

Insurance

India

Sector View: **Attractive** NIFTY-50: **22,498**

March 11, 2025

A weak month

Private life insurance companies reported muted 2% APE growth in February 2025. Axis Max Life APE growth was moderate at 8.7%, and HDFC Life reported moderation in growth to 5.3% yoy. ICICI Prudential Life and SBI Life reported a 5-10% yoy decline. Aditya Birla Sun Life was an outlier, reporting 26% yoy growth, while Bajaj Allianz Life reported yoy flat numbers. LIC continued to report a decline, down 21% yoy.

Smaller players going strong; weak trends among large players

Private players reported muted 2.1% yoy APE growth in February 2025; the weakness was broad-based with top-4 players reporting yoy flat numbers. APE growth for Tier-II players was also muted at 4% yoy during the month. ICICI Prudential Life and SBI Life reported a 5-10% yoy decline, while HDFC Life and Axis Max Life reported 5-9% yoy APE growth. Aditya Birla Sun Life, Future Generali Life, Ageas Federal Life, India First and Shriram Life were outliers, reporting 23-115% yoy APE growth.

Private insurance companies reported 22% APE growth in 1HFY25, 13% in 3QFY25 and 16% in Jan 2025. Following a strong 1H (sunset period for older surrender value guidelines, higher IRRs) and likely moderating appetite for ULIPs, APE growth seems to have weakened. While players are now gearing up for the heavy month of March, the overall outlook remains a bit soft given the high base and fatigue setting in. Clarity on movement in equity and debt markets will be the key business driver.

Axis Max Life fares better than peers

- ▶ **Axis Max Life** reported moderate 8.7% APE growth during the month, driven largely by a rise in ticket sizes (up 20% yoy). The company reported sharp 400 bps yoy margin compression in 3QFY25. A sharp rise in ticket sizes in the first two months of the quarter (18-20%) suggests a sustained high share of ULIP in the product mix, which doesn't bode well for margins. YTD growth is holding on at 21% against management guidance of 20%+.
- ▶ **HDFC Life** reported muted APE growth of 5.3% yoy in February 2025, down from 25% in January 2025. YTD growth remains strong at 19% yoy compared to 12% in 3QFY25 and 20% in 9MFY25. Growth was volatile over the past four months, ranging 5-25% yoy. March remains a heavy and the most important month.
- ▶ **ICICI Prudential Life** reported a sharp 9.8% yoy decline in APE on a high base (APE up 35% yoy in February 2024). While ticket sizes were up 6.4% yoy, a sharp 19% decline in the number of policies (NoP) led to a drag in premiums. The moderation in growth may be offset by better margins, a result of the shift in product mix. 4Q has a high base, and we expect flat growth for the company.
- ▶ **SBI Life** reported a 4.5% yoy decline in APE following muted single-digit growth reported in the past seven months. YTD growth was muted at 9.5% yoy. Weakness in the parent bank is likely weighing down on overall growth for SBI Life.

Quick Numbers

Private players reported muted 2.1% yoy APE growth in February 2025

Top-4 players reported yoy flat APE in February 2025

Implied growth rates are low at 1-5% for life insurers

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- ▶ **Bajaj Allianz Life** reported yoy flat APE trends, likely driven by reorientation of product design and strategy undertaken by the company. Management guidance on growth, anyway, remains soft.
- ▶ **Aditya Birla SL** continued to report strong 26% APE growth, translating to 32% YTD growth. Increases in partnerships and footprints are key drivers. The ticket size growth is moderate at 13% yoy. SA growth was at 105% in Jan 2025, reflecting higher protection growth.

Private players reported muted 2.1% growth in APE in February 2025

Exhibit 1: APE of life insurers, February 2025 (Rs mn)

