

# Investor Presentation – 12M FY21



# Agenda



1 Performance Snapshot

2 Our Strategy

3 Managing Covid-19

4 Customer Insights

5 Annexures

6 India Life Insurance



Performance  
Snapshot

Our Strategy

Managing Covid-19

Customer Insights

Annexures

India Life Insurance

1

Performance Snapshot



# Executive summary: 12M FY21

## Scale



Individual APE	Rs (Bn.)	<b>71.2</b>
	Growth	<b>16%</b>



Market Share <sup>1</sup>	CY (%)	<b>15.5</b>
	Growth	<b>130 bps</b>



AUM	Rs (Tn.)	<b>1.7</b>
	Growth	<b>37%</b>



IEV	Rs (Bn.)	<b>266.2</b>
	EVOP	<b>18.5%</b>

## Profitability & Cost



New Business Margin	CY	<b>26.1%</b>
	PY	<b>25.9%</b>



VNB	Rs (Bn.)	<b>21.9</b>
	Growth	<b>14%</b>



Profit After Tax	Rs (Bn.)	<b>13.6</b>
	Growth	<b>5%</b>



Operating Exp. Ratio	CY	<b>12.0%</b>
	PY	<b>13.1%</b>

## Customer & Capital



13 <sup>th</sup> month persistency	CY	<b>90%</b>
	PY	<b>88%</b>



Claim Settlement Ratio	Overall	<b>99.4%</b>
	Individual	<b>98.0%</b>



Solvency	CY	<b>201%</b>
	PY	<b>184%</b>

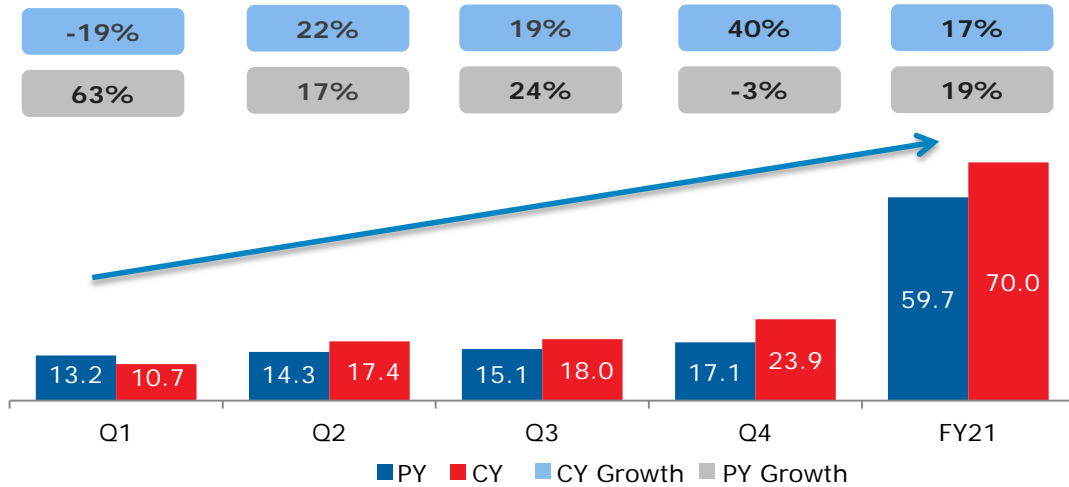


Complaints per 10k policies	CY	<b>35</b>
	PY	<b>47</b>

1. Based on Individual WRP

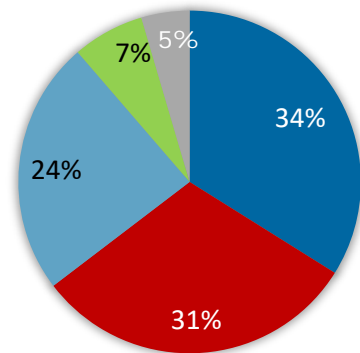
# Demonstrating resilience in the current environment (1/2)

## Improving QoQ business trends<sup>1</sup>



## Optimizing product mix

### Individual APE



- Maintained balanced product mix
- 46% growth in annuity

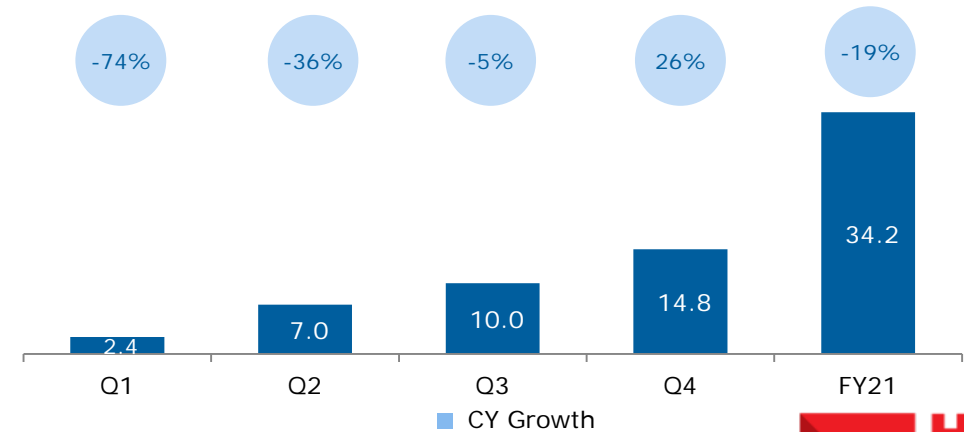
■ Par ■ Non Par Savings ■ ULIP ■ Non Par Protection ■ Annuity

## Faster than industry growth<sup>1</sup>

Rs Bn.

Growth	HDFC Life	Pvt sector	Industry
FY21	17%	8%	3%
FY20	19%	5%	6%
2 years CAGR	18%	6%	5%

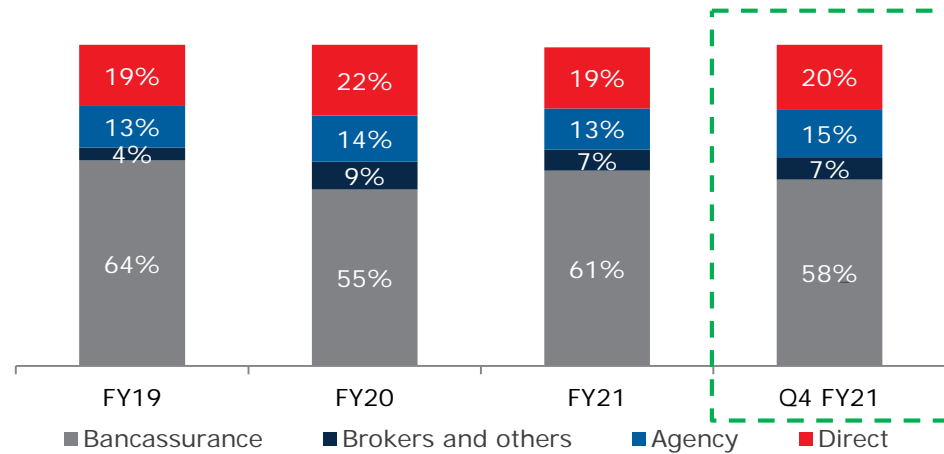
## Improvement in CP<sup>2</sup> volumes with pickup in disbursements



1. Based on Individual WRP; 2. Based on Credit Protect NBP

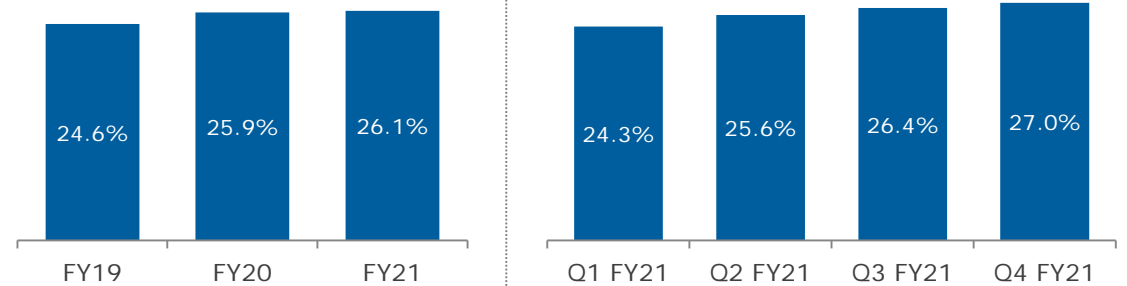
# Demonstrating resilience in the current environment (2/2)

## Focus on diversified channel mix<sup>1</sup>

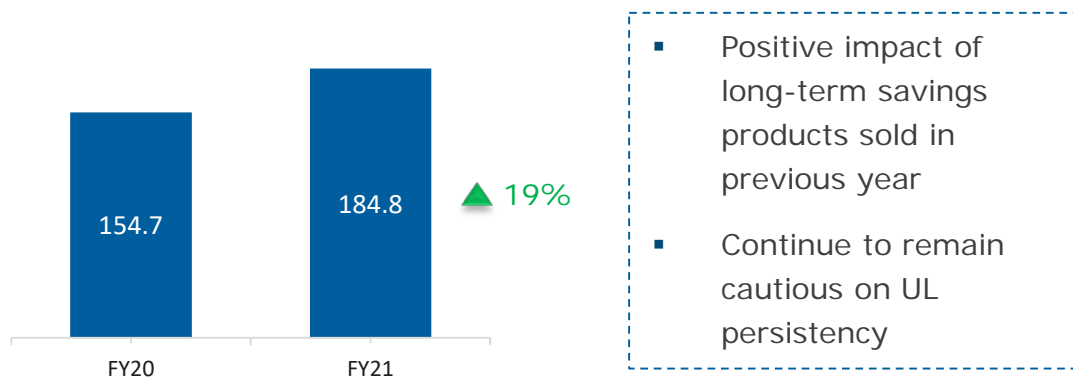


## Steady expansion in VNB margin

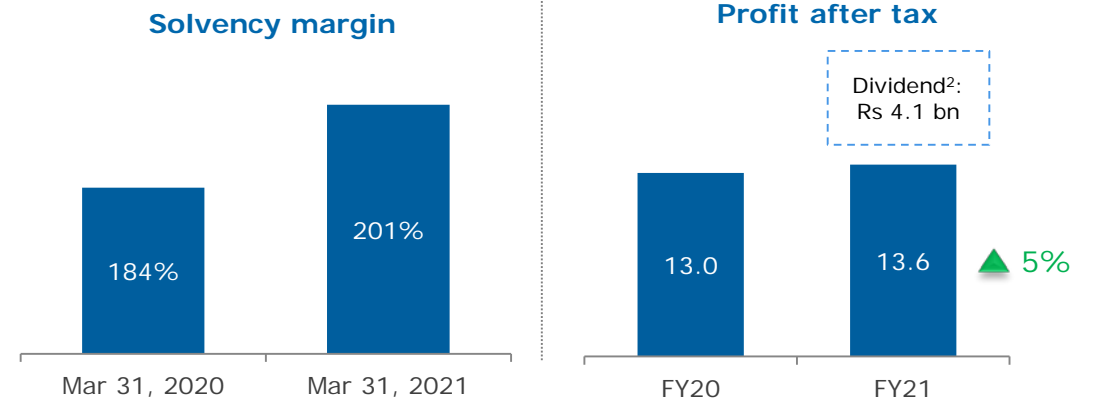
Rs Bn.



## Strong growth in renewal premium



## Healthy solvency position and consistent growth in PAT



1. Basis Individual APE

2. No dividend announced in FY20, in line with IRDAI circular on capital conservation; Proposed final dividend of Rs. 2.02 per share approved in Board meeting on 26<sup>th</sup> April 2021, this is subject to shareholders' approval



Performance  
Snapshot

**Our Strategy**

Managing Covid-19

Customer Insights

Annexures

India Life Insurance



2

**Our Strategy**

# Key elements of our strategy

1



## Focus on profitable growth

Ensuring **sustainable and profitable growth** by identifying and tapping new profit pools

2



## Diversified distribution mix

Developing **multiple channels** of growth to drive need-based selling

3



## Market-leading innovation

Creating **new product propositions** to cater to the **changing customer behaviour** and needs

4



## Reimagining insurance

Market-leading **digital capabilities** that put the customer first, shaping the insurance operating model of tomorrow

5



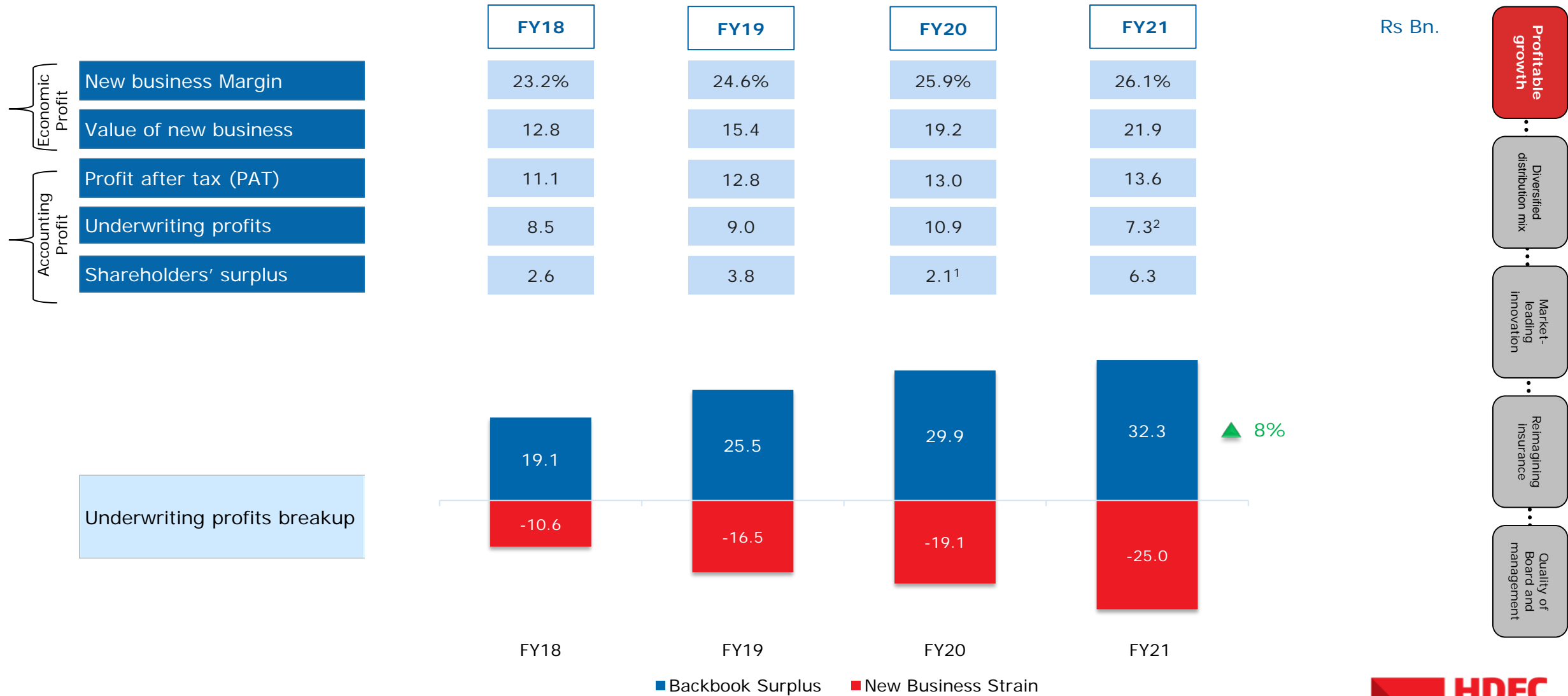
## Quality of Board and management

**Seasoned leadership** guided by an **independent and competent Board**; No secondees from group companies

**“Our continuous focus on technology and customer-centricity has enabled us to maintain business continuity through FY21”**



