

# In September 2024, LIC outpaces the Private sector in Individual Non-single Premium Growth

October 15, 2024 | BFSI Research

## Overview

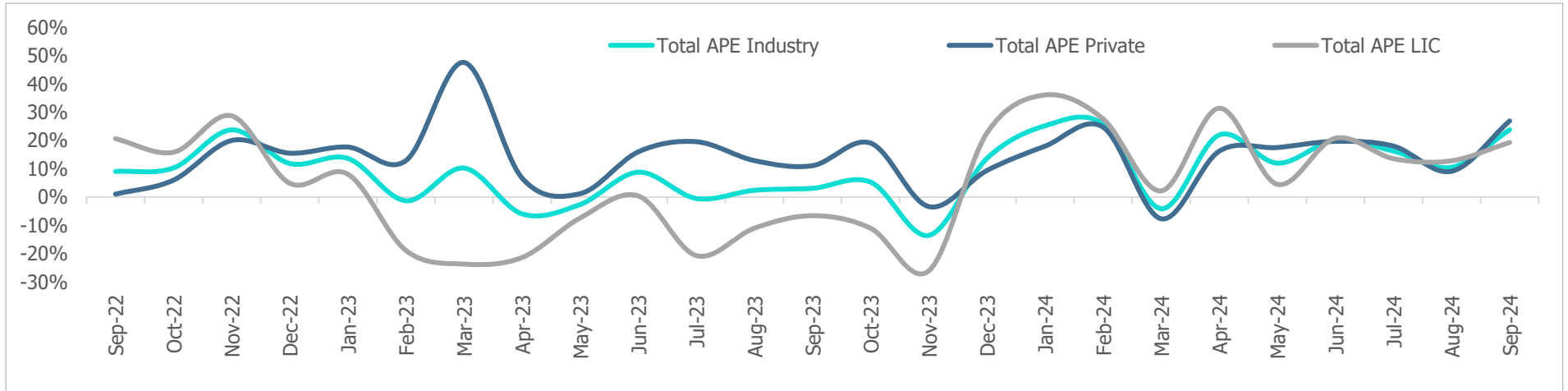
The life insurance industry reported significantly higher sequential Annual Premium Equivalent (APE) growth of 23.8% y-o-y in September 2024 as compared to 10.5% in August 2024 on a low base as previous months had been weak for most life insurance companies as demand had been frontloaded to March 2023. Meanwhile, individual non-single policies grew by over 40% in September 2024 with LIC outpacing industry growth at 61.1%. LIC reported 19.3% APE growth in September 2024 (driven by individual premiums), in contrast to the 6.6% decline recorded in September 2023. The two-year (September 22 – September 24) CAGR was 13.0% for the industry, private players stood at 18.8%, while LIC witnessed a growth of 5.6%. Low base effect, sales on traditional policies prior to the implementation of new surrender value norms, increased insurance coverage, increase in ticket sizes and increase in single premium drove the growth in life insurance premiums in H1FY25.

**Figure 1: Movement in APE of life insurance companies (Rs cr)**

APE	Sep-22	Sep-23	Sep-24	Sep 2023 Growth	Sep 2024 Growth	YTD FY23	YTD FY24	YTD FY25	YTD FY24 Growth	YTD FY25 Growth
Private	6,449	7,165	9,094	11.1	26.9	32,161	35,941	42,438	11.8	18.1
LIC	5,340	4,988	5,951	-6.6	19.3	27,307	24,370	28,345	-10.8	16.3
Industry	11,789	12,153	15,045	3.1	23.8	59,467	60,310	70,783	1.4	17.4

