, 1999 (IRDA Act), which are stated to primarily focus on enhanced insurance penetration, improved efficiency, and enablement of product innovation and diversification.

The proposed amendments primarily focus on enhancing the financial security of policyholders; promoting policyholders' interests; improving returns to policyholders; facilitating the entry of more players in the insurance market, leading to economic growth and employment generation; enhancing efficiencies of the insurance industry — operational as well as financial; and enabling ease of doing business.

The proposal includes various measures, such as opening up registration to various classes, sub-classes and types of insurers with appropriate minimum capital requirements as specified by the IRDAI, allowing services to insurers that are incidental or related to insurance business, as well as distribution of other financial products as specified by the IRDAI, enabling newer channels of distribution, providing for efficient use of capital and resources, etc.

Crisil Intelligence envisions this as a major advancement in the way insurance is distributed in the country. Composite licencing offers several benefits to insurance companies, including diversification, better operational efficiency, cross-selling opportunities, opening of the market to customers, and reduced premium due to competition. However, this would require insurance firms to comply with the regulatory requirements of operating in multiple lines of business, as they operate under a single licence that encompasses all authorised lines. Also, new regulations will have to be put in place to monitor insurance firms providing other new forms of insurance. Below is a comparative analysis of the before and after scenarios of composite licencing in the insurance sector:

Existing industry scenario	Industry scenario post composite licencing
Limited operations in specific lines of insurance	A single composite licence would allow insurance firms to work in multiple lines of insurance

Limited ability of insurers to diversify their product offerings	Insurers will expand their product portfolios
Limited cross-selling opportunities due to product constraints	Increase in cross-selling opportunities due to diversified product bouquet
Market characterised by specialized insurers, each focusing on a specific type of insurance	Increase in competition across multiple lines of insurance and other financial products
Mergers and acquisitions within the same line of business	Mergers and acquisitions will lead to diversification in offerings

The reforms will enable insurers to design better products and lower premiums due to expected increased volumes of policies/products sold. However, there are varied perceptions among midsize and large insurers about the proposed amendment.

IRDAI launches Bima Sugam: One-stop insurance marketplace

https://economictimes.indiatimes.com/wealth/insure/irdai-launches-bima-sugam-one-stop-insurance-marketplace-heres-how-it-works/articleshow/123946729.cms?from=mdr

Growth outlook

Total industry premium projected to cross Rs 11 trillion by fiscal 2028

Crisil Intelligence forecasts total premium for life insurers to log 8% to 10% CAGR over the next four years ending fiscal 2028 while bank led insurers are expected to grow faster at 10% to 12% CAGR over the same period.

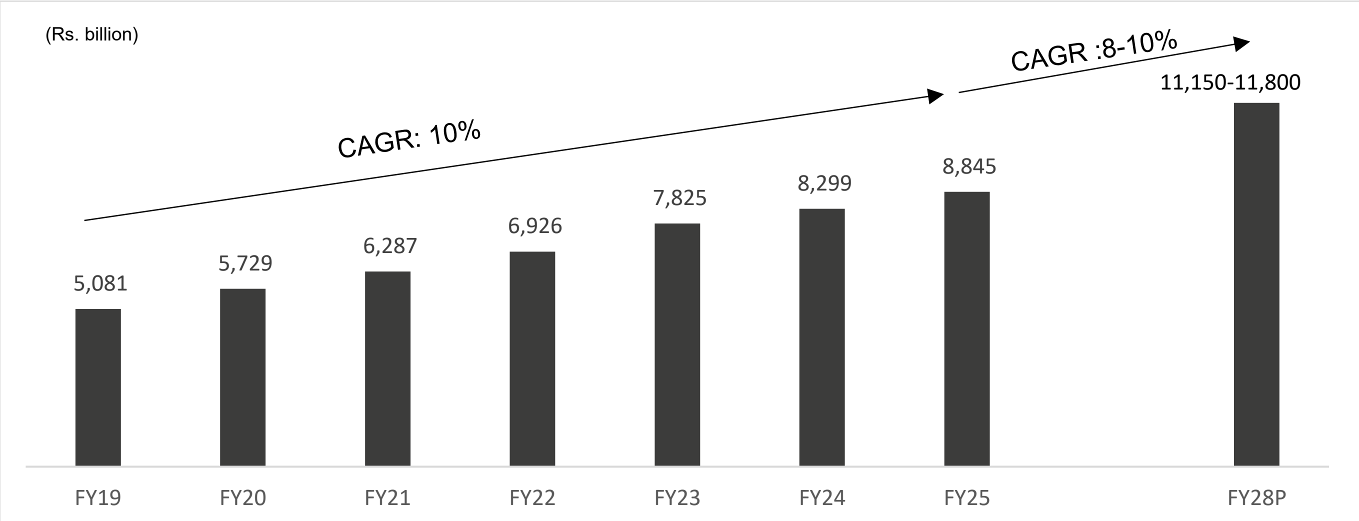
The key factors that will propel growth of the Indian life insurance sector are high GDP growth, a higher share of the younger population (between ages 15 and 59) at around 64% in CY 2023, rapid urbanisation, focus on financial inclusion, the regulator's constant efforts to enhance reach of insurance, improvements in life expectancy leading to a higher average post-retirement period, pension market being underpenetrated, rising affluence and increasing preference for financial savings with increasing financial literacy.

Key structural factors expected to drive growth of life insurance include a large proportion of insurable population, higher economic growth leading to rising incomes, an increase in financial savings, increasing awareness of the utility of insurance and increasing adoption of insurance through digital channels. The launch of the '*Insurance for All by 2047'* initiative by IRDAI and the financial inclusion drive by the government (Pradhan Mantri Jeevan Jyoti Bima Yojana, etc.) are expected to further aid market growth.

The GST Council has exempted individual life and health insurance policies from the 18% GST rate, making them more affordable for consumers. This exemption is expected to boost demand for individual policies as premiums become cheaper. However, insurers will face a trade-off, as they will no longer be able to claim input tax credits, which will result in a potential hit to their profit and loss statements. The overall impact of this change on insurers remains uncertain, as they weigh the benefits of increased demand against the loss of input tax credits.However, the effect of structural changes in the industry such as imposition of new tax regime, exemption from GST, open architecture in insurance distribution, and impact of changes in tax calculations for premium above Rs 5 lakhs, etc. will gradually reduce by fiscal 2025 as the industry has adopted these changes in fiscal 2024. From April 1, 2024, IRDAI's revised guideline regarding surrender value has also come into force. IRDAI has mandated that insurers will have to pay special surrender value to policyholders in case the customer exits the policy prematurely after completion of the first policy year. Crisil expects no major impact on life insurers post the implementation of the regulation. The life insurance industry players could make strategic changes in their portfolio in respond to regulatory changes in the near term. Thereafter, growth is expected to normalize.

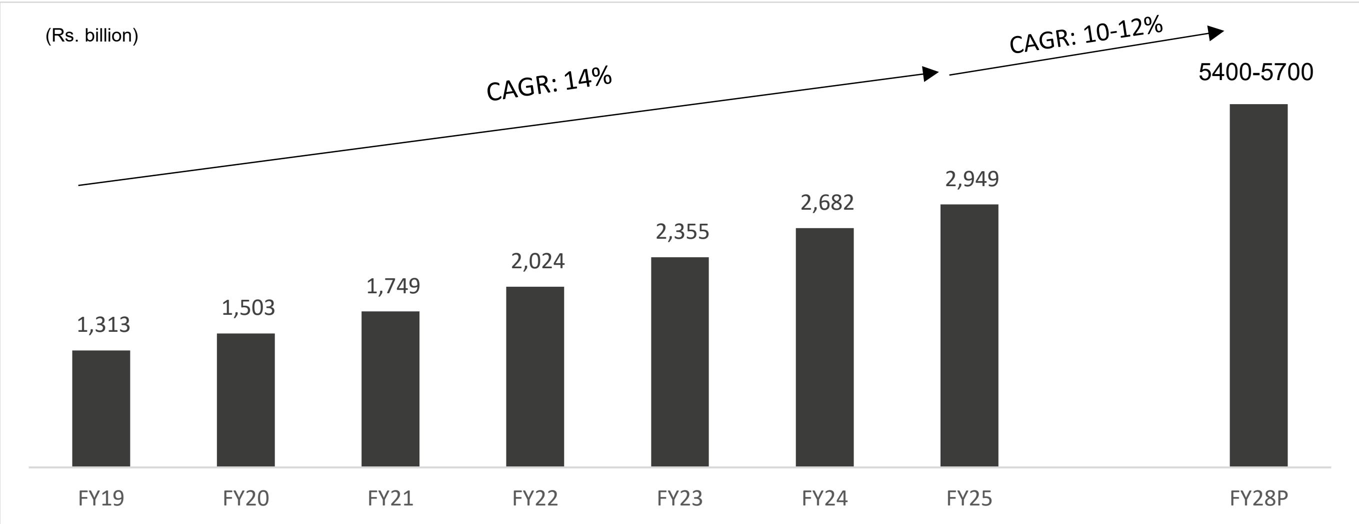
For next 4 years, it is expected that total life insurance premium will grow at 8% to 10% CAGR, Further, given the dynamic business environment, chances of further regulatory changes in the industry cannot be undermined, which could alter outlook for the industry.

Total life insurance premium to log 8-10% CAGR over the next 3 years (Overall Industry)



P – Projected
Source: IRDAI Handbook of Statistics, Crisil Intelligence

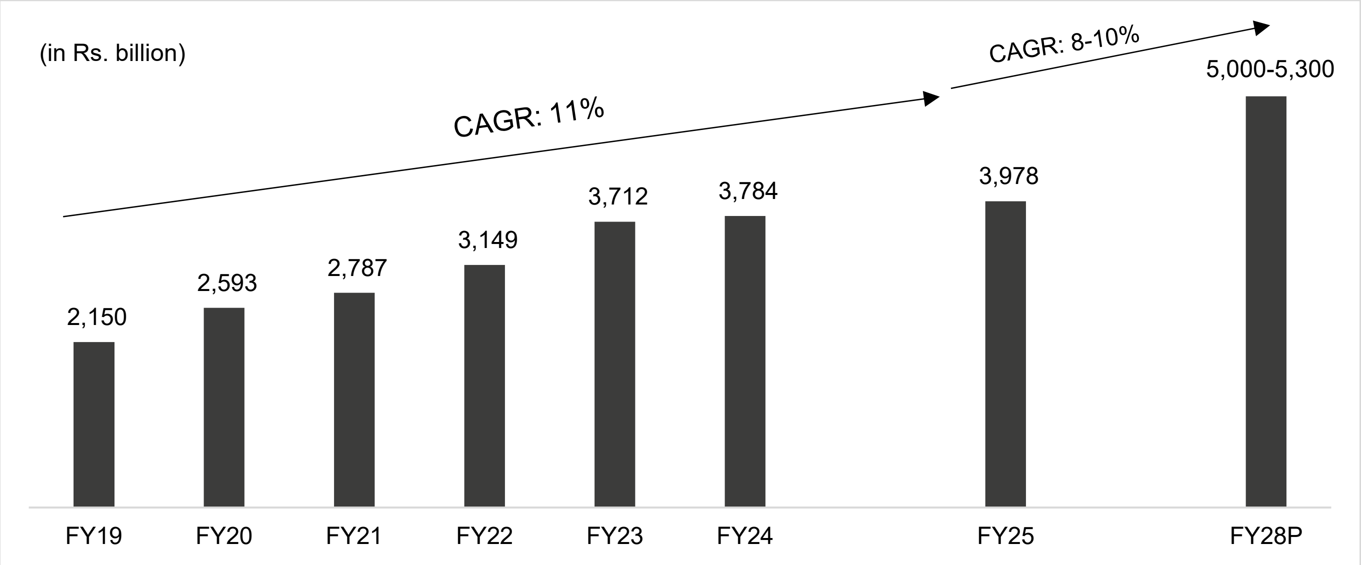
Life insurance premium for bank led players to log 10-12% CAGR over the next 3 years



P – Projected
Source: IRDAI Handbook of Statistics, Crisil Intelligence

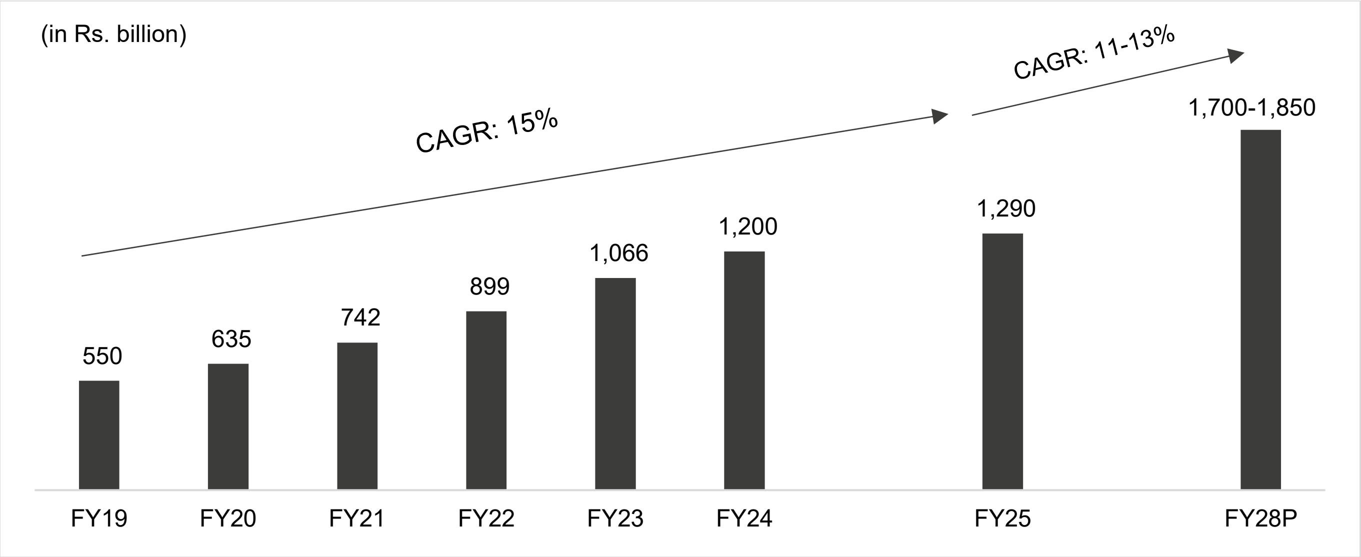
Bank led life insurance players are poised to grow at a faster rate as compared to overall industry on account of various factors including increasing product innovation, leveraging customer base and digitisation. Banks can help insurers tailor specific products according to customer needs. Banks can also leverage their rural touchpoints to help increase life insurance penetration in the country. Government initiatives like PMJJBY have been an integral part of financial inclusion in India and bank led insurance players can heavily leverage on it. However, relying on one distribution channel can be counterproductive for insurance players and attract regulatory checks.

Industry NBP to clock 8-10% CAGR over the next 3 years ending fiscal 2028



Note: P – Projected
Source: IRDAI monthly business reports, Crisil Intelligence

Bank Led player's NBP to clock 11-13% CAGR over the next 3 years ending fiscal 2028



Note: P – Projected
Source: IRDAI monthly business reports, Crisil Intelligence

Growth drivers

Increasing per capita GDP

India's per capita net national income at constant price was at 5.5% in FY25. As per IMF estimates, India's per capita income (at constant prices) is expected to grow at 5.6% CAGR in real terms from FY25 to FY27.

	FY20	FY21	FY22	FY23	FY24	FY25
Per Capita GDP constant (Rs.000')	108.2	101.0	109.8	116.9	126.5	133.5
Year on year (%)	2.6%	-6.7%	8.7%	6.5%	8.2%	5.5%

Source: Ministry of Statistics and Program Implementation (MoSPI), International Monetary Fund (IMF), PIB, Crisil Intelligence

Changing customer needs and attitude towards financial security

The pandemic had created unforeseen challenges for businesses across the world. The life insurance industry is no exception, having sustained a significant decline in business in the first six months of 2020. Nevertheless, insurance companies weathered the crisis well and have grown since the pandemic, thanks to the innovative steps taken to meet the changing needs and behaviour of customers.

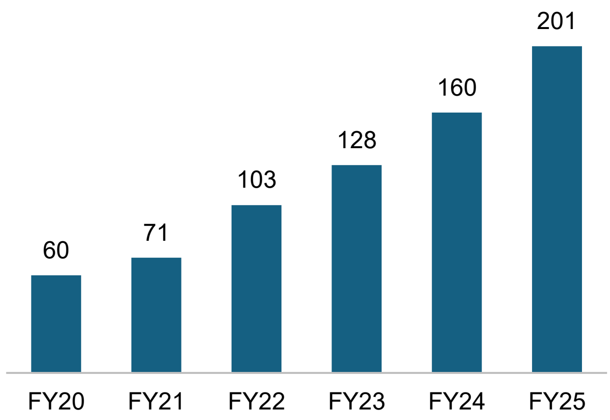
The pandemic has spurred more people to consider insurance as a necessity to cover for morbidity risk, loss in earnings capacity and/or tackle unforeseen emergencies. So, while life insurance may be away from becoming a pull product, it is definitely moving towards becoming a nudge product. Such changes in consumer mind set have led players to adapt and introduce pandemic-specific covers, customised policies as per customer expectations and requirements, enhance focus on selling protection plans that are generally more profitable, enable digital access to services, and enhanced claim settlement mechanisms. The top 5 private life insurers (basis market share on total premium) have grown their protection business on NBP basis at a strong double digit CAGR from Fiscals 2020 to 2025.Industry has benefitted in general post Covid with increase in sum assured for industry from Rs. 58 trillion as at March 31, 2022 to Rs. 103 trillion as at March 31, 2025 growing at 21%. In comparison, sum assured for bank led players grew from Rs. 34 trillion as at March 31, 2022 to Rs. 52 trillion as at March 31, 2025 growing at 15% and non bank led players grew from Rs. 24 trillion to Rs. 31 trillion for the same period at a CAGR of 9%

Financial inclusion initiatives - PMJJBY

This scheme was launched in May 2015 to create a universal social security system, especially for the poor and the underprivileged. PMJJBY is a one-year life insurance scheme that can be renewed each year. It offers a life cover of Rs 0.2 million for death due to any reason and is available to people in the age group of 18-50 years (life cover up to 55 years) at a premium of Rs 436 per annum per member. This scheme is offered/administered through LIC and other Indian private life insurance companies. The insurance penetration is expected to rise, particularly in rural and semi-urban areas due to such government initiatives and expansion in the distribution network.