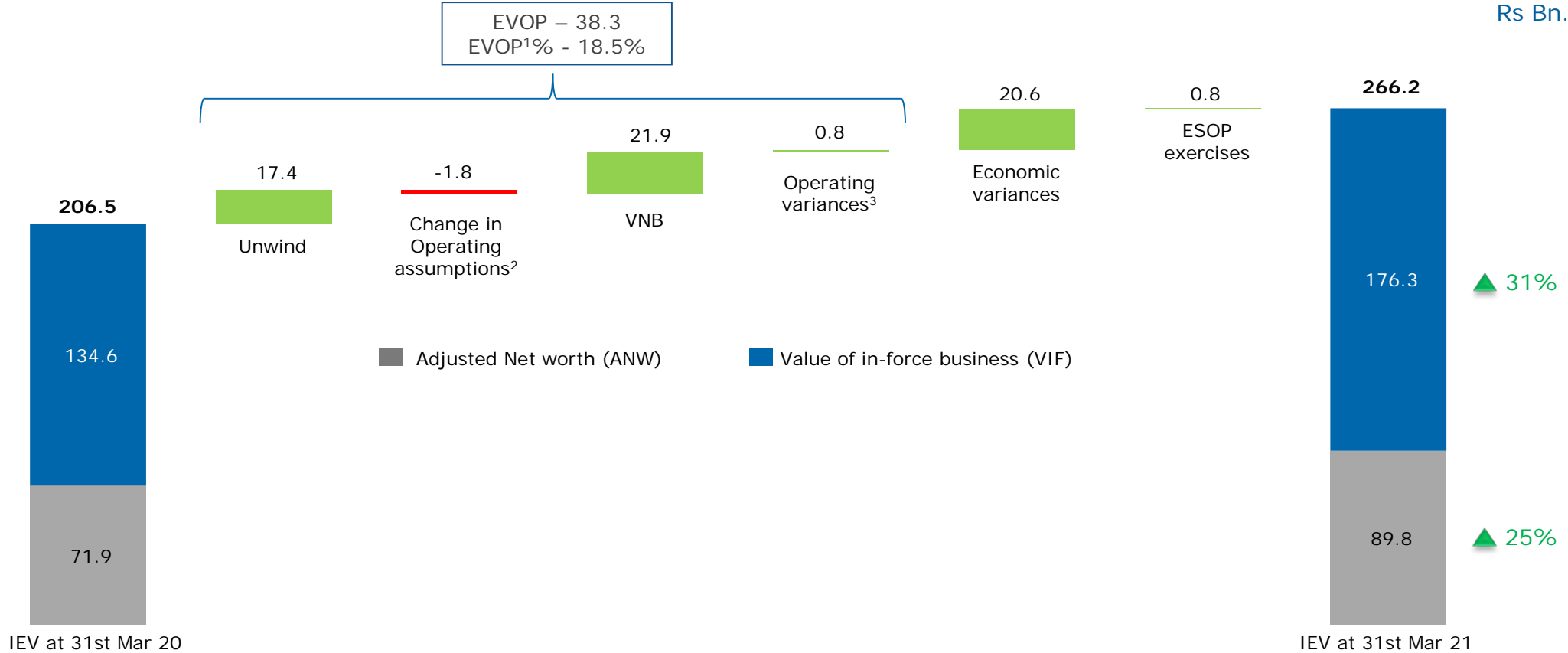
# Focus on profitable growth



1. Post accounting for impact of Yes Bank AT1 bonds write-off  
 2. Post accounting for impact of assumption changes including additional Covid reserve

Profitable growth  
 Diversified distribution mix  
 Market-leading innovation  
 Reimagining insurance  
 Quality of Board and management

# Analysis of change in IEV<sup>1</sup>



- Profitable growth
- Diversified distribution mix
- Market-leading innovation
- Reimagining insurance
- Quality of Board and management

▪ Negative mortality variance on account of excess Covid claims, offset by positive variance on persistency and expenses

1. EVOP% calculated as annualised EVOP (Embedded Value Operating Profit) to Opening EV; Covid reserve included as part of assumption changes  
 2. Creation of Covid reserve of Rs. 1.65 bn for FY22, in anticipation of elevated covid related mortality  
 3. Mortality variance: -0.5, Persistency variance: 0.3, Expenses and Others: 1.0



# Diversified distribution mix enabled by multiple levers

## Enhancing and expanding proprietary channels



Tapping new generation of customers through Online channel



Focus on building a skilled and structurally solid Agency channel along with increasing agent productivity



Expanding geographical reach via Online channel



Leveraging analytics for upsell and cross-sell via Direct channel

## Emerging Ecosystem



50+ emerging ecosystem partnerships

## Strong partnerships



250+ traditional partners

- Deepening partnership with existing banca partners including HDFC group entities, Bandhan Bank, IDFC First, amongst others
- Partnerships with Yes Bank, SBI Capital Markets, State Bank of Mauritius, Doha Bank, Edelweiss in FY21

Profitable growth  
Diversified distribution mix  
Market-leading innovation  
Reimagining insurance  
Quality of Board and management



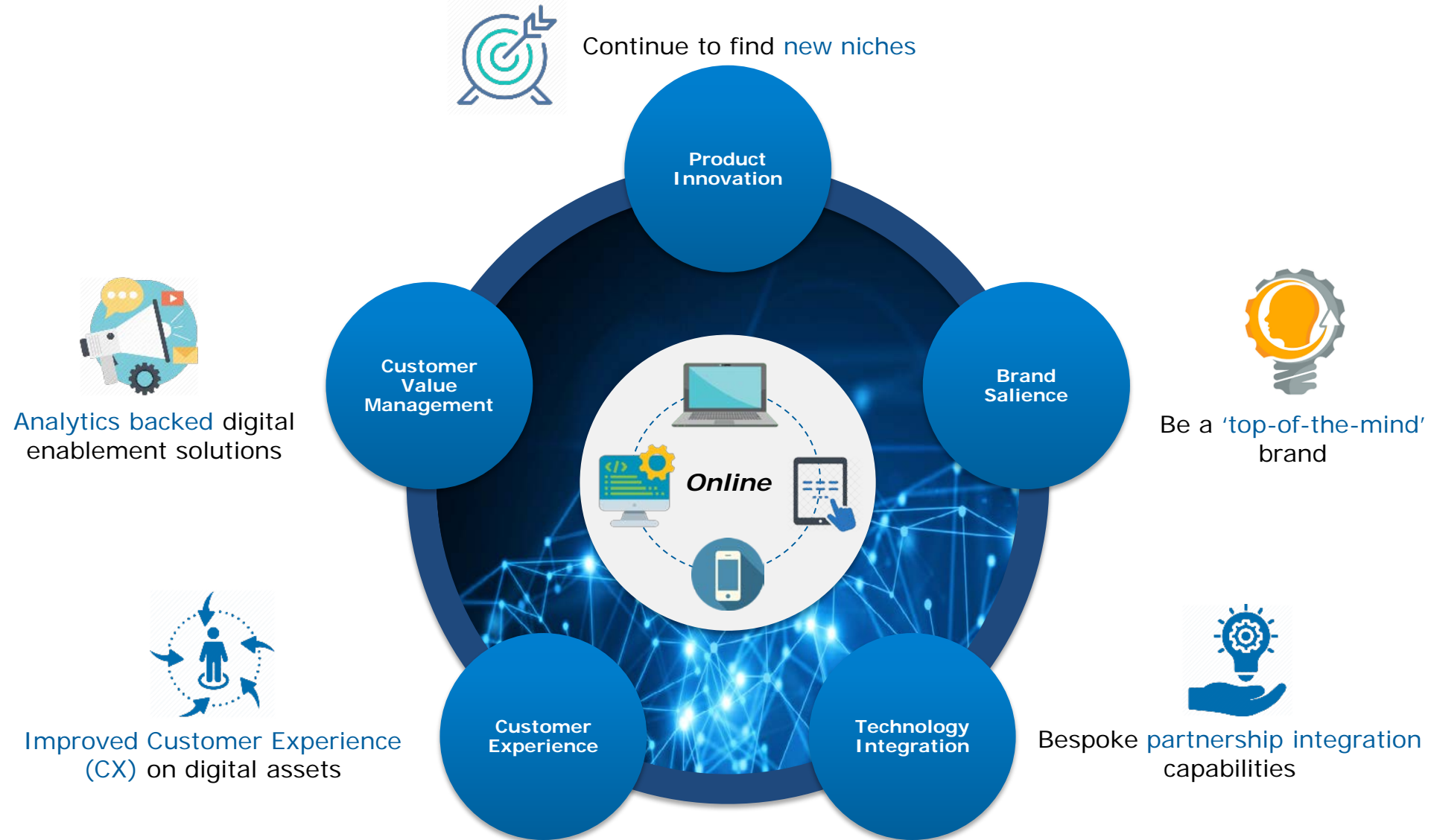
1. Proprietary channels include Agency, Direct and Online

# Tech-led Agency



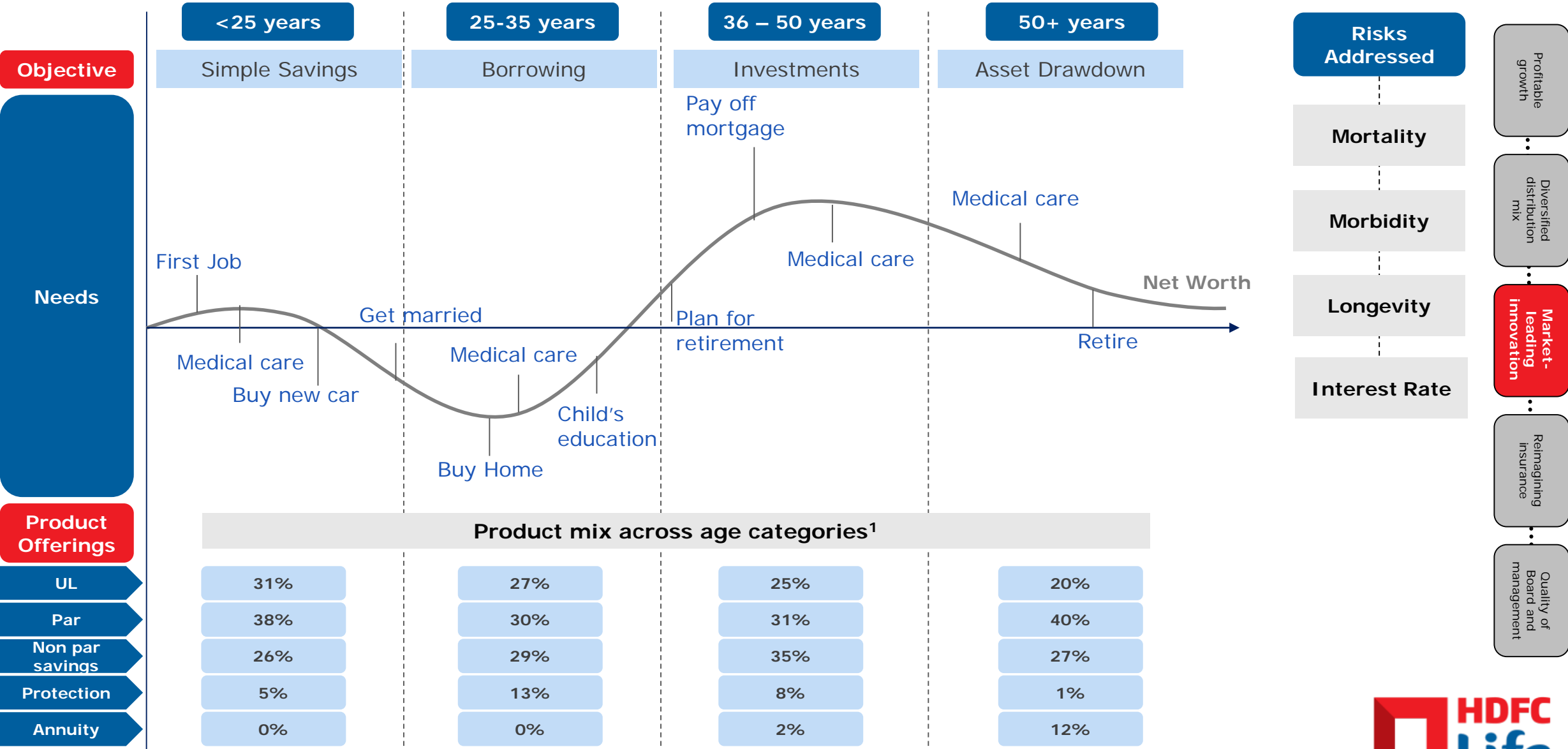
1. FC: Financial Consultant (agent)
2. SMP: Sales Management Process
3. AI/ML: Artificial Intelligence/Machine Learning

# Digital flywheel – powering the Online channel



- Profitable growth
- 
- Diversified distribution mix
- 
- Market-leading innovation
- 
- Reimagining insurance
- 
- Quality of Board and management

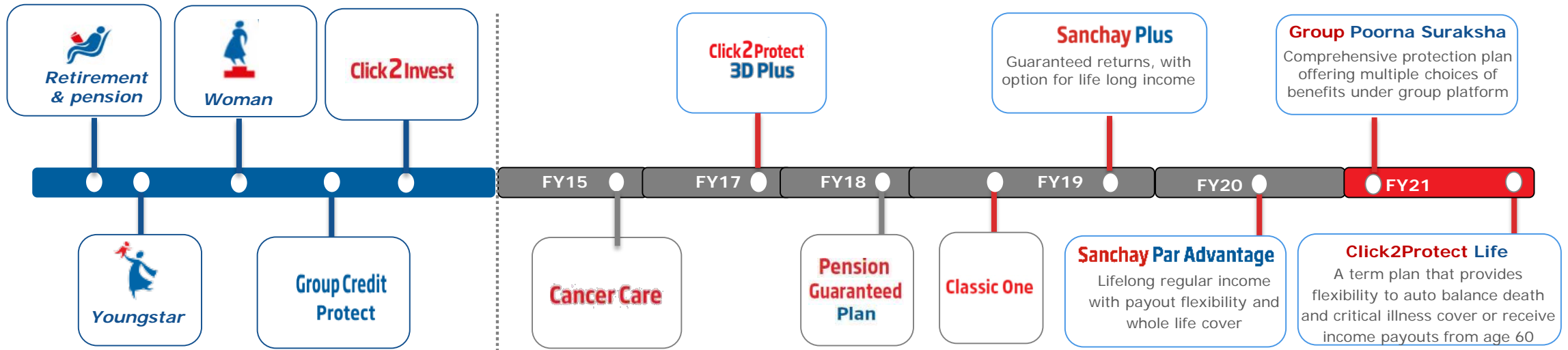
# Addressing customer needs at every stage of life



1. Based on Individual WRP for FY21

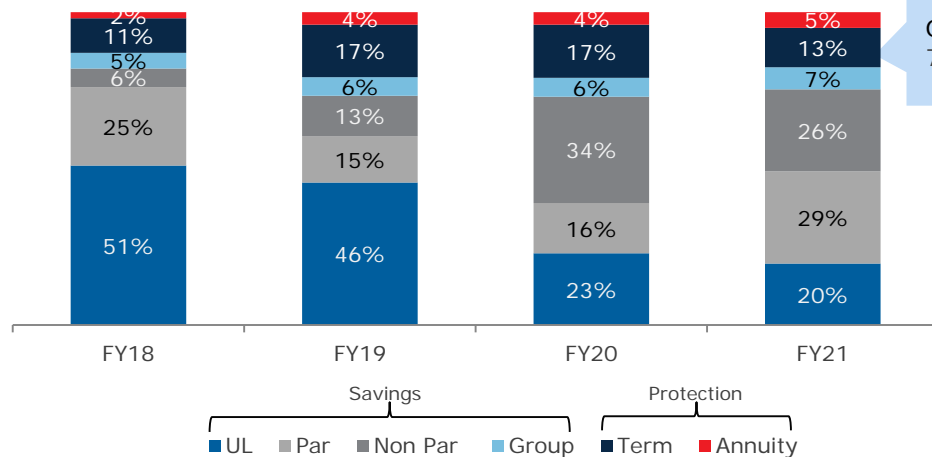


# Expanding market through consistent product innovation



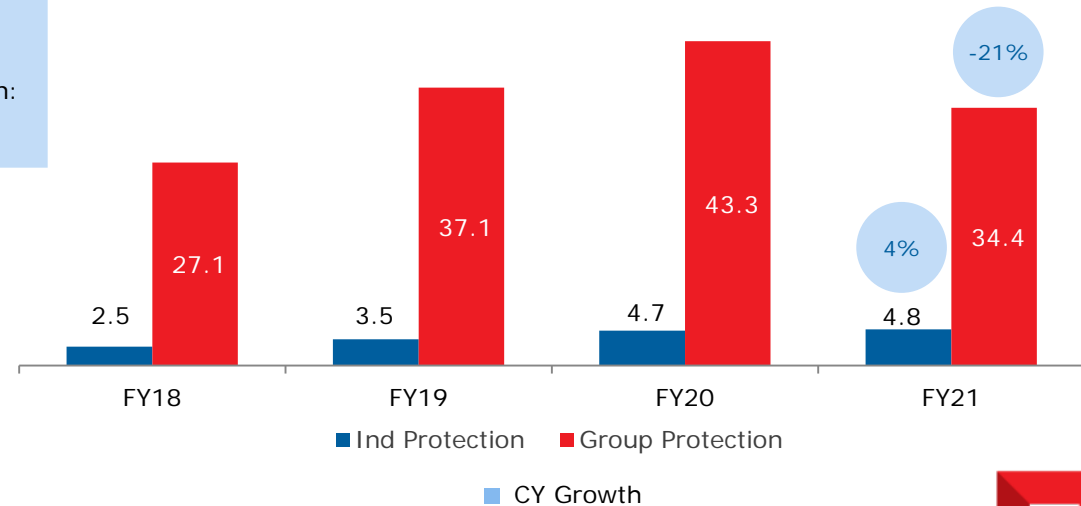
Profitable growth  
Diversified distribution mix  
Market-leading innovation  
Reimagining insurance  
Quality of Board and management

Balanced product suite helps in managing business cycles <sup>1</sup>



Ind Protection: 6% (PY 6%)  
Group Protection: 7% (PY 11%)

Calibrated growth in protection <sup>2</sup> (Rs Bn.)