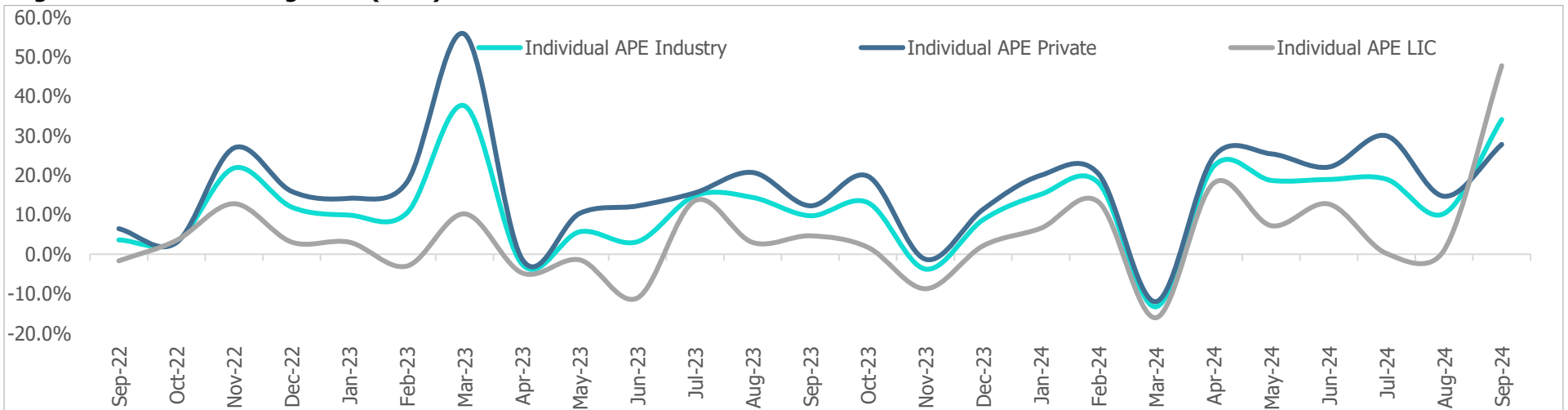
Source: Life Insurance Council, IRDAI, CareEdge Calculations

**Figure 2: Total APE growth (in %)**



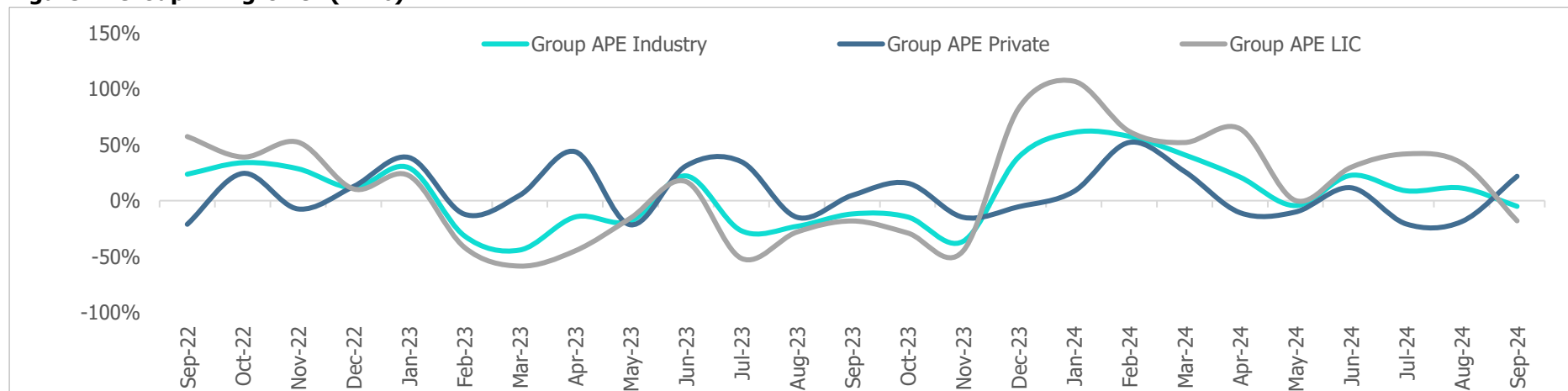
Source: Life Insurance Council, IRDAI, CareEdge Calculations