	Feb-25					
	Individual	yoy growth (%)	Group	yoy growth (%)	Total	yoy growth (%)
Aditya Birla Sun Life	3,563	29.6	645	10.3	4,208	26.2
Aviva Life	92	(51.2)	9	20.6	101	(48.6)
Axis Max Life	7,200	9.5	126	(22.8)	7,325	8.7
Bajaj Allianz Life	6,130	0.3	424	5.9	6,554	0.6
Bharti Axa Life	412	(17.4)	8	18.1	420	(16.9)
Canara HSBC	1,321	(17.8)	49	35.9	1,370	(16.6)
Pramerica Life	194	7.8	85	(2.9)	280	4.3
Future Generali Life	382	10.9	525	572.2	907	114.7
HDFC Life	11,999	0.9	1,692	52.7	13,691	5.3
ICICI Prudential Life	7,308	(12.7)	926	22.8	8,235	(9.8)
Aegas Federal Life	834	29.9	24	(18.9)	858	27.7
India First Life	1,559	105.0	175	183.4	1,735	110.9
Reliance Life	800	(7.2)	6	(14.3)	806	(7.2)
SBI Life	11,809	(0.9)	502	(48.9)	12,311	(4.5)
Shriram Life	963	26.5	51	(20.3)	1,014	22.9
Star Union Dai-chi Life	1,052	(34.7)	184	(49.1)	1,236	(37.3)
Tata AIA Life	6,580	4.9	171	171.8	6,751	6.6
Private players	68,636	1.5	6,014	10.0	74,650	2.1
Private (ex-Top 4)	30,319	5.0	2,768	12.5	33,088	5.6
LIC	24,917	(17.4)	10,676	(28.9)	35,593	(21.2)
Total Premium	93,553	(4.3)	16,690	(18.5)	110,243	(6.8)

Source: IRDA, LI Council, Kotak Institutional Equities

Private players reported 16% growth in APE in YTD2025

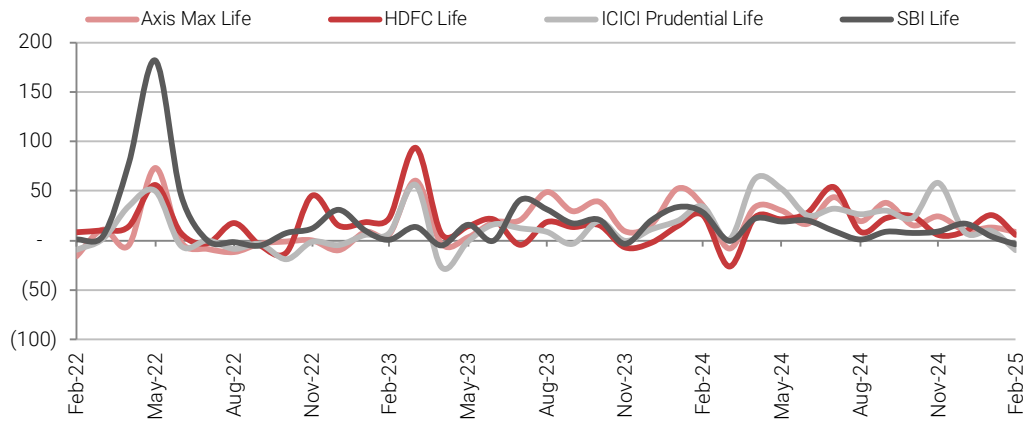
Exhibit 2: APE of life insurers, March fiscal year-ends, February 2025 (Rs mn)

	YTD 2025					
	Individual	yoy growth (%)	Group	yoy growth (%)	Total	yoy growth (%)
Aditya Birla Sun Life	33,498	33.2	4,868	27.3	38,366	32.4
Aviva Life	1,155	(34.7)	134	20.3	1,289	(31.5)
Axis Max Life	67,602	21.9	1,399	(11.3)	69,001	20.9
Bajaj Allianz Life	59,379	15.3	4,008	2.0	63,387	14.4
Bharti Axa Life	5,063	(1.7)	80	(38.7)	5,143	(2.6)
Canara HSBC	18,756	37.1	762	(22.9)	19,518	33.1
Pramerica Life	2,176	37.0	857	7.4	3,033	27.1
Future Generali Life	2,995	10.0	625	257.9	3,620	24.9
HDFC Life	113,943	19.8	14,364	12.0	128,307	18.8
ICICI Prudential Life	69,878	22.3	10,263	33.7	80,141	23.7
Aegas Federal Life	6,939	36.3	290	7.0	7,229	34.8
India First Life	12,345	(2.5)	1,275	21.1	13,619	(0.7)
Reliance Life	8,830	(2.8)	83	20.8	8,913	(2.6)
SBI Life	176,652	13.2	7,610	(37.9)	184,261	9.5
Shriram Life	10,088	45.0	828	1.4	10,916	40.4
Star Union Dai-chi Life	14,566	10.6	2,268	38.8	16,834	13.7
Tata AIA Life	70,834	17.8	906	51.2	71,740	18.2
Private players	723,934	17.4	55,500	3.9	779,434	16.3
Private (ex-Top 4)	295,859	17.0	21,865	14.5	317,724	16.8
LIC	299,099	0.9	137,380	(0.2)	436,479	0.5
Total Premium	1,023,033	12.0	192,880	0.9	1,215,913	10.1