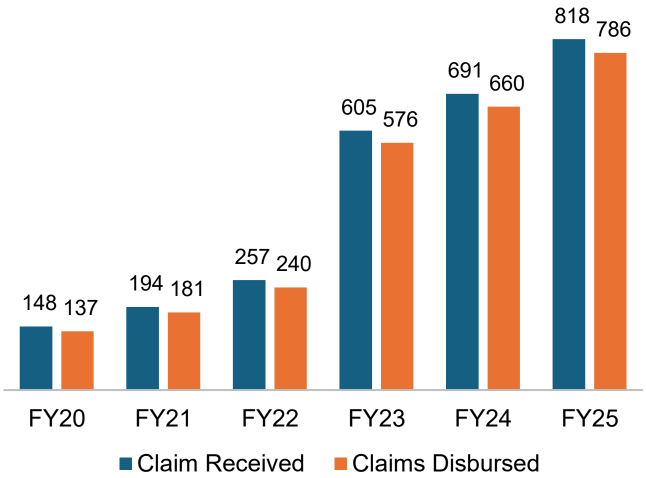
Cumulative enrolments in PMJJBY

Milions



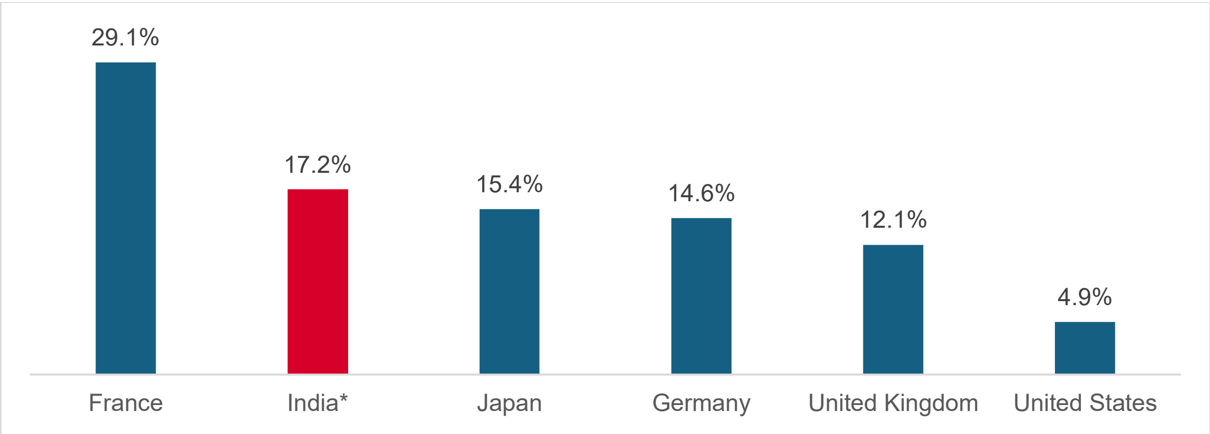
Number of claims received and disbursed

Thousand



Source: PMJJBY, Crisil Intelligence

Life Insurance reserves (AUM) as a percentage of total household financial assets (CY2022)



Note: *data for India for Fiscal 2024,

Investor attention for life insurance companies has also grown in the last fewfiscals. Embedded Value[8] for listed players including SBI Life, HDFC Life, ICICI Prudential Life has grown to 2.8 times in Fiscal 2025 as compared to Fiscal 2019. Embedded Value for the mentioned players stood at Rs. ~623 billion as of March 31, 2019, growing to ~ Rs. 1,736 billion as of March 31, 2025. The value of New Business[9] of the listed players went from Rs. 46 billion as of March 31, 2019, to Rs. 123 billion as of March 31, 2025, having grown by 2.7 times.

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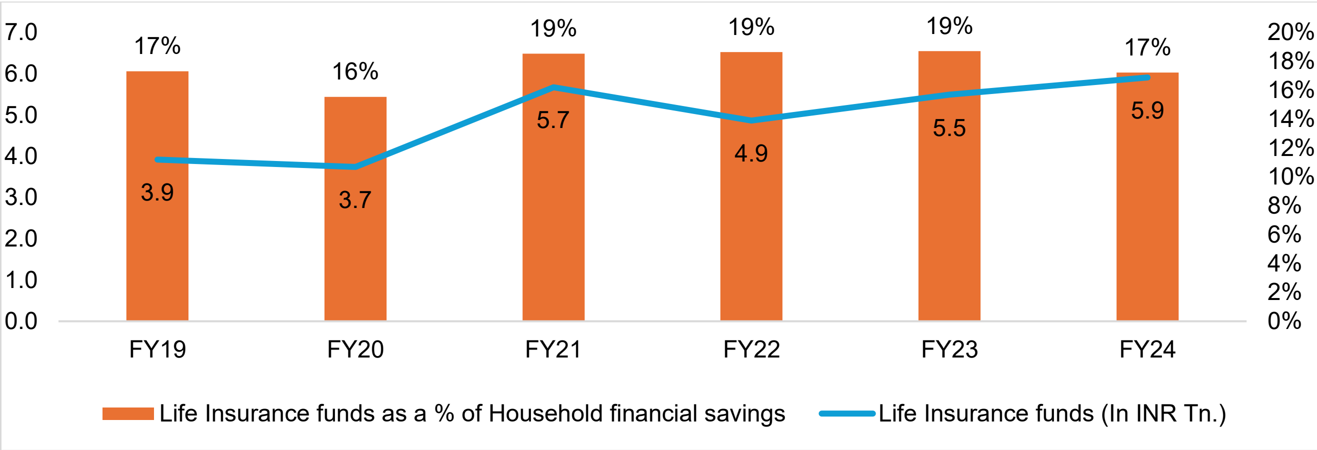
[8] *Embedded Value is a measure of the consolidated value of shareholders' interest in the covered life insurance business. The embedded value is determined by following a market consistent methodology, as per the requirements and principles set by the Institute of Actuaries of India in the Actuarial Practice Standard APS 10.*

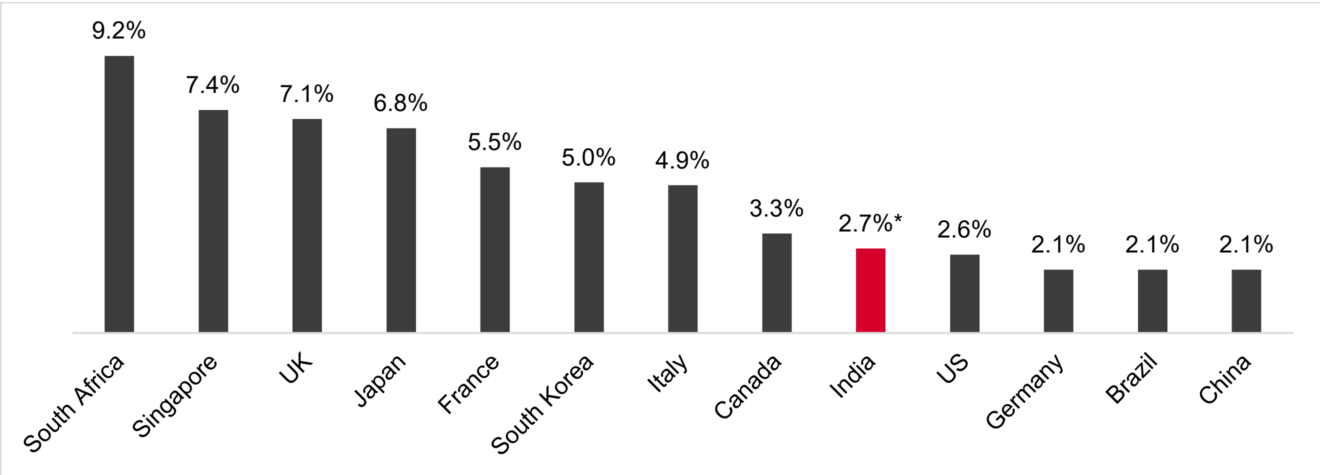
[9] *The VNB is a measure of the economic value of the profits expected to emerge from new business net of the cost of supporting capital. VNB is the increase in EV over the period due to new business.*

Share of Life Insurance funds as a percentage of Household Financial savings for India stood at 17% in FY24



Source: RBI, Crisil Intelligence

Life insurance industry penetration (premium as % of GDP) for different economies (for CY 2023)

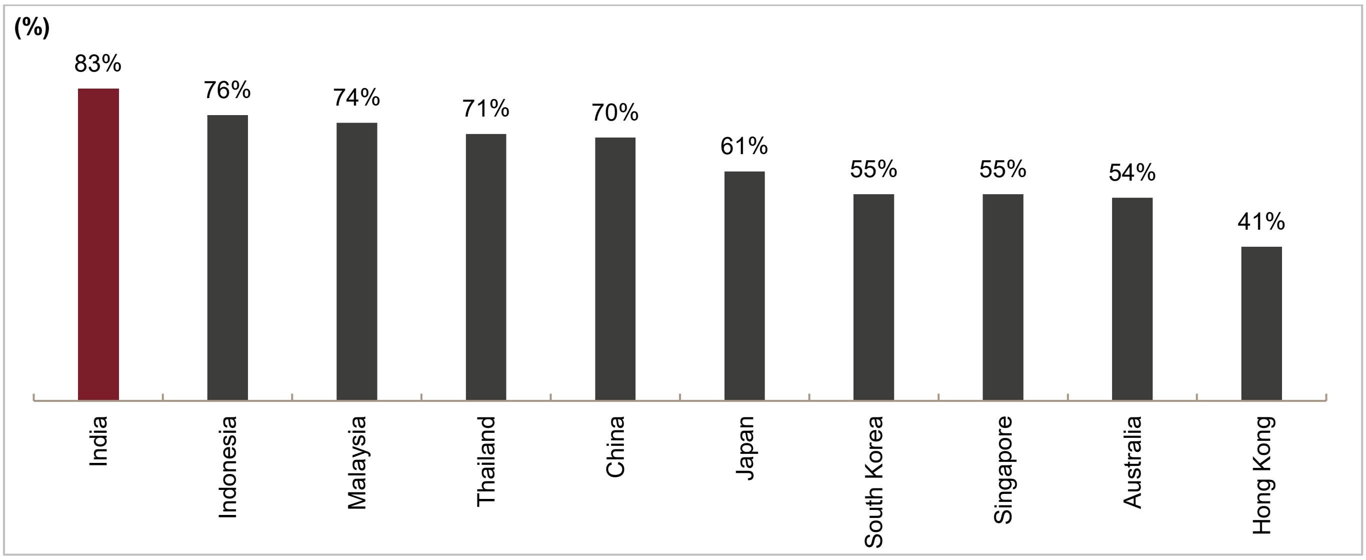


Source: Swiss Re Institute, 2024; CRISIL Intelligence; (*) *data for India for Fiscal 2025.*

In life insurance, the protection gap has been defined as the amount of protection needed to maintain one's standard of living after a life event such as death or disability for a certain period of time. India's protection gap was ~$16.5 trillion for CY 2019, which was much higher compared with its Asian counterparts. The protection gap for India was 83% for CY 2019, the highest amongst all countries in Asia-Pacific, as per the Swiss Re report "Closing Asia's Mortality Protection Gap – July 2020". This means that for $100 of insurance protection requirement, insurance was only taken for $17 for CY 2019. This indicates the absence of protection coverage for a large part of the population.

Indicators such as insurance penetration, insurance density and protection gap indicate that the Indian life insurance market continues to be underinsured, thereby presenting a huge potential for growth to the life insurance players.

Protection gap for different countries for CY 2019

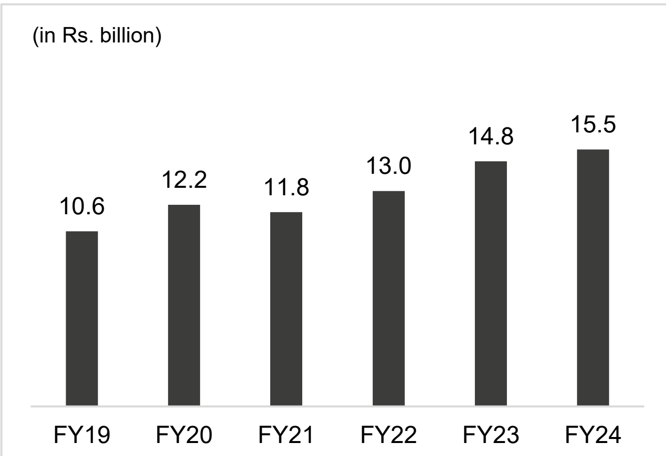


Source: Closing Asia's Mortality Protection Gap, Swiss Re Institute, 29 July 2020; CRISIL Intelligence

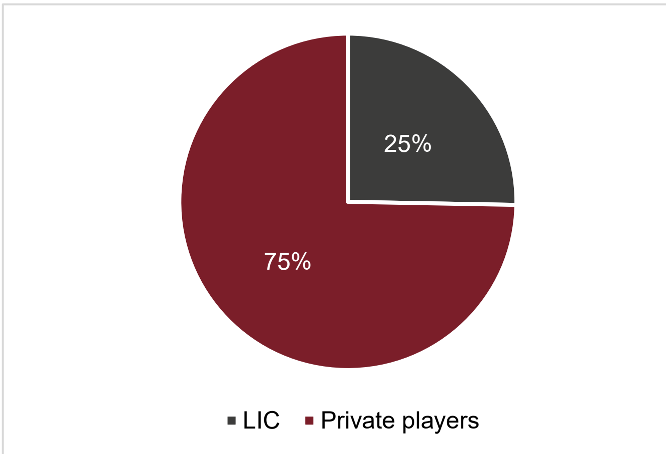
Health insurance business underwritten by life insurers

In Fiscal 2024, life insurers collected a total premium of Rs 15.5 billion from the health insurance business for health benefit plans, logging year-on-year growth of 4.8%. Private players continue to hold a large share of health insurance premium at 83%, while LIC holds 17%. The share of private players in health insurance increased to 83% in Fiscal 2023 from 65% in Fiscal 2022, driven by the increasing focus of private players on providing their customers with additional health solutions and risk benefits.

Health insurance premium collected by life insurers over Fiscals 2019-24 (Rs billion)



Private players continued to hold a large share of total health insurance premium in Fiscal 2024



Source: IRDAI, Crisil Intelligence

Financial penetration to rise with increase in awareness and access of financial products

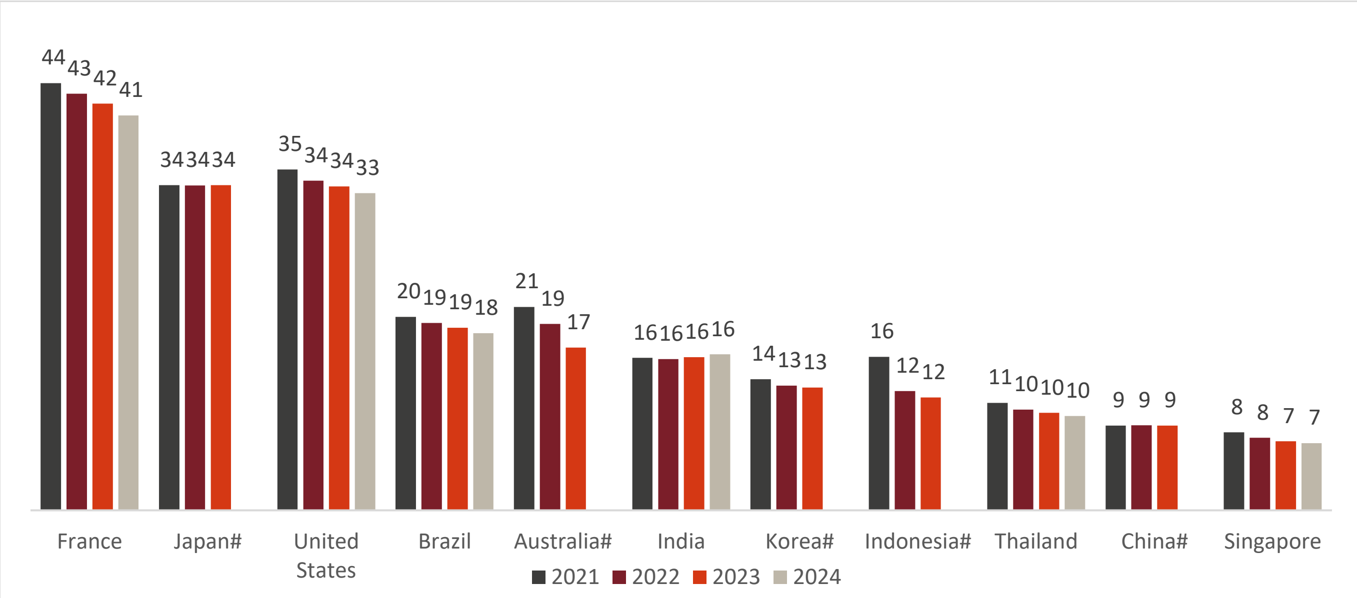
Overall literacy in India is at 77.7% as per the results of NSO survey conducted from July 2017 to June 2018, which is still below the world literacy rate of 86.5%. However, according to the National Financial Literacy and Inclusion Survey (NCFE-FLIS) 2019, only 27% of Indian population is financially literate indicating huge gap and potential for financial services industry. The survey defines financial literacy as a combination of awareness, knowledge, skill, attitude, and behavior necessary to make sound financial decisions and ultimately achieve individual financial wellbeing. Also, the India's mutual fund penetration (MF AUM as % of GDP) is only 18.3% for Fiscal 2024, whereas India's life insurance penetration (total life insurance premium as % of GDP) stood at 2.2% for Fiscal 2024.

With increasing financial literacy, the demand for financial products, especially in smaller cities, has seen a major uptick in recent years. Going forward, Crisil Intelligence expects financial penetration to increase on account of increasing financial literacy.

Under-penetration of the Indian banking sector provides opportunities for growth

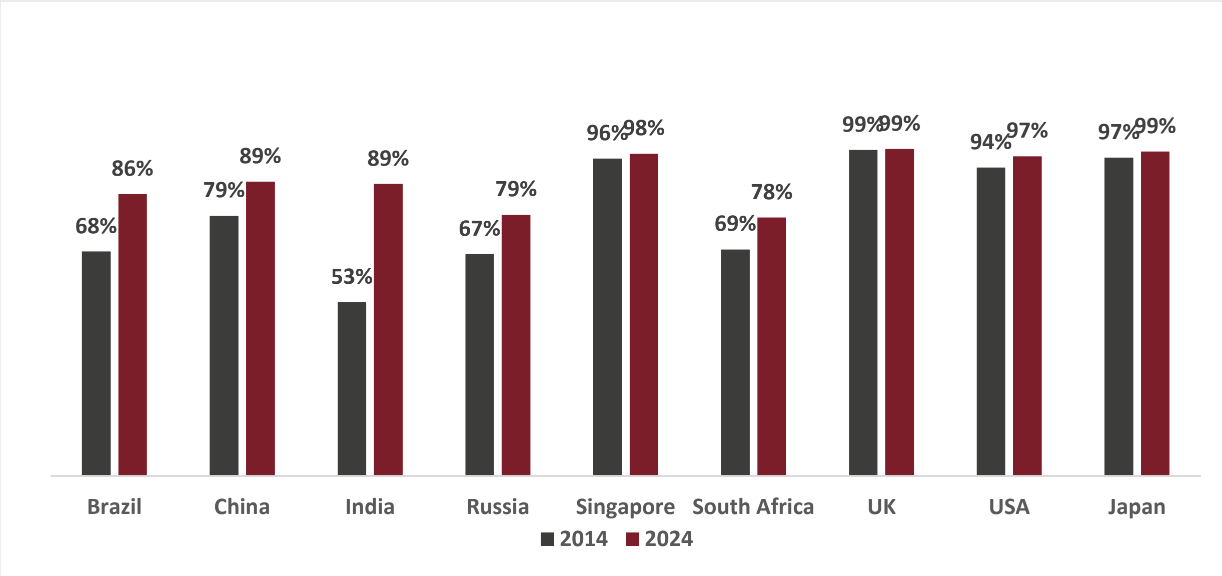
The number of commercial bank branches in India per 100,000 people is lower as compared to other major countries. This provides immense opportunities for banks and other financial institutions over the long term.

