

Insurance

Sector Update

June 30, 2026

Coverage Universe

Name of the Company	Rating	CMP (INR)	TP (INR)
HDFC Life Insurance Company	Buy	583	835
ICICI Prudential Life Insurance Company	Buy	490	700
Max Financial Services	Buy	1,602	2,075
SBI Life Insurance Company	Buy	1,755	2,200

ULIP resilient; focus on PAR

Quick Pointers

- **ULIP resilient; protection momentum slowing down**
- **NPAR sees steady growth; PAR products gain traction**
- **Commission structures largely front-loaded, to incentivize distributors toward longer tenure products**

We conducted channel checks for Axis Max Life, SBI Life and HDFC Life by visiting partner network branches in Mumbai (~15 branches) to assess on-ground product demand, customer preferences, distribution dynamics and commission structures. PAR products are the top-selling category at Axis Max Life branches (SWAG PAR Smart Plan/Insta Income Plan), while ULIP retains strong traction at SBI Life (Fortune Builder) and HDFC Life (Smart Protect Plus). NPAR and protection continue to see healthy demand, though momentum has slowed down, especially post GST exemption. On the distribution front, all 3 channels remain heavily dependent on RM-driven lead generation. Commission structures are largely front-loaded, incentivizing distributors toward longer tenure products.

ULIP resilient; protection slowing down: Our interaction suggests ULIP enquiries at branches are picking up as war-related caution fades and younger customers look to capitalize on lower NAV levels. Fortune Builder (SBI Life), Smart Protect Plus (HDFC Life) and Fast Track Super (Axis Max Life) are seeing strong traction. Protection/ term plans are seeing consistent demand; however, the pace has slowed down as many customers have already availed the benefit of GST exemption over the past 10 months.

NPAR seeing steady demand; PAR in focus: PAR is the top-selling product at Axis Max Life branches with SWAG PAR and Insta Income Plan seeing robust customer acceptance due to superior payouts and tax-efficient returns. Click 2 Achieve is the recommended PAR product at HDFC Life and customers investing in PAR mostly belong to the 40–50 year age group, with ticket sizes up to INR5 lakh. Within NPAR, Sanchay Plus/ Sanchay Aajeevan Guaranteed Advantage (HDFC Life) and Smart Platina Supreme (SBI Life) are popular products.

Heavy reliance on RM connects for new leads: At Axis Bank branches, leads are largely originated through RM-driven interactions, rather than walk-in traffic. Tata AIA products are available at HDFC Bank branches. SBI does not undertake independent or separate marketing activities to promote SBI Life products. However, renewal-to-new-business customer ratio at the branch level stands at ~2:1, indicating a more mature and stickier book.

Commission structures largely front-loaded: The commission structure for individual agents at SBI Life (Exhibit 1) is largely front-loaded and linked to the premium paying term. Moreover, the rider attachment rates are low – only 10 to 15 out of every 100 policies sold have a rider attached.

Channel checks KTAs

Max Financial Services

- PAR is the top-selling product at Axis Bank branches. SWAG PAR and Insta Income Plan witnessed robust customer acceptance with ticket size of INR5 lakh, on superior payouts and tax-efficient returns.
- ULIP sales saw a temporary slowdown due to volatile markets; however, enquiries from younger customers have begun to improve as they look to capitalize on lower NAV levels. Fast Track Super with the newly launched High Growth Fund 2.0 is being actively recommended with ticket size under INR2.5 lakh.
- Traditional-to-ULIP mix stands at ~60:40.
- Protection and term plans continue to see consistent demand. Smart Term Life remains the preferred recommendation with sum assured of INR1 crore.
- Axis Max Life is offering 15% discount on first-year premium to salaried customers
- Annuity, which saw strong sales last quarter, has seen a slowdown in enquiries in Jun'26.

SBI Life Insurance Company

- ULIP leads sales at SBI Life branches, with Fortune Builder as the flagship product.
- Smart Platina Supreme (NPAR guaranteed) is gaining traction among risk-averse customers seeking guaranteed income streams.
- Protection and term plans continue to see consistent demand across the channel.
- For SBI Life, renewal-to-new-business customer ratio at the branch level stands at ~2:1, indicating a more mature and stickier book.

HDFC Life Insurance Company

- HDFC Life's traditional-to-ULIP mix stands at 40:60 – skewed toward ULIPs.
- Click 2 Protect Supreme Plus is the primary recommendation for term plans. Minimum sum assured is INR1 crore and predominantly taken by the 25–32 year age group due to lower premiums at a younger age. Customers receive ~15% discount on first-year premium.
- Post-GST exemption, marketing activities helped improve customer awareness within protection. However, the pace has slowed down as many customers have already availed the benefit of GST exemption. Moreover, HDFC Life is facing high competition from LIC, SBI Life and Axis Max Life in the protection segment.
- For ULIP, Smart Protect Plus under the Flexi Cap Fund is the primary recommendation, backed by strong performance history. Ticket size generally ranges at INR1–2 lakh, with larger customers going up to INR5 lakh.
- Click 2 Achieve is the most recommended PAR product. However, customers are being steered toward ULIPs over PAR by branch staff.
- Sanchay Plus and Sanchay Aajeevan Guaranteed Advantage are popular in NPAR.