Source: IRDA, LI Council, Kotak Institutional Equities

Growth moderates for all top-4 players

Exhibit 3: APE growth, March fiscal year-ends, February 2022-February 2025 (%)



Source: IRDA, LI Council, Kotak Institutional Equities

Implied growth rates are low at 1-5% for life insurers

Exhibit 4: CMP implied multiples and long-term estimates, December 2026E

	FV (Rs)	AV/EV (X)	EV/share (Rs)	NBM (X)	VNB/share (Rs)	Long term growth (%)	Cost of equity (%)
Axis Max Life							
Kotak estimates	1,410	2.0	706	11.7	60	8.2	13.5
CMP implied	1,086	1.5	706	6.3	60	2.4	13.5
HDFC Life							
Kotak estimates	850	2.5	339	20.2	25	10.0	13.0
CMP implied	637	1.9	339	11.8	25	4.9	13.0
ICICI Pru Life							
Kotak estimates	825	1.9	432	16.2	24	9.8	13.5
CMP implied	546	1.3	432	4.7	24	1.0	13.5
SBI Life							
Kotak estimates	1,800	1.9	949	10.8	79	8.2	13.0
CMP implied	1,417	1.5	949	5.9	79	2.0	13.0

Source: Company, Kotak Institutional Equities estimates

ICICI Prudential Life and SBI Life report strong ~60% sum assured growth

Exhibit 5: Individual APE growth yoy, January 2024-January 2025 (%)

	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25
Aditya Birla Sun Life	40	30	1	12	67	90	85	141	221	162	109	80	105
Axis Max Life	43	18	12	54	25	28	74	38	28	12	40	21	19
Bajaj Allianz	11	19	27	18	43	104	126	97	125	111	57	93	66
Canara HSBC	41	8	(18)	211	141	36	(4)	(9)	(25)	(33)	145	(59)	(25)
HDFC Life	53	64	17	86	47	24	31	15	21	15	10	8	11
ICICI Prudential Life	38	55	11	15	40	11	31	38	49	39	52	76	57
India First	(40)	(56)	(54)	(44)	(35)	(41)	(23)	59	194	291	86	232	596
Kotak	9	38	4	(12)	(14)	(4)	38	13	84	59	22	58	34
Reliance Life	0	(3)	(0)	(28)	1	3	4	7	44	(10)	(1)	(20)	3
SBI Life	15	33	0	9	19	19	18	11	41	70	56	37	60
Star Union Daichi	(2)	10	(1)	44	29	17	14	14	17	4	25	2	194
Tata AIA	50	52	40	40	85	78	63	53	58	19	36	37	23
Private sector	35	38	17	34	45	41	50	40	51	35	39	37	35
LIC	3	1	(22)	9	6	4	(3)	(6)	70	(37)	(33)	(26)	(9)
Total	26	28	4	29	36	33	37	29	55	19	23	24	25

Source: IRDA, LI Council, Kotak Institutional Equities

Top-4 players reported yoy flat APE in February 2025

Exhibit 6: Overall APE growth yoy, February 2024-February 2025 (%)

	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25
Aditya Birla Sun Life	16	(20)	13	15	34	42	25	68	34	25	24	46	26
Axis Max Life	35	(8)	34	30	17	44	20	38	15	24	10	13	9
Bajaj Allianz	30	6	23	16	33	50	19	25	12	(12)	3	6	1
Canara HSBC	(6)	(14)	123	65	37	21	21	21	14	260	(43)	(8)	(17)
HDFC Life	25	(27)	23	21	28	54	9	22	24	5	9	25	5
ICICI Prudential Life	35	1	63	52	26	32	27	30	23	58	8	10	(10)
India First	(48)	(51)	(42)	(33)	(28)	(21)	(21)	(5)	5	(14)	25	59	111
Reliance Life	1	13	(23)	1	10	(1)	1	36	(23)	1	(15)	4	(7)
SBI Life	28	(1)	22	19	20	9	0	8	7	9	16	3	(5)
Star Union Daichi	23	(3)	14	14	7	14	77	19	(18)	(4)	(24)	118	(37)
Tata AIA	(0)	(19)	30	21	18	13	14	61	6	6	16	13	7
Private sector	22	(10)	23	22	21	25	13	26	13	18	11	16	2
Top 4	30	(11)	30	26	23	28	9	20	15	17	13	12	(0)
Private (ex-Top 4)	12	(9)	14	16	19	22	19	35	10	19	7	22	6
Select tier-II players	13	(9)	26	19	25	30	16	44	9	(3)	10	10	4
LIC	32	(2)	45	12	14	6	14	33	(5)	(20)	(27)	(11)	(21)
Total	25	(7)	32	17	18	17	13	29	6	3	(2)	5	(7)