**Figure 3: Individual APE growth (in %)**



Source: Life Insurance Council, IRDAI, CareEdge Calculations

**Figure 4: Group APE growth (in %)**



Source: Life Insurance Council, IRDAI, CareEdge Calculations

**Figure 5: Movement in Monthly First-year Premium (Rs crore)**

Month	Premium in FY22	Premium in FY23	Premium in FY24	Premium in FY25	FY22 vs FY21 (%)	FY23 vs FY22 (%)	FY24 vs FY23 (%)	FY25 vs FY24 (%)
April	9,738.8	17,939.6	12,565.3	20,258.9	44.8	84.2	-30	61.2
May	12,977.0	24,480.4	23,477.8	27,034.2	-5.5	88.6	-4.1	15.1
June	30,009.5	31,254.6	36,961.8	42,433.7	4	4.1	18.3	14.8
July	20,434.7	39,078.9	27,867.1	31,822.7	-11.1	91.2	-28.7	14.2
August	27,820.7	32,856.4	26,788.6	32,644.1	2.9	18.1	-18.5	21.9
September	31,001.2	36,366.5	30,716.3	35,020.3	22.2	17.3	-15.5	14.0
October	21,606.3	24,916.6	26,819.0		-5.1	15.3	7.6	
November	27,177.3	35,458.8	26,494.8		41.8	30.5	-25.3	
December	24,466.5	26,838.3	38,583.1		0.3	9.7	43.8	
January	21,957.0	26,423.7	33,559.8		2.7	20.3	27.0	
February	27,464.8	22,847.7	33,913.2		22.5	-16.8	48.4	
March	59,608.8	52,081.1	60,213.6		37.3	-12.6	15.6	

Source: Life Insurance Council, IRDAI

**Figure 6: First-year Premium Growth of Life Insurance Companies (Rs crore)**

Insurer	Sep-22	Sep-23	Sep-24	Sep 2023 Growth	Sep 2024 Growth	YTD FY23	YTD FY24	YTD FY25	YTD FY24 Growth	YTD FY25 Growth
<b>Private Total</b>	<b>11,375.3</b>	<b>12,590.0</b>	<b>14,651.0</b>	<b>10.7</b>	<b>16.4</b>	<b>57,785.9</b>	<b>65,734.2</b>	<b>73,664.2</b>	<b>13.8</b>	<b>12.1</b>
Individual Single	1,939.4	2,035.6	1,908.6	5.0	-6.2	8,739.1	9,364.9	10,020.9	7.2	7.0
Individual non-single	5,263.2	5,922.3	7,638.1	12.5	29.0	24,640.1	27,800.3	34,598.1	12.8	24.5
Group Single	3,534.6	3,992.4	4,265.6	13.0	6.8	19,733.5	23,801.1	24,734.2	20.6	3.9
Group non-single	18.8	17.9	12.5	-4.4	-30.3	89.8	58.5	55.5	-34.8	-5.1
Group Yearly Renew	619.4	621.7	826.3	0.4	32.9	4,583.5	4,709.3	4,255.5	2.7	-9.6
<b>LIC</b>	<b>24,991.3</b>	<b>18,126.3</b>	<b>20,369.3</b>	<b>-27.5</b>	<b>12.4</b>	<b>1,24,191.1</b>	<b>92,642.6</b>	<b>1,15,549.9</b>	<b>-25.4</b>	<b>24.7</b>
Individual Single	2,118.8	2,512.9	3,233.4	18.6	28.7	10,770.9	11,335.7	13,784.1	5.2	21.6
Individual non-single	2,495.1	2,581.8	3,862.0	3.5	49.6	13,712.8	13,800.3	15,707.7	0.64	13.8
Group Single	19,715.9	12,085.5	12,786.6	-38.7	5.8	96,878.2	64,522.9	83,110.2	-33.4	28.8
Group non-single	567.7	243.1	103.1	-57.2	-57.6	2,496.2	1,854.9	1,568.9	-25.7	-15.4
Group Yearly Renew	93.7	703.1	384.1	650.4	-45.4	333.0	1,128.8	1,379.0	239.0	22.2
<b>Grand Total</b>	<b>36,366.5</b>	<b>30,716.3</b>	<b>35,020.3</b>	<b>-15.5</b>	<b>14.0</b>	<b>1,81,977.0</b>	<b>1,58,376.8</b>	<b>1,89,214.1</b>	<b>-13.0</b>	<b>19.5</b>
Individual Single	4,058.2	4,548.5	5,142.0	12.1	13.0	19,510.0	20,700.6	23,805.0	6.1	15.0
Individual non-single	7,758.3	8,504.1	11,500.1	9.6	35.2	38,352.9	41,600.6	50,305.8	8.5	20.9
Group Single	23,250.5	16,077.9	17,052.3	-30.8	6.1	1,16,611.7	88,324.1	1,07,844.4	-24.3	22.1
Group non-single	586.5	261.0	115.6	-55.5	-55.7	2,586.0	1,913.4	1,624.5	-26.0	-15.1
Group Yearly Renew	713.1	1,324.8	1,210.3	85.8	-8.6	4,916.5	5,838.1	5,634.5	18.7	-3.5

Source: IRDAI, Life Insurance Council

LIC's growth for the month of September 2024 has been lower when compared to its private peers (due to individual non-single premiums). On the other hand, for the first half of FY25 the growth has been higher than the private players primarily due to group single premiums and low base effect. (In September 2023, the aggregate decrease can be attributed to the higher momentum in March 2023, reduced single premiums, primarily LIC and as the new tax regime has been made more attractive and is now the default for individual taxpayers).

