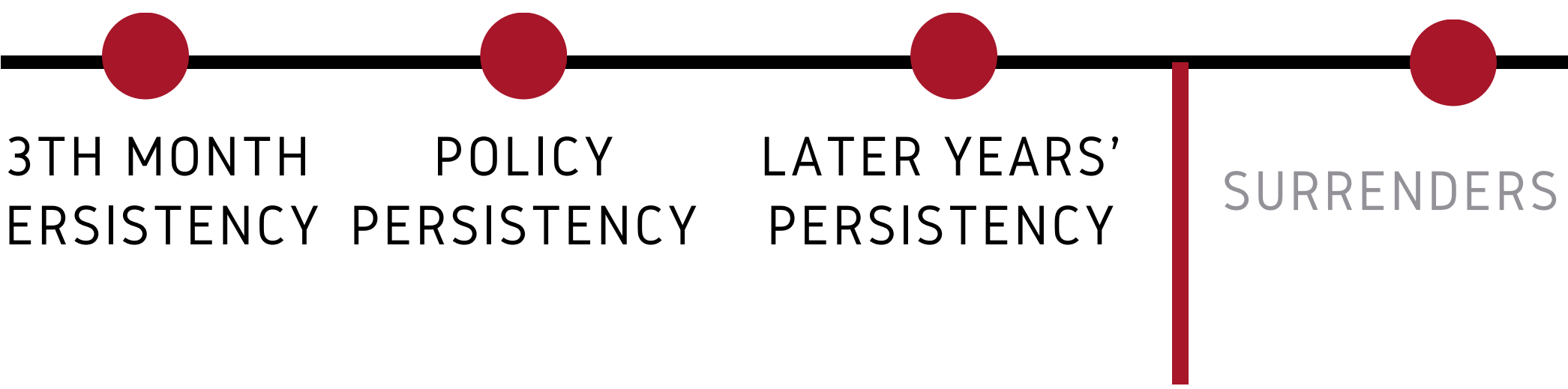


LIFE INSURANCE CUSTOMER RETENTION DASHBOARD

FULL YEAR FY'23

(1 OF 2)

CONTENTS



13TH MONTH PERSISTENCY	POLICY PERSISTENCY	LATER YEARS' PERSISTENCY	SURRENDERS
			PART 2 OF 2 >>

Prelude...

PERSISTENCY RATIO

- MEASURE OF PREMIUM PAYMENT CONTINUITY FOR LIFE INSURERS
- HIGHER RATIOS INDICATIVE OF RIGHT SELLING, BETTER PRODUCTS , COLLECTION EFFECTIVENESS ETC.
- MEASURED AS RENEWAL PREMIUM COLLECTED AS % OF COLLECTABLE BASE;
EXPRESSED COHORT-WISE

WHY IS IT IMPORTANT ?



**210 MN
POLICYHOLDERS**

BUT...

**Is everyone staying invested
long enough to benefit fully
from their policy?**

13TH MONTH PREMIUM PERSISTENCY RATIO

FOR THE 12 MONTHS
ENDED 31ST MAR 2023

TOP 5 PVT. INSURER'S AVG.

86%

Flat Y-o-Y



77% ↑

150 bps Y-o-Y

13th month premium persistency is often the headline number for persistency discussions.

However, there is more to it. Read on to find out >>

Notes:

- Only for Individual policies excluding single premium and fully paid policies
- Pvt. insurers ranked by individual weighted new business premiums for 12M FY'23

LEADERBOARD: 13TH MTH. PREMIUM PERSISTENCY

(TOP PVT. INSURERS)



88.1%

35 bps Y-o-Y

- Maintains top rank on key metric
- Non-par & protection oriented product mix key driver
- Changes in persistency reporting methodology in FY'23



87.5%

- Reported figure includes that of merged Exide Life
- Consolidated figure similar to standalone HDFC Life figure for PY



85.4%

80 bps Y-o-Y

- Most improved over LY among top pvt insurers
- Changes in persistency reporting methodology in FY'23 for later policy cohorts

Note:

Basis of calculation of persistency ratio varies across insurers w.r.t period of reporting, inclusion/exclusion of some lines of business etc.