Source: IRDA, LI Council, Kotak Institutional Equities

HDFC Life, ICICI Prudential Life and SBI Life report weak growth; Axis Max Life fared better

Exhibit 7: Individual APE growth yoy, February 2024-February 2025 (%)

	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25
Aditya Birla Sun Life	9	(25)	16	18	22	36	30	65	34	29	27	50	30
Axis Max Life	34	(8)	32	31	22	45	20	38	15	25	11	14	10
Bajaj Allianz	34	5	22	18	35	47	22	34	10	(13)	2	8	0
Canara HSBC	(2)	(14)	136	92	37	28	38	18	21	268	(44)	(9)	(18)
HDFC Life	28	(28)	30	23	34	58	10	25	21	3	12	25	1
ICICI Prudential Life	34	(1)	72	57	28	40	29	33	22	28	9	9	(13)
India First	(50)	(53)	(50)	(35)	(38)	(22)	(21)	(7)	0	(14)	28	61	105
Reliance Life	2	12	(24)	1	10	(0)	1	35	(22)	1	(15)	4	(7)
SBI Life	26	(7)	20	25	18	21	4	9	10	9	16	18	(1)
Star Union Daichi	7	(3)	26	20	17	17	20	22	(21)	(3)	(26)	108	(35)
Tata AIA	0	(19)	30	22	18	12	15	60	6	5	15	13	5
Private sector	20	(12)	25	25	22	30	15	28	12	15	11	20	1
Top 4	30	(13)	32	30	25	36	12	22	15	12	14	18	(1)
Private (ex-Top 4)	10	(11)	15	19	18	22	19	36	7	20	7	22	5
Select tier-II players	14	(9)	26	20	26	28	18	48	8	(4)	10	11	3
LIC	13	(16)	18	7	13	0	1	48	(15)	(12)	(13)	(7)	(17)
Total	18	(13)	22	19	19	19	10	34	3	7	5	11	(4)

Source: IRDA, LI Council, Kotak Institutional Equities

Top-4 players' individual market share at 41%

Exhibit 8: Trend in adjusted individual market share, February 2024-February 2025 (%)

	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25
Aditya Birla Sunlife	2.8	3.2	2.6	3.0	3.2	2.7	3.1	3.1	3.4	3.5	3.5	3.6	3.8
Axis Max Life	6.7	8.0	5.2	5.7	6.4	6.4	6.7	6.5	7.0	7.2	6.9	6.2	7.7
Bajaj Allianz	6.3	6.7	6.0	5.7	6.3	6.6	6.2	5.6	6.3	4.8	5.0	5.3	6.6
Canara HSBC	1.6	1.9	1.6	1.7	1.6	1.6	1.5	1.7	1.8	5.8	0.8	1.4	1.4
HDFC Life	12.2	10.5	11.1	11.1	11.9	11.1	11.4	9.7	10.8	10.5	10.2	12.3	12.8
ICICI Prudential	8.6	8.5	7.3	7.5	7.1	7.1	7.1	6.2	7.5	6.7	5.5	6.5	7.8
Kotak	3.6	4.0	1.6	1.6	1.9	2.0	1.8	2.2	2.3	2.0	2.6	2.7	3.5
Met Life	2.2	2.2	1.9	1.9	1.7	1.8	3.1	1.5	1.6	2.3	2.0	1.9	2.3
Reliance Life	0.9	1.1	1.5	0.8	1.0	0.8	0.8	0.9	0.7	0.8	0.8	0.8	0.9
SBI Life	12.2	9.2	14.9	15.6	14.6	17.1	16.6	13.6	18.3	17.9	27.1	17.5	12.6
Tata AIA	6.4	7.9	7.1	6.9	6.9	6.1	6.5	7.7	6.7	6.1	7.9	6.6	7.0
Private sector	69.2	69.1	65.2	66.7	68.3	69.0	70.6	65.2	72.4	74.0	77.7	72.0	73.4
Top 4 players	39.6	36.3	38.4	40.0	40.0	41.8	41.8	36.0	43.6	42.3	49.7	42.5	41.0
Private (ex-top 4)	29.5	32.8	26.8	26.7	28.2	27.2	28.8	29.1	28.8	31.6	28.0	29.5	32.4
Select tier-II players	12.7	14.6	13.2	12.7	13.2	12.7	12.6	13.3	13.0	10.9	12.9	11.9	13.6
LIC	30.8	30.9	34.8	33.3	31.7	31.0	29.4	34.8	27.6	26.0	22.3	28.0	26.6

