

LIC saves the day for life insurers

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42% rise in new business premium helps the industry clock decent growth.

Life Insurance Corporation of India (LIC) helped the insurance industry clock 28 per cent rise in new business premium in July.

According to data by the Insurance Regulatory and Development Authority (Irda), the new business premium went up to Rs 7,540.21 in July as against Rs 5,858.41 crore in the corresponding quarter last year.

The growth was mainly driven by the 42 per cent growth reported by insurance giant LIC.

A private sector company executive said, "LIC has benefited from the economic meltdown and the industry has turned positive due to an increase in LIC's business."

INSURING GROWTH

New business premium income during Apr-Jul (Rs cr)

Insurers	2008.00	2009.00	% chg
SBI Life	1457.64	1398.24	-4.08
ICICI Prudential	2192.34	1200.58	-45.24
Bajaj Allianz	1197.95	840.92	-29.80
Reliance Life	838.22	735.23	-12.29
Birla Sunlife	706.08	626.56	-11.26
HDFC Standard	685.16	621.13	-9.35
Max New York	641.83	576.02	-10.25
Met Life	254.26	224.69	-11.63
Kotak Mahindra OM	345.15	215.84	-37.46
Private Total	9380.92	7730.56	-17.59
Total	20178.02	21996.56	9.01

Source: Irda

On a year-on-year basis, the industry saw 9 per cent rise in new business premium collection in the first four months of the financial year.

The premium collected so far in the financial year stood at Rs 21,996.56 crore as against Rs 20,178.02 crore in the corresponding period last year. The insurance giant managed 32 per cent growth on a year-on-year basis as against a whopping 17 per cent fall in the first-year collection of private players'.

During the last financial year, LIC's new business premium had declined by 10 per cent while private players grew their business by 1.03 per cent.

LIC mopped up Rs 14,265.99 crore premium. Of this, group single premium accounted for Rs 5,086 crore in April-July 2009 as against Rs 2381 crore in the corresponding period last year. Similarly, individual single premium rose to Rs 4,083 crore as against Rs 3,433 crore.

The state-owned company increased its market share to 64.85 per cent. DK Mehrotra, managing director of the company, said the growth was mainly due to renewed trust of investors in LIC.

The leading private sector insurer, SBI Life, reported a fall of 4 per cent while ICICI Prudential posted 45.23 per cent decline in the new business premium income collection.

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