Twitter Thread by Harinder S Nanda

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#HDFCLIFE has come up with its first integrated report ever for the year 2020-21

Tried to cover some insights from the report in this thread ■■

Report link:
https://t.co/UEwyFs6352

@soicfinance @ishmohit1 @suru27 @aditya_kondawar @dmuthuk @itsTarH @HDFCLIFE

Retweet pls ■■

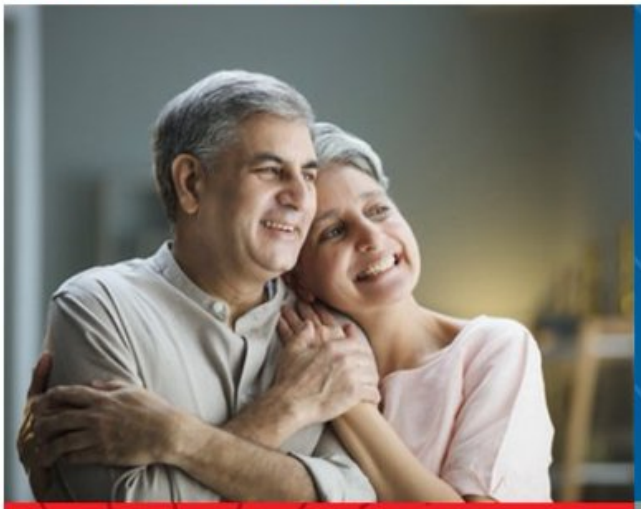
REFLECT :: RESHAPE :: RESURGE
Vision to be the most successful and admired life insurance company, which means that we are the most trusted Company, the easiest to deal with, offer the best value for money and set the standards for the industry. “THE MOST OBVIOUS CHOICE FOR ALL”.

20 YEARS
Protecting India with Pride

HDFC Life Insurance Company Limited

HDFC Life
Sar utha ke jiyo!

INTEGRATED REPORT 2020-21



Reflect

Reshape





Resurge

■ First private insurance company to get license from IRDA in 2000. Later commenced business in 2001.
■ Key strengths include customer centric approach, diversified distribution, balanced product portfolio, Robust risk management and digital capabilities.

■ It has a bouquet of innovative protection, pension, saving, investment and health solutions
■ 20636 employees, 390 branches, 300+ partners and 1lac fin consultants
■ 4 cr lives insured, new business sum assured 5.76 lac cr, AUM 1.74 lac cr, indian embedded value 26.6 k cr

HDFC Life at a Glance

Key Strengths



Customer-centric approach



Diversified distribution



Balanced product portfolio



Robust risk management



Market-leading digital capabilities, focus on data analytics, AI development, automation

Key Highlights

Number of lives insured - around **4 crore**

New Business Sum assured - **₹ 576,239 crore**

Assets Under Management - **₹ 173,839 crore**

Indian Embedded Value - **₹ 26,617 crore**

■ Key 2021 figures - Total premium 38.5 lac crore, value of new business 2185 crore, PAT 1360 crore and solvency 201%

■ See powerful growth drivers in one of largest and under penetrated market like India. Expect Protection and Retiral segments to grow faster than Savings

Total Premium –
₹ 38,583 crore

Value of
New Business –
₹ 2,185 crore

Profit After Tax –
₹ 1,360 crore

Solvency –
201%

Core Values

Our core values framework 'EPICC' (Excellence, People Engagement, Integrity, Customer-Centricity and Collaboration) characterises our culture that fosters growth and progress, for us and all our stakeholders, for today and tomorrow.



Our organisational values characterise the following behaviours:

- **Excellence:** Commitment to being the best and delivering the best
- **People Engagement:** Respect, reward and recognition for people
- **Integrity:** Honest, transparent and committed way of doing what is best for customers and the Company
- **Customer-Centricity:** A set of beliefs, ideas and values that places the customer at the core of everything that we do
- **Collaboration:** Listening to all stakeholders and evolving together, assisting and supporting each other to achieve our common goal

■ Capitals that power the business.
1/ Financial Capital
2/ Manufactured Capital
3/ Intellectual Capital
4/ Human Capital
5/ Social and Relationship Capital
6/ Natural Capital

■ Strategy: 5 pillars of our strategy



Financial Capital (FC)

Represents our financial position, growth and shareholder returns generated as a result of our disciplined approach towards managing our financial resources. Our financial resources include shareholder equity, borrowings and internal accruals. We optimally deploy our financial capital to grow the wealth of our customers and secure their future.

Premium Income
₹ 38,583 crore

Profit After Tax
₹ 1,360 crore

Return on Equity
17.6%

Net Worth
₹ 8,638 crore

Borrowings
₹ 600 crore



Manufactured Capital (MC)

Represents the physical assets, including branches, call centres and the equipment that enable us to conduct our operations and serve our customers, employees and other stakeholders. We continue to invest in enhancing the customer experience while achieving higher operational efficiency.