**Figure 7: Movement in Premium Type (Rs crore) of Life Insurance Companies**

Premium Type	Sep -22	Sep -23	Sep -24	Sep 2023 Growth	Sep 2024 Growth	YTD FY23	YTD FY24	YTD FY25	YTD FY24 Growth	YTD FY25 Growth
Single	27,308.7	20,626.4	22,194.2	-24.5	7.6	1,36,121.6	1,09,024.7	1,31,649.3	-19.9	20.8
Non-Single	9,057.8	10,089.9	12,826.0	11.4	27.1	45,855.3	49,352.1	57,564.7	7.6	16.6

Source: IRDAI, Life Insurance Council

For September 2024, non-single premiums rose by 27.1% compared to 11.4% in September 2023, while single premium growth was positive 7.6% (driven by LIC) compared to a reduction of 24.5% in September 2023. On the other hand, for H1FY25, single premiums experienced higher growth compared to non-single premiums. The private sector has a larger share in the non-single sub-segment (mainly individual premiums), while LIC continues to dominate the single premium sub-segment, especially the group business. Pension plans, General Annuity and Group Gratuity Schemes account for a sizeable chunk of the group while General annuity plans dominate individual single premiums.

**Figure 8: Movement in Premium Type (Rs crore) of Life Insurance Companies**

Premium Type	Sep-22	Sep-23	Sep-24	Sep 2023 Growth	Sep 2024 Growth	YTD FY23	YTD FY24	YTD FY25	YTD FY24 Growth	YTD FY25 Growth
Individual	11,816.5	13,052.6	16,642.1	10.5	27.5	57,862.9	62,301.2	74,110.7	7.7	19.0
Group	24,550.0	17,663.7	18,378.2	-28.1	4.0	1,24,114.1	96,075.6	1,15,103.4	-22.6	19.8

Source: IRDAI, Life Insurance Council

For September 2024, the group premiums growth rate turned positive to 4.0%, from a reduction of 28.1% in September 2023. Meanwhile, individual premiums rose by 27.5% compared to the 10.5% growth in September 2023. Individual premiums continue to remain smaller in size compared to group premiums. The private sector has maintained its lead in the individual segment, while LIC continues to dominate the group segment.

### CareEdge View

According to Saurabh Bhalerao, Associate Director, CareEdge, “Life insurance APE reported significantly higher sequential APE growth of 23.8% y-o-y in September 2024 as compared to 10.5% in August 2024 on a low base as demand had been frontloaded to March 2023. LIC reported 19.3% APE growth in September 2024 (driven by individual premiums). The private sector has a larger share in the non-single sub-segment (mainly individual premiums), while LIC continues to dominate the single premium sub-segment, especially the group business. Meanwhile, individual non-single policies grew by over 40% in September 2024 with LIC outpacing industry growth at 61.1%, the growth which could be attributed to the distribution channels pushing policies before the changes in surrender value norms as these changes would impact distributor commissions. Further higher share of ULIPs in the product mix could impact margins.”

According to Sanjay Agarwal, Senior Director, CareEdge Ratings, "The new business premium in FY25 is expected to increase from a comparatively lower base while the growth in total premium is anticipated to remain intact especially in individual coverage segment. The growth drivers include prudent underwriting, GDP growth, rapid urbanisation, demand for ULIPs (based on market performance) and protection plans, younger demographic driving insurance coverage, and digital infrastructure amplifying multiple distribution channels. IRDAI has announced new regulations regarding surrender values, which will from October 01, 2024. The product and commission structure could likely to witness significant changes, leading to volatile premium movement in the second half of the current fiscal. However, as these changes are expected to be favourable for customers, the growth is likely to rise over the medium term. CareEdge anticipates that the life insurance industry will sustain a growth rate of approximately 11-13% over the next three to five years. There is likely to be increased emphasis on the agency channel, driven by banks' focus on deposit gathering and companies' efforts to reduce reliance on bancassurance. Meanwhile, any potential adverse macroeconomic conditions could impact growth. Despite these challenges, the medium-term outlook remains positive overall."

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