

New biz premium of life insurers rises 13% in October, shows data

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Life insurance companies reported a 13.16 per cent year-on-year (Y-o-Y) growth in new business premium (NBP), totting up Rs 30,347 crore in October, even as the number of policies sold saw a sharp decline. The growth was largely driven by strong performance from private sector life insurers.

According to data from the Life Insurance Council, state-owned Life Insurance Corporation (LIC) of India saw a 9.48 per cent Y-o-Y increase in premiums, reaching Rs 17,131 crore, while private insurers reported an 18 per cent Y-o-Y rise in NBP to Rs 13,216.51 crore.

As of October 1, revised surrender value norms came into effect, requiring life insurers to pay an enhanced special surrender value to policyholders after the first policy year, provided the customer has paid one full year's premium. Previously, such payments were not made to customers surrendering their policies in the first year.

While insurers had requested an extension from the insurance regulator to implement the new norms, no extension was granted. Despite this, most companies managed to implement the new regulations for about 80 per cent or more of their products.

Analysts believe that growth in term insurance and unit-linked insurance plans likely supported the rise in premiums, despite the new surrender value norms coming into effect in October 2024.

According to a Nuvama report, growth in October 2024 was affected by the implementation of the new surrender value regulation, though it remained stable. "In the coming months, growth may fluctuate as the industry finds its balance," the report said.

Data reveals that for LIC, the individual premium segment saw a 9.4 per cent Y-o-Y drop, adding up to Rs 3,712.62 crore, while group premiums increased by 15.5 per cent Y-o-Y to Rs 13,267.93 crore. Group yearly premium collections surged by 140.75 per cent to Rs 150.54 crore.

GOING STRONG

■ Apr-Oct '24 ■ Oct '24

Life insurance companies	₹ crore	Growth Y-o-Y (%)
Total new business premium	219,561.64 30,347.60	18.56 13.16
LIC	132,680.98 17,131.09	22.52 9.48
Private insurers	86,880.67 13,216.51	12.97 18.30

Source: Life Insurance Council

Meanwhile, SBI Life Insurance, the largest private sector life insurer, saw a slight 3.8 per cent Y-o-Y decline in NBP to Rs 2,648.38 crore, while HDFC Life recorded a 28 per cent Y-o-Y growth, reaching Rs 2,799 crore.

Other major insurers, including ICICI Prudential Life, Bajaj Allianz Life Insurance, and Max Life Insurance, posted Y-o-Y growth of 25.29 per cent, 21.46 per cent, and 15.3 per cent, respectively.

During the April-October period, the life insurance industry's NBP grew 18.56 per cent Y-o-Y to Rs 2.19 trillion. LIC's premiums grew by nearly 22.5 per cent Y-o-Y to Rs 1.32 trillion, while private sector insurers saw a 12.9 per cent Y-o-Y increase in premiums, totalling Rs 86,880 crore.

The number of policies sold in October 2024 stood at nearly 1.2 million, a 46 per cent drop compared to the previous year, largely due to the revised surrender value norms. During the April-October period, the number of policies sold decreased by 5.42 per cent Y-o-Y to 14.5 million, compared to last year.