Number of Commercial Bank Branches per 100,000 Adults (CY)



Note: # - Data not available for CY2024, percentage of population above 15 yrs having an account at bank or another type of financial institutions, Source: IMF: Financial Access Survey; Crisil Intelligence

Percentage of population above 15 years having an account at bank or another type of financial institutions



Note: percentage of population above 15 yrs having an account at bank or another type of financial institutions, Source: World Bank Global Findex Database, Crisil Intelligence

Technology and Innovation trends in the industry

In CY 2021, India had one of the largest young populations in the world, with a median age of 28 years. These are driving an economic growth in the country. Millennials are going to be one of the focus areas for new-age insurers. Life insurers have adopted technology in their core processes across the customer life cycle along with innovations in product and value-added offerings. Convenience, digital access and customized solutions are the primary areas of focus for millennials and younger population. Insurers are designing products focussing on customer lifestyle, customer needs at various life stages and based on their interactions with the customer. The Covid-19 pandemic and increasing digital adoption by customers have prompted insurers to develop sales management tools that allows independent agents to acquire new customers digitally in the virtual presence of front-line sales representatives. Focus on collection of renewable premiums over virtual platforms has also increased over time.

Insurtech companies are aiding in the digital enablement of insurers by appealing to younger population by meeting their digital needs. Several start-ups are leveraging technology to provide solutions such as insurance claim assistance; independent insurance claim advisory services; a mobile app-based platform for insurance advisors, enabling services such as customer data management, premium calculator, and premium payment tracker; and CRM software designed specifically for insurance agents and brokers.

Innovations in the industry need strong regulatory backing as well. The regulator in India (IRDAI) has been promoting such innovations through some reforms such as regulatory sandbox.

Digitisation to be at the core of industry transformation

Advanced technology has already become an integral part of the insurance industry. Individuals can now easily compare different life insurance quotes across various players just by clicking a button. Customers can also easily manage coverage or check the policy status via the insurer's mobile app or website.

Evolving digital trends, coupled with changing customer and other stakeholder expectations, call for transformation of existing business models. New and innovative business models across verticals will generate greater value and deliver better services for customers. Insurers are sharpening focus on technology to engage with customers and provide real-time and convenient access to information.

Digital transformation offers insurers opportunities to rethink business operations in order to enhance customer satisfaction, reduce cost and prevent errors. For example, insurance has traditionally been sold on the basis of trust and relationships, but with technological progress, speed, flexibility and innovation will be brought into the equation.

Players looking to tap the digital platform to improve sales and operational efficiency

Increasing internet penetration over the years has substantially increased the use of the digital medium to conduct financial transactions. The life insurance industry's first major digital adoption was the issuance of insurance policy in the electronic form. Players have tied up with platforms such as National Securities Depository Ltd (NSDL) and Central Depository Services India Ltd (CDSL) to enable policyholders to hold insurance policies in the electronic form. Further, some players have entered contracts with digital players to enable customers to make payments through their preferred channels.

The increasing use of the online platform such as account aggregating platforms has also led to voluntary and smooth sharing of financial information by consumers. Therefore, players are developing various tools to leverage the use of such data, which will help them target the right set of prospective customers. Further, by analysing customer data, players try to pitch the right set of products to customers. After selling policies, players undertake predictive analysis to identify the probability of a customer renewing the policy. Therefore, the effective use of technology will help players not only identify the right set of customers but also retain customers longer.

Though customers use the digital medium to study and compare various life insurance products, the final sale of policies is still largely through intermediaries. The process of underwriting and data verification is undergoing a transition, with customers not required to share physical documents with their agents. This reduces the turnaround time substantially and enhances channel productivity.

Further, to enhance customers' convenience, the players are moving to video medical examination reports and real time integration with TPA for faster transmission of medical reports.

To resolve the customers' queries and complaints, services on WhatsApp and mobile apps are being launched and Bots are being deployed in maximum services for interactions and to automate work tasks. The digital channel is aiding customers in making informed decisions, which will help increase the persistency ratio for players in the long run and reduce mis-selling of policies. However, in the long run, as the percentage of end-to-end sales of insurance policies (customer identification to sale of policy) increases, operational efficiency of players will substantially improve due to lower operating costs. Hence, players are increasingly looking to improve end-to-end sales and operational efficiency.

Emergence of digital distribution channels

The increase in internet and mobile penetration will expand the role of digital distribution of life insurance products. In Fiscal 2024 around 10% of individual NBP for overall industry came through the direct and online mode. This percentage is set to increase significantly in the coming years. A web-/app-based model will further drive-up scalability and reduce costs for insurers.

Increasing digitisation will help increase penetration of insurance players due to the following:

- Processes such as purchasing insurance products and filing claims can be done remotely
- Applications can be developed or modified to facilitate financial literacy, which could be especially effective in small towns and rural areas
- By digitalising the insurance process, clients in remote areas will not have to worry about maintaining physical documentation. Further, online premium payments can be done effortlessly through digital modes

While new digital distribution channels are emerging, individual agents and banks as distributors also play an active role. The one-stop-shop model of providing multiple services through the optimum utilisation of technology is clearly sustainable. Thus, it is vital for life insurance companies to continue to use the agency and the bancassurance channel to sell insurance policies. Given the awareness of life insurance in India and the array of policy options available, the requirement of an individual to help customers select the right policy as per their need would persist. Thus, the digital distribution channel will complement the physical distribution channel and make the process more efficient.

Key areas in the insurance process where digitalisation is finding application

Contactless on boarding

The insurance industry is embracing digitalization in various key areas, including contactless onboarding. By leveraging technology in the pre-sales, sales, and onboarding stages, insurers are streamlining processes for end-to-end digital enablement. This approach includes utilizing analytics to offer pre-approved offerings to customers, eliminating the need for medical tests in certain cases.

Customer service and distribution

Digital transformation has revolutionized insurance distribution channels. AI-driven chatbots are being employed to address customer queries, assist in form filling, and guide customers through predefined processes. Additionally, visual IVR and speech IVR solutions allow customers to access information and support instantly, enhancing their overall experience.

Underwriting and risk management

Insurtech innovations leveraging AI, robotics, IoT, and data analytics are transforming underwriting and risk management processes. Tele or video-based medical assessments are being utilized, along with AI algorithms that provide policyholders with a health score to determine appropriate life coverage. These advancements enhance accuracy and efficiency in assessing risks.

Claim processing

In the realm of claim processing, digital enablers such as WhatsApp, mobile apps, and websites are being leveraged by insurance companies. Customers can register claims, download/upload documents, and receive assistance without physical interaction. Robotic processes are also being implemented to automate tasks like validating death certificates, reducing turnaround times, and improving overall claim processing efficiency. Furthermore, these companies are incorporating fraud detection applications powered by advanced algorithms and data analytics to detect and prevent fraudulent activities, ensuring the integrity and security of the claim processing procedures.

Regulatory focus on digitalisation in the insurance sector

With the Covid-19 pandemic's global impact, IRDAI has also adapted to the changing times to digitise the insurance industry. It has introduced various measures to facilitate alternative modes of digital contact, particularly with respect to policy servicing and claims, in order to ensure continuity of business operations. IRDAI has introduced the following measures:

Paperless KYC — IRDAI has allowed insurance companies to avail Aadhaar authentication services of the Unique Identification Authority of India. As a result, the KYC process, which now requires the user to provide the OTP received on the Aadhaar-registered mobile number, is completed in just 2 minutes.

E-consent of proposal — The pandemic has affected the conventional method of filling physical proposal forms, obtaining wet signatures, and the subsequent handling of physical documents. IRDAI has allowed insurers to obtain customers' consent without signature on a hard copy. Insurers will have to send the completed proposal form on the registered e-mail ID or mobile number of customers in the form of an e-mail or message link. Customers have to click on the confirmation link to validate the OTP shared.

Issuance of e-policies — In 2016, IRDAI had said that if policies are solicited through the electronic mode, insurers should send the policy electronically and dispatch a hard copy. Exemption for a physical copy was provided only where the policy was issued using an e-insurance account (eIA). However, due to the pandemic, insurers were unable to send the policy contracts on time; hence, IRDAI allowed insurers to send all life and health insurance policies electronically to the policyholder's e-mail ID. Earlier, the free-look period started only after the receipt of policy contracts; however, insurers will now confirm the date of receipt of the e-policy through a call or other means and preserve the proof so that the free-look period can be calculated from that date.

Use of AI in insurance sector

Insurers in India are moving towards simplification of services and integration with partners via platforms that uses artificial intelligence, machine learning and cloud computing. Through the adoption of automation, innovative mobile applications, data & analytics and adoption of Artificial Intelligence (AI) and other tools, insurers are getting ready to enjoy greater productivity, customer satisfaction while having easier and more customer-oriented processes.

There are several services which are being provided and activities which are being carried out efficiently with the use of AI in insurance sector. Some of these are discussed below:

- AI is being used in developing innovative products by identifying gaps and suggesting measures by analysing market trends, past performance, customer feedback, etc. AI can further help in customizing products as per customers' needs which increases customer satisfaction.
- AI is used to automate repetitive tasks and various documentation processes such as application forms, validation of documents, generating and issuing policy and claims documents, etc.

- AI also helps in identifying leads through social media analytics and prepare marketing materials which is suitable for those leads. It also provides comprehensive insights on the products that may align with customers' needs.
- With the help of AI, insurers have deployed Chatbots which clarify maximum of queries from customers.
- AI can detect fraud claims by identifying and studying the pattern efficiently and reduce financials losses for insurers.
- AI is revolutionizing underwriting processes by enhancing accuracy and efficiency. AI algorithms analyze vast amounts of data to assess risk factors and determine appropriate coverage levels for policyholders. This advanced technology enables insurers to make informed decisions quickly, leading to more personalized policies and improved risk management strategies.
- AI is streamlining claim management processes in the life insurance sector by automating tasks and improving efficiency. AI-powered systems can analyse claims data, detect fraudulent activities, and process claims faster and more accurately. This not only reduces administrative burden but also enhances customer experience by facilitating quicker claim settlements and reducing turnaround times.

Going forward, use of AI will increase in the insurance sector and common use cases where it will be used extensively are Fraud detection, Risk management, Virtual assistants, Sales and distribution, etc. This will not only help insurers in saving cost and time but also raise customers and employee's satisfaction levels. Several companies have already started integrating AI into its various aspects of operations, like MetLife Japan, which has implemented an AI solution named Force to detect suspicious claims with the power of AI leveraging on vast amount of data including records of previous fraudulent claims

Industry initiatives

Insuring India by 2047 — New landscape for the insurance sector

In November 2022, IRDAI, as part of its efforts to increase insurance penetration in India, launched "Insurance for All by 2047", a multi-faceted initiative to ensure that every citizen of India has appropriate life, health and property insurance, and every enterprise is supported by appropriate insurance solutions. To attain this objective, efforts are being made towards creating a progressive, supportive, facilitative and a forward-looking regulatory architecture to foster a conducive and competitive environment leading to wider choice, accessibility and affordability to policyholders. The focus of IRDAI is to strengthen the three pillars of the entire insurance ecosystem viz. policyholders, insurers, and intermediaries by

- Making available right products to right customers
- Creating robust customer grievance redressal mechanism
- Facilitating ease of doing business in the insurance sector
- Ensuring the regulatory architecture is aligned with the market dynamics

- Boosting innovation, competition and distribution efficiencies while mainstreaming technology and moving towards principle based regulatory regime

Further, to enable policyholders/ prospects to have a wider choice and access to insurance through various distribution channels and facilitate the reach of insurance to the last mile, the maximum number of tie-ups for corporate agents (CAs) and insurance marketing firms (IMFs) has been increased.

Now, a CA can tie up with nine insurers (earlier three insurers) and an IMF can tie up with six insurers (earlier two insurers) in each line of business of life, general and health for distribution of their insurance products. The area of operation of IMFs has also been expanded to cover the entire state in which they are registered.

Bima Trinity

One of the initiatives undertaken by IRDAI under "Insurance for All by 2047", is "Bima Trinity". The objective of the initiative is to increase insurance penetration, make affordable insurance products and optimize claim settlement process. The concept of 'Trinity of Bima Sugam, Bima Vahak and Bima Vistaar' is being worked out to reach the last mile by leveraging technology, community centric intermediaries and simplicity of the products to ensure universal coverage.

- The Bima Sugam is a unique platform integrated with India Stack, expected to provide end to end solution for purchase, service and settlement of policies, thereby democratizing and universalizing insurance.
- Bima Vahak is aimed to be a tech led women centric distribution force.
- Bima Vistaar is a comprehensive insurance product (life, health, property & belongings) with parametric insurance solutions.

The initiative is expected to identify and bridge the protection gap and increase availability of insurance products which can be easily accessible at affordable cost.

The IRDAI has released Bima Vahak guidelines, the objective of which is to establish women centric dedicated distribution channel that is focused on enhancing insurance inclusion and creating awareness in every village / Gram Panchayat, thereby, improving accessibility and availability of insurance in every nook and corner of the country. As per guidelines, Bima Vahak (could be individual or corporate) shall sell and service Bima Vistaar and such other insurance products specified by the IRDAI through only handheld electronic communication devices that are directly integrated to the electronic platform of the insurers.

Standard life insurance

Today, there are plethora of term insurance products easily available in the market with different terms and conditions. This makes it difficult for customers to make an informed choice and make the right selection of the product. To address this problem, IRDAI introduced the concept of a standard product in order to provide an option for customers without any financial orientation who preferred not to get into product details and evaluation. IRDAI mandated that all life insurers offer a standard individual term life insurance plan from 01 January 2021 called 'Saral Jeevan Bima'. Further, the IRDAI also mandated all life insurers to offer a standard individual immediate annuity product, "Saral Pension" from 1 April 2021 onwards.

SabsePehle Life Insurance

In order to create awareness, Life Insurance Council of India, in October 2019, came up with a new and innovative campaign at mass level to spread awareness about the importance of life insurance. To support this initiative, all the 25 life insurance companies have joined hands to raise awareness about the significance of life insurance.

Regulatory sandbox

The regulatory sandbox is a framework that provides a testing environment to companies to enable them to test their innovative products, technologies, etc., in a controlled regulatory setting. It promotes innovation and technological solutions in the industry.

Certain amendments were carried out in the Regulatory Sandbox Regulations to allow insurers/ intermediaries to experiment on an ongoing basis — these included increasing the experimentation period from '6 months' to 'up to 36 months' and moving from the existing batch-wise (cohort approach) clearances/ approvals to clearances/ approvals on a continuous basis. A provision for review of rejected applications under the sandbox was also introduced as a part of the amendments. Prior to the amendments, IRDAI had extended the validity of the regulatory sandbox for a period of 2 years on April 7, 2021. Life insurers have carried out various research and development activities under this scheme.

In January 2025, IRDAI expanded the scope of regulatory sandbox framework to encourage proposals that foster innovation, improve efficiency and simplifying business operations transitioning from a rule based to a principle-based framework. In this framework, it included provisions to file Inter regulatory sandbox proposals cutting across more than one financial sector. This move is expected to expedite innovation by enabling insurers to rapidly create and test new products, facilitating faster market entry of new products with innovative offerings.

GIFT City

The Government of India operationalized GIFT city as an IFSC in 2015 which can also be called as the international financial gateway of India. Key activities in IFSC include in the areas of capital markets, offshore banking, offshore insurance, offshore asset management and ancillary services such as legal, accounting, research & analytics, etc. Life insurance companies can also set up its office in IFT city and it can be called as IFSC Insurance Office (IIO). Permissible activities for registered IIO include transaction in direct insurance business within IFSC, from other SEZs and from outside India. It presents huge opportunities for life insurers in India. The companies can focus on life insurance business from NRIs, OCIs, PIOs and foreign nationals. They can also carry out business with non-resident employees of Indian companies, group business of SEZ and IFSC employers, etc. To capture this market, many life insurers have started setting-up their offices in GIFT city.

Ayushman Bharat Digital Mission, a nationwide mission to digitise healthcare

The Ministry of Health and Family Welfare, Government of India, launched Ayushman Bharat Digital Mission (ABDM) in March 2023 to digitise healthcare in the country, with attention to a clear need to implement and use technology and research solutions in the health ecosystem, to provide data-based information, and to make informed decisions. ABDM aims to build the required digital infrastructure in the country to develop a national digital health ecosystem. It is built on key design principles such as inclusivity, voluntary participation, wellness and citizen centric, security and privacy, and technological principles such as an open application programming interface (API)-based ecosystem, seamless interoperability, open standards, and federated architecture.

The ministry has implemented certain schemes to encourage the adoption of ABDM by the healthcare ecosystem. In December 2022, the National Health Authority (NHA) announced a Digital Health Incentive Scheme (DHIS) for the stakeholders of the digital health ecosystem. The scheme aims to provide a further boost to digital health transactions in the country under ABDM.

The incentives under this scheme would be provided to hospitals and diagnostic labs and to providers of digital health solutions such as hospital/ health management information system (HMIS) and laboratory management information system (LMIS).

Under the DHIS, the eligible health facilities and digital solutions companies will be able to earn financial incentives of up to Rs 4 crore based on the number of digital health records they create and link to Ayushman Bharat Health Account (ABHA). This incentive can be availed by health facilities (hospitals and diagnostic labs) that are registered with ABDM's Health Facility Registry (HFR) and fulfil the eligibility criterion specified under the scheme.

