

Twitter Thread by The Tycoon Mindset



The Tycoon Mindset

[@tycoonmindset05](#)



HDFC Life Concall was today at 5.15 pm

Here are the key highlights of the Conference call ■■

[@dmuthuk](#) [@datta_arvind](#) [@Vivek_Investor](#) [@connectgurmeet](#) [@Prakashplutus](#)

Business Updates:

- Continue to see pickup in saving business.
- Growth is there both in volume of policy and increase in ticket size.
- Market share remained increasing at 27% and is increasing gradually.
- Solvency Ration remained at 202%.

- Bank Assurance Channel has grown 22%. Agency Channel continuous to gain growth. HDFC Bank remained growth drive.
- Company is continuously partnering with new channel partners.
- Risk Management has been constantly watched and remained on track.

- Product Mix across key channels shown is growth gradually.

New Scheme Launches: Company has yesterday launched new health plan with add on features.

Product mix across key channels¹

Banca 2	Segment	FY18	FY19	FY20	9M FY21
	UL	64%	64%	32%	26%
	Par	25%	13%	18%	37%
	Non par savings	8%	17%	44%	30%
	Term	3%	4%	4%	5%
	Annuity	1%	3%	2%	2%
Direct	Segment	FY18	FY19	FY20	9M FY21
	UL	58%	50%	33%	26%
	Par	17%	8%	14%	17%
	Non par savings	9%	12%	20%	13%
	Term	5%	6%	4%	4%
	Annuity	11%	24%	29%	40%
Agency	Segment	FY18	FY19	FY20	9M FY21
	UL	33%	26%	12%	9%
	Par	48%	40%	34%	38%
	Non par savings	5%	17%	40%	36%
	Term	11%	12%	12%	13%
	Annuity	3%	5%	3%	3%
Online ³	Segment	FY18	FY19	FY20	9M FY21
	UL	57%	62%	44%	36%
	Par	1%	2%	1%	1%
	Non par savings	0%	1%	18%	29%
	Term	42%	35%	37%	33%
	Annuity	0%	1%	1%	2%
Company	Segment	FY18	FY19	FY20	9M FY21
	UL	57%	55%	28%	23%
	Par	28%	18%	19%	35%
	Non par savings	7%	15%	41%	30%
	Term	5%	7%	8%	7%
	Annuity	2%	5%	4%	5%
Protection	Total APE	FY18	FY19	FY20	9M FY21
	Term	11%	17%	17%	13%
	Annuity	2%	4%	4%	5%
	Total	13%	21%	21%	18%
	Total NBP	FY18	FY19	FY20	9M FY21
	Term	26%	27%	27%	17%
	Annuity	9%	17%	16%	19%
	Total	35%	44%	43%	36%

Tax:

- Tax is now no longer a reason for the people to buy insurance, as customer perspective towards Insurance is improving.