Number of Branches
390

40+
Virtual Locations

300+
Distribution Partners

Land and Building
₹ 237 crore

■ Reimagining insurance: Digital world

95% renewals made digitally

97.62% non investigation claims in 1 day

100% claims intimated via Life Easy settled in 1 day

280+ Robotic Process Automation (RPAs)

Reimagining Insurance

Our focus has been to continuously build market-leading digital capabilities for greater reach, agility and efficiency. Our initiatives have led us to build platforms and ecosystems, ensuring seamless partner integration and simplifying sales and service journeys for our customers and partners.

Our suite of mobile applications, 'Insta Suite', helps frontline sales teams onboard customers efficiently. We continuously strive to leverage our capabilities in cloud computing, artificial intelligence (AI) and robotic process automation (RPA) for speed and ease. Our efficient platforms, powered by advanced analytics, automation and AI, enable us to service our partners seamlessly. We offer bespoke as well as plug-and-play technology integration solutions based on the digital maturity of our partners.

Our early investment in technology enabled us to smoothly transition the traditional business touch points to digital modes during the pandemic, minimising the impact on business, ensuring the safety of lives and helping us stay ahead of the curve. We are cognisant of the cyber-risks associated with increased digital adoption and have taken adequate measures as part of our risk management process.

A few illustrations of Reimagining Insurance:

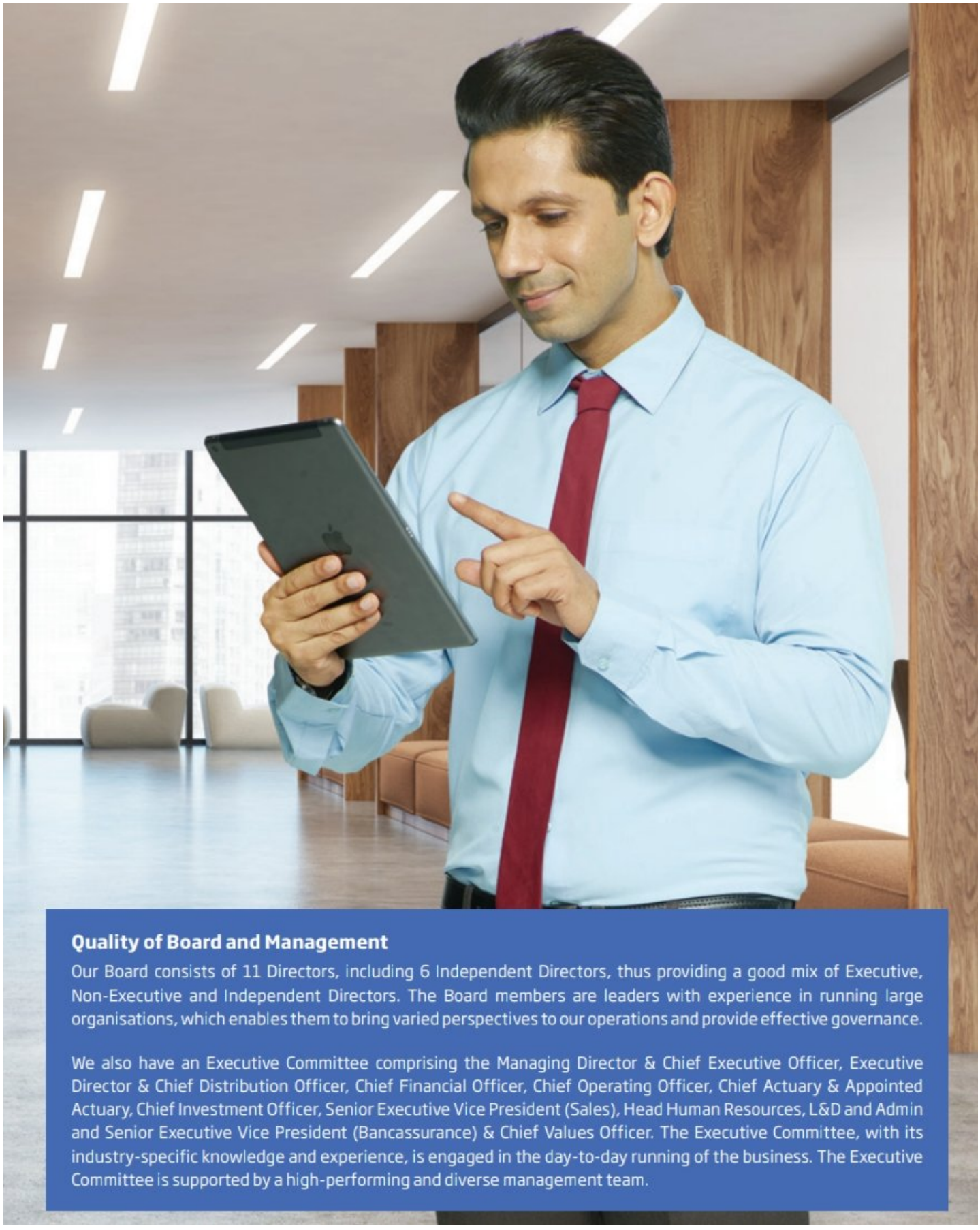
Renewal payments made digitally (number of policies)
95%

Non-investigation claims settled in 1 day
97.62%

Claims intimated via Life Easy that were settled in 1 day
100%

No. of Robotic Process Automation (RPAs)
280+

■ Quality of Board and Management: Our Board consists of 11 Directors, including 6 Independent Directors. Providing a good mix



Quality of Board and Management

Our Board consists of 11 Directors, including 6 Independent Directors, thus providing a good mix of Executive, Non-Executive and Independent Directors. The Board members are leaders with experience in running large organisations, which enables them to bring varied perspectives to our operations and provide effective governance.