Source: IRDA, LI Council, Kotak Institutional Equities

Number of policies down 11% yoy for top-4 players

Exhibit 9: Yoy growth in number of individual non-single policies, February 2024-February 2025 (%)

	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25
Aditya Birla Sunlife	30	8	(12)	16	63	30	16	33	76	21	10	23	16
Axis Max Life	23	(4)	24	43	17	31	(7)	37	(7)	40	1	(3)	(7)
Bajaj Allianz	17	33	8	(1)	16	50	9	43	1	(29)	18	(9)	3
Canara HSBC	(18)	(21)	285	104	(5)	(2)	(16)	(18)	(25)	70	(45)	(7)	(14)
HDFC Life	22	12	39	18	17	32	18	21	3	1	4	10	(10)
ICICI Prudential	33	(6)	9	36	(2)	11	10	1	(1)	13	34	18	(19)
Reliance Life	15	74	(34)	13	13	(2)	(8)	5	(37)	(6)	(19)	(3)	(14)
SBI Life	9	(12)	(0)	7	(3)	(0)	(8)	3	(9)	(7)	(12)	1	(11)
Tata AIA	21	24	3	14	44	1	11	70	30	29	33	24	42
Private sector	16	4	13	14	12	14	5	19	(2)	0	1	6	(4)
Top 4 players	18	(4)	13	18	5	13	0	12	(5)	4	(3)	4	(11)
Private (ex-top 4)	13	14	14	8	19	16	12	28	1	(3)	6	9	4
Select tier-II players	19	28	5	6	29	25	10	57	16	(4)	27	8	22
LIC	6	1	9	10	13	(4)	(5)	61	(61)	(43)	(33)	(16)	(32)

Source: IRDA, LI Council, Kotak Institutional Equities

Most players reported rise in ticket sizes in February 2025

Exhibit 10: Average policy size in individual non-single segment, February 2024-February 2025

	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25
Average ticket size (Rs)													
Aditya Birla Sun Life	111,194	127,264	102,915	104,013	80,985	102,811	118,891	126,625	77,619	110,697	137,435	133,446	125,778
Axis Max Life	98,421	123,525	81,185	70,767	91,450	99,605	105,295	92,485	110,664	91,122	128,511	88,800	118,677
Bajaj Allianz	94,187	95,075	88,102	82,984	80,351	73,456	92,827	82,946	97,795	94,315	84,548	98,138	91,818
HDFC Life	108,114	98,603	87,361	94,554	107,406	99,092	98,233	107,875	95,766	99,859	114,348	123,887	120,687
ICICI Prudential	125,556	168,719	124,763	109,002	137,056	128,480	128,856	138,450	134,835	132,955	109,783	123,404	133,636
Reliance	58,324	74,913	77,511	55,121	56,759	49,677	54,558	65,695	66,000	63,814	77,272	68,574	62,652
SBI Life	69,004	63,111	71,034	73,618	81,204	91,537	87,917	84,153	89,632	92,732	130,071	102,024	76,561
Tata AIA	103,355	105,698	93,711	101,472	80,932	98,734	101,619	94,231	81,618	82,547	77,845	81,931	76,240
Private sector	88,371	95,425	78,294	78,638	83,546	87,851	90,130	91,193	90,735	94,900	105,631	99,191	94,019
LIC	17,110	12,850	21,892	19,006	18,465	17,863	16,739	17,349	37,653	27,091	24,322	17,342	19,870
YoY growth (%)													
Aditya Birla Sun Life	(16.9)	(31.4)	29.6	(0.9)	(25.8)	5.2	11.6	23.4	(23.7)	7.3	15.5	22.8	13.1
Axis Max Life	7.8	(5.8)	7.0	(7.9)	4.4	11.9	29.2	1.5	24.4	(10.7)	10.3	17.6	20.6
Bajaj Allianz	15.4	(21.3)	13.4	19.0	16.7	(1.0)	11.7	(6.0)	8.1	23.6	(13.6)	18.1	(2.5)
HDFC Life	5.6	(35.9)	(6.6)	5.2	14.8	21.4	(6.4)	4.8	19.2	2.4	8.6	14.1	11.6
ICICI Prudential	1.2	4.6	61.0	16.6	31.5	27.9	19.1	31.8	23.1	13.3	(18.3)	(8.1)	6.4
Reliance	(11.5)	(35.4)	15.2	(10.8)	(2.6)	2.4	9.7	28.7	22.5	6.9	4.3	6.8	7.4
SBI Life	16.4	6.1	20.6	17.6	23.4	21.4	13.1	6.0	20.1	16.5	32.3	17.9	11.0
Tata AIA	(17.1)	(34.4)	27.9	8.6	(17.7)	12.4	3.7	(6.5)	(18.4)	(19.0)	(13.2)	(8.4)	(26.2)
Private sector	4.0	(16.1)	10.4	10.7	9.6	14.3	9.1	8.0	14.3	14.7	10.6	12.6	6.4
LIC	6.7	(17.8)	7.3	(3.1)	0.8	1.3	5.4	(7.1)	116.9	52.4	27.0	8.1	16.1