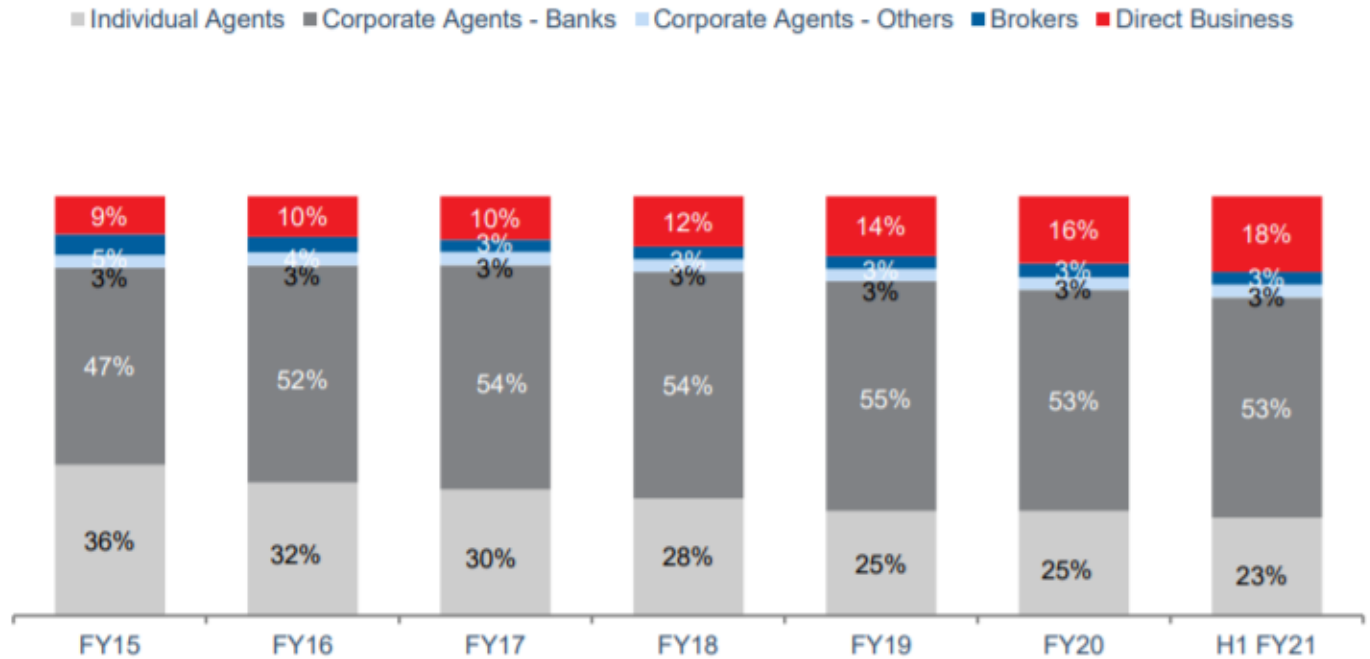
Saving

- Savings have been coming back to the growth target.
- People during the covid and post covid is continuing the saving plan.

Distribution Channel:

- Sales has been balance in Unit Linked and Par Insurance.
- Sales of Insurance has now been shift to suitability rather than selling insurance to customer without their prior understanding.

Distribution mix ²



Reinsurance:

- Hike in reinsurance will remain uncertain in future as well.
- Company is seeing muted growth but it depends on the risk the customers is facing.
- Reinsurance price hike may be there but its still

ULIP:

- There has been stress in the persistence in ULIP, but now strengthening has been made in the ULIP and company doesn't thing any more strengthening need in ULIP.
- Now the ULIP segment is expected to be persistent over the next quarters.

Protection:

- Protection process has now remain the same. There was some need of protection in month of September-October, but now there doesn't seems to be higher need
- In short - term company will focusing more on protection piece but over mid to long term everything is fine

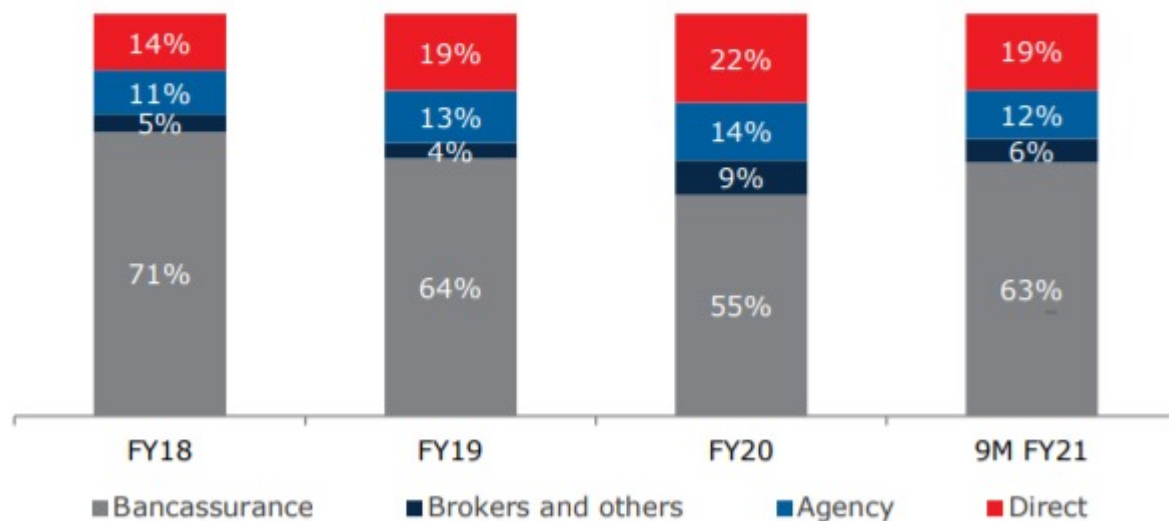
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Protection	Total NBP	FY18	FY19	FY20	9M FY21
	Term	26%	27%	27%	17%
	Annuity	9%	17%	16%	19%
	Total	35%	44%	43%	36%

Banca & Agency Channel:

- Banca has been growth, while Agency was seen muted performance, but mgmt is not worried on this.
- However growth in Banca was due to base effect. Agency growth is past have been very high than that of Banca.

Focus on diversified channel mix¹



Term Price

- Underwriting practice has strengthen over the past 8-9 months
- Mgmt expected qualitative book going forward
- With the experience goes on the reinsurance of term insurance there will be increase in the prices
- Many other companies have increase price of premium

Indemnity Space:

- Recent measures in indemnity space has made a bit confusion for the customer to go through the different product of the same company, which has same been asked to the IRDA. But company has not received answer till now.

- Sanchay Plus has been launched for both par and non insurance.
- New launch of health product is expected to grow well and is even good for the customers. Mgmt do believe that this new policy will do be a good growth and will rocking in the segment.

Current Situation:

- Company still stands on the midst of the pandemic. Hence there cannot be sudden price increase.
- The trend of the covid claims were high and company was also cautious with the claims.
- Customer fear for checking the diagnosis for the covid policy.

- However this all set backs has now been cooled off.

Standardization by IRDA:

- This is good move, as customer will get to know what they are buying.
- But on term products, mgmt doubt whether it will cannibalize the term product.