1. As a % of Total APE

2. Individual protection numbers are based on APE and group protection numbers based on NBP. Group protection includes Credit protect, GTI, GPS and Group Health



# Our approach to retirement solutions

## Opportunity to grow the retiral corpus<sup>1</sup> by 3x between FY21-25

### 1. NPS



- Ranked #1 with AUM of Rs 163.8 bn amongst private owned Pension Fund Managers
- Registered strong AUM growth of 98% in FY21

### 2. Individual income plans <sup>2</sup>



- Providing long term retiral solutions
- Catering across age brackets & premium frequencies

### 3. Immediate / deferred annuity



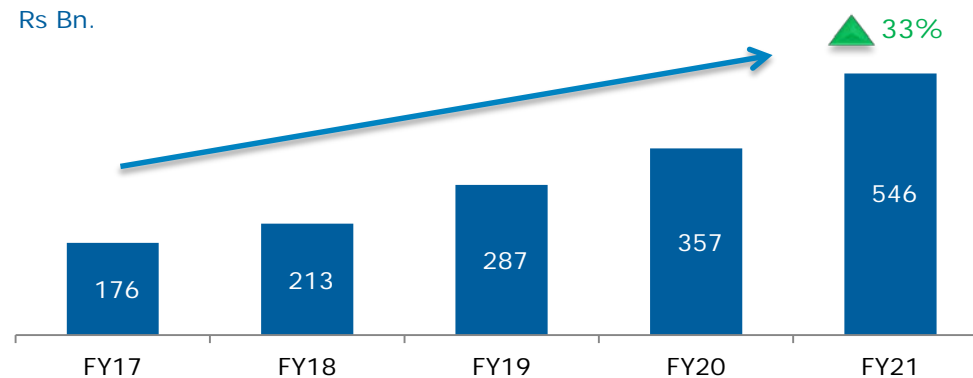
- Largest player in the private sector
- Servicing 130+ corporates and >40,000 lives covered in FY21

### 4. Group superannuation fund



- Managing funds for about 150+ corporates under superannuation scheme

## Increasing retiral corpus<sup>1</sup>



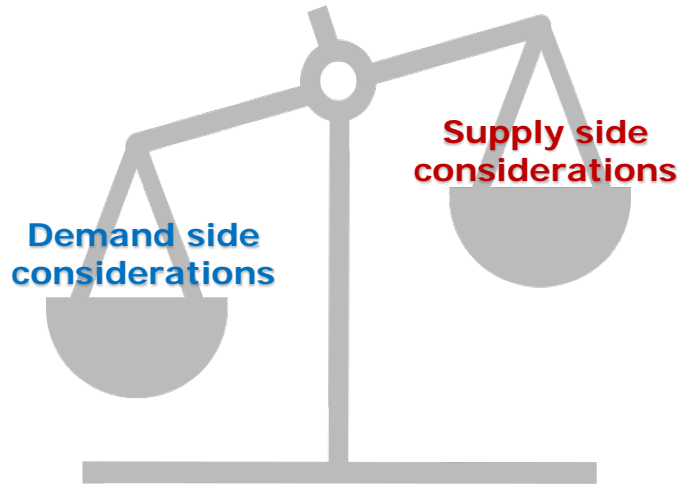
1. Includes NPS, Annuity, Group superannuation fund and long term variant of Sanchay Plus and Sanchay Par Advantage  
 2. Comprises long term income and life long tenure options offered in Sanchay Plus and Sanchay Par Advantage





# Our protection philosophy

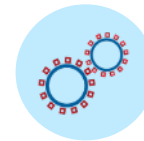
Protection is a multi-decade opportunity that we plan to address prudently with continued innovation



- ✓ Huge protection gap and under-penetration
- ✓ Customers valuing brand, on boarding experience and track record apart from the price

- ✓ Insurers moving beyond top 10 cities and salaried segment
- ✓ Continue to be calibrated in underwriting new business; robust claim settlement ratio
- ✓ Adverse mortality experience (risk of worsening due to ongoing pandemic)

## Our Focus Areas



Strengthening underwriting practices and use of deep learning underwriting models



Growth in Credit Protect on the back of rise in loan disbursals and wider distribution



Product innovation catering to varying customer needs



Leveraging available market & industry platforms e.g., central medical repository for faster turnaround and greater underwriting precision

Profitable growth

Diversified distribution mix

Market-leading innovation

Reimagining insurance

Quality of Board and management

# Product mix across key channels<sup>1</sup>

Banca <sup>2</sup>	Segment	FY18	FY19	FY20	FY21
	UL	64%	64%	32%	27%
	Par	25%	13%	18%	37%
	Non par savings	8%	17%	44%	30%
	Term	3%	4%	4%	4%
	Annuity	1%	3%	2%	2%

Direct	Segment	FY18	FY19	FY20	FY21
	UL	58%	50%	33%	29%
	Par	17%	8%	14%	17%
	Non par savings	9%	12%	20%	16%
	Term	5%	6%	4%	3%
	Annuity	11%	24%	29%	35%

Agency	Segment	FY18	FY19	FY20	FY21
	UL	33%	26%	12%	10%
	Par	48%	40%	34%	37%
	Non par savings	5%	17%	40%	39%
	Term	11%	12%	12%	11%
	Annuity	3%	5%	3%	3%

Online <sup>3</sup>	Segment	FY18	FY19	FY20	FY21
	UL	57%	62%	44%	39%
	Par	1%	2%	1%	1%
	Non par savings	0%	1%	18%	29%
	Term	42%	35%	37%	30%
	Annuity	0%	1%	1%	2%

Company	Segment	FY18	FY19	FY20	FY21
	UL	57%	55%	28%	24%
	Par	28%	18%	19%	34%
	Non par savings	7%	15%	41%	31%
	Term	5%	7%	8%	7%
	Annuity	2%	5%	4%	5%

Protection	Total APE	FY18	FY19	FY20	FY21
	Term	11%	17%	17%	13%
	Annuity	2%	4%	4%	5%
	<b>Total</b>	<b>13%</b>	<b>21%</b>	<b>21%</b>	<b>18%</b>

Total NBP	Total NBP	FY18	FY19	FY20	FY21
	Term	26%	27%	27%	20%
	Annuity	9%	17%	16%	20%
	<b>Total</b>	<b>35%</b>	<b>44%</b>	<b>43%</b>	<b>39%</b>

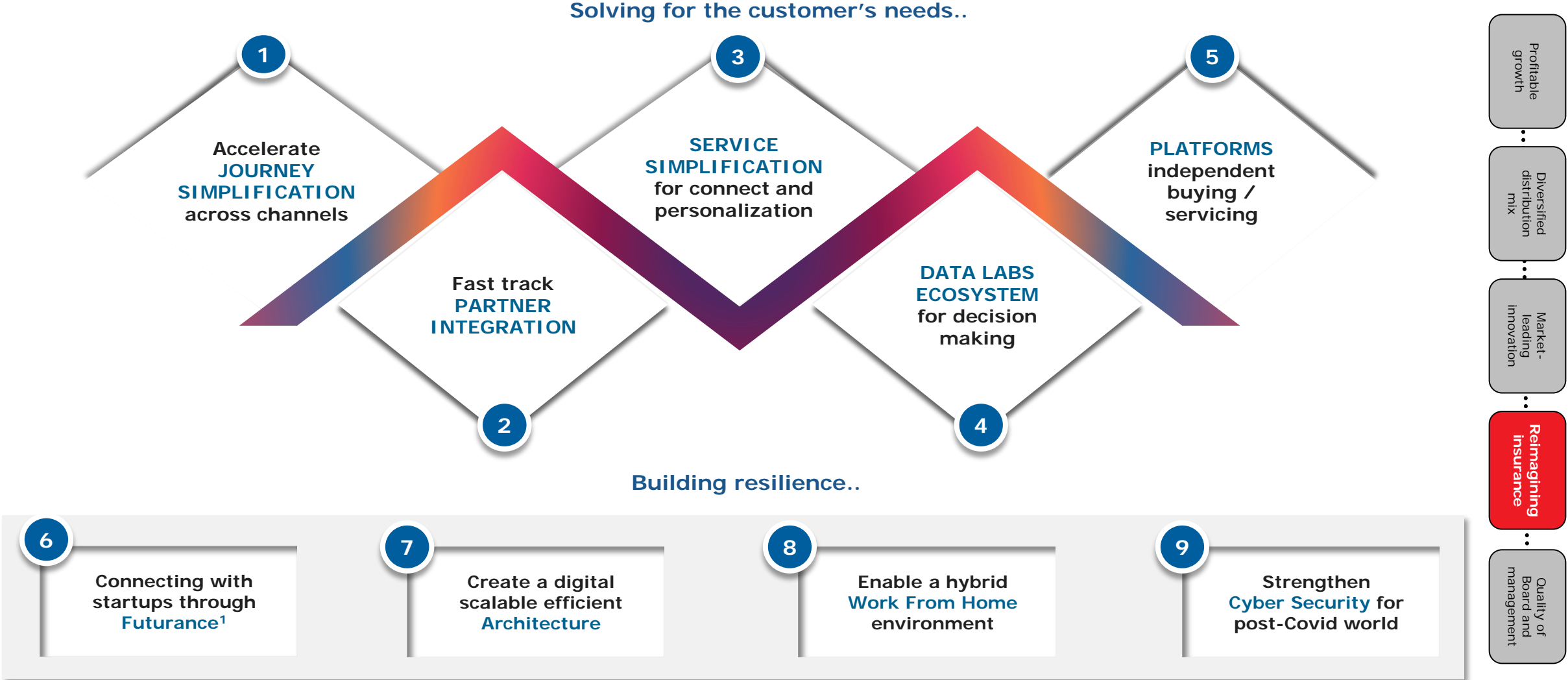
1. Basis Individual APE, Term includes health business. Percentages are rounded off

2. Includes banks, other corporate agents and online business sourced through banks / corporate agents. Nos. for previous years have been restated in line with revised classification

3. Includes business sourced through own website and web aggregators. Nos. for previous years have been restated in line with revised classification

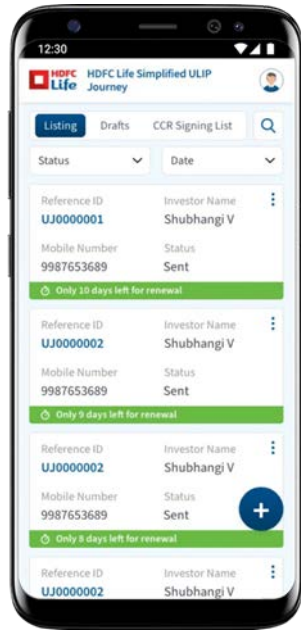


# Aligned to make life simple for the customers in a turbulent environment

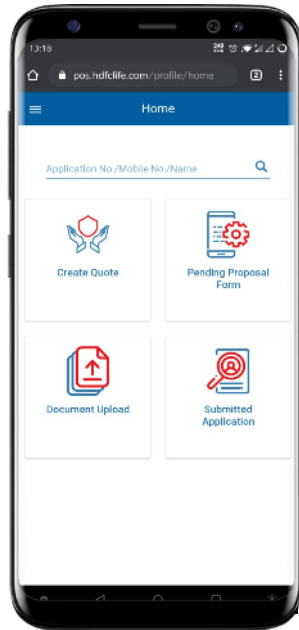


1. Futurance: A program to collaborate with startups for harnessing cutting-edge technology

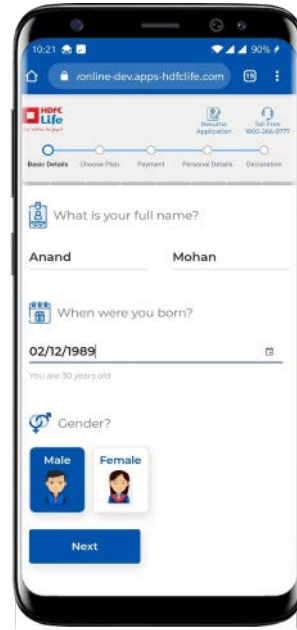
# 1. Journey Simplification – Short journeys for specific requirements



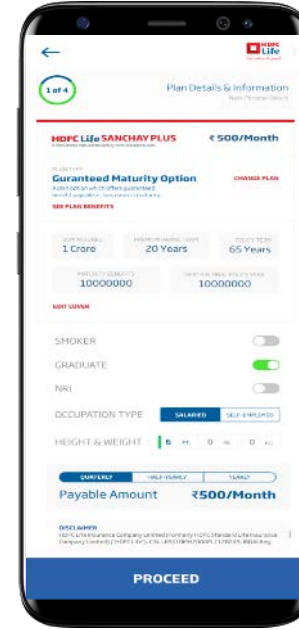
**InstaSIP –  
ULIP Journey**



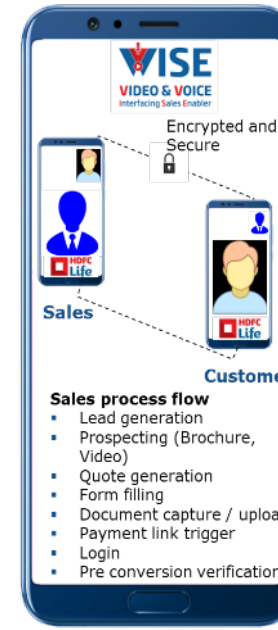
**POSP  
Journey**



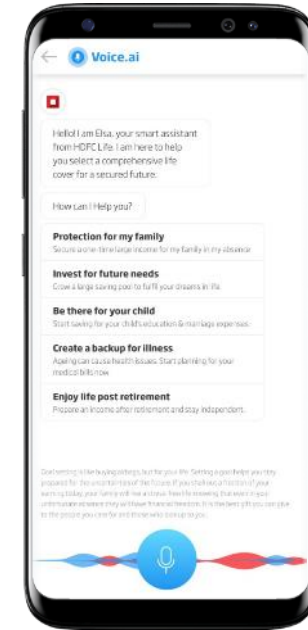
**LifeEasy<sup>1</sup> –  
Protection  
Journey**



**PASA**  
Pre Approved Sum Assured



**WISE**



**Voice** WIP  
**Journey**

Profitable growth

Diversified distribution mix

Market-leading innovation

Reimagining insurance

Quality of Board and management

**>99%  
policy  
issuance  
journeys  
fulfilled  
digitally**

**<4 hrs.  
overall  
policy  
issuance  
TAT<sup>2</sup>**

**Faster  
medical and  
policy  
issuance via  
WISE<sup>3</sup>**

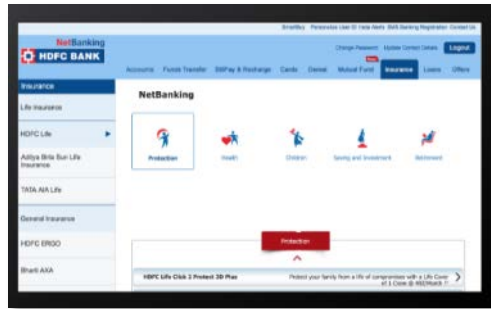
**~7 mn offers  
rolled out  
through  
PASA<sup>4</sup>**

**51%  
Online  
business 5-  
year CAGR<sup>5</sup>**

1. LifeEasy: Online customer intimation portal for Life claims
2. Policy issuance TAT calculation starts post submission of all required documents
3. WISE: Video sales platform
4. PASA: Pre-Approved Sum Assured
5. Online includes business sourced through own website, online business sourced through banks / corporate agents and web aggregators