Source: IRDA, LI Council, Kotak Institutional Equities

Share of single premium down to 43% for private players

Exhibit 11: Share of single premium, February 2024-February 2025 (%)

	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25
Aditya Birla Sun Life	66.1	59.3	62.4	61.9	77.2	61.0	52.5	62.2	70.7	39.7	48.5	33.9	64.5
Axis Max Life	41.8	32.8	42.8	39.5	38.6	34.1	34.5	31.7	35.3	33.3	30.4	32.5	31.3
Bajaj Allianz	39.5	39.2	34.4	36.6	45.5	43.0	32.7	35.1	52.2	34.2	33.3	30.4	42.0
HDFC Life	54.4	60.8	61.7	64.5	61.9	60.9	61.6	56.7	70.5	64.2	52.4	55.4	63.4
ICICI Prudential	40.9	31.8	46.9	42.8	42.5	38.5	43.5	39.5	38.7	18.1	40.8	36.3	35.6
Kotak Life	42.2	38.2	64.3	59.0	47.6	60.1	60.4	45.2	44.0	53.7	31.5	34.4	37.0
Reliance Life	3.5	1.6	4.8	3.6	2.8	3.8	3.5	2.2	4.2	3.7	2.1	3.7	3.6
SBI Life	54.7	61.6	52.9	53.8	57.8	44.8	40.5	44.7	46.4	40.1	34.2	41.3	46.4
Private sector	46.5	43.8	49.0	48.6	51.7	45.6	46.5	41.9	51.2	36.0	36.5	39.4	43.2
LIC	84.2	83.3	84.1	85.7	89.0	81.0	82.7	78.6	86.8	81.3	79.2	81.0	84.6
Total	68.6	67.7	70.6	71.6	76.7	66.2	68.0	63.4	71.3	57.1	55.7	61.5	64.7

Source: IRDA, LI Council, Kotak Institutional Equities

Private sector's market share in group business is up to 36% in February 2025

Exhibit 12: Market share in group business, February 2024-February 2025 (%)

	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25
Aditya Birla Sun Life	2.9	2.0	1.7	1.9	3.2	2.4	1.6	3.3	3.2	1.3	3.1	1.2	3.9
Bajaj Allianz	2.0	2.0	2.6	1.9	1.6	2.8	1.5	1.8	2.7	1.6	2.8	1.6	2.5
HDFC Life	5.4	6.3	6.2	7.2	4.4	7.5	7.3	6.7	8.9	9.8	8.3	8.3	10.1
ICICI Prudential	3.7	4.3	3.6	4.0	2.6	5.1	3.5	4.2	4.9	18.9	5.4	5.7	5.6
Kotak Life	2.7	1.8	2.0	1.7	1.3	1.5	1.4	1.9	2.2	1.7	2.8	2.5	2.1
Max Life	0.8	0.5	0.9	0.7	0.4	0.7	0.6	0.8	0.8	0.9	1.0	0.8	0.8
Reliance Life	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.1	0.1	0.0	0.0
SBI Life	4.8	5.9	3.6	4.0	3.9	4.0	2.6	4.0	3.4	3.9	7.6	4.5	3.0
Private sector	26.7	25.2	25.5	24.2	21.4	27.7	25.3	27.4	30.8	42.3	35.7	30.0	36.0
LIC	73.3	74.8	74.5	75.8	78.6	72.3	74.7	72.6	69.2	57.7	64.3	70.0	64.0