13TH MTH. PREMIUM PERSISTENCY

(OTHER LARGE PVT INSURERS)

CLOSING GAP WITH TOP 5 PLAYERS



ADITYA BIRLA
CAPITAL

Life Insurance

↑ 86.8%
248 bps Y-o-Y

★ **BEST-IN_CLASS**



kotak life

↑ 85.2%
250 bps Y-o-Y

★ **MOST IMPROVED**

LIFE GOALS. DONE.

 **BAJAJ** | Allianz 

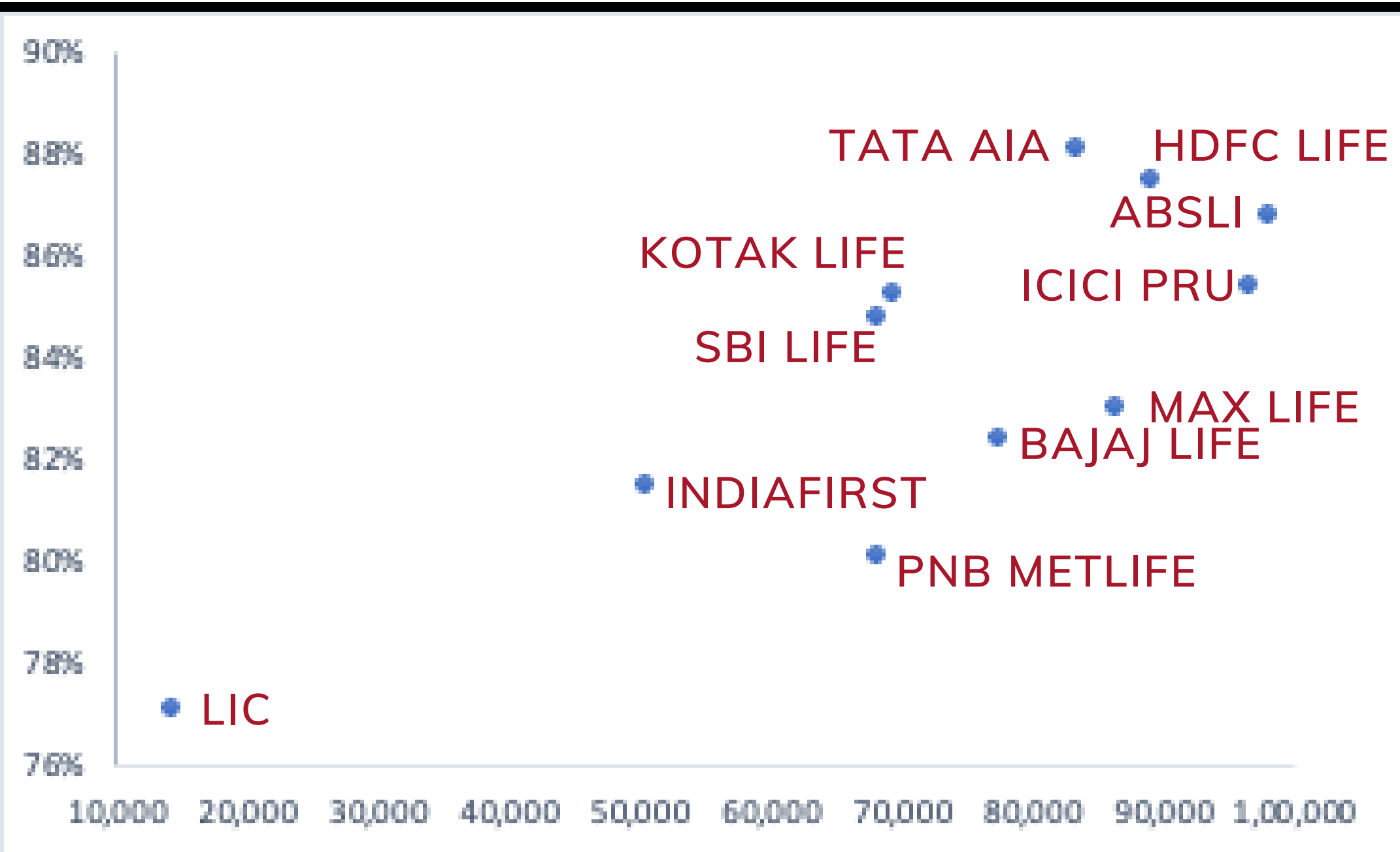
↑ 82.4%
70 bps Y-o-Y



IndiaFirst
LIFE INSURANCE

↑ 81.5%
32 bps Y-o-Y

13TH MONTH PREMIUM PERSISTENCY **VS.** TICKET SIZE



Avg. ticket size of previous year (Full year FY'22) new business (non-single premium)



LIC 13th month persistency not way off from top private players despite significantly lower avg. ticket size

13TH MONTH **POLICY** PERSISTENCY

FOCUSING ON CUSTOMERS
WHO PAY PREMIUMS
BEYOND 1ST YEAR

**TOP 5 PVT.
INSURER'S
AVG.**

81%



98 BPS VS. LAST YR.



64%



83 BPS VS. LAST YR.



BEST-IN-CLASS AMONG PVT.
INSURERS AT **84%**

Note: Only for Individual policies excluding
single premium and fully paid policies

LATER YEARS' PERSISTENCY

THE LESSER TRACKED
METRICES

LATER YEARS' PERSISTENCY IS IMPORTANT

...

- LIFE INSURANCE POLICIES ARE LONG TERM (10-15 YEARS FOR SAVINGS AND 30+ YEARS FOR PURE TERM)
- PREMIUM PAYMENT TERMS MIN. 5 YEAR & TYPICALLY 10-12 YEARS
- NOT PAYING PREMIUMS LEADS TO **SIGNIFICANT LOSS OF BENEFITS TO CUSTOMERS**

25TH MONTH PREMIUM PERSISTENCY

**TOP 5 PVT.
INSURER'S AVG.**

↓ **76%**

46 BPS VS. LY



↓ **70%**

354 BPS VS. LY

- Significant drop in LIC as well as largest pvt. insurer SBI Life