## 2. Partner Integration– Different partners, different solutions



**HDFC Bank**



**Paytm**



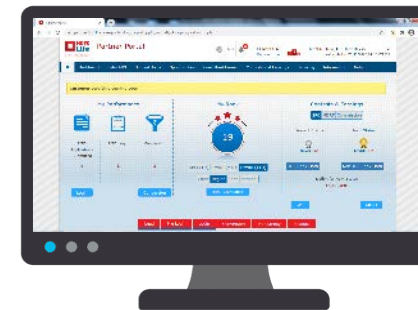
**Life Next<sup>1</sup>**



**Insta PRL<sup>2</sup>**



**Airtel**



**Partner Portal<sup>3</sup>**

Multiple partners digitally integrated

End-to-end servicing of partner requests on *Partner Portal*

Straight through processing module for Group– *Life Next*

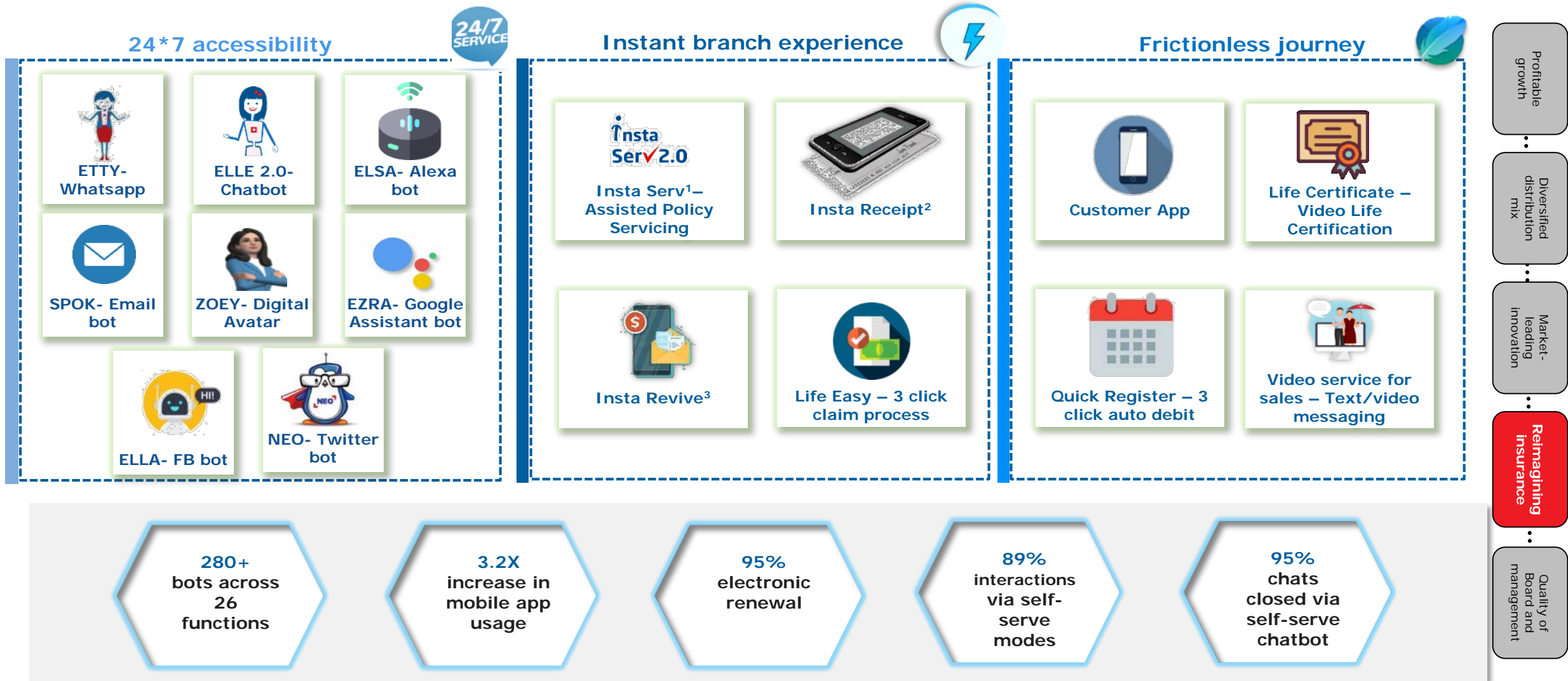
~ 98K digital agent recruitment - *InstaPRL*

<1sec policy issuance TAT on Airtel

Profitable growth  
 •  
 Diversified distribution mix  
 •  
 Market-leading innovation  
 •  
**Reimagining insurance**  
 •  
 Quality of Board and management

1. Life Next: Module for transaction and Further Requirements processing for group credit life policy  
 2. Insta PRL: application for onboarding agents  
 3. Partner Portal: MIS dashboard, value-added services, contests etc. for partners


### 3. Service Simplification– Through 24\*7 digital offerings



1. Insta Serv: Mobile app for service teams  
 2. Insta Receipt: Instant Receipting of application  
 3. Insta Revive: Instant Revival of lapsed policy

# 4. Data Labs– Creating a data led ecosystem and scaling AI

## Deep learning model

**UW engine**  
(automated underwriting) 

## Text AI

**InstA**  
(Virtual assistant for sales and service)

**Sentilyzer**  
(Sentiment analysis of chats & mail)

**NLP engine**  
(Interpretation of chat)

## Vision AI

**Facesense**  
(Face recognition)

**AgeTymer**  
(Face ageing)

**HealthProfiler**  
(BP and Heart Monitor)

**Bodmeter**  
(Face BMI)


## Machine Learning/Analytics


**RAG & Risk+**  
(Advanced ML based model)

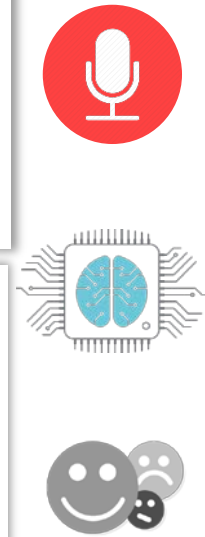
**Persistency Model**  
(Persistency prediction)

## Voice AI

**SVAR**  
(INDUSTRY FIRST; Manages end-to-end renewal call) 

**True Cue**  
(Voice authenticator) 

**Emolyzer**  
(Emotion based analysis of voice data) 



**Risk+:** helps predict and avert early claims

98% precision – Facesense

99% instA accuracy

~ 1.6 mn monthly queries on instA

98% NLP<sup>1</sup> engine comprehension rate<sup>2</sup>

- Profitable growth
- Diversified distribution mix
- Market-leading innovation
- Reimagining insurance
- Quality of Board and management

1. NLP: Natural Language Processing  
2. NLP Engine comprehension rate: % cases where meaning of the text based chat is correctly inferred

# 5. Platforms and Ecosystem

## Life 99<sup>1</sup>: Ecosystem for retirement and pension segment



Profitable growth

Diversified distribution mix

Market-leading innovation

**Reimagining insurance**

Quality of Board and management



1. Life99: A platform under HDFC Pension Management Company  
2. Count includes only those corporates which have minimum one user account registration



# Leveraging technology to build resilience

## Architecture Resilience – Scalability and Efficiency



Modular architecture



Custom APIs



Data Lake



Low Code Platforms



Cloud

## Workforce Resilience – Hybrid Working Environment



Virtual Workspace



Work From Anywhere



Re-imagine Process



Digital Re-skilling



Morale and Productivity

## Cyber Resilience – Strengthen Cyber Security for post-covid world



Zero Trust



Enhance SOC



Access Control



Secure Devices



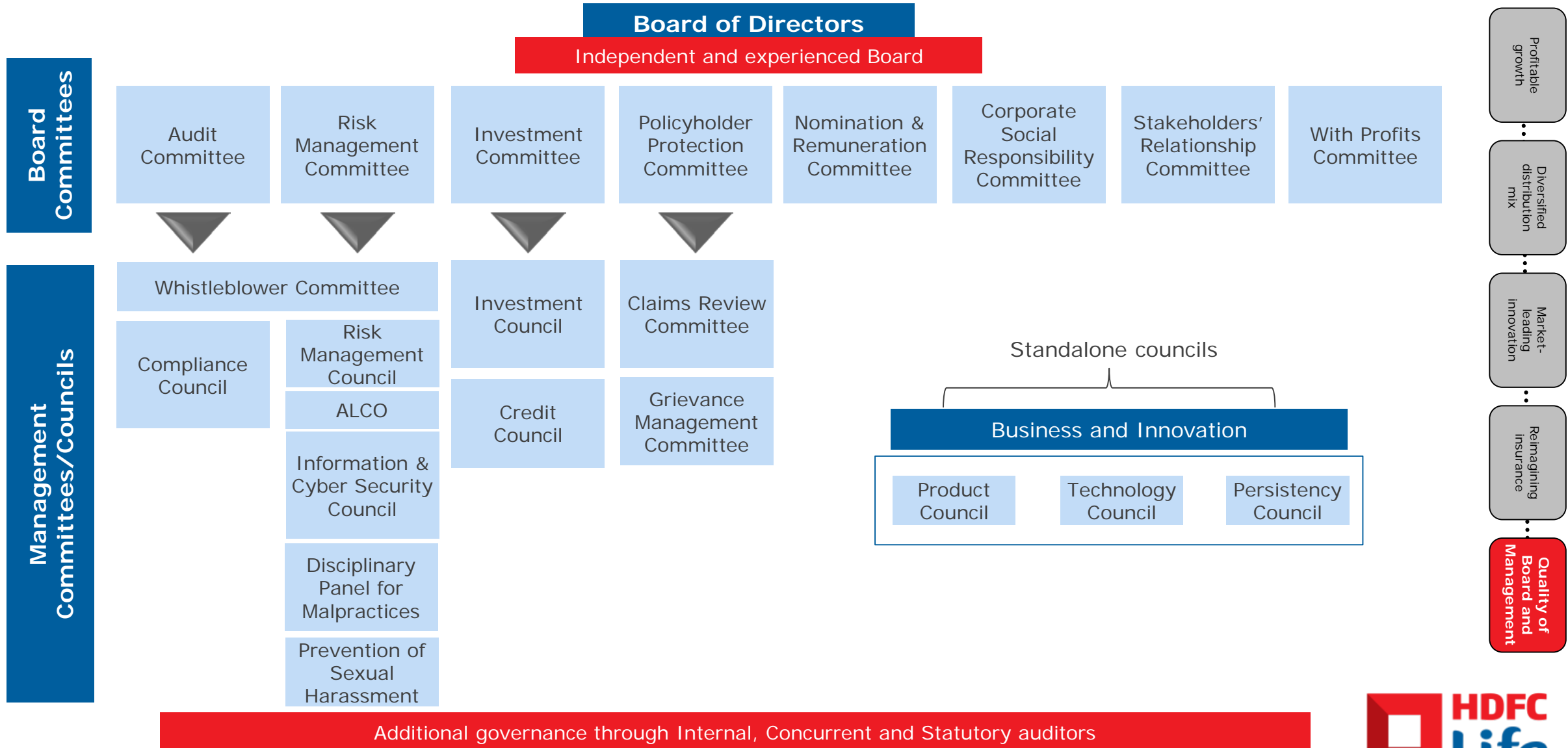
Face Recognition



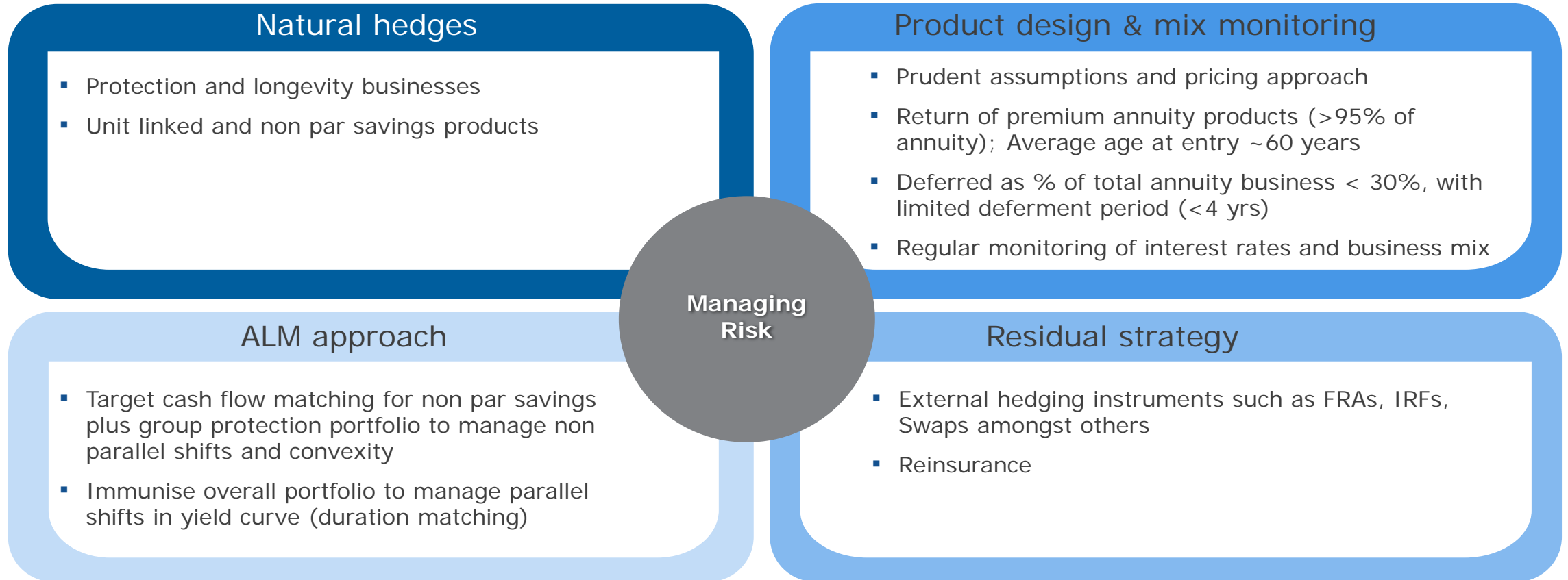
1. SOC: Security Operations Center

- Profitable growth
- Diversified distribution mix
- Market-leading innovation
- Reimagining insurance
- Quality of Board and management

# Governance framework



# Financial risk management framework



Sensitivity	FY20				FY21			
	Overall		Non par <sup>1</sup>		Overall		Non par <sup>1</sup>	
Scenario	EV	VNB Margin	EV	VNB Margin	EV	VNB Margin	EV	VNB Margin
Interest Rate +1%	(1.2%)	(0.7%)	(1.3%)	(2.0%)	(2.2%)	(1.5%)	(2.3%)	(2.9%)
Interest Rate -1%	0.6%	0.2%	0.0%	1.7%	1.6%	0.9%	1.2%	1.8%

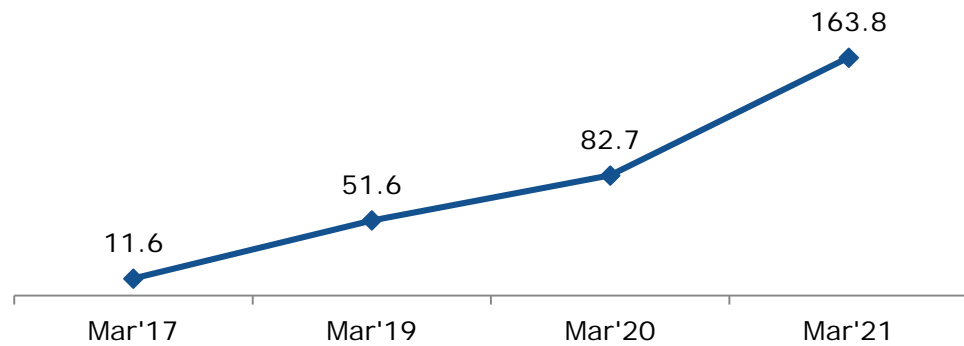
Sensitivity remains range-bound on the back of calibrated risk management

# Performance of wholly-owned subsidiary<sup>1</sup> companies



## HDFC Pension

AUM, Rs Bn.