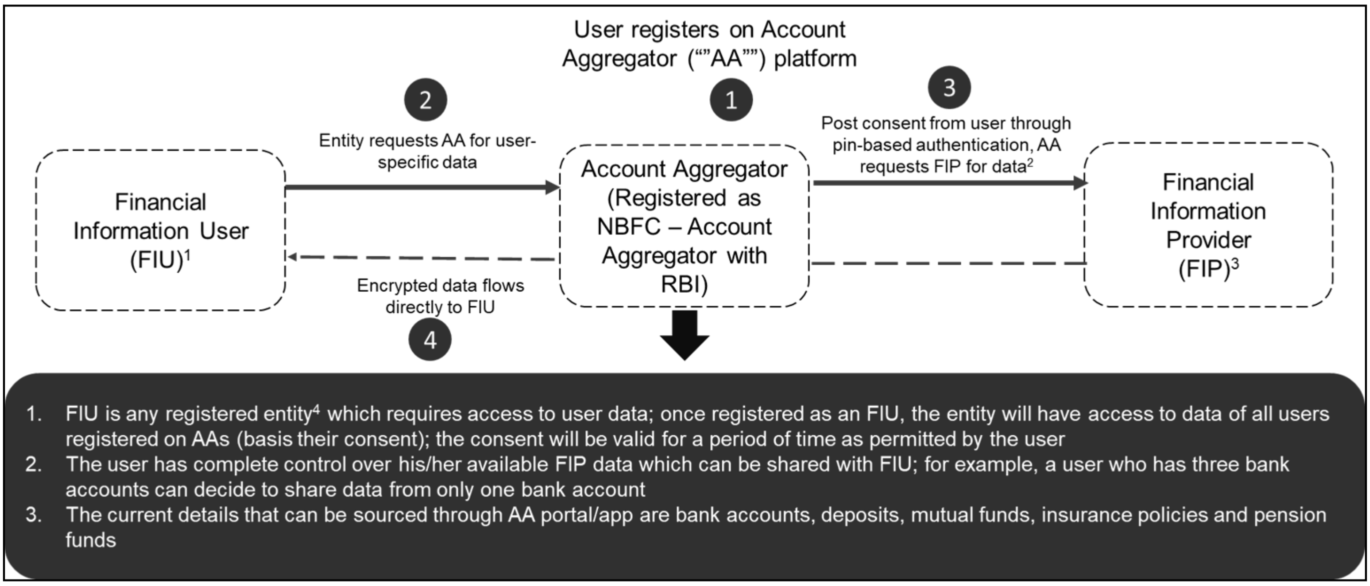
The successful adoption of ABDM will not only improve healthcare information but also enable life and health insurers to utilise a wealth of digitally sourced health data for risk analysis and employ digital underwriting solutions, such as sales platforms with integrated medical underwriting technologies.

Account aggregators

The RBI launched the account aggregator (**AA**) system on September 2, 2021. This system has the potential to transform the financial landscape once there is widespread adoption amongst the stakeholders. AAs are essentially non-banking financial companies, licensed by the RBI, that act as an intermediary to collect and consolidate data from all financial information providers (**FIPs**), such as banks, that hold users' personal financial data and share that with financial information users (**FIUs**), such as lending agencies, wealth management companies, and insurance companies, that provide financial services.

AAs provide lenders with granular insights into customers' financial assets and their borrowing history centrally, based on customer consent. Inclusion of additional data, such as electricity bill payment and mobile recharge/ bill payment, under the purview of AAs could further enhance its utility. Availability of this data is expected to support faster onboarding of customers and could allow wealth advisors to utilise asset-side data and advise switching between asset classes to yield better overall returns as per the risk appetite of the individual. AA platform providers having a first-mover advantage, strong technological capability, and deep engagement with FIUs and FIPs are expected to benefit the most from the evolving landscape.

AA ecosystem



[4]Registered with any one of the regulators: SEBI, RBI, IRDAI, PFRDA

Source: Crisil Intelligence

Challenges in life insurance industry

Life insurers face a host of risks ranging from operational risks (related to persistency, mortality, expense management, and frauds) to economic risks (related to linkage to equity markets, interest rates, credit risks), regulation, and competition risks as they vie with other avenues for customer attention. Besides, insurers also face geopolitical risks, environment and climate related risks, and social risks such as changes in attitude towards family which includes diverse family structures, redefined gender roles, and delayed marriage and parenthood which can impact family dynamics and financial decisions. In summary, life insurers must address multiple risk factors to effectively operate in a dynamic and evolving landscape.

Life insurance industry faces competition from other financial saving instruments

Insurance faces competition from other modes of financial savings, such as mutual funds, bank deposits and small-savings instruments, besides physical savings. Insurance companies will have to focus on increasing customer awareness, improving the value proposition, increasing transparency, and keeping costs competitive to make their products a vital part of customers’ financial plans. Total industry life insurance premium stands at ~4% for Fiscal 2024 and has stood consistent over the last five Fiscals.

However, as per the Insurance Laws (Amendment) Bill, 2022[10], if life insurers are allowed the distribution of services which are incidental and related to insurance as well as other financial products, they will be licensed to diversify their business into other modes of financial savings based on the needs of their existing customers. Insurers will also be able to acquire new customers by capturing a share of the market currently driven by banks, Non-Banking Financial Companies (NBFCs), Micro-Finance Institutions (MFIs), mutual fund brokers/ agents, etc.

[10] *Bill likely to be tabled in the Parliament*

Players to find it challenging to keep claims fraud in check

With rapid modernisation of the insurance industry, and penetration of insurtech and mobile adoption, there has been considerable progress in the way insurers work. Many insurers are setting up digital channels for claims settlement. The biggest challenge for insurers is checking integrity of customer claims data and identifying fraudulent claims. Additionally, lack of a mechanism to check quality of customer data received from external sources, lack of collaboration with other insurers for data exchange for pre-emptive fraud detection and lack of constant upgradation of the outdated fraud detection systems in order to identify the latest digital fraudulent techniques are going to be challenging for the entire industry.

Controlling persistency ratios

With customer retention being one of the most important drivers of long-term value creation and profitability, private insurance companies have substantially improved their persistency ratios over the past few years. Given the minimum premium-paying term of five years for all regular-premium products, the 61st month persistency is critical. Maintaining the 13th and 61st month persistency is the key as they are widely tracked and followed and are good indicators of customer retention ability of life insurers.

Since the cost of new customer acquisition is high, maintaining the persistency ratio is imperative for players, and major players have shown improvement in terms of the same in the past few years. With increasing competition, rapid product engineering and development, etc, factors coming into play, maintaining a similar improvement in the persistency will remain a key challenge and monitorable for life insurance industry.

Entry of fintech players

Indian consumer is moving towards digitalisation, and digital services are becoming more customer centric. As a result, the number of fintech and insurtech[11] companies are on the rise. The entry of new fintech and insuretech players in the life insurance business, especially after the drafted allowance in Insurance Laws (Amendment) Bill, 2022 of determination of the minimum paid-up capital based on the size and scale of operations, class or sub-class of insurance business and the category or type of insurer, existing life insurers will face competition from fintechs and Insurtech majorly in the younger and tech savvy customer segments.

Events impacting profitability and solvency of life insurers

The life insurance industry faces several risks due to rapidly evolving customer behaviour, changing demographic profile, increasing competition and dynamic macroeconomic conditions. Financial conditions and future prospects of insurers may be significantly affected by factors such as market fluctuations and changes in tax rates or interest rates. Even as the pandemic continues to pose several challenges for life insurers, there are new risks related to environmental, social and governance (ESG) issues. One of the most prominent ESG risks is that of climate change and its potentially far-reaching consequences. Apart from climate change, there are emerging risks associated with public health trends such as increase in obesity related disorders and demographic changes such as urbanisation and ageing population. These structural changes impact the industry in terms of growth, mortality, persistency and

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[11] Insurtechs are technology driven start-ups that help improve efficiencies in the insurance industry. Different insurtechs power different stages of the customer life cycle such as customer acquisition, underwriting, customer management or policy servicing and claims management

solvency. Insurers thus need to assess each of these factors impacting their profitability and solvency, evaluate the potential impacts of these factors on their business and implement requisite measures to mitigate these risks.

Coping up with digital transformation in the industry

While some companies are taking initiatives to implement various digital processes in the life insurance business, the life insurance industry as a whole needs to keep pace with the digital transformation taking place with increasing number of people now using digital platforms for searching and buying life insurance plans. Delay in technological investments by insurers may lead to loss of market share, lower new businesses and loss of new opportunities that can be derived by digitalisation and virtual interactions.

ESG in life insurance industry

In-order to ensure transparency and system trust, the industry regulator (IRDAI) mandates all players to release quarterly public disclosures covering the key operational parameters of the player including critical details such as:

- Claims received, settled and repudiated
- Grievances received
- Benefits paid

On the investment side as well, life insurance companies are increasingly evaluating the companies in which they invest from the ESG prism.

Further, few listed players in the industry have also started publishing ESG reports. The disclosures mandated by IRDAI ensures strong transparency by players across the industry and thereby also leads adherence to the Governance framework in-line with ESG principles.

The key disclosures with reference to players' alignment with ESG principles are as follows:

1. **Environment**

The life insurance companies do not have significant impact on the environment as the operations are not energy intensive. However, further efficiency can be brought by reducing paper usage. Shift to digital processes for submitting documents, video-based identification of user for KYC helps in reducing paper consumption. Covid-19 pandemic has already accentuated the shift to digital for majority of the players in the industry. Further, the issuance of policies in demat form can also reduce paper usage. Life insurance funds have the potential to support environmental sustainability through various avenues such as investing in green bonds and ESG funds, making direct investments in carbon-neutral enterprises, and collaborating with vendors and service providers committed to sustainable practices.

2. **Social**

The risks pertaining to mortality and morbidity if not covered can expose families/communities to financial risks. The core business of life insurance players, which is to provide financial protection and aid customers meet long-term financial needs, addresses the societal needs. The life insurance industry is continuously working towards increasing the penetration and thereby covering any social risks due to lack of adequate insurance cover. However, all players need to ensure high claim settlement and redress customer grievances in a timely manner.

Further, schemes such as Pradhan Mantri Jeevan Jyoti Bima Yojana ("PMJJBY")[12] introduced in May 2015 also aim to increase the life insurance penetration and thereby cater to the societal needs. 13 life insurers have actively participated in government schemes like PMJJBY and successfully offered benefits by way of claims paid.

Data pertaining to all the above parameters except average claim settlement time are disclosed by the players on quarterly basis on their respective company websites.

3. Governance

The Insurance Regulatory and Development Authority of India (IRDAI) laid down corporate governance guidelines in 2016 to be followed by all life insurance players. The guidelines include the framework for setting up mandatory committees such as:

- Audit Committee
- Investment Committee
- Risk management Committee
- Policyholder protection Committee
- Nomination and remuneration Committee
- Corporate social responsibility Committee

IRDAI has also laid down parameter for assessing 'fit and proper' criteria, which is confirmed by Directors at time of appointment and confirmed annually thereafter. Further, in 2017, the IRDAI implemented a Stewardship code for all the insurance companies to ensure vigilant monitoring of portfolio companies

The listed players or the players looking to list on exchanges are also required to align with the SEBI (LODR) Regulation, 2015 with reference to board structures.

With reference to the governance pertaining to asset management, players which want to align with ESG framework will have to take into account the risks such as climate change, long-term sustainability while evaluating investment opportunities. As the philosophy is still in a nascent stage, charting out a long-term strategy to steadily adopt the ESG framework in investments will be key for all players.

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[12] *Please refer to Financial Inclusion initiatives for more details*

Penetration of life insurance in India

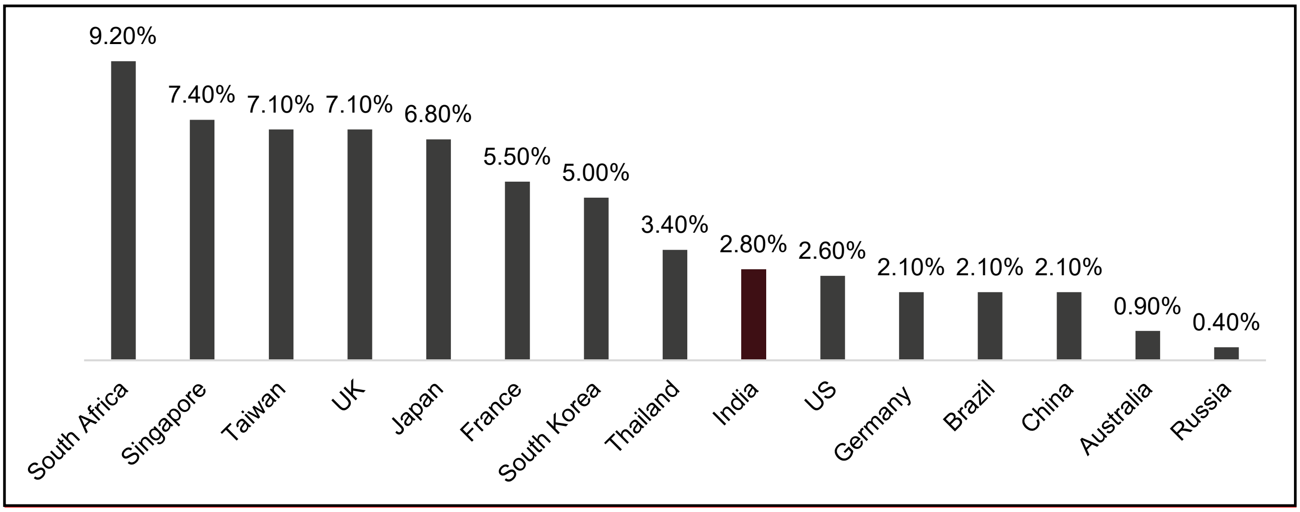
Indian market is still underinsured compared to major economies

India's life insurance penetration (premium as % of GDP) stood at 2.80% in CY 2023 compared with 4.40% in CY 2010. Therefore, penetration has substantially declined since CY 2010 due to slowdown in the insurance business in the first half of the 2010-2020 decade on account of regulatory changes and faster growth of GDP in the same time frame. Amongst Asian countries, life insurance penetration in Thailand, South Korea and Singapore were at 3.40%, 5.00%, and 7.40%, respectively, in CY 2023 as per Swiss Re report. In comparison, China, with a much higher level of per capita income than India, had a penetration of 2.10% for CY 2023. The penetration of the Indian industry is not comparable to developed markets, such as the United States and Australia, where mandatory pension contributions are not included in the insurance pie. As per the RBI annual report 2023-24, as part of the financial saving of the household sector, insurance fund, provident and pension fund constitutes around 2.00% and 2.30% of the gross national disposable income respectively.

India's life expectancy is rising, projected to reach 74-75 years by 2050, driven by better healthcare and living conditions. However, retirement planning lags severely with cultural reliance on family and low awareness exacerbate the issue. With healthcare costs soaring annually and nuclear families replacing joint households, many risk outliving their resources. This growing gap between longer lives and inadequate planning demands urgent attention to ensure financial stability post-retirement and financial protection.

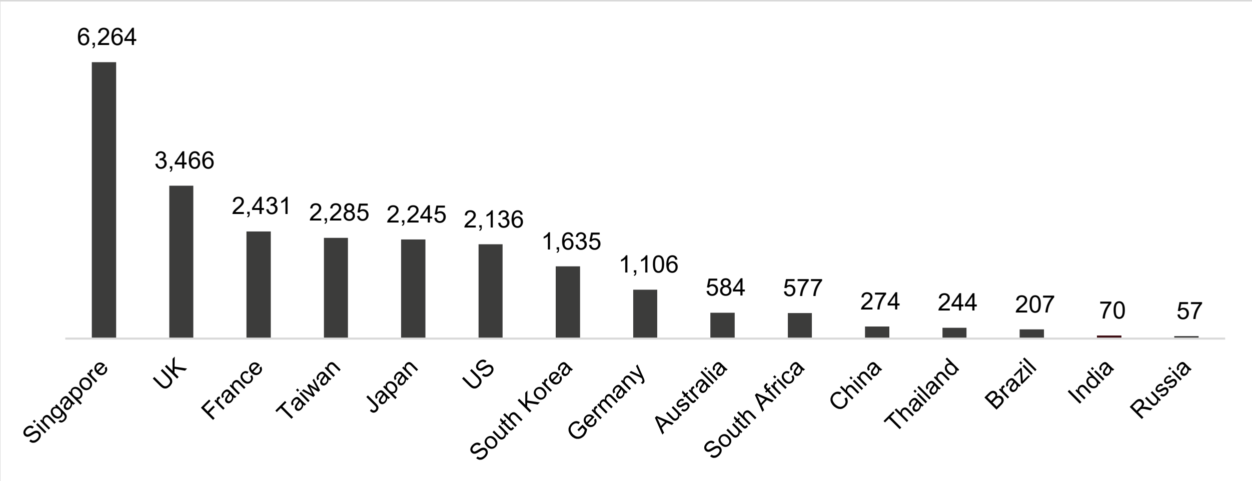
Furthermore, due to the higher share of savings than protection in premium, CRISIL Intelligence believes the actual protection provided by insurance in India would be much lower compared with even other developing markets. Insurance density (premium per capita) indicates the total insurance premiums collected as a share of the country's population, indicating the average amount each person spends on insurance. At USD 70 in CY 2023, insurance density (premium per capita) in India remains very low compared with other developed and emerging market economies. China's insurance density was USD 274 for CY 2023.

Life insurance industry penetration (premium as % of GDP) for different economies (for CY 2023)



Source: Swiss Re Institute, IRDAI, CRISIL Intelligence

Life insurance industry density (premium per capita in USD) for different economies (for CY 2023)

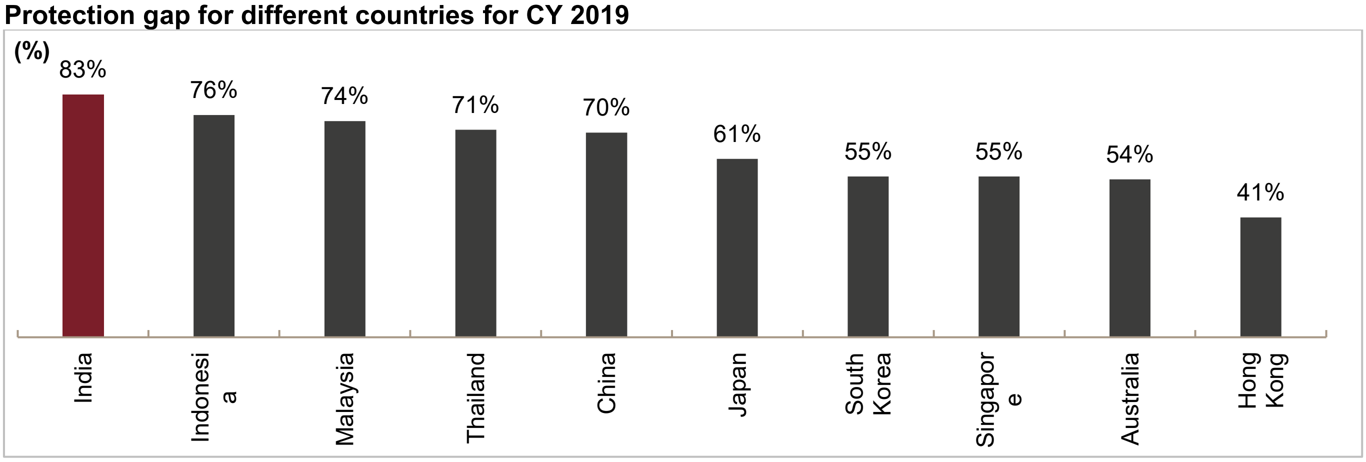


Source: Swiss Re Institute, IRDAI, CRISIL Intelligence

In life insurance, the protection gap has been defined as the amount of protection needed to maintain one's standard of living after a life event such as death or disability for a certain period of time. India's protection gap was ~$16.5 trillion for CY 2019, which was much higher compared with its Asian counterparts, such as Japan ($8.4 trillion), South Korea ($3.9 trillion), Australia ($2.8 trillion) and Indonesia ($2.0 trillion) for example. The protection gap for India was 83% for CY 2019, the highest amongst all countries in Asia-Pacific, as per the Swiss Re report "Closing Asia's Mortality Protection Gap – July 2020". This means that for $100 of insurance protection requirement, insurance was only taken for $17 for CY 2019. This indicates the absence of protection coverage (through private and national health programmes) for a large part of the population. Also, with insufficient coverage of life insurance through public programs, room for growth of private insurers is large.

