



## Life Insurance

Private players continue to outperform LIC

### Sector Update

20<sup>th</sup> Apr. 2021

**Update on Life Insurance sector:** In Mar. 2021, new business premium (NBP) of life insurers grew by 70% Y-o-Y, which was mainly aided by the lower base last year.

- In the same quarter last year, around 15 days business activities were impacted by the Covid-19 led lockdown thereby leading to a 32% decline in NBP.
- March is an important month for the sector as there is a lot of business from the individuals looking at buying policies in the last minute to save the income tax.
- For FY21, the sector has reported a 7.5% growth in the NBP, which is lower than the growth rate of 20% in FY20.
- The sector growth in FY21 is mainly driven by the private players, which has reported a NBP growth of 83.5% Y-o-Y and 16.3% in Mar. 2021 and for FY21, respectively, as against a growth of 65% and 3.5% of LIC.
- Consequently, private insurers gained market share of 2.6% in NBP to reach at 33.8% by the end of FY21. As of Mar. 2021, SBI Life, HDFC Life and ICICI Prudential hold a NBP market share of 21.9%, 21.5% and 13.8%, respectively.

We covered life insurance sector on 7th Apr. 2021 and below are our recommendation summary:

Company name	Recommendation date	Recommended price (Rs.)	Target price (Rs.)	CMP (Rs.)	Potential return (%)
ICICI Prudential Life Insurance Company Ltd.	12-Apr-21	484	573	501	3.5%
SBI Life Insurance Company Ltd.	12-Apr-21	882	1,044	924	4.8%
HDFC Life Insurance Company Ltd.	19-Apr-21	685	759	685	0.0%

Source: Choice Equity Broking