- Other large pvt. insurers mostly remain at last year levels

Note: Only for Individual policies excluding single premium and fully paid policies

LEADERBOARD: 25TH MTH. PREMIUM PERSISTENCY

(TOP 5 PVT. INSURERS)



79.6% ↓ 8 bps Y-o-Y



78.7%

REPORTED FIGURE ON MERGED BASSIS. SHARP INCREASE ON STANDALONE BASIS TILL FIRST 2 QUARTERS



77.1% ↓ 20 bps Y-o-Y

Note: Only for Individual policies excluding single premium and fully paid policies

THE PREMIUM PAYING POOL SHRINKS MASSIVELY BY 49TH MONTH...



63.5%



32 bps Y-o-Y

**TOP 5 Pvt.
Average**

65.1%



158 bps Y-o-Y

...CONVERGENCE BETWEEN LIC & TOP PVT.
INSURER PERSISTENCY LEVELS FOR LATER
POLICY YEARS

Note: Only for Individual policies excluding
single premium and fully paid policies

DROPPING FURTHER IN 61ST MONTH ACROSS INSURERS



61.8% ↑ 80 bps Y-o-Y

**61ST MONTH PERSISTENCY AHEAD OF
MOST PVT. LIFE INSURERS !!**

**TOP 5 Pvt.
Average**

58.2% ↑ 384 bps Y-o-Y

Note: Some insurers seem to have changed methodology for 61st month persistency in current FY which may be contributing partly to the increase in the metric vs. previous year.



VALUENABLE IS WORKING WITH LIFE INSURERS IN INDIA, WITH OUR PLATFORM DESIGNED TO IMPROVE THEIR CUSTOMER RETENTION METRICS.

WE ENVISION TO BE THE RISK SHARING PARTNERS FOR LIFE INSURERS WHEN IT COMES TO RENEWALS & RETENTION WITH OUR INTERESTS ALIGNED WITH EACH POLICYHOLDER WE HELP RETAIN

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PART 2 IN NEXT POST..