Indicators such as insurance penetration, insurance density and protection gap indicate that the Indian life insurance market continues to be underinsured, thereby presenting a huge potential for growth to the life insurance players.

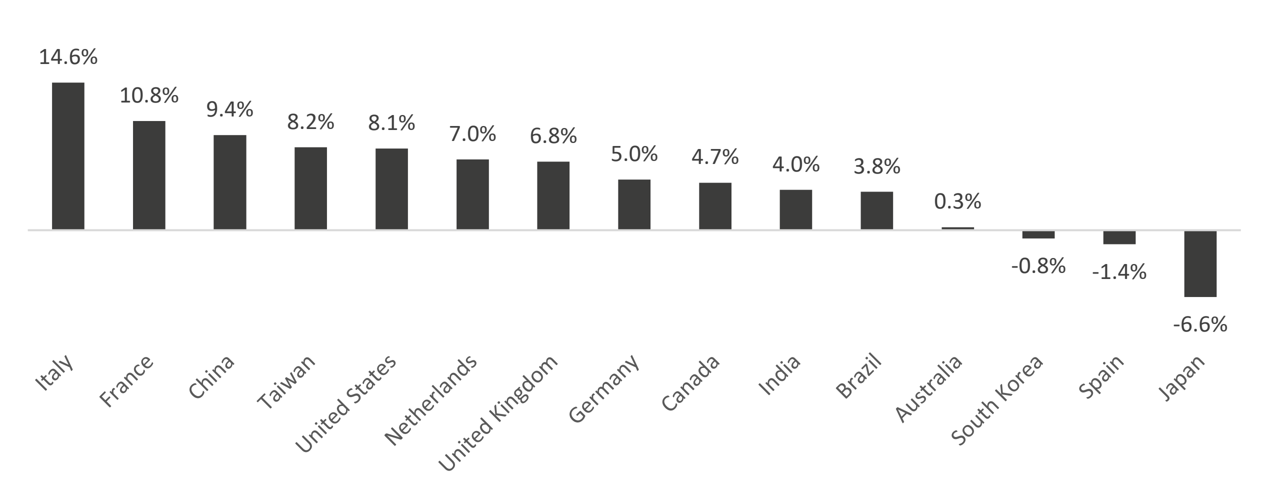
Protection gap for different countries for CY 2019



Source: Closing Asia's Mortality Protection Gap, Swiss Re Institute, 29 July 2020; CRISIL Intelligence

India reported total life insurance premium growth of 4.0% in CY 2024 which was lower than global average of 7.2% during the same period. Other emerging economies such as China, Brazil registered growth in life insurance premium at 9.4%, 3.8% respectively in CY 2024. South Korea, Sapin and Japan witnessed negative growth in CY2024.

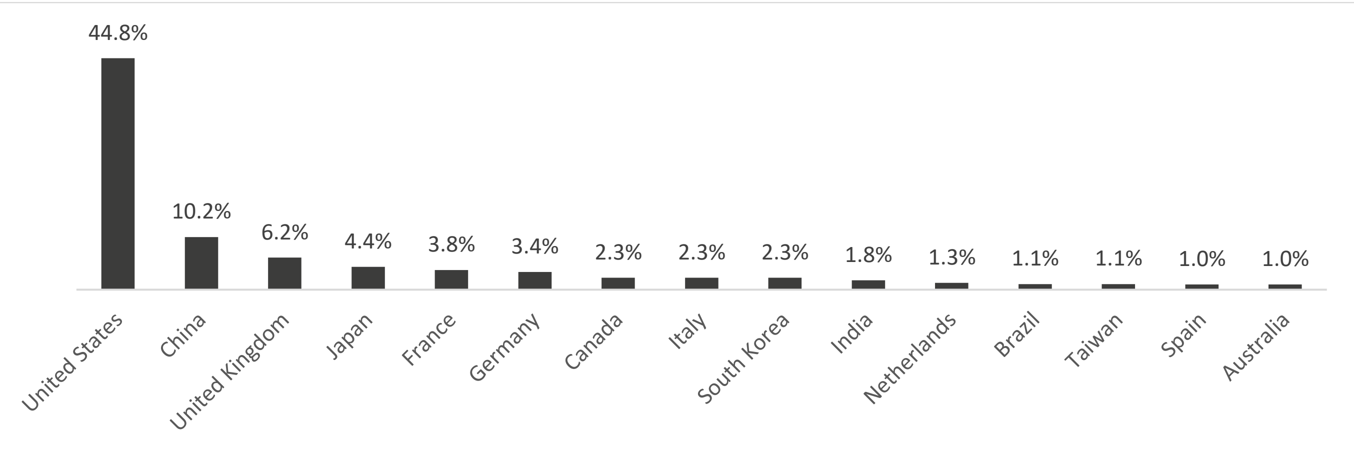
Year-on-year growth in total life insurance premium across different countries in CY 2024 (in USD)



Source: Swiss Re Institute, IRDAI, CRISIL Intelligence

In terms of share of world life insurance market for CY 2024, United States enjoyed the largest pie with 44.8% of the world life insurance premium, followed by China with 10.2% share. India has a small share of 1.8% of the world life insurance premium whereas its emerging counterparts apart from China such as Brazil and Mexico have 1.1% and 0.7% share respectively in world life insurance premium for CY 2024.

India has a small share of 1.8% in world life insurance market for CY2024



Source: Swiss Re Institute, IRDAI, CRISIL Intelligence

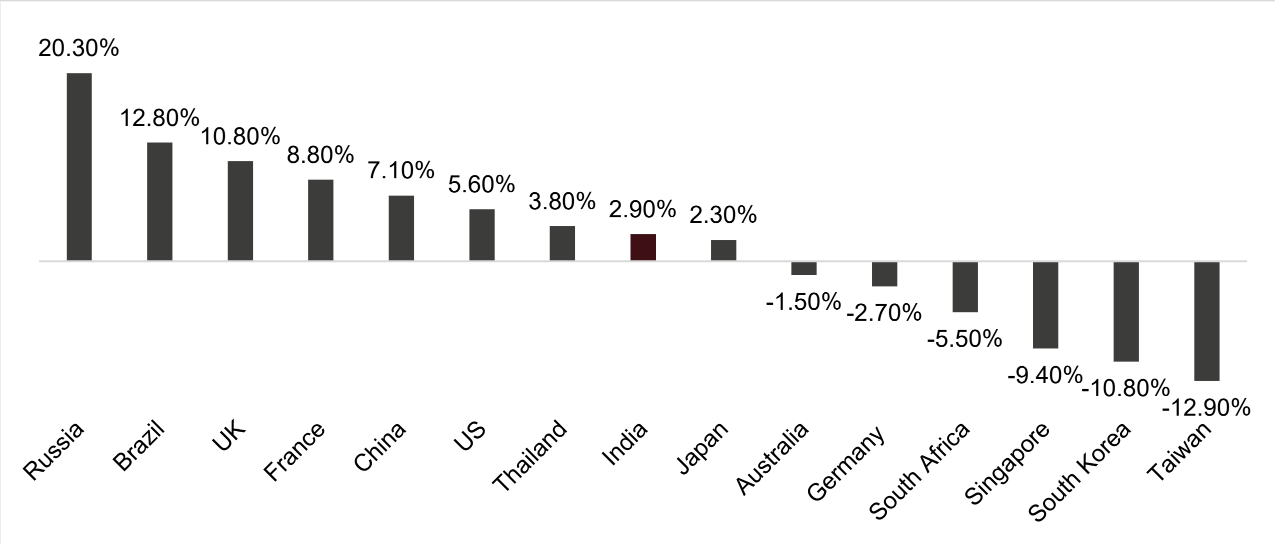
Retirement Savings and Pension Opportunity in India

India has a large and growing population, with a significant proportion of working-age individuals who are looking to save for their retirement. India's retirement savings and pension landscape is evolving, with various options available to individuals. Retirement savings options in India include Employees' Provident Fund (EPF), National Pension System (NPS), Public Provident Fund (PPF), Mutual Funds and Life Insurance Products (Annuities). While a range of investment opportunities are available in India pension opportunities in India also include government schemes such as Atal Pension Yojana and Pradhan Mantri Shram Yogi Maan-Dhan.

NPS offers a range of benefits and opportunities to subscribers, including portability, flexibility, low cost, tax benefits, and regulated operations. With a range of investment options, schemes, and withdrawal options, NPS provides a comprehensive retirement savings solution for individuals in India. National Pension System (NPS) is expected to have grown at 24-25% CAGR from Fiscal 2021 to Fiscal 2025.

India reported total life insurance premium growth of 2.90% in CY 2023 which was lower than global average of 3.90% during the same period. Other emerging economies such as China, Thailand registered growth in life insurance premium at 7.10%, 3.80% respectively in CY 2023. South Korea, Taiwan, Singapore, South Africa, Germany and Australia witnessed negative growth in CY2023.

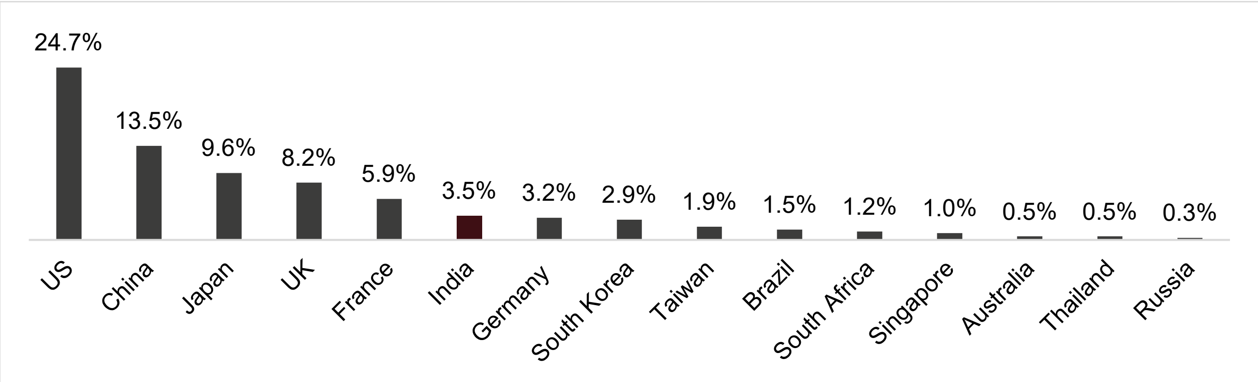
Year-on-year growth in total life insurance premium across different countries in CY 2023 (in USD)



Source: Swiss Re Institute, IRDAI, CRISIL Intelligence

In terms of share of world life insurance market for CY 2023, United States enjoyed the largest pie with 24.7% of the world life insurance premium, followed by China with 13.5% share. India has a small share of 3.5% of the world life insurance premium whereas its emerging counterparts apart from China such as South Africa, Brazil and Thailand have 1.2%, 1.5% and 0.5% share respectively in world life insurance premium for CY 2023.

India has a small share of 3.5% in world life insurance market for CY2023



Source: Swiss Re Institute, IRDAI, CRISIL Intelligence

Peer Comparison

In this section, CRISIL Intelligence has benchmarked the performance of 14 life insurers categorised as Bank Led Insurance Players and Non-Bank led Insurance Players basis operational and financial metrics for Fiscal 2021, Fiscal 2022, Fiscal 2023, Fiscal 2024 and Fiscal 2025. The bank led life insurers considered are: SBI Life (SBI Life Insurance Company Ltd.), HDFC Life (HDFC Life Insurance Company Ltd.), ICICI Prudential Life (ICICI Prudential Life Insurance Company Ltd.), Axis MaxLife (Axis Max Life Insurance Company Ltd.), Kotak Mahindra Life (Kotak Mahindra Life Insurance Ltd.), PNB Metlife (PNB Metlife India Insurance Company Ltd.), Canara HSBC (Canara HSBC Life Insurance Company Ltd.), IndiaFirst Life (IndiaFirst Life Insurance Company Ltd.) and Star Union Dai-ichi Life (Star Union Dai-ichi Life Insurance Company Ltd.).

Life Insurance companies promoted by public sector banks include SBI Life (State Bank of India), PNB Metlife (Punjab National Bank), Canara HSBC (Canara Bank), IndiaFirst Life (Bank of Baroda) and Star Union Dai-ichi Life (Bank of India, Union Bank of India). On the other hand, life insurance companies promoted by private banks include HDFC Life (HDFC Bank Ltd.), ICICI Prudential Life (ICICI Bank Ltd.), Axis MaxLife (Axis Bank Ltd.), Kotak Mahindra Life (Kotak Mahindra Bank Ltd.).

The Non-Bank led Insurance Players are: LIC (Life Insurance Corporation of India), TATA AIA Life (TATA AIA Life Insurance Company Ltd.), Bajaj Allianz Life (Bajaj Allianz Life Insurance Company Ltd.), Aditya Birla Sunlife (Aditya Birla Sunlife Insurance Company Ltd.) and Reliance Nippon Life (Reliance Nippon Life Insurance Company Ltd.).

Individual WPI (NBP) collected by Canara HSBC grew third fastest amongst bank led insurers between Fiscal 2022 and Fiscal 2025

Amongst bank led insurance players, Canara HSBC had the third highest growth in terms of Individual WPI at 16.58% after Star Union Dai-ichi Life (16.66%) and HDFC Life (17.93%) from Fiscal 2022 to Fiscal 2025. Canara HSBC's individual WPI also grew faster as compared to industry growth at 11.19% from Fiscal 2022 to Fiscal 2025.

Amongst the peer set, Canara HSBC's Individual WPI grew the sixth fastest at 16.58% after Bajaj Allianz Life (24.23%), TATA AIA Life (24.08%),Aditya Birla Sunlife (23.00%), HDFC Life (17.93%) and Star Union Dai-ichi Life (16.66%) from Fiscal 2022 to Fiscal 2025.

Canara HSBC had the second highest year on year growth in terms of Individual WPI amongst the peer set, for ended Fiscal 2025

Canara HSBC has also grown the fastest between FY24 and FY25 at 28.01% amongst the peers behind Aditya Birla Sunlife (33.84%), thereby increasing its market share in the industry from 1.56% as at March 31, 2024, to 1.81% as at March 31, 2025, in terms of individual WPI premium. Industry individual WPI year on year growth stood at 10.46% in the same time.

Individual WPI of the companies

Players		Individual WPI (in Rs. crores)						Market Share – FY25	Rank FY25	CAGR FY22-FY25	Y-o-Y growth FY24-FY25
		FY21	FY22	FY23	FY24	FY25	Q1FY26				
Bank Led Insurance Players	SBI Life	10,224	12,873	15,218	17,234	19,353	3,466	16.08%	2	14.56%	12.30%
	HDFC Life	6,998	8,148	10,920	11,376	13,364	2,717	11.10%	3	17.93%	17.47%
	ICICI Prudential Life	5,454	6,299	6,738	7,213	8,307	1,356	6.90%	6	9.67%	15.17%
	Axis MaxLife	4,870	5,441	6,025	6,961	8,329	1,553	6.92%	5	15.25%	19.65%
	Kotak Mahindra Life	1,818	2,113	2,729	2,823	2,985	398	2.48%	9	12.20%	5.72%
	PNB Metlife	1,451	1,760	2,177	2,318	2,399	401	1.99%	10	10.88%	3.48%
	Canara HSBC	**1,045**	**1,375**	**1,658**	**1,702**	**2,179**	399	**1.81%**	**11**	**16.58%**	**28.01%**
	IndiaFirst Life	894	1,345	1,709	1,376	1,426	245	1.18%	13	1.97%	3.63%
	Star Union Dai-ichi Life	690	1,020	1,386	1,501	1,620	229	1.35%	12	16.66%	7.94%
Non-Bank Led Insurance Players	LIC	30,466	32,496	35,578	35,104	35,352	6,919	29.37%	1	2.85%	0.71%
	TATA AIA Life	3,416	4,455	7,092	7,413	8,511	1,736	7.07%	4	24.08%	14.81%
	Bajaj Allianz Life	2,467	3,686	5,213	6,325	7,066	1,255	5.87%	7	24.23%	11.72%
	Aditya Birla Sunlife	1,939	2,212	3,022	3,075	4,115	795	3.42%	8	23.00%	33.84%
	Reliance Nippon Life	903	944	1,006	1,103	1,046	220	0.87%	14	3.49%	-5.19%
Industry		**75,658**	**87,573**	**103,956**	**108,975**	**120,373**	**22,467**	**100%**	**-**	**11.19%**	**10.46%**

Note: Individual WPI is defined as addition of 10% of individual single premium and individual non single premium.
Source: Life Insurance Council, Company reports, Public Disclosures, Crisil Intelligence

Annualized Premium Equivalent (APE) of companies

Players		APE (in Rs. Billions)					
		FY21	FY22	FY23	FY24	FY25	Q1FY26
Bank Led Insurance Players	SBI Life	114.48	142.98	168.15	197.23	214.2	39.7
	HDFC Life	83.7	97.58	133.36	132.91	154.79	32.25
	ICICI Prudential Life	64.62	77.33	86.4	90.46	104.07	18.64
	Axis MaxLife	NA	NA	NA	NA	NA	NA
	Kotak Mahindra Life	NA	NA	NA	NA	NA	NA
	PNB Metlife	16.01	20.12	25.84	26.48	NA	NA
	Canara HSBC	NA	NA	NA	NA	NA	NA
	IndiaFirst Life	NA	NA	NA	14.92	NA	NA
	Star Union Dai-ichi Life	NA	NA	NA	NA	NA	NA
Non- Bank Led	LIC	421.7	503.9	566.82	569.7	568.28	126.52

Insurance Players	TATA AIA Life	NA	NA	NA	NA	NA	NA
	Bajaj Allianz Life	NA	NA	NA	NA	NA	NA
	Aditya Birla Sunlife	NA	NA	NA	NA	NA	NA
	Reliance Nippon Life	NA	NA	NA	NA	NA	NA

Source: IRDAI Handbook, Company reports, Public Disclosures, CRISIL Intelligence

Renewal Premium of companies

Players		Renewal Premium (in Rs. Billions)					
		FY21	FY22	FY23	FY24	FY25	Q1FY26
Bank Led Insurance Players	SBI Life	296	333	377	432	494	105
	HDFC Life	185	228	284	334	377	76
	ICICI Prudential Life	225	220	225	246	257	49
	Axis MaxLife	122	145	164	185	210	39
	Kotak Mahindra Life	58	69	77	91	102	15
	PNB Metlife	40	49	56	63	71	14
	Canara HSBC	**28**	**31**	**35**	**42**	**49**	9
	IndiaFirst Life	20	24	31	40	42	7
	Star Union Dai-ichi Life	18	22	26	34	40	9
Non- Bank Led Insurance Players	LIC	2,189	2,291	2,426	2,531	2,621	599
	TATA AIA Life	70	91	120	168	212	43
	Bajaj Allianz Life	57	70	87	115	149	32
	Aditya Birla Sunlife	52	65	74	92	104	20
	Reliance Nippon Life	36	38	40	43	45	9