- HDFC Pension continues to be the largest PFM (Pension Fund Manager) in Retail and Corporate NPS AUM segment
- Fastest growing PFM (Pension Fund Manager) under the NPS architecture (YoY growth of 98% in AUM)
- Market share grew from 31.1% in Mar'20 to 34.4% in Mar'21 amongst all PFMs
- Company has over 7.6 lakh customers - ~5.1 lakh in retail segment and ~2.5 lakh in corporate segment
- #1 POP in new Corporate NPS business



## HDFC International Life and Re



- Registered growth of 81% in gross reinsurance premium in FY21
- Forayed into Kingdom of Saudi Arabia (KSA) and Qatar, both being strategically important (re)insurance markets
- Despite challenging external environment, momentum of growth trends and new opportunities remains positive
- S&P Global Ratings has reaffirmed its long-term public insurer financial strength rating of "BBB" with "Stable" outlook in Dec 2020

1. Investment in subsidiaries not considered in Solvency Margin

28 2. POP: Point of presence for enabling opening of accounts on a platform

Performance  
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Managing Covid



# Dynamic approach to manage impact of the COVID-19 outbreak



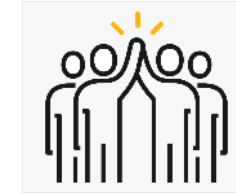
## Accelerated digital selling

- Focus on selling products with end to end digital customer journeys



## Digital Servicing

- Communication to customers about digital touch-points for claims, renewal collection and customer queries



## Employee Engagement/ Facilitation

- Initiatives to keep employee morale high; infrastructure enablement and collaboration tools for WFH option



## Prioritizing areas of focus

- Dynamic review and assessment, strengthening operating assumptions, heightened focus on cost



## Responsive operating measures

- Regular branch operations being sustained with daily tracking of employee and agent safety



# Emphasis on 'digital' across customer touch-points

## New business / purchase



**Digital sales journey** - End-to-end digital sales, from prospecting till conversion, including customer interactions



**Chat PCV and eCCD** - No dependence on salesperson or call center. ~51% digital pre-conversion verification (through chat and eCCD) ★



**Telemedicals** – 42% of the medicals done through tele-medicals



**Uninterrupted customer assistance** - Work from home enabled across the organization; Access to Microsoft Teams, Citrix ★



**Instalnsure** - Simplified insurance buying through a 3-click journey

## Policy servicing



**Digital Renewal collections** - 87% based on renewal premiums and 95% based on no. of policies; SVAR (voice bot for renewal calling) and use of Cloud telephony



**Maturity payouts** - Email, Whatsapp and customer portal 'My Account' enabled to upload necessary docs



**LifeEasy** - Simple '3 click claim' process (~100% eligible claims settled in 1 day). Claims initiation process also enabled through Whatsapp



**RPA** –Robotic Process automation handled more than 280 processes remotely



**Contact centres** - Branch staff replacing call centre agents servicing customers

## Customer interactions



**Seamless support experience** - ~1.6 mn monthly queries handled by instA (virtual assistant)



**Use of mobile app** – Over 3.2x increase in mobile app usage



**InstaServe** - OTP based policy servicing tool to handle customer queries ★



**24\*7 self-service options** - ~95% of chats are self-serve via chat-bot



**Branches** - Daily tracking of employee and agent safety

## Employee / Partner engagement



**e-learning platform** – 7,000+ agents attending training programs daily through mLearn / VC Platform ★



**Gamified contests** - Launched to drive adoption of digital engagement initiatives ★



**Agent on-boarding** - Insta PRL enabling digital on-boarding of agents – ~98,000 applicants since launch in mid March



**Employee engagement** - VC based skill building sessions with digital partners (Twitter, Google, Facebook) ★



**Partner trainings** - Conducted via digital collaboration tools

★ New initiatives launched to manage volatile business environment due to the Covid-19 outbreak

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**Customer Insights**

Annexures

India Life Insurance

4

**Customer Insights**





# Customer Insights – Customer Behaviour/Preferences

## Personalization takes centre stage

Consumers are looking for **customized experiences** specially when it comes to servicing

- No template-based responses
- On demand access
- Re-inventing behavior based offerings



## Human+Machine model – Maintaining right balance is the key

**34%**

Customers are willing to open new account on mobile app/website, however **49%** customers also say that they place more trust in human advisors



## Catering to changing customer demands

Different generational segments look for different benefits in a product - **one product, multiple benefits** can help serve wider customer base



## Customers willing to share personal data with trusted brands

**69%**

Customers say that they would share data on health, exercise and driving habits in exchange for lower pricing



## Sustainability – Demand of the younger generation

**71%**

of millennials and younger consumers say that they expect insurers to adhere to ethical and sustainable business practices



## What strategies can insurers adopt?

- Investing in digital capabilities to meet the needs of generational segments
- Re-inventing behavior based offerings/products
- Digitally enabling sales channels to maintain right balance between human/machine touchpoints

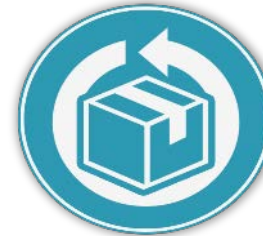
# Customer Insights – Customer Behaviour/Preferences

## Top reasons to buy Life insurance

	2019 rank	2013 rank
Protect family in case of death	1	1
To secure child's education/marriage	2	2
Old age security/retirement	3	3
For disciplined saving	4	8
Good returns	5	4
Safe investment option	6	7
Additional investment option	7	4
Dual benefit of investment and insurance	8	9
Tax Saving	9	4
To meet additional life cover	10	10

- Major reasons to buy Life Insurance continue to be protection for family, securing child's needs and retirement planning over last 6 years
- Tax saving is the 9<sup>th</sup> reason to buy Life Insurance, compared to 4<sup>th</sup> in 2013

## Customer behaviour / trend



- The future intent to buy Life Insurance is the highest amongst financial products driven primarily by 21-40 year olds
- Within LI, the intent to buy **traditional policies** was highest, particularly by people in the ages of **41-50**



- The intent to buy **term insurance** was driven primarily by people in the **age group of 22-30**
- The key differentiating factors for consumers were **safety of investment** and **maturity value**



- There has been significant pickup in intention to buy **term products** in metros
- Online mode** for premium collection shows an increasing trend across geographies

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India Life Insurance

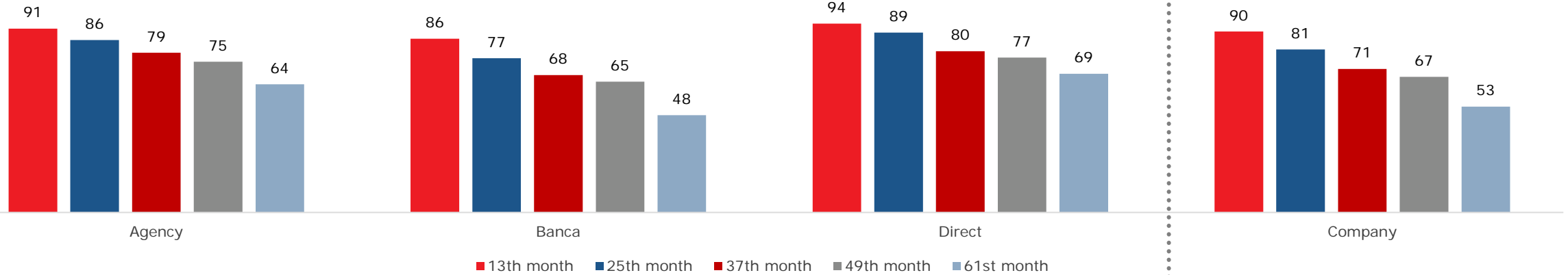
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**Annexures**

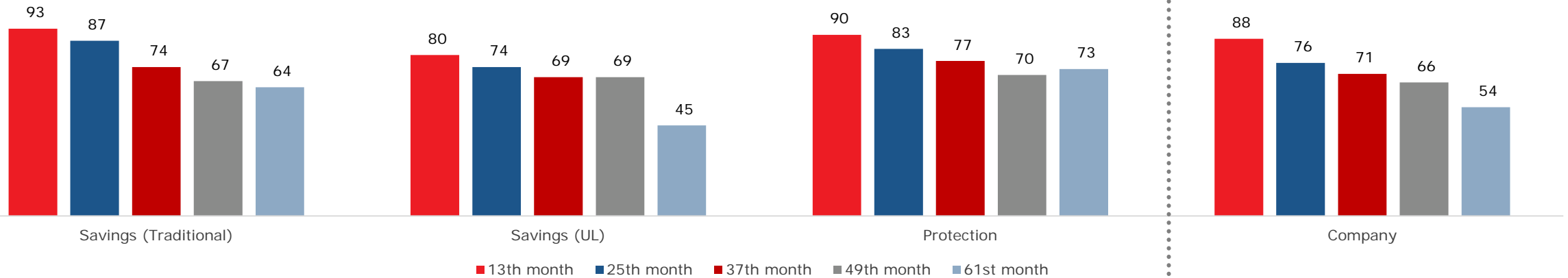


# Individual persistency for key channels and segments<sup>1</sup>

## Across key channels (%)



## Across key segments (%)



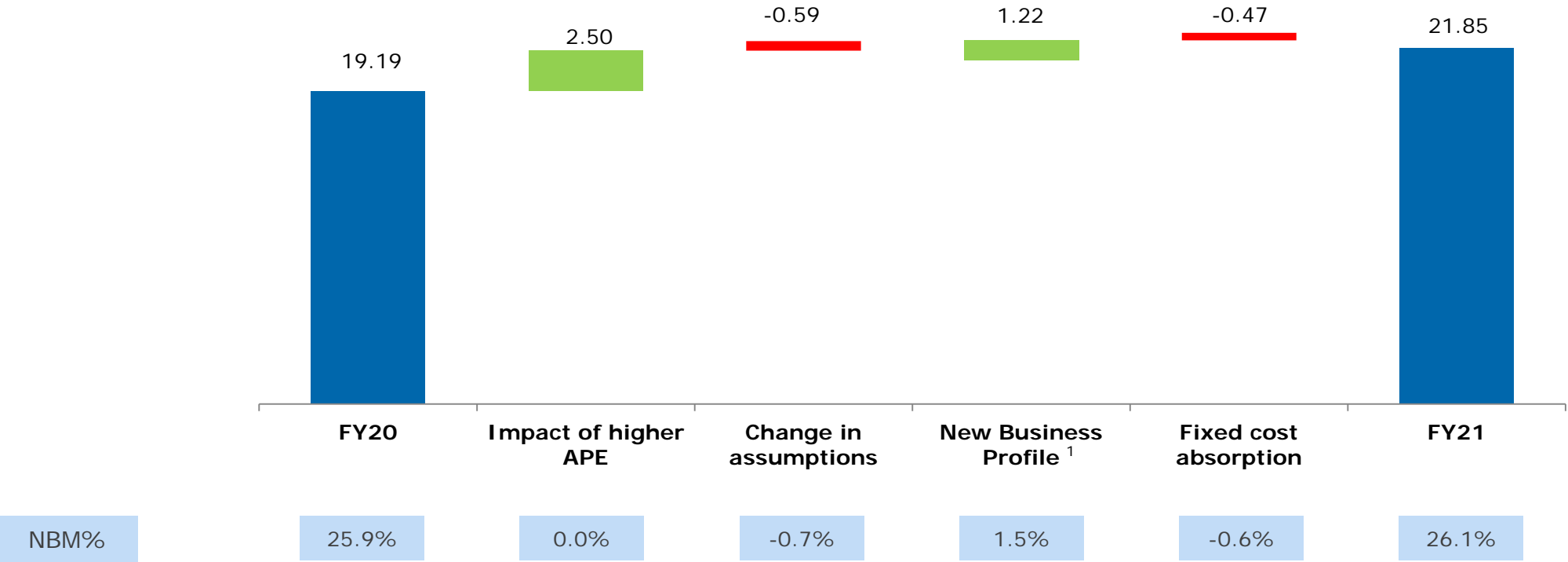
Actuarial  
Financial  
ESG



1. Calculated as per IRDAI circular (based on original premium) for individual business

# VNB and NBM walkthrough

Rs Bn.



- Actuarial
- Financial
- ESG

1. Reflects the impact of difference in mix of segment/distribution channel/tenure/age/sum assured multiple etc

VNB – Value of New Business; NBM – New Business Margin



# Sensitivity analysis – FY21

Analysis based on key metrics	Scenario	Change in VNB Margin <sup>1</sup>	% Change in EV
<b>Change in</b>			
<b>Reference rate</b>	Increase by 1%	-1.5%	-2.2%
	Decrease by 1%	0.9%	1.6%
<b>Equity Market movement</b>	Decrease by 10%	-0.1%	-1.5%
<b>Persistency (Lapse rates)</b>	Increase by 10%	-0.3%	-0.6%
	Decrease by 10%	0.3%	0.5%
<b>Maintenance expenses</b>	Increase by 10%	-0.5%	-0.8%
	Decrease by 10%	0.5%	0.7%
<b>Acquisition Expenses</b>	Increase by 10%	-3.1%	NA
	Decrease by 10%	3.1%	NA
<b>Mortality / Morbidity</b>	Increase by 5%	-1.0%	-0.8%
	Decrease by 5%	1.0%	0.8%
<b>Tax rate<sup>2</sup></b>	Increased to 25%	-4.8%	-8.3%

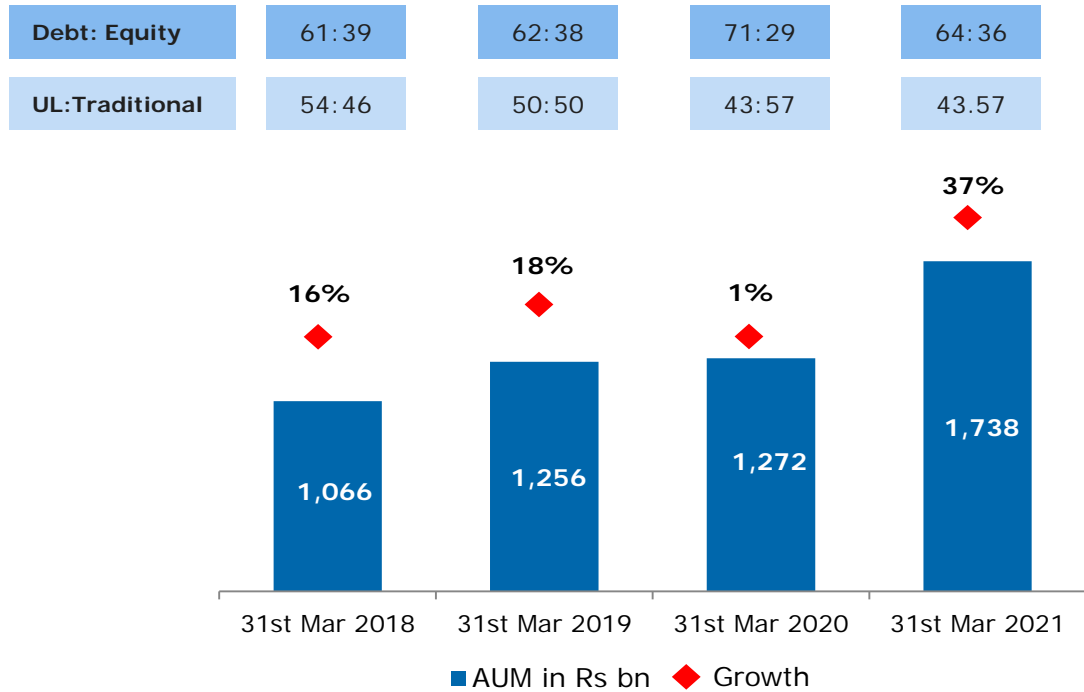


1. Post overrun total VNB for Individual and Group business

2. The tax rate is assumed to increase from 14.56% to 25% and hence all the currently taxed profits in policyholder/shareholder segments are taxed at a higher rate. It does not allow for the benefit of policyholder surplus being tax-exempt as was envisaged in the DTC Bill.

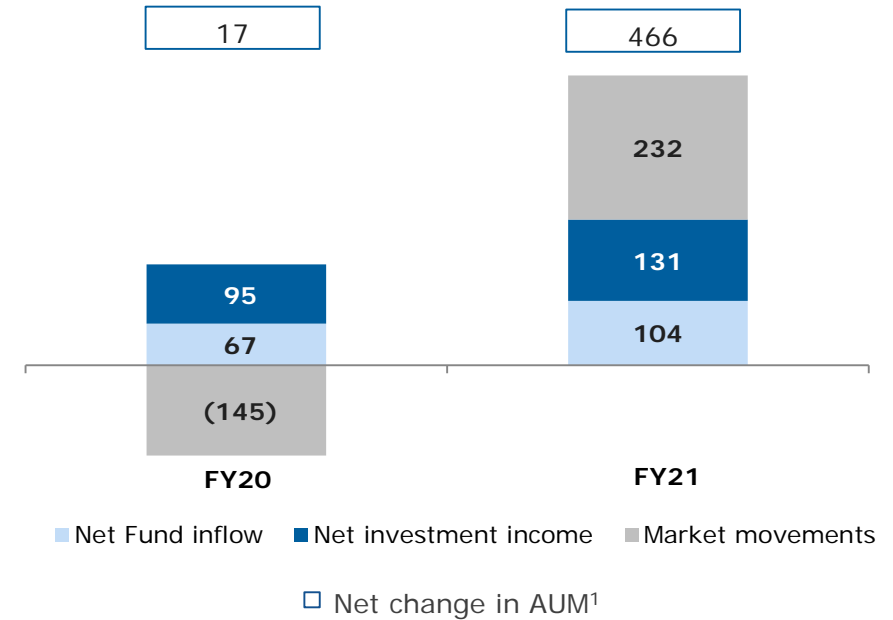
# Assets under management

## Assets Under Management



## Change in AUM<sup>1</sup>

Rs Bn.



