

LIC beats private insurance firms; grows new premium at double the pace of competition

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Life Insurance Corp of India has beaten all private-sector competitors by a wide margin, growing its first-year premium collections at double the pace of private life insurers so far this financial year, the data showed. State-run LIC's new premium growth at 52%, on top of an already very high base, was almost double of all the private players' growth of 27% during April-July 2019. Further, at Rs 60,106 crore in first-year premium collections, LIC captured almost three-quarters of the new market share, vis-a-vis all private companies, which together collected Rs 22,039 crore. The blended average new premium growth for all the 24 life insurance firms, including LIC, was 44% for the period.

In the same period last year, the total premium underwritten by LIC was at Rs 39,579 crore. Other private life insurers also saw an upsurge in their underwritten premiums at Rs 22,039 crore, compared to Rs 17,369 crore in the corresponding quarter last year. Rs 82,146 crore worth of premiums were written combined by all the life insurers, which is a 44% growth on-year.

Further, all of the listed life insurance companies recorded double-digit growth in new premiums. HDFC Life Insurance's first-year premium collection stood at Rs 5,384.79 crore in the quarter, a 41.98 per cent jump on-year. On the other hand, ICICI Prudential Life Insurance collected Rs 3,170 crore in new premiums, posting over 25 per cent on-year growth in April to July period. SBI Life Insurance's new collection was recorded at Rs 4,496.36 crore, with 35.45 per cent on year growth. The trend is a positive deviation as the first half of a financial year is usually a slow period of premium growth for the life insurance companies.

However, the growth in the new premium collection does not translate into similar growth in the number of new policies. During April-July 2019, all life insurers together issued 70 lakh new policies, which is a miniscule growth of less than 1 per cent over the number of new policies issued in the same period the previous year.