Source: IRDAI Handbook, Company reports, Public Disclosures, CRISIL Intelligence

Individual and Group Channel for New Business Premium of the companies

Players		FY22		FY23		FY24		FY25		Q1FY26	
		Individual	Group	Individual	Group	Individual	Group	Individual	Group	Individual	Group
Bank Led Insurance Players	SBI Life	64.8%	35.2%	70.7%	29.3%	62.3%	37.7%	74.1%	25.9%	68%	32%
	HDFC Life	48.2%	51.8%	50.4%	49.6%	49.6%	50.4%	50.5%	49.5%	48%	52%
	ICICI Prudential Life	61.8%	38.2%	52.8%	47.2%	49.0%	51.0%	44.4%	55.6%	45%	55%
	Axis MaxLife	89.8%	10.2%	90.2%	9.8%	84.0%	16.0%	82.7%	12.8%	83%	17%
	Kotak Mahindra Life	53.7%	46.3%	51.5%	48.5%	49.2%	50.8%	49.8%	50.2%	40%	60%

Players		FY22		FY23		FY24		FY25		Q1FY26	
		Individual	Group	Individual	Group	Individual	Group	Individual	Group	Individual	Group
	PNB Metlife	76.2%	23.8%	71.3%	28.7%	70.4%	29.6%	68.5%	31.5%	67%	33%
	Canara HSBC	**62.1%**	**37.9%**	**50.1%**	**49.9%**	**63.0%**	**37.0%**	**72.9%**	**27.1%**	49%	51%
	IndiaFirst Life	54.1%	45.9%	65.2%	34.8%	61.1%	38.9%	51.5%	48.5%	33%	67%
	Star Union Dai-ichi Life	59.7%	40.3%	47.5%	52.5%	47.3%	52.7%	39.4%	60.6%	32%	68%
Non-Bank Led Insurance Players	LIC	27.6%	72.4%	25.3%	74.7%	25.9%	74.1%	27.5%	72.5%	21%	79%
	TATA AIA Life	93.5%	6.5%	93.3%	6.7%	92.5%	7.5%	89.9%	10.1%	60%	40%
	Bajaj Allianz Life	43.4%	56.6%	53.2%	46.8%	59.6%	40.4%	62.2%	37.8%	60%	40%
	Aditya Birla Sunlife	43.1%	56.9%	45.4%	54.6%	43.8%	56.2%	45.3%	54.7%	54%	46%
	Reliance Nippon Life	76.7%	23.3%	91.7%	8.3%	92.3%	7.7%	86.7%	13.3%	93%	7%
Private Players		61.0%	39.0%	61.9%	38.1%	59.4%	40.6%	61.0%	39.0%	**58%**	**42%**
Industry		**39.9%**	**60.1%**	**39.0%**	**61.0%**	**39.6%**	**60.4%**	**41.9%**	**58.1%**	**34%**	**66%**

Source: IRDAI Handbook, Company reports, Public Disclosures, CRISIL Intelligence

Canara HSBC's total policies sold grew at 1.97% between Fiscal 2023 and Fiscal 2025, faster than the industry growth of -4.95%

Total Policies sold by the companies

Players		FY23	FY24	FY25	Q1FY26	Y-o-Y growth	CAGR FY23-FY25
Bank Led Insurance Players	SBI Life	2,197,656	2,261,679	2,203,212	406,533	-2.59%	0.13%
	HDFC Life	995,869	1,166,444	1,267,808	248,833	8.69%	12.83%
	ICICI Prudential Life	606,080	625,050	662,482	136,182	5.99%	4.55%
	Axis MaxLife	597,338	717,122	795,791	167,038	10.97%	15.42%
	Kotak Mahindra Life	346,381	348,433	311,829	48,045	-10.51%	-5.12%
	PNB Metlife	287,854	284,692	295,892	49,401	3.93%	1.39%
	Canara HSBC	186,714	184,746	194,143	**40,782**	5.09%	1.97%
	IndiaFirst Life	313,273	248,912	202,887	32,876	-18.49%	-19.52%
	Star Union Dai-ichi Life	194,963	189,256	177,194	28,808	-6.37%	-4.67%
Non-Bank Led Insurance Players	LIC	20,465,055	20,430,305	17,815,243	3,043,557	-12.80%	-6.70%
	TATA AIA Life	652,877	773,504	969,171	233,573	25.30%	21.84%
	Bajaj Allianz Life	613,528	747,122	779,584	133,272	4.34%	12.72%
	Aditya Birla Sunlife	243,809	285,012	352,915	68,471	23.82%	20.31%
	Reliance Nippon Life	148,883	181,125	160,552	31,310	-11.36%	3.84%
Industry		28,517,181	29,222,536	27,063,400	4,825,411	**-7.39%**	**-2.58%**

Source: IRDAI Handbook, Company reports, Public Disclosures, CRISIL Intelligence

Crisil Intelligence

Individual Policies sold by the companies

	Players	FY23	FY24	FY25	Q1FY26	Y-o-Y growth FY24-25	CAGR FY23-FY25
Bank Led Insurance Players	SBI Life	2,197,129	2,261,118	2,202,627	406,431	-2.59%	0.13%
	HDFC Life	995,188	1,165,913	1,267,146	248,598	8.68%	12.84%
	ICICI Prudential Life	601,683	619,026	659,968	135,562	6.61%	4.73%
	Axis MaxLife	597,144	716,651	795,353	166,914	10.98%	15.41%
	Kotak Mahindra Life	345,685	347,575	310,820	47,770	-10.57%	-5.18%
	PNB Metlife	287,742	284,598	295,791	49,371	3.93%	1.39%
	Canara HSBC	**186,679**	**184,726**	**194,121**	**40,777**	**5.09%**	**1.97%**
	IndiaFirst Life	313,114	248,737	202,713	32,830	-18.50%	-19.54%
	Star Union Dai-ichi Life	194,912	189,174	177,099	28,788	-6.38%	-4.68%
Non-Bank Led Insurance Players	LIC	20,428,937	20,392,973	17,782,975	3,039,709	-12.80%	-6.70%
	TATA AIA Life	652,538	773,070	968,689	233,455	25.30%	21.84%
	Bajaj Allianz Life	613,205	746,555	779,080	133,159	4.36%	12.72%
	Aditya Birla Sunlife	243,389	284,482	352,406	68,423	23.88%	20.33%
	Reliance Nippon Life	148,750	180,984	160,382	31,279	-11.38%	3.84%
Industry		28,470,000	29,176,877	27,021,910	4,819,259	-7.39%	-2.59%

Source: IRDAI Handbook, Company reports, Public Disclosures, CRISIL Intelligence

Canara HSBC is among the top sixth bank led life insurers in India based on the number of lives covered and Third highest amongst Public sector bank led life insurers for Fiscal 2025

For Fiscal 2025, Canara HSBC's number of lives covered under group schemes was sixth highest amongst bank led life insurers after HDFC Life, ICICI Prudential Life, SBI Life , Kotak Mahindra Life and IndiaFirst Life Amongst public sector bank led life insurers, Canara HSBC had the third highest lives covered after SBI Life and IndiaFirst Life for Fiscal 2025.

No. of lives covered under Group Schemes

	Players	FY22	FY23	FY24	FY25
Bank Led Insurance Players	SBI Life	13,688,684	18,437,007	35,674,087	23,319,208
	HDFC Life	53,176,782	67,292,907	64,851,674	48,407,906
	ICICI Prudential Life	32,455,384	47,919,033	53,632,851	38,784,519
	Axis MaxLife	3,672,879	4,179,266	7,309,099	5,239,445
	Kotak Mahindra Life	21,137,494	23,985,032	23,140,572	16,887,198
	PNB Metlife	2,478,894	2,682,530	1,701,017	1,257,344
	Canara HSBC	**4,037,900**	**5,960,059**	**8,679,821**	**8,026,161**
	IndiaFirst Life	5,487,896	8,613,049	7,786,493	13,829,567
	Star Union Dai-ichi Life	5,805,119	6,893,997	3,618,790	4,320,256
Non- Bank Led Insurance Players	LIC	31,930,098	36,622,375	41,417,962	46,163,553
	TATA AIA Life	1,035,699	1,518,686	2,234,488	2,652,966
	Bajaj Allianz Life	28,238,179	27,599,343	20,954,446	16,469,399
	Aditya Birla Sunlife	2,558,609	5,518,536	5,508,869	4,903,513
	Reliance Nippon Life	222,144	329,668	284,077	402,927

Note: Number of lives covered from IRDAI's New Business Statement of Life Insurers
Source: Company reports, Public Disclosures, CRISIL Intelligence

Canara HSBC has the third largest sum assured amongst the PSU bank led insurers

Sum Assured - (in Rs. crores)

Players		FY21	FY22	FY23	FY24	FY25	CAGR FY22-FY25
Bank Led Insurance Players	SBI Life	522,251	578,941	658,790	822,598	974,144	19%
	HDFC Life	576,239	717,759	1,051,979	1,341,151	1,377,161	24%
	ICICI Prudential Life	616,684	773,146	1,041,392	1,022,111	1,194,401	16%
	Axis MaxLife	324,503	291,707	313,457	498,589	564,606	25%
	Kotak Mahindra Life	218,585	226,480	344,025	317,811	281,359	8%
	PNB Metlife	185,905	273,634	248,264	149,174	139,915	-20%
	Canara HSBC	**168,674**	**140,440**	**171,843**	**220,219**	**211,814**	15%
	IndiaFirst Life	181,700	183,584	157,298	294,963	351,020	24%
	Star Union Dai-ichi Life	102,908	152,498	188,353	159,678	129,889	-5%
Non-Bank Led Insurance Players	LIC	894,612	1,040,480	1,237,475	1,651,323	1,877,809	22%
	TATA AIA Life	313,214	408,122	670,063	878,447	1,018,588	36%
	Bajaj Allianz Life	293,070	430,542	525,600	564,088	648,456	15%
	Aditya Birla Sunlife	202,455	207,057	349,224	363,025	445,176	29%
	Reliance Nippon Life	25,235	25,058	25,651	26,416	28,550	4%
	Industry	4,940,821	5,771,260	7,280,103	8,848,606	10,264,167	21%

Note: Sum Assured from IRDAI's New Business Statement of Life Insurers Source: Company reports, Public Disclosures, CRISIL Intelligence

Canara HSBC has the fourth highest 61st month persistency ratio for Fiscal 2025 amongst bank led life insurers

Canara HSBC's 61st month persistency ratio stood at 58% for Fiscal 2025 which was the fourth highest amongst bank led life insurers. ICICI Prudential Life (64%),HDFC Life (64%) and SBI Life (62%) had the first, second and third highest 61st month persistency ratio amongst bank led life insurers.

Canara HSBC's 13th month persistency ratio has improved by 721 basis points in the last three years, highest amongst bank led life insurance players

Canara HSBCs 13th month persistency ratio improved by 721 basis points; this improvement was highest amongst bank led life insurance players from Fiscal 2023 to Fiscal 2025.

Persistency Ratio (Based on premium)

Persistency Ratio		Persistency Ratio for 13th month				Persistency Ratio for 61st month			
		FY23	FY24	FY25	FY25 minus FY23	FY23	FY24	FY25	FY25 minus FY23
Bank Led Insurance Players	SBI Life	85%	86%	87%	2%	56%	58%	62%	6%
	HDFC Life	87%	87%	87%	0%	52%	53%	64%	12%
	ICICI Prudential Life	85%	89%	85%	0%	66%	64%	64%	-2%
	Axis MaxLife	83%	87%	85%	2%	51%	58%	53%	2%
	Kotak Mahindra Life	85%	87%	85%	0%	51%	55%	56%	5%
	PNB Metlife	80%	82%	81%	1%	45%	47%	50%	5%
	Canara HSBC	**75%**	**81%**	**83%**	**7%**	**52%**	**55%**	**58%**	**6%**
	IndiaFirst Life	81%	81%	80%	-1%	44%	46%	47%	3%
	Star Union Dai-ichi Life	76%	79%	78%	2%	31%	31%	23%	-8%
Non-Bank Led Insurance Players	LIC	77%	78%	75%	-2%	62%	61%	63%	1%
	TATA AIA Life	88%	89%	88%	0%	66%	66%	67%	1%
	Bajaj Allianz Life	82%	85%	82%	0%	52%	54%	54%	2%
	Aditya Birla Sunlife	87%	88%	86%	-1%	54%	66%	61%	7%
	Reliance Nippon Life	82%	83%	81%	-1%	44%	41%	42%	-2%

Source: IRDAI Handbook, Company reports, Public Disclosures, CRISIL Intelligence

Persistency Ratio – FY25 (Based on premium)

Persistency Ratio		13th Month	25th Month	37th Month	49th Month	61st Month
Bank Led Insurance Players	SBI Life	87%	77%	72%	68%	62%
	HDFC Life	87%	78%	74%	70%	64%
	ICICI Prudential Life	85%	83%	75%	69%	64%
	Axis MaxLife	85%	74%	62%	57%	53%
	Kotak Mahindra Life	85%	77%	68%	61%	56%
	PNB Metlife	81%	69%	59%	55%	50%
	Canara HSBC	**83%**	**72%**	**64%**	**61%**	**58%**
	IndiaFirst Life	80%	68%	65%	61%	47%
	Star Union Dai-ichi Life	78%	63%	56%	50%	23%
Non-Bank Led Insurance Players	LIC	75%	71%	66%	62%	63%
	TATA AIA Life	88%	80%	75%	71%	67%
	Bajaj Allianz Life	82%	74%	65%	61%	54%
	Aditya Birla Sunlife	86%	76%	68%	63%	61%
	Reliance Nippon Life	81%	72%	62%	49%	42%

Source: IRDAI Handbook, Company reports, Public Disclosures, CRISIL Intelligence

Canara HSBC has huge scope to improve banca channel branch productivity both in terms of premium and policies

Canara HSBC's branch productivity in terms of premium (individual premium through corporate agents (banks) divided by number of branches of partner bank) stood at Rs. 2.1 million for Fiscal 2025 vs average of Rs. 5.1 million of bank led peers. Canara HSBC's branch productivity in terms of policies (individual policies through corporate agents (banks) divided by number of branches of partner bank) stood at 16.8 policies for Fiscal 2025 vs average of 38.2 policies of peers.

Bancassurance has remained Canara HSBC's paramount distribution method, and they have non-exclusive bancassurance arrangements with Canara Bank, The Hongkong and Shanghai Banking Corporation Limited, seven regional banks and other bancassurance relationships which provides them access to an aggregate 15,700+ geographically distributed branch network across India as at March 31, 2025. Canara bank also has an agreement with LIC for distribution of Life Insurance policies.

Life Insurance companies' bancassurance partners' extensive geographical reach across Tier 1, 2 and 3 cities in India, vast customer bases, well-regulated operations, industry knowledge and established brand reputation all contribute to the growth of the company. Infrastructure and operational expenses are also lower for the companies as distribution partners branches are used as distribution centres.

Banking partners for players

Players		Branch Productivity in terms of premium (in Rs. Million)	Branch Productivity in terms of policies	Corporate Agents - Banks FY25	Prominent banca partner name	Branch Network of partner bank – March 2025	Customer Base of partner bank (in million)
Bank Led Insurance Players	SBI Life	6.8	54.5	13	State Bank of India	22,937	NA
	HDFC Life	9.0	66.5	72	HDFC Bank	9,455	98
	ICICI Prudential Life	4.4	31.8	48	ICICI Bank, Standard Chartered	6,983	NA

					Bank, NSDL Payment Bank		
	Axis MaxLife	9.2	55.1	20	Axis Bank	5,879	59
	Kotak Mahindra Life	8.9	62.7	26	Kotak Mahindra Bank	2,148	53
	PNB Metlife	2.1	18.8	18	Punjab National Bank, Jammu & Kashmir Bank	10,189	NA
	Canara HSBC	**2.1**	**16.8**	**11**	**Canara Bank , HSBC Bank**	**9,849**	**117**
	IndiaFirst Life	1.4	18.2	14	Bank of Baroda	8,424	NA
	Star Union Dai-ichi Life	1.9	19.5	11	NUnion Bank, Bank Of India	8,619	NA
	Average of peers	5.1	38.2				

Note: Customer base as per latest data available. Source: Company reports, CRISIL Intelligence

State wise branches of Canara Bank and seven regional rural banks as at June 30, 2025.

State	State wise partner branch	Share in partner branches	Total Population	Share in Population
Karnataka	1,741	13.01%	61,095,297	5.0%
Tamil Nadu	1,842	13.77%	72,147,030	6.0%
Kerala	1,360	10.17%	33,406,061	2.8%
Andhra Pradesh	700	5.23%	49,386,799	4.1%
Madhya Pradesh	1,663	12.43%	72,626,809	6.0%
Uttar Pradesh	1,188	8.88%	199,812,341	16.5%
Maharashtra	618	4.62%	112,374,333	9.3%
West Bengal	428	3.20%	91,276,115	7.5%
Telangana	390	2.92%	35,193,978	2.9%
Himachal Pradesh	345	2.58%	6,864,602	0.6%
Bihar	343	2.56%	104,099,452	8.6%
Haryana	325	2.43%	25,351,462	2.1%
Odisha	304	2.27%	41,974,218	3.5%
Punjab	277	2.07%	27,743,338	2.3%
Rajasthan	280	2.09%	68,548,437	5.7%
NCT of Delhi-UT	283	2.12%	16,787,941	1.4%
Gujarat	259	1.94%	60,439,692	5.0%
Jharkhand	212	1.58%	32,988,134	2.7%
Tripura	174	1.30%	3,673,917	0.3%
Uttarakhand	142	1.06%	10,086,292	0.8%
Assam	127	0.95%	31,205,576	2.6%
Chattisgarh	116	0.87%	25,545,198	2.1%
Goa	75	0.56%	1,458,545	0.1%
Jammu & Kashmir	47	0.35%	12,267,013	1.0%
Chandigarh	26	0.19%	1,055,450	0.1%
Meghalaya	15	0.11%	2,966,889	0.2%
Puducherry-UT	14	0.10%	1,247,953	0.1%
Arunachal Pradesh	14	0.10%	1,383,727	0.1%
Andaman And Nicobar Islands-UT	12	0.09%	380,581	0.0%
Sikkim	11	0.08%	610,577	0.1%

Lakshadweep-UT	19	0.14%	64,473	0.0%
Nagaland	8	0.06%	1,978,502	0.2%
Manipur	7	0.05%	2,855,794	0.2%
Dadra And Nagar Haveli And Daman And Diu	6	0.04%	343,709	0.03%
Mizoram	5	0.04%	1,097,206	0.1%
Ladakh-UT	1	0.01%	274,289	0.02%

Note: Partner branches include that of Canara Bank, Kerala Gramin Bank, Karnataka Gramin Bank, Andhra Pragati Grameena Bank, Madhya Pradesh Gramin Bank, Himachal Pradesh Gramin Bank, Tripura Gramin Bank, Tamil Nadu Grama Bank.
Total population as per Census 2011. Source: RBI, Crisil Intelligence.