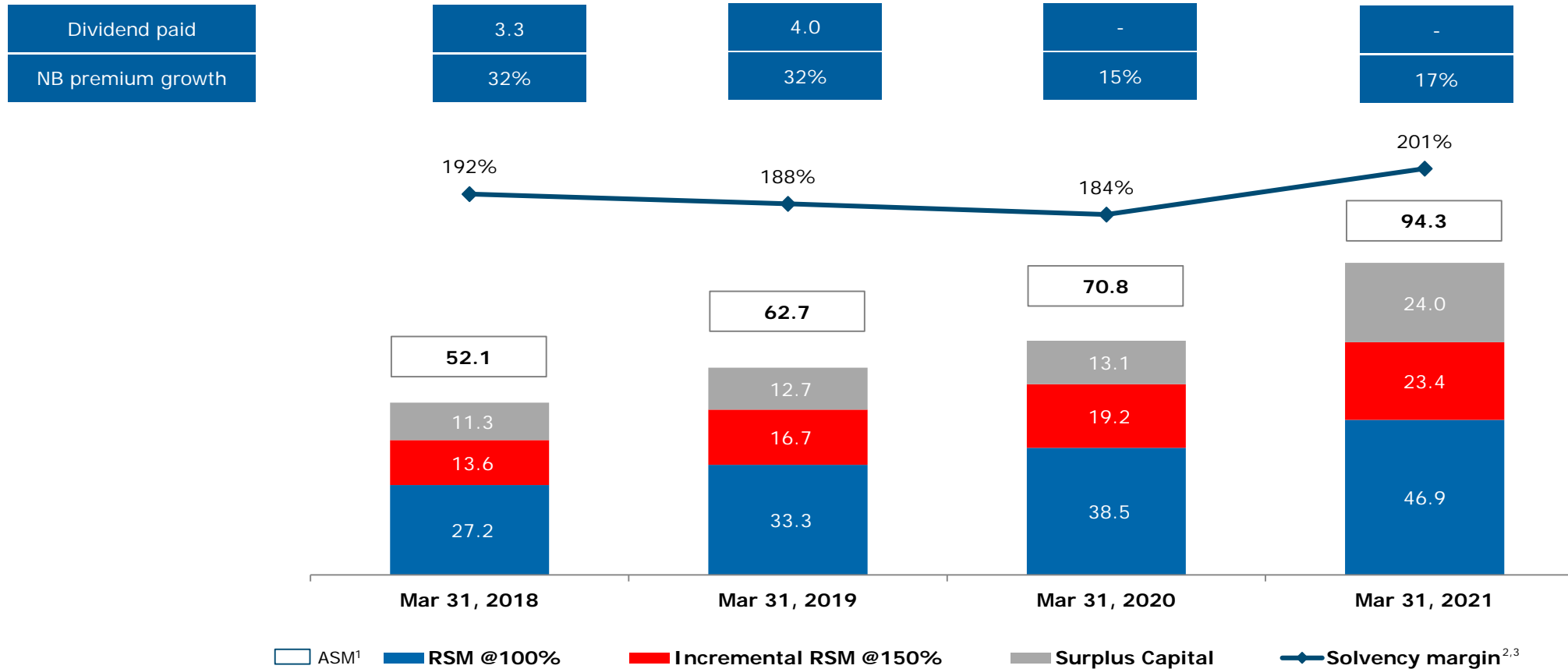
- Over 98% of debt investments in Government bonds and AAA rated securities as on Mar 31, 2021

Actuarial  
Financial  
ESG

1. Calculated as difference from April to March

# Stable capital position

Rs Bn.



Actuarial  
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ESG

Stable solvency ratio, augmented by steady accretion to backbook

1. ASM represents Available solvency margin and RSM represents Required solvency margin
2. Investment in subsidiaries not considered in solvency margin
3. Final dividend of Rs. 2.02 per share has been approved in the Board meeting on 26th April 2021; Final payout is subject to shareholders' approval in upcoming AGM and post payout, solvency ratio would be reduced to the extent of dividend paid





# Governance - Promoting responsible behavior

## Governance structure



### Corporate governance policy

- Commitment to ethical business practices
- Includes Company's corporate structure, culture, policies and stakeholder management



### Board Diversity policy

- 27% women
- Multiple nationalities & ethnicities



### Board evaluation & independence

- Six independent directors
- 'Fit and Proper' as per regulation

## Information / Cyber Security



### ISO 27001:2013 and ISMS assessment program

- Controls validated and certified by Independent auditors and IRDAI auditors



### Data Privacy Policy

- Applicable to customers, employees & service providers
- Disciplinary action is in line with the malpractice matrix

## Risk Management and BCM



### Risk management policy

- Risk oversight by Board of Directors
- Review in multiple management forums
- Enterprise risk management (ERM) framework
  - 'Three Lines of Defense approach'
  - Reviewed and approved by the Board



### Mitigating & Managing Risk

- Modes of Risk awareness
  - Trainings, E-mailers, Seminars, Conferences, Quizzes and Special awareness Drives
- Sensitivity analysis and stress testing
- Business Continuity Management (BCM)
  - Creation of a recovery plan for critical business activities of a function

## Compensation Framework



### Remuneration policy

- Seeks to balance the fixed and incentive pay
- Reflects the short and long-term performance objectives of the Company



### Performance Management System

- based on the principles of balanced scorecard



### Disclosure of managerial remuneration in the annual report

## Business Ethics/ Compliances



### Code of Conduct



### Whistle blower Policy



### PRSH<sup>1</sup>



### BRR<sup>2</sup> & Stewardship Code



### Human Rights



### Anti Bribery & Corruption Policy



### AML<sup>3</sup>



### Privacy Policy






Actuarial

Financial

ESG

1. PRSH: Prevention of Sexual Harassment  
 2. BRR: Business Responsibility Report  
 3. AML: Anti Money Laundering

# Social initiatives - Culture of care and giving

Inclusive growth			Customer centricity	
 <p><b>swabhimaan CSR</b></p> <ul style="list-style-type: none"> <li>The Corporate Social Responsibility wing is aligned with the UN Sustainable Development Goals (SDGs) with focus on Education, Health, Environment, Livelihood &amp; Disaster Relief                     <ul style="list-style-type: none"> <li>FY21: 22 CSR projects across 24 states and 3 Union Territories impacting &gt;233K beneficiaries in India</li> </ul> </li> </ul>	 <p><b>Financial Inclusion</b></p> <p>Insured 21 million lives through microfinance institutions in FY21</p>	 <p><b>COVID-19 Response</b></p> <ul style="list-style-type: none"> <li>Contribution to PM Cares Fund</li> <li>Medical supplies, nutritional meals for frontline healthcare workers</li> <li>Distribution of Happiness Box consisting of immunity boosting supplements, hygiene support material and educational workbooks for underprivileged school children</li> </ul>	 <p><b>Leveraging technology</b></p> <ul style="list-style-type: none"> <li>To simplify life insurance for customers through their journey across issuance, claims, servicing, or any other engagement                     <ul style="list-style-type: none"> <li>Artificial Intelligence (AI) for text and speech recognition;</li> <li>Machine Learning (ML) to improve persistency;</li> <li>Cognitive bots (software robots) for 24x7 customer service; and</li> <li>Alternate data to enhance underwriting</li> </ul> </li> </ul>	 <p><b>Customer Satisfaction</b></p> <ul style="list-style-type: none"> <li>Grievance Redressal Policy</li> <li>Complaints per 10K reduced from 47 in FY20 to 35 in FY21</li> <li>13<sup>th</sup> month persistency improved to 90%</li> <li>Improvement in overall Customer Satisfaction (CSAT) Scores</li> </ul>

Actuarial

Financial

ESG

# Social initiatives – Human Capital Development

## Attracting talent



- **Virtual hiring and on-boarding** process without compromising on quality
- Robust **employee referral schemes** (>50% of the hiring through referrals)
- **Flexi job program** and flexi hours to promote WFH, attract gig workers
- **Hire–train–deploy** model through tie-up with reputed learning institutions

## Employee engagement



- Online yoga, meditation sessions, fitness challenges (Walkathon, Fit by Bit), Click2Wellness app
- Emotional and well being assistance program for employees
- Engagement programs for employees and their families
- **Talk to Doctor** for unlimited free consultation
- Strong **Reward and Recognition framework**

## Talent management/retention



- **Fast track growth** path for special categories of employees - Management Trainees & Graduate Trainees, etc.
- **Potential review and talent development** interventions for leadership
- Robust, transparent and objective **performance management system**
- **Career microsite, job portal** to educate employees on career opportunities within the company
- Higher increments, bonuses for those exceeding expectations
- Long term incentive plans in the form of **ESOPs** and cash to attract, retain and motivate good talent
- Elaborate **succession planning** for Key Managerial Personnel, critical senior roles

## Focus on training and development



- Mandatory and optional **learning programs** for employees, contractors, channel partners
- **Mobile learning app** for self-paced learning
- **Virtual training** of employees during Covid
- Access to **curated online training** programs from reputed universities
- **Career coaching** and development interventions

## Employee diversity



- Actively promoting **diversity and inclusion**
- 24% women employees (crèche facility, maternity transition program)
- Promoting **diverse talent pool** (work profiles for second career women, specially-abled)
- LGBTQ+ friendly organisation

Actuarial

Financial

ESG

# Environmental initiatives - Creating a better environment

## Energy and Water



### Energy efficiency and water conservation initiatives

- Use of 3/5 star rated appliances with regular maintenance
- Use of **LED based lighting** system
- Use of **sensor** based urinals and water taps
- **12 water dispensing units** installed in villages to provide clean drinking water

## Digitization



### Reduction of Paper Usage

- Online /e-forms for customers
- Annual report FY'20 was digitally communicated to all stakeholders
- Printers configured with default double side printing

## Waste Management



- **Segregation and proper disposal of waste** - dry and wet
- **No single-use plastics**
  - Use of bio-degradable garbage bags
  - Cafeteria with reusable plates, cutlery, wooden stirrers etc.
  - Conference / meetings rooms with glass bottles and cups
  - Employees encouraged to bring their own mugs/glass
- Compliant under the Hazardous and Other Wastes (Management and Tran-boundary Movement) Rules, 2016 and **E-waste (Management), Rules, 2016**

## CSR initiatives



### Reducing operational footprint through CSR activities

- **17 city forests** created by planting **22,269 trees** in 45,900 sq.ft. area using the Miyawaki method. Over 50 different native species used

## Business Travel



- **40+ video conferencing rooms** setup to reduce travel

Actuarial

Financial

ESG

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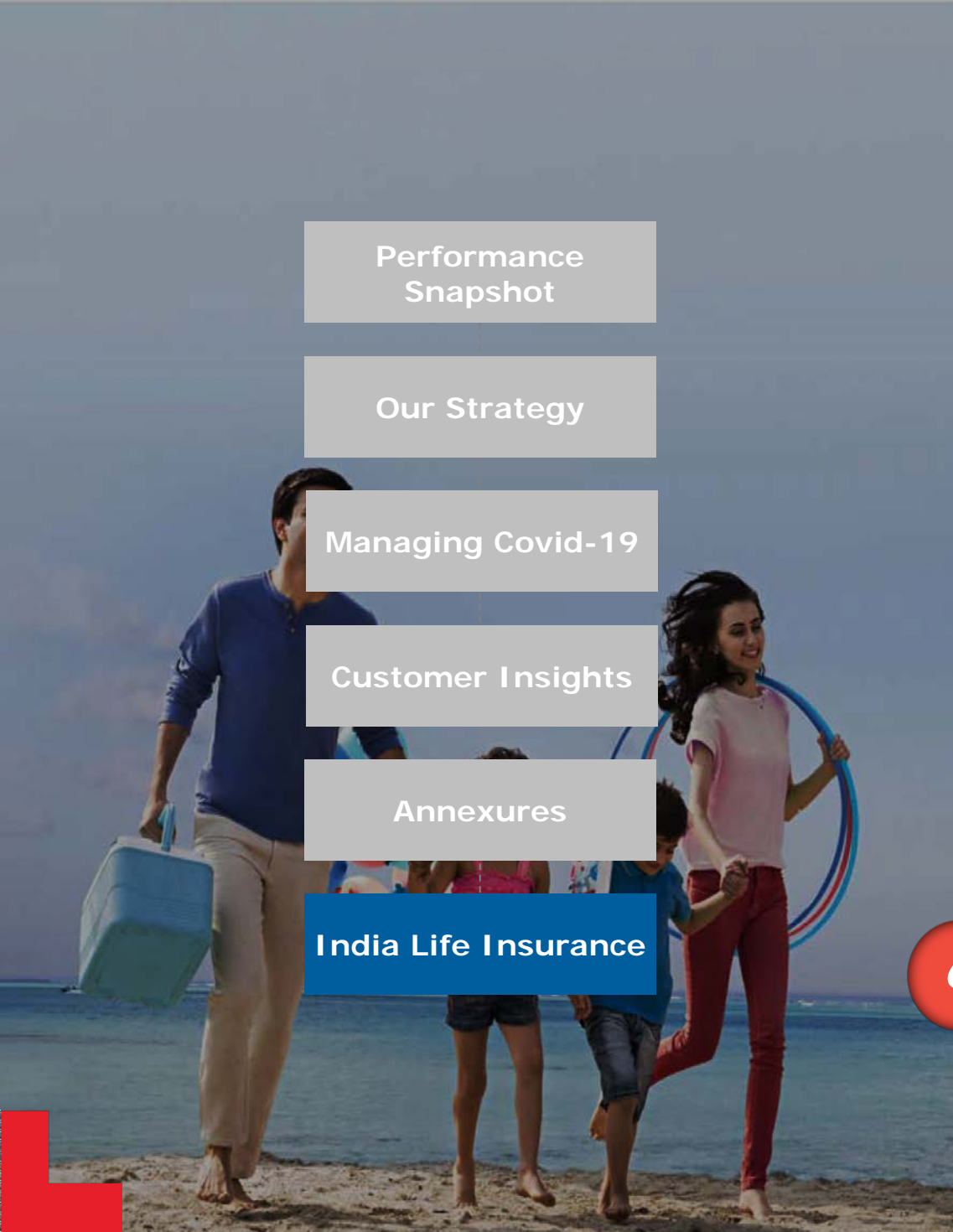
Customer Insights

Annexures

India Life Insurance

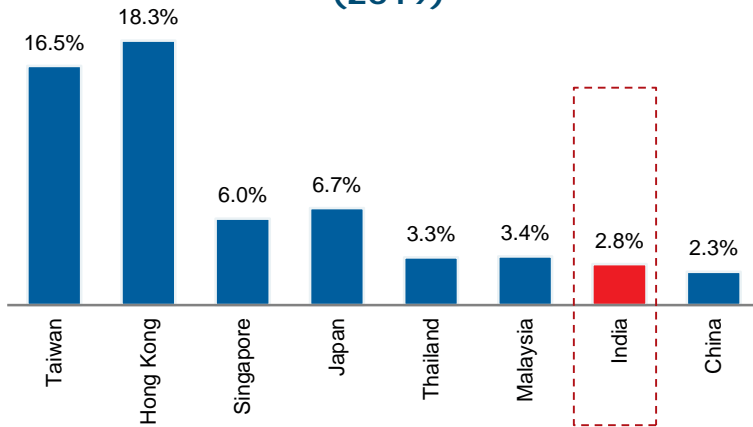
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India Life Insurance

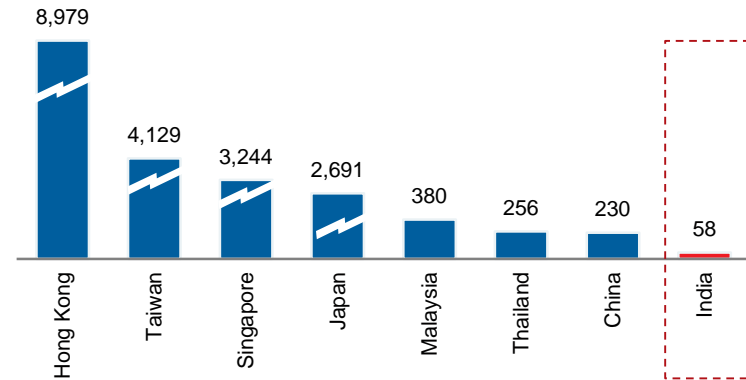


# Growth opportunity: Under-penetration and favorable demographics

**Life Insurance penetration<sup>1</sup> (2019)**

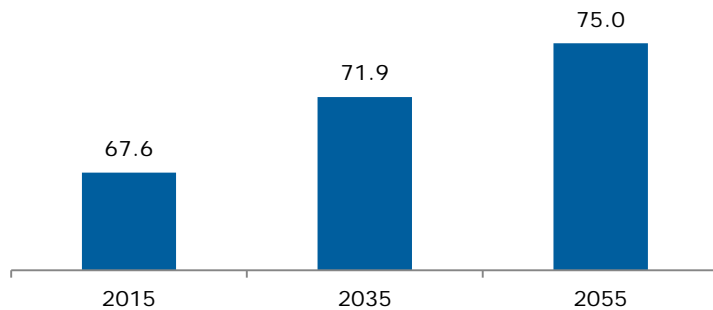


**Life Insurance density US\$<sup>2</sup> (2019)**

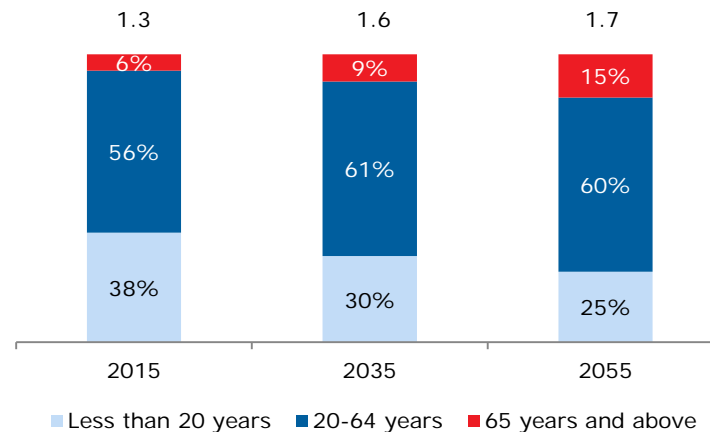


- India remains vastly under-insured, both in terms of penetration and density
- Huge opportunity to penetrate the underserved segments, with evolution of the life insurance distribution model