Exhibit 1: Commission structure for individual agents (SBI Life)

COMMISSION CHART							
Protection Plans							
Commission Year	Saral Jeevan Bima	Smart Swadhan Supreme	Saral Swadhan Supreme	Smart Swadhan Neo	Smart Shield Plus	Smart Shield Premier	
1st Year	PPT (5-9) - 20%	PPT 7 - 21%	PPT 7 - 21%	LPPT/RP-15%	PPT(5-9)-15%	PPT (5)-15%	
	PPT (10-14) - 30%	PPT 10 & Above - 30%	PPT 10 & Above - 30%		PPT(10-29)-25%	PPT (10-29) -25%	
	PPT (15+) - 35%				PPT30+-30%	PPT (30 and Above)-30%	
2nd & 3rd Year	5%	5%	5%	7.5%	5%	5%	
4th & 5th Year	5%	5%	5%	5%	5%	5%	
6th Years +	5%	5%	5%	5%	NIL	NIL	
Single Premium	2%			2%	PT(5-12)-5%&PT(13+)-7.5%		
Child Plans							
Commission Year	Smart Scholar Plus	Smart Platina Young Achiever	Smart Future Star				
1st Year	5.50%	PPT 7- 21%	PPT 7- 21%				
		PPT 10 - 30 %	PPT 10 - 30 %				
			PPT 12- 35%				
2nd & 3rd Year	3%	4%	7.5%				
4th & 5th Year	2.50%	2.00%	5.0%				
6th Year +	1%	2%	5%				
Single Premium	2%	NA	NA				
Saving Plans							
Commission Year	Smart Lifetime Saver	Smart Platina Plus	Smart Bachat Plus	New Smart Samridhhi	Smart Money Back Plus	Smart Platina Supreme	Smart Platina Advantage
1st Year	PPT 10 - 30%	PPT 7 - 21%	PPT 7 - 21%	PPT 6 - 18%	PPT 7 - 21%	PPT 7 - 21%	PPT 7 - 21%
	PPT 12 - 35%	PPT 8 - 24%	PPT 10 - 30%	PPT 7 - 21%	PPT 10 - 30%	PPT 8 - 24%	PPT 10 - 30%
	PPT 15 - 35%	PPT 10 - 30%	PPT 15 - 35%	PPT 10 - 30%	PPT 12 - 35%	PPT 10 - 30%	
			RP-35%				
2nd & 3rd Year	7.50%	4%	7.50%	4%	7.50%	4%	4%
4th Year +	5%	2%	5%	2%	5%	2%	2%
ULIP Plans							
Commission Year	Smart Fortune Builder	Smart Elite Plus	Smart Privilege Plus				
1st Year	10%	2.50%	2.50%				
2nd - 5th Year	2%	2.50%	2.50%				
6th - 7th Year	1.50%	1%	1%				
8th Year +	1%	1%	1%				
Pension Plans							
	Retire Smart Plus	Smart Annuity Plus					
1st Year	(PT 10-14) - 5%	2%					
	(PT 15+) - 7.5%						
2nd Year +	2%	NA					
Single Premium	2%						

Source: Company, PL

Exhibit 2: Channel check summary

Parameter	Axis Max Life	SBI Life	HDFC Life
Top Selling Product	PAR - SWAG PAR Smart Plan / Insta Income Plan	ULIP - Fortune Builder	ULIP - Smart Protect Plus (Flexi Cap Fund)
ULIP Demand	Enquiries picking up as younger customers eye lower NAVs	Strong; younger customers active; war-related caution fading	Staff actively pushing ULIPs as go-to product; enquiries picking up
PAR Demand	Strong; highest selling segment; ticket size INR5L	-	Click 2 Achieve recommended; age 40-50 yrs, ticket size up to INR5L
Protection Demand	Healthy; 2nd highest selling; Smart Term Life (INR1 cr sum assured) preferred	Healthy; highest first year commission product	Click 2 Protect Supreme Plus primary; minimum sum assured INR1 cr; post-GST cut, pace slowing down; facing competition from LIC, SBI Life, Axis Max Life
NPAR / Guaranteed	-	Smart Platina Supreme gaining traction with risk-averse customers	Sanchay Plus / Sanchay Aajeevan popular but not actively recommended; offered only on insistence
Traditional:ULIP Split	~60:40	-	~40:60 - inverse of Axis Max Life; skewed toward ULIPs
Ticket Size	PAR: INR5L; ULIP under INR2.5L	-	ULIP: INR1-2L typically, up to INR5L; Protection: INR1 cr sum assured minimum
First-Year Discount	15% for salaried customers	-	~15% for first-year premium
Key Channel Dynamics	RM-driven leads; customer preference shifting to tax efficiency + rider benefits	SBI does no independent marketing; entirely dependent on branch staff natural selling	One branch co-selling Tata AIA products (ULIP + protection) alongside HDFC Life; customer uptake healthy
Key Observation	PAR dominance intact; ULIP volumes picking up	Most mature renewal base; Fortune Builder franchise strong; protection highest first year commission product	ULIP-heavy mix at 60%; Tata AIA co-selling at own branches is a meaningful overhang