Source: IRDA, LI Council, Kotak Institutional Equities

Exhibit 13: Valuation comparison of life insurers, March fiscal year-ends, 2024-27E

	Rating	FV		Price		Market cap.		Embedded value (Rs bn)				Price/EV (X)				Price/VNB (X)				Operating RoEV (%)			
		(Rs)	(Rs)	(Rs bn)	(US \$bn)	2024	2025E	2026E	2027E	2024	2025E	2026E	2027E	2024	2025E	2026E	2027E	2024	2025E	2026E	2027E		
HDFC Life	BUY	850	637	1,371	16	475	557	649	756	2.9	2.5	2.1	1.8	39	34	29	24	17.5	17.0	16.9	17.0		
ICICI Prudential Life	BUY	825	546	789	9	423	486	557	643	1.9	1.6	1.4	1.2	35	32	26	22	14.1	13.8	14.5	15.1		
LIC	BUY	1,250	754	4,771	55	7,273	8,275	8,914	9,600	0.7	0.6	0.5	0.5	50	49	51	51	9.3	11.0	8.3	8.3		
LIC core			251	1,588	18	3,291	4,042	4,681	5,367	0.5	0.4	0.3	0.3	17	16	17	17	NA	NA	NA	NA		
Max FS	BUY	1,425	1,086	375	4	195	254	299	352	2.7	2.0	1.7	1.5	26	24	20	17	20.2	19.2	18.2	18.2		
SBI Life	ADD	1,800	1,417	1,420	16	583	708	836	987	2.4	2.0	1.7	1.4	26	24	21	17	21.8	19.5	18.2	18.2		

Source: Company, Bloomberg, Kotak Institutional Equities estimates

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ADD. We expect this stock to deliver 5-15% returns over the next 12 months.

REDUCE. We expect this stock to deliver -5+5% returns over the next 12 months.

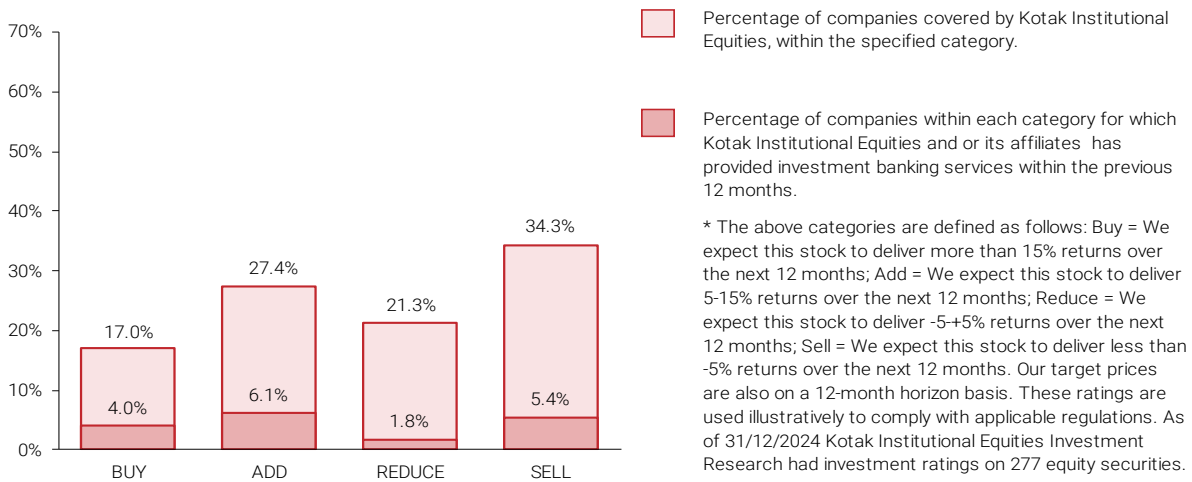
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