Canara Bank, the largest shareholder for Canara HSBC ranks as the 4th largest public sector bank by total assets in India as at March 31, 2025. As at March 31, 2025, Canara Bank managed 9,849 branches.

The Hongkong and Shanghai Banking Corporation (HSBC India) ranks as the second largest foreign bank by total assets in India as at March 31, 2025. As at January 17, 2025, HSBC India managed 26 branches in India and have received approval for 20 new branches in January 2025. Banking partners for players

Players		Partner Bank	Public/Private bank	Total Assets of partner bank as at March 31, 2025 In Rs. Billions	CAGR Total Assets of Partner Bank FY22-FY25	Branch Network of partner bank – March 2024	Branch Network of partner bank – March 2025
Bank Led Insurance Players	SBI Life	State Bank of India	Public	73137.3	10.91%	22,542	22937
	HDFC Life	HDFC Bank	Private	43921.1	27.42%	8,738	9455
	ICICI Prudential Life	ICICI Bank	Private	26422.41	14.66%	6,523	6983
	Axis MaxLife	Axis Bank	Private	16569.63	11.49%	5,377	5879
	Kotak Mahindra Life	Kotak Mahindra Bank	Private	8797.74	17.20%	1,948	2148
	PNB Metlife	PNB Bank	Public	18575.44	11.52%	10,136	10189
	Canara HSBC	**Canara Bank**	**Public**	**17306.91**	**11.20%**	**9,604**	**9849**
	IndiaFirst Life	Bank of Baroda	Public	17812.47	11.70%	8,243	8424
	Star Union Dai-ichi Life	Union Bank of India, Bank of India	Public	Union Bank: 15113.29 Bank of India: 10564.25	Union Bank: 8.18%Bank of India: 12.44%	Union Bank: 8,466 Bank of India: 5,170	Union Bank: 8621 Bank of India: 5328

Note: Total assets on a consolidated basis. Source: Company reports, CRISIL Intelligence

Canara HSBC Life has the third highest share of premium from non-linked non-participating business amongst bank led insurance players for Fiscal 2025

Canara HSBC is one of the few companies to cross Rs. 5,000 million new business premium (first year and single premium) in second year of operations.

Product Mix- New Business Premium[13]

FY25	Players	Unit Linked	Non- Linked	
			Participating	Non Participating
Bank Led Insurance Players	SBI Life	46%	2%	52%
	HDFC Life	29%	8%	63%
	ICICI Prudential Life	45%	6%	49%
	Axis MaxLife	NA	NA	NA
	Kotak Mahindra Life	NA	NA	NA
	PNB Metlife	NA	NA	NA
	Canara HSBC	**39%**	**6%**	**54%**
	IndiaFirst Life	NA	NA	NA
	Star Union Dai-ichi Life	NA	NA	NA
Non- Bank Led Insurance Players	LIC	NA	NA	NA
	TATA AIA Life	NA	NA	NA
	Bajaj Allianz Life	32%	14%	55%
	Aditya Birla Sunlife	NA	NA	NA
	Reliance Nippon Life	NA	NA	NA

Source: IRDAI Handbook, Company reports, Public Disclosures, CRISIL Intelligence

Product Mix- Total Premium

FY25	Players	Unit Linked	Non- Linked	
			Participating	Non Participating
Bank Led Insurance Players	SBI Life	55%	8%	37%
	HDFC Life	28%	20%	52%
	ICICI Prudential Life	49%	12%	39%
	Axis MaxLife	28%	26%	46%
	Kotak Mahindra Life	25%	25%	50%
	PNB Metlife	28%	23%	48%
	Canara HSBC	**36%**	**14%**	**49%**
	IndiaFirst Life	25%	18%	57%
	Star Union Dai-ichi Life	17%	6%	77%
Non- Bank Led Insurance Players	LIC	3%	57%	40%
	TATA AIA Life	36%	14%	50%
	Bajaj Allianz Life	34%	21%	45%
	Aditya Birla Sunlife	26%	8%	66%
	Reliance Nippon Life	19%	18%	64%

Source: IRDAI Handbook, Company reports, Public Disclosures, CRISIL Intelligence

[13] *Insurance premium that is due in the first policy year of a life insurance contract or a single lump sum payment from the policyholder.*

Bancassurance channel has contributed to 87.07% of new business premium sourced for Canara HSBC, highest as compared to other peers

Bancassurance has remained an important distribution channel which provides Canara HSBC access to an aggregate of 117 million customers of Canara Bank through 9,849 branches across India as at March 31, 2025. Bancassurance channels of a Life Insurance company enables it to acquire customers at a lower cost as compared to other sourcing channels.

Amongst major channels of life insurance distribution, insurers with public sector bank parentage (60.82%) benefit from high share of new business premium from bancassurance channels thereby aiding commission costs. Canara HSBC Life's corporate agency (including bancassurance and other corporate agents) had the third lowest commission ratio amongst its peer set, at 17.32% in Fiscal 2025 after Axis Max Life (3.04%) and SBI Life (11.25%).

Channel & Geography Mix (Total New Business Premium) – FY25

FY25	Players	Commission Premium from corporate agents(%) **	Distribution Channel Mix					Geography Mix	
			Corporate Agents - Banks	Agency	Brokers	Direct	Others	Rural	Urban
Bank Led Insurance Players	SBI Life	11.25%	54.35%	21.27%	0.66%	22.09%	1.63%	14.94%	85.06%
	HDFC Life	38.56%	34.72%	8.71%	4.97%	37.10%	14.50%	15.24%	84.76%
	ICICI Prudential Life	38.71%	23.09%	15.16%	9.14%	40.03%	12.58%	6.26%	93.74%
	Axis MaxLife	3.04%	49.88%	16.34%	7.74%	21.27%	4.78%	28.18%	71.82%
	Kotak Mahindra Life	33.46%	34.59%	9.69%	3.90%	38.95%	12.87%	5.14%	94.86%
	PNB Metlife	19.62%	54.09%	7.72%	6.00%	28.67%	3.52%	20.27%	79.73%
	Canara HSBC	**17.32%**	**87.07%**	**0.03%**	**3.35%**	**7.85%**	**1.70%**	**0.39%**	**99.61%**
	IndiaFirst Life	25.65%	54.46%	2.70%	6.69%	33.08%	3.07%	14.72%	85.28%
	Star Union Dai-ichi Life	25.00%	46.18%	0.51%	1.08%	51.81%	0.42%	1.06%	98.94%
	Public Sector Bank led players*		60.82%	17.32%	1.86%	27.31%	39.18%	-	-
	Private Sector Bank led players^		33.60%	11.96%	6.55%	35.68%	66.40%	-	-
	Bank Led Insurance Players		42.34%	13.50%	4.63%	31.45%	57.66%	-	-
Non- Bank Led Insurance Players	LIC	7.11%	4.10%	93.92%	0.23%	0.53%	1.22%	14.52%	85.48%
	TATA AIA Life	48.13%	38.11%	29.78%	15.91%	11.09%	5.11%	0.02%	99.98%
	Bajaj Allianz Life	44.16%	29.10%	16.56%	9.93%	34.42%	9.99%	13.18%	86.82%
	Aditya Birla Sunlife	45.63%	25.74%	12.30%	5.00%	51.82%	5.14%	1.59%	98.41%
	Reliance Nippon Life	68.03%	2.02%	33.92%	1.18%	53.34%	9.55%	20.01%	79.99%
	Non-Bank Led Insurance Players*	-	13.19%	67.77%	3.66%	12.10%	86.81%	-	-

Note: 1) Others include other corporate agents, MI agents, CSCs, Web aggregators, etc., 2) (*) Based on premium from corporate agents – banks including SBI Life, PNB Metlife, Canara HSBC, IndiaFirst Life and Star Union Dai-chi Life, 3) (^) Based on premium from corporate agents – banks including HDFC Life, ICICI Prudential Life, Axis MaxLife and Kotak Mahindra Life. 4) (**) Commission Premium from corporate agents (%) calculated as commission expenses through corporate agent channel divided by total new business premium collected through corporate agent network.
Source: IRDAI Handbook, Company reports, Public Disclosures, CRISIL Intelligence

Channel & Geography Mix (Total New Business Premium) –Q1FY26

Q1FY26	Players	Distribution Channel Mix					Geography Mix	
		Corporate Agents - Banks	Agency	Brokers	Direct	Others	Rural	Urban
Bank Led Insurance Players	SBI Life	47.65%	21.04%	1.36%	29.88%	0.07%	15.50%	84.50%
	HDFC Life	33.80%	7.32%	6.17%	35.65%	17.05%	8.44%	91.56%
	ICICI Prudential Life	25.89%	12.29%	13.26%	29.19%	19.37%	1.83%	98.17%

Q1FY26	Players	Distribution Channel Mix					Geography Mix	
		Corporate Agents - Banks	Agency	Brokers	Direct	Others	Rural	Urban
	Axis MaxLife	41.98%	15.96%	10.39%	27.13%	4.53%	0.00%	100.00%
	Kotak Mahindra Life	28.45%	10.73%	5.15%	38.97%	16.70%	5.75%	94.25%
	PNB Metlife	50.40%	9.60%	9.28%	25.36%	5.36%	19.97%	80.03%
	Canara HSBC	92.33%	0.02%	3.46%	2.94%	1.26%	0.00%	100.00%
	IndiaFirst Life	33.02%	4.36%	4.41%	58.13%	0.08%	16.94%	83.06%
	Star Union Dai-ichi Life	44.89%	0.54%	1.09%	52.32%	1.16%	0.00%	100.00%
Non- Bank Led Insurance Players	LIC	4.23%	92.33%	0.60%	0.78%	2.06%	42.88%	57.12%
	TATA AIA Life	38.10%	27.44%	18.95%	9.78%	5.72%	0.00%	100.00%
	Bajaj Allianz Life	24.41%	17.13%	13.46%	29.83%	15.17%	12.54%	87.46%
	Aditya Birla Sunlife	35.21%	13.07%	5.71%	38.93%	7.08%	1.12%	98.88%
	Reliance Nippon Life	1.80%	34.92%	0.97%	53.32%	8.98%	20.12%	79.88%

Note: 1) Others include other corporate agents, MI agents, CSCs, Web aggregators, etc., 2) (*) Based on premium from corporate agents – banks including SBI Life, PNB Metlife, Canara HSBC, IndiaFirst Life and Star Union Dai-chi Life, 3) (^) Based on premium from corporate agents – banks including HDFC Life, ICICI Prudential Life, Axis MaxLife and Kotak Mahindra Life. 4) (**) Commission Premium from corporate agents (%) calculated as commission expenses through corporate agent channel divided by total new business premium collected through corporate agent network.
Source: IRDAI Handbook, Company reports, Public Disclosures, CRISIL Intelligence

Individual New Business Premium Underwritten-FY25

FY25		Top 5 states	Top 10 states	Top 15 states
Bank Led Insurance Players	SBI Life	40%	66%	84%
	HDFC Life	53%	76%	90%
	ICICI Prudential Life	55%	80%	92%
	Axis MaxLife	54%	78%	90%
	Kotak Mahindra Life	58%	82%	93%
	PNB Metlife	54%	77%	90%
	Canara HSBC	**61%**	**82%**	**92%**
	IndiaFirst Life	58%	80%	91%
	Star Union Dai-ichi Life	61%	82%	92%
Non- Bank Led Insurance Players	LIC	44%	69%	85%
	TATA AIA Life	58%	80%	92%
	Bajaj Allianz Life	48%	71%	86%
	Aditya Birla Sunlife	79%	89%	96%
	Reliance Nippon Life	48%	73%	88%

Source: IRDAI Handbook, Company reports, Public Disclosures, CRISIL Intelligence

Canara HSBC Life has the second highest average premium ticket size for individual insurance among public sector bank led life insurers for year ended Fiscal 2025

Average premium ticket size – Individual Insurance basis new business premium (In Rs.)

Players		FY23	FY24	FY25	Q1FY26
Bank Led Insurance Players	SBI Life	95,151	105,400	119,675	121,455
	HDFC Life	145,529	125,933	134,485	144,411
	ICICI Prudential Life	148,584	142,991	152,081	134,309
	Axis MaxLife	135,366	129,169	133,393	125,335
	Kotak Mahindra Life	114,278	122,517	131,698	115,683

	PNB Metlife	79,770	84,328	108,724	115,742
	Canara HSBC	98,744	96,698	114,771	100,309
	IndiaFirst Life	56,612	73,094	75,488	84,730
	Star Union Dai-ichi Life	75,934	82,885	95,666	83,726
Non- Bank Led Insurance Players	LIC	28,715	28,244	35,092	41,134
	TATA AIA Life	122,164	106,455	95,796	79,901
	Bajaj Allianz Life	93,179	91,706	98,146	104,834
	Aditya Birla Sunlife	143,111	124,633	131,461	128,580
	Reliance Nippon Life	69,390	62,780	67,264	72,390
Average of peer set		100,466	98,345	106,696	103,753

Note: Average Ticket Size calculated by dividing individual insurance premium (new business premium) by individual insurance number of policies.
Source: IRDAI Handbook, Company reports, Public Disclosures, CRISIL Intelligence

Canara HSBC has the third highest AUM after SBI Life and PNB Metlife amongst public sector promoted life insurers as at March 31, 2025

Canara HSBC has the third highest assets under management after SBI Life and PNB Metlife amongst public sector led life insurers as at March 31, 2025. Canara HSBC's growth rate in terms of AUM was seventh highest amongst bank led life insurance players from Fiscal 2022 to Fiscal 2025 at 16.14%.

Asset Under Management (Investment Assets) of Players

AUM (in Rs. Billions)		FY22	FY23	FY24	FY25	Q1FY26	CAGR FY22-FY25
Bank Led Insurance Players	SBI Life	2,648	3,043	3,856	4,475	4,751	19.11%
	HDFC Life	2,172	2,388	2,923	3,363	3,559	15.69%
	ICICI Prudential Life	2,381	2,482	2,897	3,064	3,220	8.77%
	Axis MaxLife	1,075	1,229	1,508	1,751	1,832	17.66%
	Kotak Mahindra Life	555	642	800	918	956	18.26%
	PNB Metlife	344	398	477	542	569	16.36%
	Canara HSBC	263	302	374	412	436	**16.14%**
	IndiaFirst Life	187	214	267	305	321	17.71%
	Star Union Dai-ichi Life	145	187	240	300	316	27.42%
Non- Bank Led Insurance Players	LIC	39,260	42,449	49,755	54,472	57,020	11.53%
	TATA AIA Life	586	710	992	1,229	1,324	28.00%
	Bajaj Allianz Life	854	904	1,098	1,246	1,320	13.42%
	Aditya Birla Sunlife	608	701	862	995	1038	17.84%
	Reliance Nippon Life	276	306	355	387	398	11.93%

Source: IRDAI Handbook, Company reports, Public Disclosures, CRISIL Intelligence

Canara HSBC has remained consistently profitable for the last thirteen years

PAT (in Rs. billions)	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25

Bank Led Insurance Players	SBI Life	6.2	7.4	8.2	8.6	9.5	11.5	13.3	14.2	14.6	15.1	17.2	18.9	24.1
	HDFC Life	4.5	7.3	7.9	8.2	8.9	11.1	12.8	13	13.6	13.3	13.7	15.7	18
	ICICI Prudential Life	15	15.7	16.3	16.5	16.8	16.2	11.4	10.7	9.6	7.6	8.1	8.5	11.8
	Axis MaxLife	4.2	4.4	4.1	4.4	6.6	5.3	5.6	5.4	5.2	3.9	4.4	3.6	4
	Kotak Mahindra Life	1.9	2.4	2.3	2.5	3	4.1	5.1	6.1	6.9	4.3	10.5	6.9	7.7
	PNB Metlife	0.5	0.5	0.5	0.5	0.6	1.4	1.4	0.9	1	-0.7	1.1	2.8	3.2
	Canara HSBC	**0.2**	**0.7**	**1**	**1.3**	**1.1**	**1.7**	**1.7**	**1.1**	**0.9**	**0.1**	**0.9**	**1.1**	**1.1**
	IndiaFirst Life	-0.4	-0.3	0.1	0.1	0.4	0.5	0.6	-1	0.3	-2.8	0.8	1.1	1
	Star Union Dai-ichi Life	-0.2	-0.5	0.1	0.2	0.5	0.8	1	0.6	0.7	0.2	1.3	1.6	0.8
Non-Bank Led Insurance Players	LIC	14.4	16.6	18.2	25.2	22.3	24.5	26.9	27.1	29	40.4	364	406.8	481.5
	TATA AIA Life	3.3	4.1	2.6	0.6	1.1	1.7	0.3	0.4	0.5	0.7	5.1	1.1	1.3
	Bajaj Allianz Life	12.9	10.2	8.8	8.8	8.4	7.2	5	4.5	5.8	3.2	3.9	5.6	5.1
	Aditya Birla Sunlife	5.4	3.7	2.9	1.4	1.2	1.7	1.3	1	1.1	1.3	1.4	1.9	1
	Reliance Nippon Life	3.8	3.6	1.4	-2	-0.6	0	0.3	0.4	0.5	0.7	1.1	2.6	2.1

Note: Figures in bracket denote negative values. Source: IRDAI Handbook of Statistics, Company Disclosures, Crisil Intelligence

PBT (in Rs. billions)		FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25
Bank Led Insurance Players	SBI Life	6.2	7.4	8.3	8.7	9.7	11.8	13.7	14.1	15.4	15.6	17.6	19.4	24.9
	HDFC Life	4.6	6.4	8.0	8.3	9.1	11.3	12.9	13.1	13.5	13.0	12.8	15.7	18.6
	ICICI Prudential Life	15.7	15.3	15.9	17.7	17.9	17.2	11.6	10.7	10.8	7.9	9.0	9.2	13.3
	Axis MaxLife	4.8	5.0	4.8	5.1	7.7	6.2	6.2	6.0	5.1	4.2	5.0	3.7	4.4
	Kotak Mahindra Life	1.9	2.5	2.4	2.7	3.2	4.3	5.3	6.4	7.2	4.6	10.9	7.4	8.5
	PNB Metlife	0.5	0.5	0.5	0.5	0.6	1.4	1.5	0.9	1.1	(0.7)	1.2	2.9	3.2
	Canara HSBC	**0.2**	**0.7**	**1.0**	**1.3**	**1.1**	**1.7**	**1.7**	**1.1**	**1.0**	**0.1**	**1.0**	**1.2**	1.2
	IndiaFirst Life	(0.4)	(0.3)	0.1	0.1	0.4	0.5	0.6	(1.0)	0.3	(2.8)	0.8	1.1	1
	Star Union Dai-ichi Life	(0.2)	(0.5)	0.1	0.2	0.5	0.8	1.0	0.6	0.7	0.2	1.3	1.6	0.8
Non- Bank Led Insurance Players	LIC	14.9	16.7	18.3	25.3	22.5	24.6	27.0	27.2	29.1	40.7	364.6	407.9	481.5
	TATA AIA Life	3.3	4.1	3.1	0.7	1.4	1.9	0.5	0.7	0.7	0.9	5.4	0.2	0.9
	Bajaj Allianz Life	13.4	11.6	10.1	9.8	9.5	8.1	5.8	5.2	6.9	3.2	3.7	5.7	5.6
	Aditya Birla Sunlife	5.4	3.7	2.9	1.4	1.2	1.7	1.3	1.0	1.2	1.4	1.5	2.0	1
	Reliance Nippon Life	3.8	3.6	1.4	(2.0)	(0.6)	0.0	0.3	0.4	0.5	0.7	1.1	2.0	2.4

Note: Figures in bracket denote negative values. Source: IRDAI Handbook of Statistics, Company Disclosures, Crisil Intelligence

Canara HSBC is one of the life insurers to report fastest 3 consecutive years of profit from the first year of operation amongst peer set

The sale of a life insurance policy is only a beginning of a relationship for the life insurance company with the customer and does not create immediate value to the company. The economic value against a policy issued by a life insurer is generated over the policy's span. Therefore, the break-even period or time taken to turn profitable for life insurers depends on various factors including size of premium, underwriting quality, persistency, product mix and customer mix.