We also have an Executive Committee comprising the Managing Director & Chief Executive Officer, Executive Director & Chief Distribution Officer, Chief Financial Officer, Chief Operating Officer, Chief Actuary & Appointed Actuary, Chief Investment Officer, Senior Executive Vice President (Sales), Head Human Resources, L&D and Admin and Senior Executive Vice President (Bancassurance) & Chief Values Officer. The Executive Committee, with its industry-specific knowledge and experience, is engaged in the day-to-day running of the business. The Executive Committee is supported by a high-performing and diverse management team.

■ Industry Environment:

■Life Insurance industry grew by 7% garnering 2.78 lac crore vs 2.59 lac crore new business premiums.

■Private insurers grew by 8% and 20% in individual and group business respectively.

■LIC de-grew by 3% in individual and grew by 1% in group business.

During the FY 2020-21, the life insurance industry grew by 7% to garner ₹ 278,300 crore of new business premiums against ₹ 258,900 crore in the previous financial year.

Private insurers grew by 8% in individual business, while group business saw a growth of 20%. LIC recorded de-growth of 3% in individual business and growth of 1% in the group business. Development of alternate channels of distribution and product innovation have been the key drivers for the growth in market share of private insurers in the individual business, which has increased from 37% in FY 2011-12 to 60% in FY 2020-21.

■Development of alternate channels and product innovation resulted in growth in individual business of pvt players to 60% in 2020-21 vs 37% in 2011-12.

■Total of 24 pvt players in industry out of which top 10 accounted for 88% share in individual business premiums in 2020-21



Note: Based on Individual New Business premium received
Source: IRDAI data and public disclosures

Within the private sector, the top 10 insurers accounted for 88% of the market (in terms of individual WRP) in FY 2020-21, compared to 85% in FY 2016-17. Distribution arrangements with large banks have been a key driver for most of these insurers.

■ HDFC Life FY21 market share:

15.5% Individual Business

27.6% Group Business

21.5% Total New Business

III. Our Performance

Market Share



HDFC Life continued on its trajectory of delivering consistent and predictable performance in FY 2020-21, while outpacing industry growth. We recorded a growth of 17% in terms of Individual WRP during FY 2020-21 on a base of 19% growth in FY 2019-20. The private industry grew by 8% on a base of 5% growth in FY 2019-20. The operating environment in FY 2020-21 also had several logistical challenges – lockdowns that prevented our sales teams from meeting customers, customer hesitation for medical tests, inability to access our workspaces, temporary shutdown of our centralised call centres, customer hesitation to visit our branches, amongst others. Despite this, we covered around 4 crore lives and paid over 2.9 lakh death claims, with a payout value of over ₹ 3,000 crore. Our strategy remains to deliver on shareholder's expectations while focusing on customer-centricity and technology. Digital is the backbone of our growth story, and we continue to invest in technology with a view of simplifying the buying journey and enhancing servicing experience for customers whilst creating new product propositions.

■ Great emphasis on Risk Management and Business Continuity Plan.

) Risk Management

Enterprise Risk Management

Risk management is an integral building block for creating and protecting value - a core competency woven into the overall culture and strategy of the organisation. The ERM framework is enabled by an established risk governance policy, and it is characterised by:

1
An appreciation throughout the organization that risk management is everybody's responsibility.

2
An iterative process of identifying key risks, putting in place risk mitigation plans and monitoring results.

3
A dedicated risk management team with defined roles and responsibilities, which functions under the guidance and supervision of Chief Risk Officer ('CRO').

4
Risk oversight by the management through the Risk Management Council and the Board vide the Risk Management Committee.

The key objectives of ERM at HDFC Life are:

1. Protection of the interests of our key stakeholders including policyholders, shareholders, employees
2. Adherence to applicable regulations
3. A strong corporate governance culture
4. Proactive identification, assessment, monitoring and reporting of risks
5. A structured, comprehensive and dynamic mechanism for conducting business within acceptable risk parameters



Disc: Invested

My view:
Life Insurance is a necessity which is seldom realised in our country. Many people are either not insured or not adequately

insured. But during such unprecedented times of pandemic people are gradually accepting its importance.
Cont...

Size of opportunity is large in India still being so under penetrated. Not one but multiple companies can eat into LIC's share and come out winning. Bancassurance & digital push via e-commerce should help them thrive.

Hope to have added value. Always keen to learn. ■■