Source: Company, PL

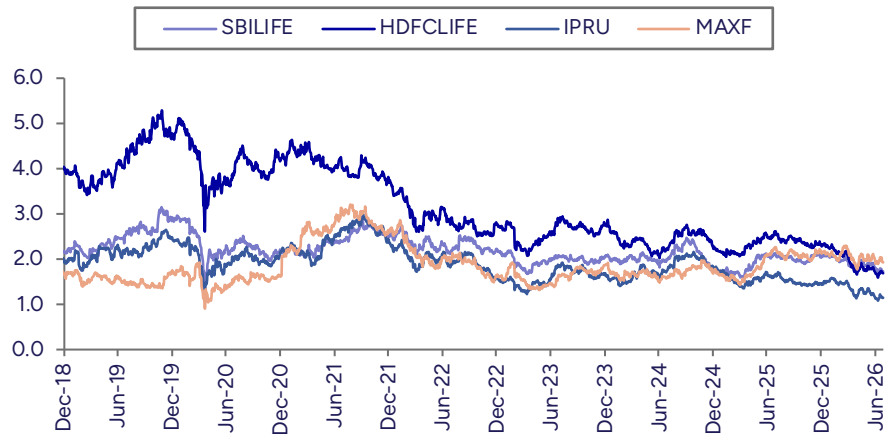
Exhibit 3: Valuation Summary

Company	CMP (INR)	TP (INR)	MCap (INR bn)	Rating	% Chng.	P/EV (x)				APE (INR bn)				VNB (INR bn)			
						FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E
HDFC Life	583	835	1,267	Buy	43%	2.3	2.0	1.8	1.5	150.1	161.0	178.6	201.3	38.4	39.0	44.1	50.7
IPRU Life	490	700	710	Buy	43%	1.5	1.3	1.2	1.1	104.1	106.4	114.8	126.7	23.7	26.3	28.5	31.7
Max FS	1,602	2,075	553	Buy	30%	2.7	2.4	2.0	1.7	87.7	105.0	123.1	143.3	21.1	26.5	30.8	36.0
SBI Life	1,755	2,200	1,761	Buy	25%	2.5	2.2	1.8	1.6	214.1	242.6	274.5	310.9	59.5	66.7	75.8	86.1

Company	CMP (INR)	TP (INR)	MCap (INR bn)	Rating	% Chng.	VNB Margin (%)				Embedded Value (INR bn)				RoEV (%)			
						FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E
HDFC Life	583	835	1,267	Buy	43%	25.6	24.2	24.7	25.2	554.3	621.4	719.6	834.7	16.7	15.0	15.3	15.3
IPRU Life	490	700	710	Buy	43%	22.8	24.7	24.9	25.0	479.5	529.9	594.4	674.5	13.1	11.9	13.1	13.7
Max FS	1,602	2,075	553	Buy	30%	24.0	25.2	25.0	25.1	204.1	233.9	275.6	324.8	19.1	18.7	19.0	18.8
SBI Life	1,755	2,200	1,761	Buy	25%	27.8	27.5	27.6	27.7	702.5	808.0	954.6	1,123.0	20.2	19.7	18.2	17.8

Source: Company, PL

Exhibit 4: Insurance companies under coverage are trading at one year forward P/EV range of 1.1-1.9x



Source: Company, PL

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	AAVAS Financiers	Accumulate	1585	1446
2	Bajaj Finance	BUY	1100	930
3	BSE	BUY	4850	3999
4	Can Fin Homes	BUY	1075	915
5	Cholamandalam Investment and Finance Company	Buy	1950	1640
6	HDFC Life Insurance Company	Buy	835	632
7	Home First Finance Company India	Accumulate	1350	1215
8	ICICI Prudential Life Insurance Company	Buy	700	547
9	LIC Housing Finance	Hold	575	560
10	Mahindra & Mahindra Financial Services	Accumulate	325	294
11	Max Financial Services	Buy	2075	1654
12	SBI Life Insurance Company	Buy	2200	1885
13	Shriram Finance	BUY	1200	1011
14	Sundaram Finance	Accumulate	4900	4385

PL's Recommendation Nomenclature (Absolute Performance)

BUY	: > 15%
Accumulate	: 5% to 15%
Hold	: +5% to -5%
Reduce	: -5% to -15%
Sell	: < -15%
Not Rated (NR)	: No specific call on the stock
Under Review (UR)	: Rating likely to change shortly

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