Amongst the peers set, SBI Life and Canara HSBC Life were the fastest to generate profits in fifth year of operations.

Canara HSBC has 13 Key Managerial Persons (KMPs) with average tenure with the company at 12 years, highest amongst public sector bank led life insurers as at March 31, 2025.

	Insurer	Number of KMPs	Average Tenure of KMPs with the company	First year of operation (Fiscal year)	Break-even year
Bank Led Insurance Players	SBI Life	10	11	2002	Year 5
	HDFC Life	9	13	2001	Year 12
	ICICI Prudential Life	11	18	2001	Year 10
	Axis MaxLife	10	12	2001	Year 11
	Kotak Mahindra Life	12	12	2002	Year 8
	PNB Metlife	15	8	2002	Year 7
	Canara HSBC	13	12	2009	Year 5
	IndiaFirst Life	18	8	2010	Year 6
	Star Union Dai-ichi Life	11	5	2009	Year 7
Non- Bank Led Insurance Players	LIC	14	NA	NA	NA
	TATA AIA Life	14	7	2002	Year 10
	Bajaj Allianz Life	5	8	2002	Year 9
	Aditya Birla Sunlife	15	10	2001	Year 11
	Reliance Nippon Life	6	7	2002	Year 11

Note: Break-even year is calculated as the point from which the insurer declared profit (after tax) for at least three consecutive years. KMP: Key Managerial Person as per companies' websites. Current tenure as per public disclosures. Source: IRDAI Handbook of Statistics, Crisil Intelligence

Canara HSBC Life has the fourth lowest expenses of management ratio and second lowest commission ratio amongst bank led insurance players for Fiscal 2025

Expenses of Management and operating expenses for players

Players		Expenses of Management Ratio				Commission Ratio (%)			
		FY22	FY23	FY24	FY25	FY22	FY23	FY24	FY25
Bank Led Insurance Players	SBI Life	8.74%	9.61%	8.89%	9.68%	3.67%	4.55%	4.00%	4.40%
	HDFC Life	16.62%	19.71%	19.31%	19.80%	4.25%	5.02%	8.34%	11.03%
	ICICI Prudential Life	14.27%	16.14%	18.15%	18.00%	4.47%	4.67%	8.61%	9.93%
	Axis MaxLife	19.73%	20.50%	21.96%	23.00%	6.26%	6.37%	8.12%	9.47%
	Kotak Mahindra Life	17.20%	18.67%	19.16%	20.83%	4.54%	5.31%	7.83%	9.41%
	PNB Metlife	22.00%	22.40%	22.20%	19.17%	5.54%	5.91%	6.96%	6.50%
	Canara HSBC	**17.90%**	**17.40%**	**18.90%**	**18.70%**	**6.10%**	**5.75%**	**5.77%**	**6.32%**
	IndiaFirst Life	18.47%	19.01%	18.63%	21.02%	4.89%	5.11%	6.44%	8.03%
	Star Union Dai-ichi Life	17.25%	18.43%	17.60%	18.09%	5.75%	5.20%	5.02%	6.44%
Non-Bank Led Insurance Players	LIC	14.50%	15.53%	15.57%	12.42%	5.41%	5.39%	5.46%	5.18%
	TATA AIA Life	29.32%	31.09%	27.52%	25.78%	9.15%	9.74%	10.04%	13.25%
	Bajaj Allianz Life	23.00%	26.20%	25.60%	27.10%	5.17%	6.20%	8.94%	11.44%
	Aditya Birla Sunlife	17.44%	19.51%	18.49%	20.38%	4.91%	5.60%	7.10%	9.74%

	Reliance Nippon Life	24.00%	26.00%	27.00%	25.30%	3.07%	3.20%	3.37%	4.06%

Note: Expenses of Management ratio as declared by the company. Commission Ratio (%) calculated by taking commission expenses divided by total premium earned in the relevant time-period. Source: Company reports, CRISIL Intelligence

Canara HSBC has the second highest IT expenses amongst peer set for Fiscal 2025 while focusing to automate processes and reduce cost per transactions

Information technology expenses for players

Players		Operating Expenses (%)			Information Technology (%)		
		FY23	FY24	FY25	FY23	FY24	FY25
Bank Led Insurance Players	SBI Life	5.06%	4.89%	5.28%	0.18%	0.18%	0.22%
	HDFC Life	14.69%	10.97%	8.76%	0.41%	0.42%	0.47%
	ICICI Prudential Life	11.48%	9.54%	8.11%	0.38%	0.44%	0.44%
	Axis MaxLife	14.13%	13.84%	13.59%	0.40%	0.42%	0.49%
	Kotak Mahindra Life	13.35%	11.33%	11.42%	0.33%	0.34%	0.38%
	PNB Metlife	16.53%	15.28%	12.67%	1.11%	0.93%	1.02%
	Canara HSBC	**11.62%**	**13.12%**	**12.39%**	**0.92%**	**1.11%**	**1.04%**
	IndiaFirst Life	13.90%	12.19%	12.99%	0.85%	1.01%	1.09%
	Star Union Dai-ichi Life	13.22%	12.57%	11.64%	0.46%	0.54%	0.79%
Non-Bank Led Insurance Players	LIC	10.25%	10.11%	7.24%	NA	NA	NA
	TATA AIA Life	21.34%	17.47%	12.56%	0.80%	0.80%	0.76%
	Bajaj Allianz Life	20.01%	16.62%	15.64%	0.53%	0.66%	0.06%
	Aditya Birla Sunlife	13.91%	11.38%	10.64%	0.63%	0.66%	0.65%
	Reliance Nippon Life	22.65%	23.64%	21.22%	0.67%	0.66%	0.68%

Note: Information Technology expenses (%) calculated IT related expenses divided by total premium earned in the Fiscal year
Source: Company reports, CRISIL Intelligence

Canara HSBC has the sixth highest claim settlement ratio amongst bank led insurance players for Fiscal 2025

Claim settlement ratio for Canara HSBC stood at 99.38% for Fiscal 2025.

Claim Settlement Ratio for players

Players		FY23	FY24	FY25
Bank Led Insurance Players	SBI Life	98.39%	99.17%	99.40%
	HDFC Life	99.70%	99.70%	99.81%
	ICICI Prudential Life	98.70%	99.80%	99.84%
	Axis MaxLife	99.50%	99.65%	99.36%
	Kotak Mahindra Life	NA	NA	99.60%
	PNB Metlife	99.10%	99.20%	99.66%
	Canara HSBC	99.11%	99.31%	99.38%
	IndiaFirst Life	98.40%	98.60%	98.37%
	Star Union Dai-ichi Life	96.00%	99.00%	99.07%
Non-Bank Led Insurance Players	LIC	98.52%	98.15%	97.93%
	TATA AIA Life	99.01%	99.13%	99.49%
	Bajaj Allianz Life	99.04%	99.23%	99.77%
	Aditya Birla Sunlife	98.12%	98.40%	99.49%
	Reliance Nippon Life	98.60%	98.74%	98.95%

Note: Claim Settlement Ratio as declared by the company. Source: Company reports, CRISIL Intelligence

Claim Repudiation Ratio for players

Players		FY23	FY24	FY25
Bank Led Insurance Players	SBI Life	1.50%	0.60%	0.41%
	HDFC Life	0.20%	0.30%	0.19%
	ICICI Prudential Life	0.50%	0.10%	0.14%
	Axis MaxLife	0.60%	0.40%	0.64%
	Kotak Mahindra Life	0.20%	0.60%	0.32%
	PNB Metlife	0.40%	0.60%	0.33%
	Canara HSBC	**0.90%**	**0.70%**	**0.62%**
	IndiaFirst Life	1.50%	1.20%	1.62%
	Star Union Dai-ichi Life	0.60%	0.60%	0.29%
Non-Bank Led Insurance Players	LIC	0.70%	0.90%	0.88%
	TATA AIA Life	0.90%	0.70%	0.45%
	Bajaj Allianz Life	0.20%	0.20%	0.22%
	Aditya Birla Sunlife	0.80%	0.60%	0.49%
	Reliance Nippon Life	1.30%	1.00%	1.02%

Note: Claim Repudiation Ratio calculated as claims repudiated during the year divided by claims booked during the year.
Source: Company reports, CRISIL Intelligence

Canara HSBC has the third highest solvency ratio amongst bank led insurance players for Fiscal 2025

Solvency Ratio for players

Players		Solvency Ratio		
		FY23	FY24	FY25
Bank Led Insurance Players	SBI Life	2.15	1.96	1.96
	HDFC Life	2.03	1.87	1.94
	ICICI Prudential Life	2.09	1.92	2.12
	Axis MaxLife	1.90	1.72	2.01
	Kotak Mahindra Life	2.83	2.56	2.45
	PNB Metlife	1.86	1.71	1.72
	Canara HSBC	**2.52**	**2.13**	**2.06**
	IndiaFirst Life	2.18	2.01	2.00
	Star Union Dai-ichi Life	2.2	2.03	2.03
Non-Bank Led Insurance Players	LIC	1.87	1.98	2.11
	TATA AIA Life	1.86	1.75	1.80
	Bajaj Allianz Life	5.16	4.32	3.59
	Aditya Birla Sunlife	1.73	1.78	1.88
	Reliance Nippon Life	2.29	2.27	2.35

Source: Company reports, CRISIL Intelligence

Canara HSBC has the third lowest surrender ratio amongst bank led insurance players for year ended Fiscal 2025

Surrender Ratio (%) for players

Players		FY22	FY23	FY24	FY25
Bank Led Insurance Players	SBI Life	12.10%	13.50%	16.90%	19.19%
	HDFC Life	19.50%	16.10%	23.00%	19.78%
	ICICI Prudential Life	54.50%	59.00%	69.30%	62.84%
	Axis MaxLife	21.30%	23.80%	20.00%	20.90%

Players		FY22	FY23	FY24	FY25
	Kotak Mahindra Life	11.10%	14.10%	14.90%	15.30%
	PNB Metlife	15.70%	14.90%	23.10%	21.15%
	Canara HSBC	**24.80%**	**20.50%**	**22.00%**	**18.72%**
	IndiaFirst Life	57.50%	44.00%	28.70%	27.68%
	Star Union Dai-ichi Life	9.50%	7.90%	8.90%	8.32%
Non- Bank Led Insurance Players	LIC	8.90%	8.10%	9.50%	9.95%
	TATA AIA Life	12.10%	12.40%	15.50%	14.16%
	Bajaj Allianz Life	26.80%	41.90%	32.20%	27.29%
	Aditya Birla Sunlife	34.60%	27.30%	34.10%	36.52%
	Reliance Nippon Life	25.00%	19.80%	25.60%	25.93%

Note: Surrender Ratio calculated as insurance claims paid by surrender divided by total premium during the relevant period.
Source: Company reports, CRISIL Intelligence

Return on Equity for players

Players		Return on Equity (%)		
		FY23	FY24	FY25
Bank Led Insurance Players	SBI Life	14.00%	13.60%	14.21%
	HDFC Life	9.60%	11.40%	11.18%
	ICICI Prudential Life	8.40%	8.10%	9.96%
	Axis MaxLife	12.90%	9.50%	6.64%
	Kotak Mahindra Life	21.70%	12.30%	12.01%
	PNB Metlife	5.50%	13.70%	15.80%
	Canara HSBC	**6.90%**	**8.20%**	**7.71%**
	IndiaFirst Life	6.40%	7.80%	7.13%
	Star Union Dai-ichi Life	14.20%	14.40%	4.44%
Non-Bank Led Insurance Players	LIC	129.80%	63.80%	38.16%
	TATA AIA Life	20.10%	3.20%	2.37%
	Bajaj Allianz Life	3.60%	5.10%	3.68%
	Aditya Birla Sunlife	5.10%	5.80%	2.47%
	Reliance Nippon Life	7.00%	15.60%	7.13%

Note: Return on Equity calculated as profit after tax divided by average total equity. Source: Company reports, CRISIL Intelligence

Canara HSBC has the third highest dividend payout ratio amongst bank led insurance players for Fiscal 2025

Dividend Payout for players

Players		FY23	FY24	FY25
Bank Led Insurance Players	SBI Life	14.54%	14.28%	11.21%
	HDFC Life	26.50%	26.03%	23.87%
	ICICI Prudential Life	9.75%	10.13%	7.27%
	Axis MaxLife	0.00%	0.00%	0.00%
	Kotak Mahindra Life	10.90%	22.23%	29.84%
	PNB Metlife	0.00%	0.00%	0.00%
	Canara HSBC	31.25%	41.92%	**16.24%**
	IndiaFirst Life	0.00%	0.00%	0.00%
	Star Union Dai-ichi Life	0.00%	3.70%	9.91%
Non-Bank Led Insurance Players	LIC	2.61%	10.88%	7.88%
	TATA AIA Life	0.00%	0.00%	0.00%
	Bajaj Allianz Life	80.85%	80.37%	97.88%

	Aditya Birla Sunlife	0.00%	0.00%	0.00%
	Reliance Nippon Life	0.00%	0.00%	0.00%

Source: Company reports, CRISIL Intelligence

Net Promoter Score for players

	Players	FY23	FY24	FY25	Increase in NPS from FY23 to FY25	PMJJBY Coverage
Bank Led Insurance Players	SBI Life	59	72	82	35	Insured 4.54 crore active lives
	HDFC Life	NA	NA	NA	NA	NA
	ICICI Prudential Life	89	63	NA	NA	Insured 5.33 lakh lives
	Axis MaxLife	52	56	64	12	NA
	Kotak Mahindra Life	NA	NA	60	NA	NA
	PNB Metlife	NA	NA	NA	NA	NA
	Canara HSBC	**50**	**60**	**NA**	**NA**	**Insured over 80 lakh lives**
	IndiaFirst Life	36	42	NA	NA	Insured 5.16 lakh social lives, 96k PMJJBY policies
	Star Union Dai-ichi Life	NA	NA	NA	NA	Insured 1.28 crore lives
Non-Bank Led Insurance Players	LIC	NA	NA	NA	NA	Insured 2.89 crores
	TATA AIA Life	68	71	NA	NA	NA
	Bajaj Allianz Life	NA	NA	NA	NA	NA
	Aditya Birla Sunlife	47	53	59	12	NA
	Reliance Nippon Life	NA	NA	NA	NA	NA

Source: Company reports, CRISIL Intelligence

Comparison of peers 17th full year of operation

Canara HSBC has the fifth highest Individual WPI in its 17th full year of operation as compared to the peer set

Comparison with Bank Led Insurance Players in the 17th year of operations

	Insurer	First year of operation (Fiscal year)	17th Fiscal Year of operation	Individual – WPI (Rs. Crores)	Annualized Premium Equivalent (APE) (Rs. crores)	AUM (Rs. Crores)
Bank Led Insurance Players	SBI Life	2002	2018	7,787	8,540	114,436
	HDFC Life	2001	2017	3,636	4,190	91,738
	ICICI Prudential Life	2001	2017	6,408	6,625	121,581
	Axis MaxLife	2001	2017	2,639	2,657	44,370
	Kotak Mahindra Life	2002	2018	1,575	NA	24,997
	PNB Metlife	2002	2018	1,221	NA	17,241
	Canara HSBC	**2009**	**2025**	**2,179**	**NA**	**41,166**
	IndiaFirst Life*	2010	2025	1426	-	30529
	Star Union Dai-ichi Life	2009	2025	1,620	NA	29,878
	LIC	NA	-		-	

Non- Bank Led Insurance Players	TATA AIA Life	2002	2018	1,397	NA	122,946
	Bajaj Allianz Life	2002	2018	1,397	NA	51,358
	Aditya Birla Sunlife	2001	2017	922	NA	34,523
	Reliance Nippon Life	2002	2018	727	NA	19,096

*Note: Individual WPI is defined as addition of 10% of individual single premium and individual non single premium. *India First Insurance has completed only 16 year of operation as at Mar-25*
Source: IRDAI, Public Disclosures, LI Council, Crisil Intelligence

Canara HSBC has the fifth lowest total cost (%) overall and fourth highest solvency ratio amongst bank led playersin its 17th full year of operation

	Insurer	First year of operation (Fiscal year)	17th Fiscal Year of operation	Accumulated profit/loss	Total Cost (%)	Solvency Ratio	Persistency Ratio (13th Month)
Bank Led Insurance Players	SBI Life	2002	2018	5,374	11.20%	2.06	82.03%
	HDFC Life	2001	2017	986	15.80%	1.98	78.90%
	ICICI Prudential Life	2001	2017	1,266	13.90%	2.81	85.70%
	Axis MaxLife	2001	2017	96.3	23.00%	3.09	80.40%
	Kotak Mahindra Life	2002	2018	1,676	22.59%	1.75	85.51%
	PNB Metlife	2002	2018	363	26.00%	2.02	77.00%
	Canara HSBC	**2009**	**2025**	442	**18.70%**	**2.06**	**82.50%**
	IndiaFirst Life	2010	2025	150	-	2	80.30%
	Star Union Dai-ichi Life	2009	2025	553	18.09%	2.03	77.74%
Non-Bank Led Insurance Players	LIC	NA	-	-	-	-	-
	TATA AIA Life	2002	2018	57.3	29.4%	2,93	81.21%
	Bajaj Allianz Life	2002	2018	7,965	18.7%	5.92	77.2%
	Aditya Birla Sunlife	2001	2017	(405)	11%	2.00	68.05%
	Reliance Nippon Life	2002	2018	(259)	25%	2.66	72.2%

*Note: Total Cost (%) is the addition of operating expense ratio and commission ratio, Persistency Ratio on premium; *India First Insurance has completed only 16 year of operation as at Mar-25*
Source: IRDAI, Public Disclosures, LI Council, Crisil Intelligence

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