**Life expectancy (Years)**



**Population composition (Bn.)**



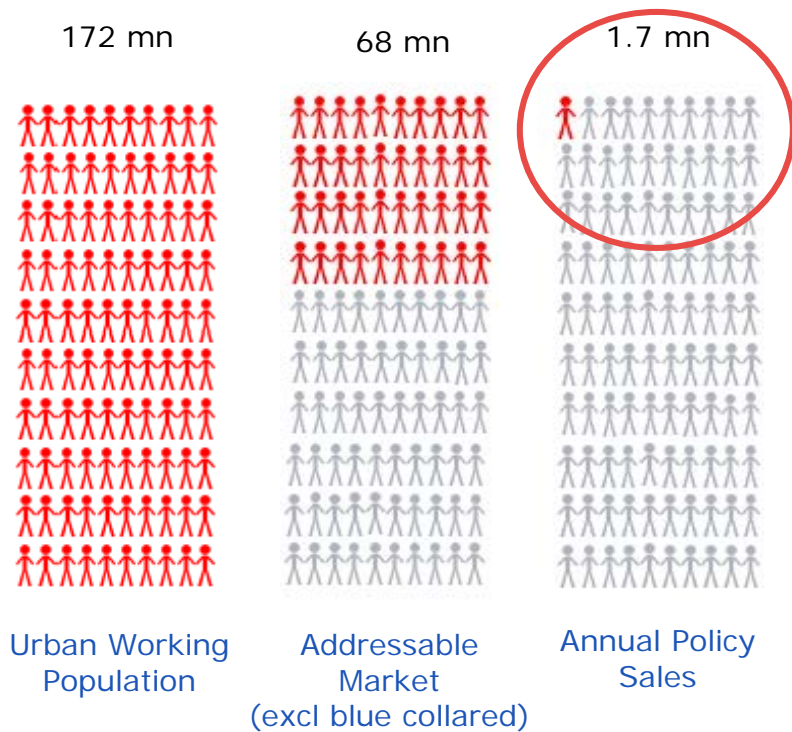
- India's insurable population estimated to be at ~1 bn by 2035
- Emergence of nuclear families and advancement in healthcare facilities lead to increase in life expectancy thus facilitating need for pension and protection based products

1. Penetration as measured by premiums as % of GDP,

2. Density defined as the ratio of premium underwritten in a given year to the total population

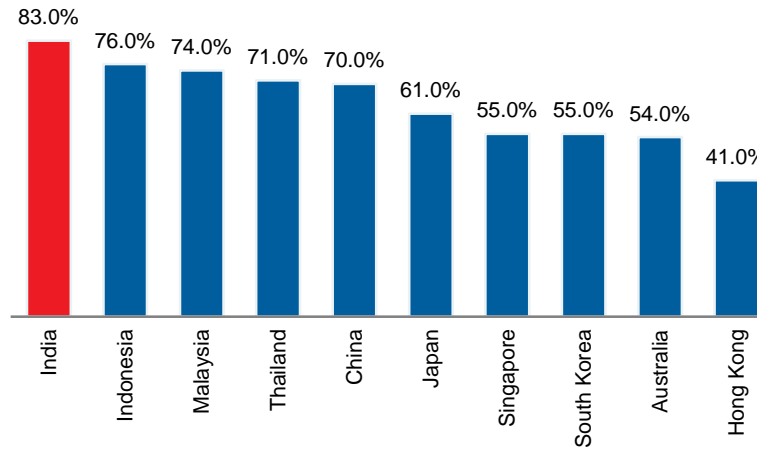
Source: Swiss Re (Based on respective financial year of the countries), MOSPI, United Nations World Populations Prospects Report (2017)

# Low levels of penetration – Life protection



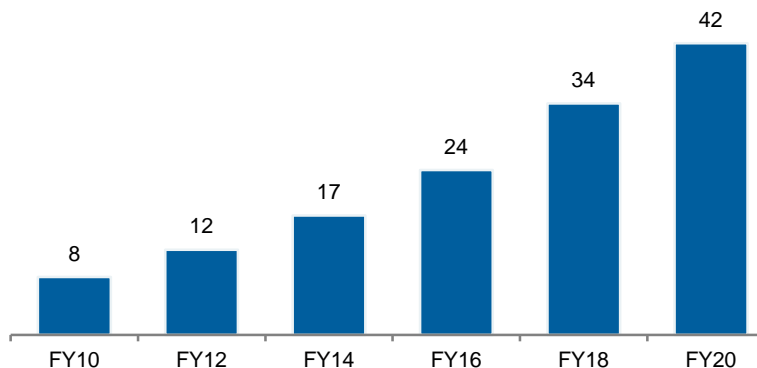
- Only 1 out of 40 people (2.5%) who can afford it, is buying a policy every year 1
- Even within the current set, Sum Assured as a multiple of Income is <1x

## Protection gap <sup>2</sup> (2019)



- India has the highest protection gap in the region, as growth in savings and life insurance coverage has lagged behind economic and wage growth
- Protection gap growth rate is predicted to grow at 4% per annum

## Trend of retail loans <sup>3</sup> (Rs Tn.)



- Retail credit has grown at a CAGR of 18% over last 10 years
- Increasing retail indebtedness to spur need for credit life products
- Immense opportunity given:
  - Increasing adoption of credit
  - Enhancement of attachment rates
  - Improvement in value penetration
  - Widening lines of businesses

1. Goldman Sachs Report, March 2019

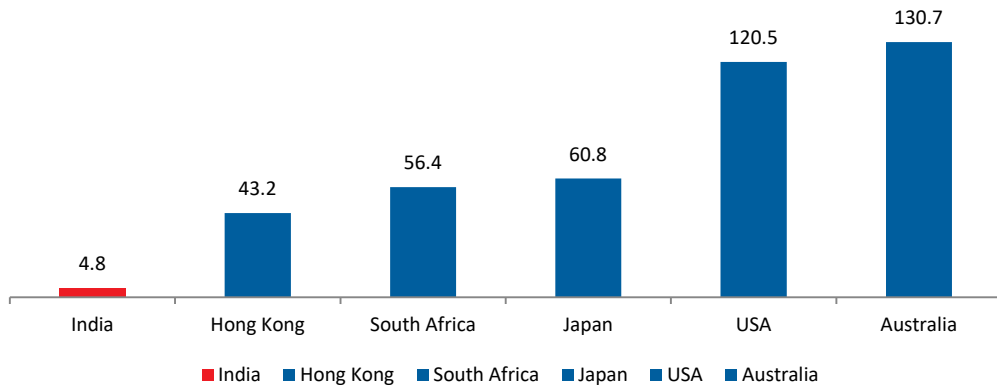
2. Swiss Re (Based on respective financial year of the countries)

3. Kotak institutional equities

# Macro opportunity – Retirement solutions

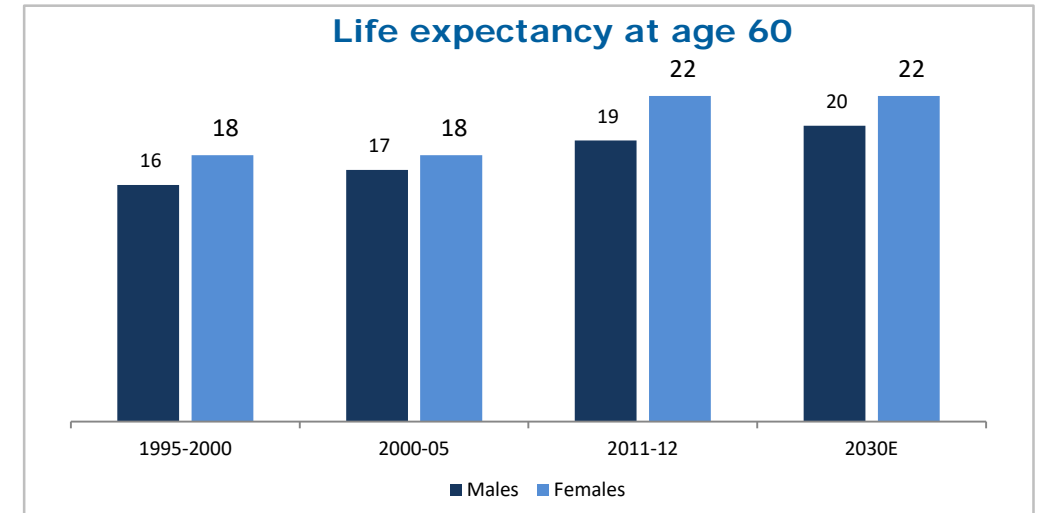
India's pension market is under-penetrated at 4.8% of GDP

**Pension Assets / GDP Ratio**



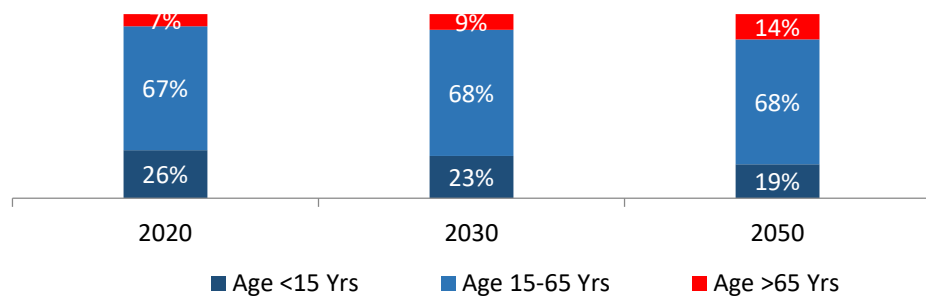
Improvements in life expectancy will lead to an average post retirement period of 20 years

**Life expectancy at age 60**



Elderly population is expected to almost triple by 2050

**Ageing population**



- Average household size has decreased from 4.6 in 2001 to 3.9 in 2018
- Total Pension AUM is expected to grow to Rs 118 Tn by 2030 (about 1/4<sup>th</sup> accounted by NPS)
- Mandatory schemes to increase coverage for both unorganized and organized sectors

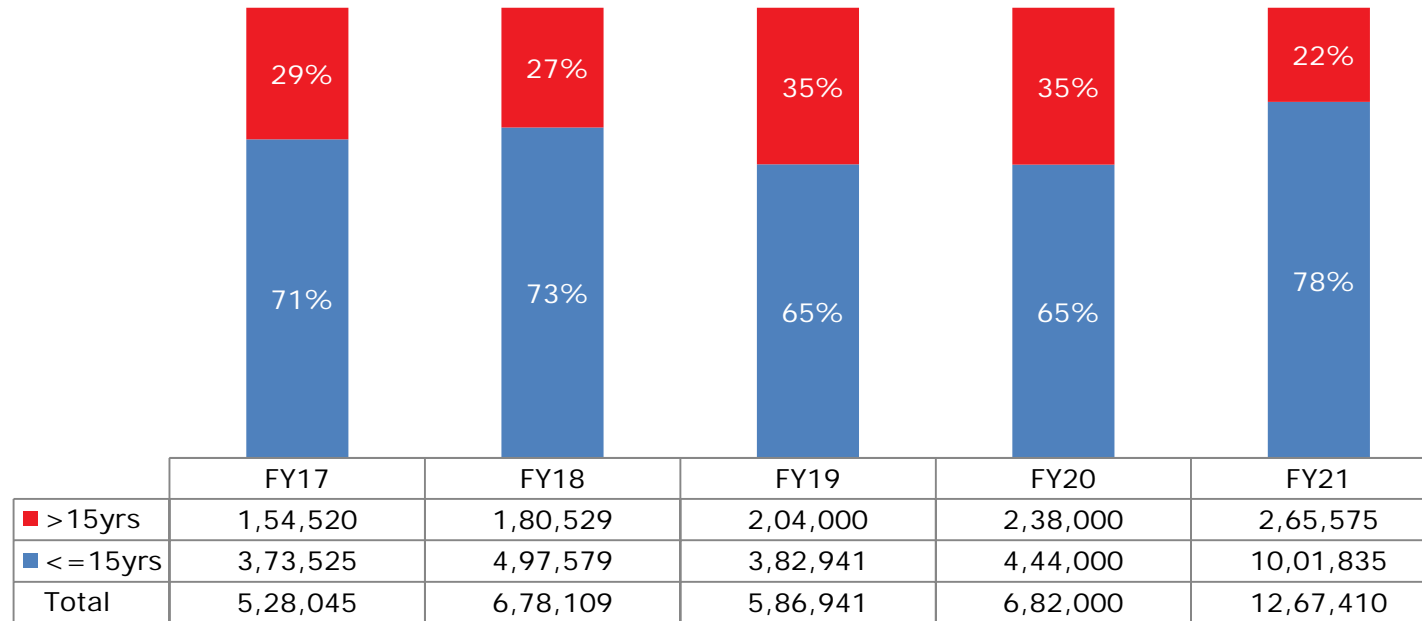




# Government bond auctions

## Government Bonds – Tenorwise Issuance

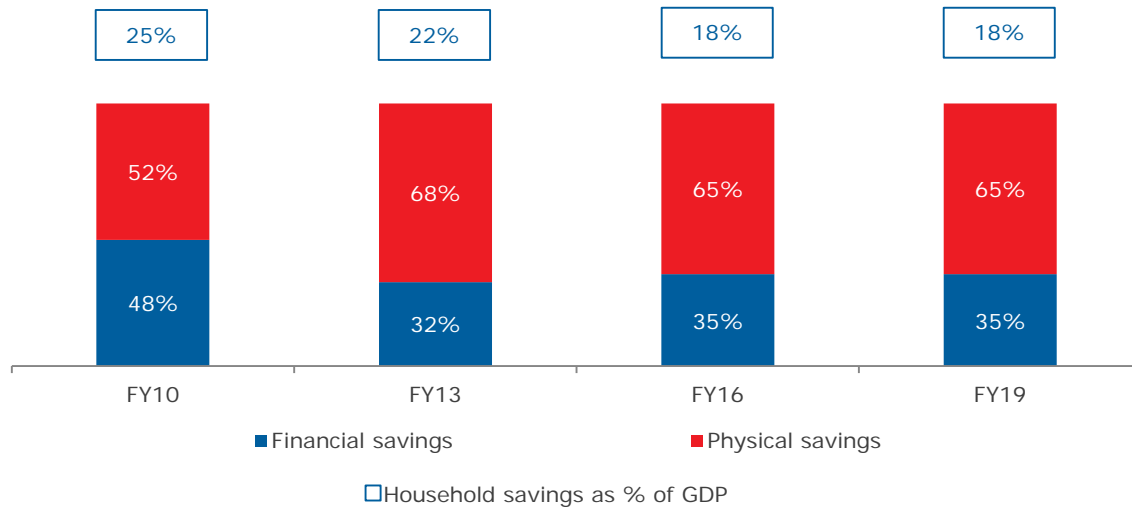
Rs Cr



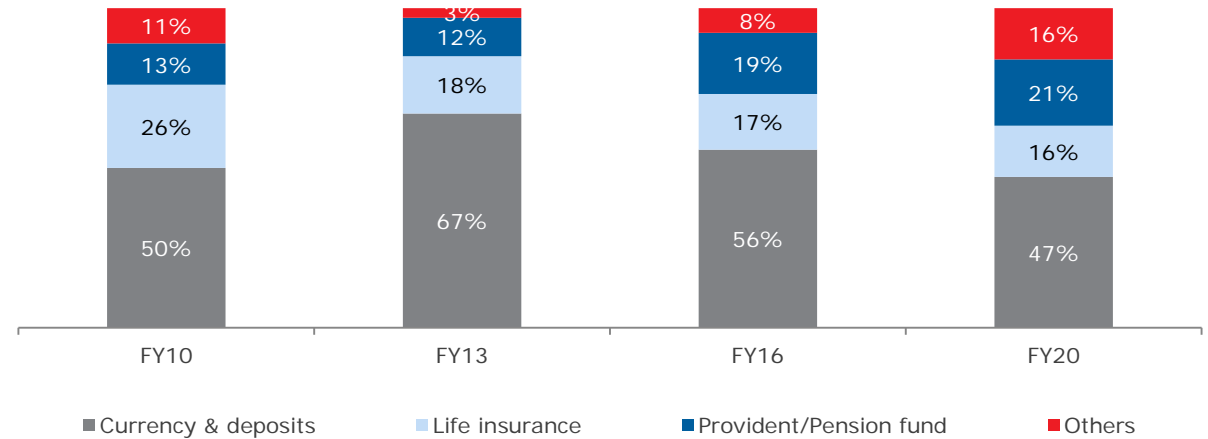
- Auction of >15 year maturity bonds has been ~25-30% on an average facilitates writing annuity business at scale
- Budget estimate plan for government borrowing for FY22 at Rs. 12 trillion on gross basis

# Life Insurance: A preferred savings instrument

## Household savings composition

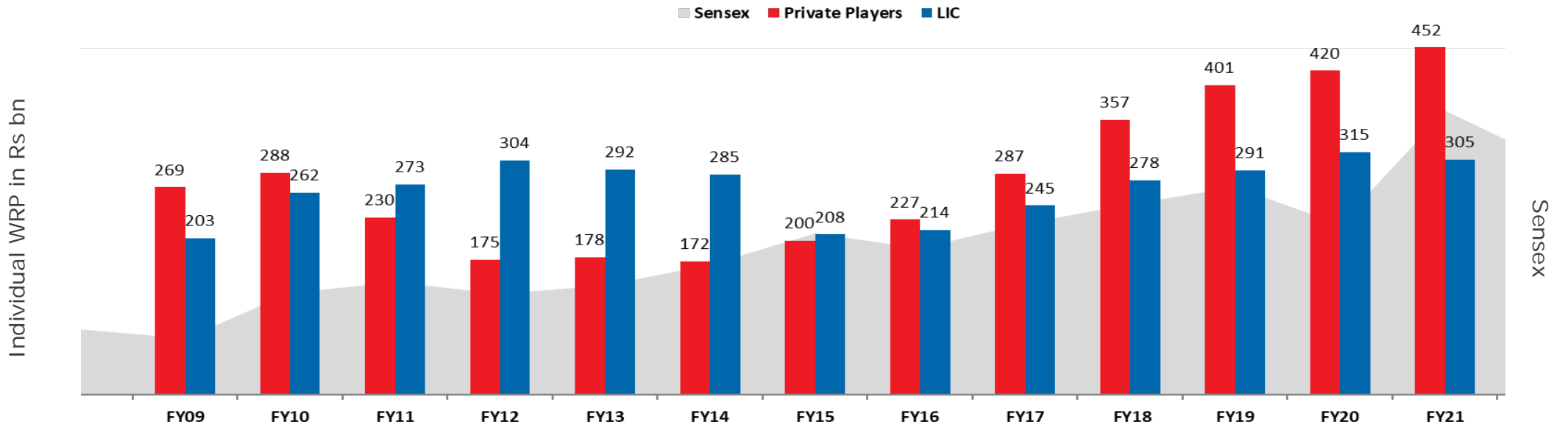


## Financial savings mix



- Increasing preference towards financial savings with increasing financial literacy within the population
- Various government initiatives to promote financial inclusion:
  - Implementation of JAM trinity
  - Launch of affordable PMJJBY and PMSBY social insurance schemes
  - Atal Pension Yojana promoting pension in unorganized sector

# Industry new business<sup>1</sup> trends



## Private players Market share

	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21
Market share	57%	52%	46%	37%	38%	38%	49%	52%	54%	56%	58%	57%	60%
Growth %													
Private	1%	7%	-20%	-24%	2%	-3%	16%	14%	26%	24%	12%	5%	8%
LIC	-22%	29%	4%	11%	-4%	-2%	-27%	3%	15%	13%	5%	8%	-3%
Overall	-10%	17%	-9%	-5%	-2%	-3%	-11%	8%	21%	19%	9%	6%	3%

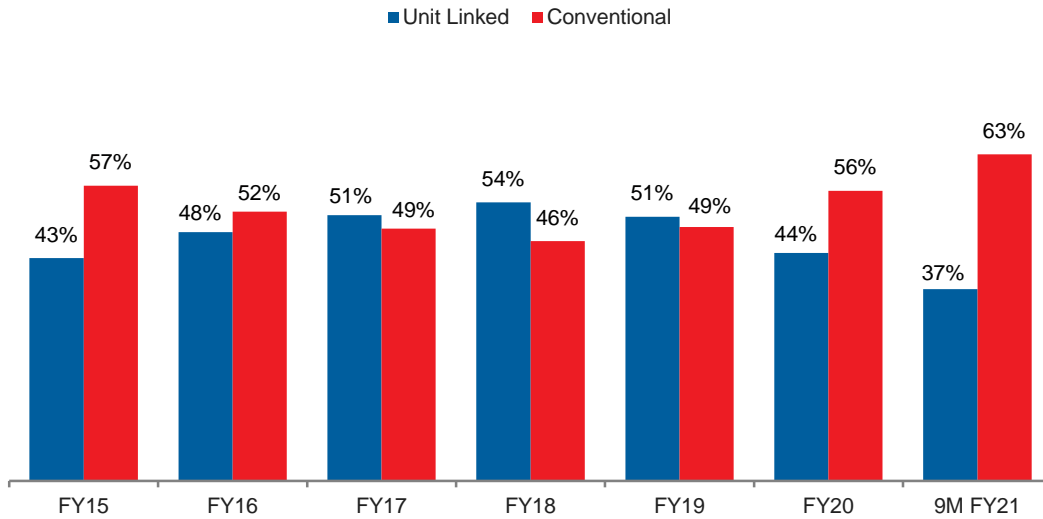
- Private sector gained higher Market share than LIC for the first time in FY16, post FY11 regulatory changes
- Amongst private insurers, insurers with a strong bancassurance platform continue to gain market share

1. Basis Individual Weighted Received Premium (WRP)

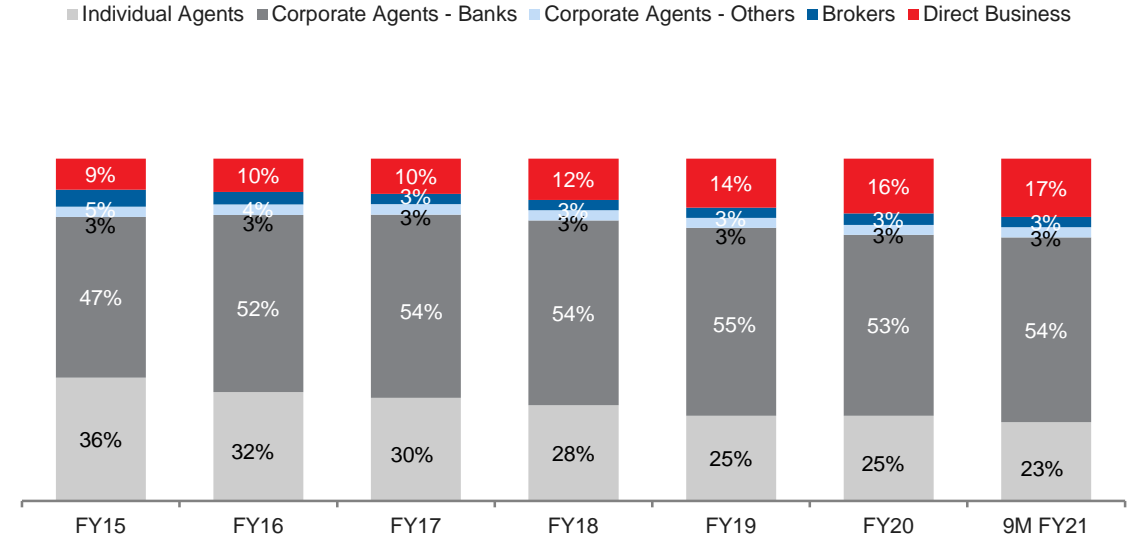
Source: IRDAI and Life Insurance Council

# Private industry: Product and distribution mix

## Product mix <sup>1</sup>



## Distribution mix <sup>2</sup>



- Product mix has recently moved towards conventional business for the private players with high focus on non-par savings, protection
- Banca sourced business continues to dominate the channel mix on the back of increasing reach of banks along with increase in share of direct channel, while share of Agency has been constant in the last few years

1. Basis Overall WRP (Individual and Group);

2. Basis Individual New business premia for all private players

Source: IRDAI and Life Insurance Council

# Appendix

# Financial and operational snapshot (1/2)

	FY21	FY20	YoY Growth	FY19	FY18	CAGR (3 yrs.)	Rs Bn.
<i>New Business Premium (Indl. + Group)</i>	201.1	172.4	17%	149.7	113.5	21%	
<i>Renewal Premium (Indl. + Group)</i>	184.8	154.7	19%	142.1	122.1	15%	
Total Premium	385.8	327.1	18%	291.9	235.6	18%	
Individual APE	71.2	61.4	16%	52.0	48.9	13%	
Overall APE	83.7	74.1	13%	62.6	55.3	15%	
Group Premium (NB)	100.3	87.8	14%	73.3	54.1	23%	
Profit after Tax	13.6	13.0	5%	12.8	11.1	7%	
- Policyholder Surplus	7.3	10.9	-33%	9.0	8.5	-5%	
- Shareholder Surplus	6.3	2.1	201%	3.8	2.6	34%	
Dividend Paid	(1) -	-	NA	4.0	3.3	NA	
Assets Under Management	1,738.4	1,272.3	37%	1,255.5	1,066.0	18%	
Indian Embedded Value	266.2	206.5	29%	183.0	152.2	20%	
Net Worth	(2) 84.3	69.9	21%	56.6	47.2	21%	
NB (Individual and Group segment) lives insured (Mn.)	39.8	61.3	-35%	51.4	33.2	6%	
No. of Individual Policies (NB) sold (In 000s)	982.0	896.3	10%	995.0	1,049.6	-2%	

1. Including dividend distribution tax (DDT); Proposed final dividend of Rs. 2.02 per share approved in Board meeting on 26<sup>th</sup> April 2021, this is subject to shareholders' approval  
 2. Comprises share capital, share premium and accumulated profits/(losses)

# Financial and operational snapshot (2/2)

		FY21	FY20	FY19	FY18
Overall New Business Margins (post overrun)		26.1%	25.9%	24.6%	23.2%
Operating Return on EV	(1)	18.5%	18.1%	20.1%	21.5%
Operating Expenses / Total Premium		12.0%	13.1%	13.1%	13.5%
Total Expenses (OpEx + Commission) / Total Premium		16.4%	17.7%	17.0%	18.0%
Return on Equity	(2)	17.6%	20.5%	24.6%	26.0%
Solvency Ratio		201%	184%	188%	192%
Persistency (13M / 61M)	(3)	90%/53%	88%/54%	84%/51%	83%/50%
Market Share (%)					
- Individual WRP		15.5%	14.2%	12.5%	13.3%
- Group New Business		27.6%	29.0%	28.4%	28.5%
- Total New Business		21.5%	21.5%	20.7%	19.1%
Business Mix (%)					
- Product (UL/Non par savings/Non par protection/Par)	(4)	24/36/7/34	28/45/8/19	55/20/7/18	57/9/5/28
- Indl Distribution (CA/Agency/Broker/Direct)	(4)	61/13/7/19	55/14/9/22	64/13/4/19	71/11/5/14
- Total Distribution (CA/Agency/Broker/Direct/Group)	(5)	25/6/2/17/50	22/7/3/17/51	26/7/2/16/49	33/7/2/10/48
- Share of protection business (Basis Indl APE)		6.8%	7.6%	6.7%	5.1%
- Share of protection business (Basis Overall APE)		12.8%	17.2%	16.7%	11.3%
- Share of protection business (Basis NBP)		19.6%	27.6%	27.0%	25.9%

1. During FY18, there was a one time positive operating assumption change of Rs 1.4 bn based on review by an external actuary as part of the IPO process. Excluding this one time adjustment, Operating return on EV would have been 20.4% for FY18

2. Calculated using net profit and average net worth for the period (Net worth comprises of Share capital, Share premium and Accumulated profits)

3. Persistency ratios (based on original premium)

4. Based on individual APE. UL: Unit Linked, Trad: Traditional, Par: Participating & CA: Corporate Agents. Percentages are rounded off

5. Based on total new business premium including group. Percentages are rounded off



# Revenue and Profit & Loss A/c

## Revenue A/c

	FY21	FY20
Premium earned	385.8	327.1
Reinsurance ceded	(4.6)	(4.8)
Income from Investments	326.8	(33.1)
Other Income	1.6	2.1
Transfer from Shareholders' Account	2.6	1.1
<b>Total Income</b>	<b>712.1</b>	<b>292.2</b>
Commissions	17.1	14.9
Expenses	45.9	42.7
GST on UL charges	3.6	3.5
Provision for taxation	2.7	1.5
Provision for diminution in value of investments	(1.9)	5.7
Benefits paid	217.5	181.4
Change in valuation reserve	408.3	24.4
Bonuses Paid	7.9	8.5
<b>Total Outgoings</b>	<b>701.2</b>	<b>282.5</b>
<b>Surplus</b>	<b>11.0</b>	<b>9.7</b>
Transfer to Shareholders' Account	9.9	11.9
Funds for future appropriation - Par	1.1	(2.2)
<b>Total Appropriations</b>	<b>11.0</b>	<b>9.7</b>

## Profit and Loss A/c

Rs Bn.

	FY21	FY20
<b>Income</b>		
Interest and dividend income	4.4	3.6
Net profit/(loss) on sale	2.1	0.8
Transfer from Policyholders' Account	9.9	11.9
Other Income	-	0.2
<b>Total</b>	<b>16.4</b>	<b>16.5</b>
<b>Outgoings</b>		
Transfer to Policyholders' Account	2.6	1.1
Expenses	0.4	0.3
Interest on Non-convertible debenture	0.3	-
Provision for diminution in value of investments	(0.4)	2.0
Provision for Taxation	(0.1)	0.2
<b>Total</b>	<b>2.8</b>	<b>3.5</b>
<b>Profit for the year</b>	<b>13.6</b>	<b>13.0</b>

1. Numbers may not add up due to rounding off effect



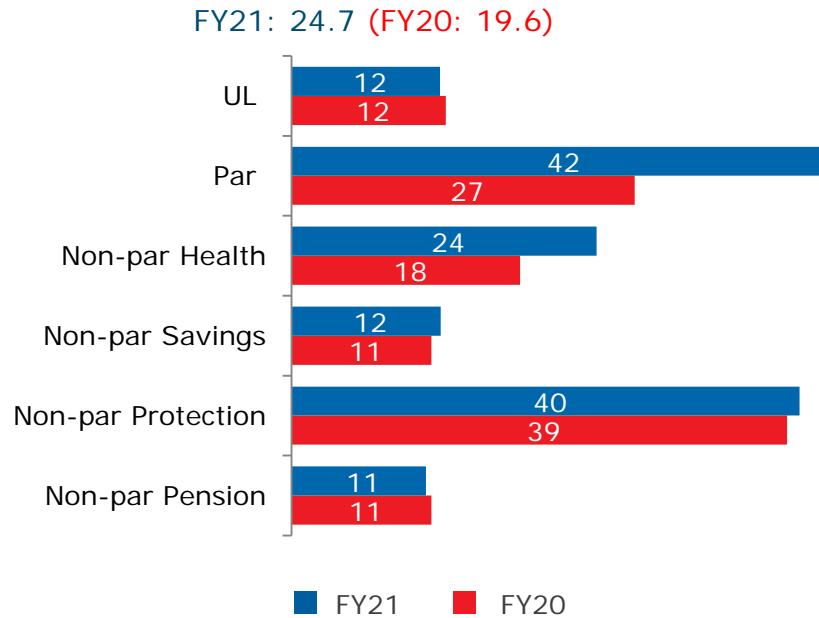
# Balance sheet

	Mar 31, 2021	Mar 31, 2020
<b>Shareholders' funds</b>		
Share capital (including Share premium)	25.0	24.2
Accumulated profits	59.3	45.7
Fair value change	2.1	(1.9)
<b>Sub total</b>	<b>86.4</b>	<b>68.0</b>
<b>Borrowings</b>	<b>6.0</b>	<b>-</b>
<b>Policyholders' funds</b>		
Fair value change	25.6	0.5
Policy Liabilities	855.2	652.7
Provision for Linked Liabilities	709.6	508.4
Funds for discontinued policies	38.0	33.4
<b>Sub total</b>	<b>1628.4</b>	<b>1,195.0</b>
Funds for future appropriation (Par)	9.9	8.8
<b>Total Source of funds</b>	<b>1,730.7</b>	<b>1,271.9</b>
Shareholders' investment	85.4	58.6
Policyholders' investments: Non-linked	905.4	671.9
Policyholders' investments: Linked	747.6	541.8
Loans	4.2	3.0
Fixed assets	3.4	3.3
Net current assets	(15.4)	(6.7)
<b>Total Application of funds</b>	<b>1,730.7</b>	<b>1,271.9</b>

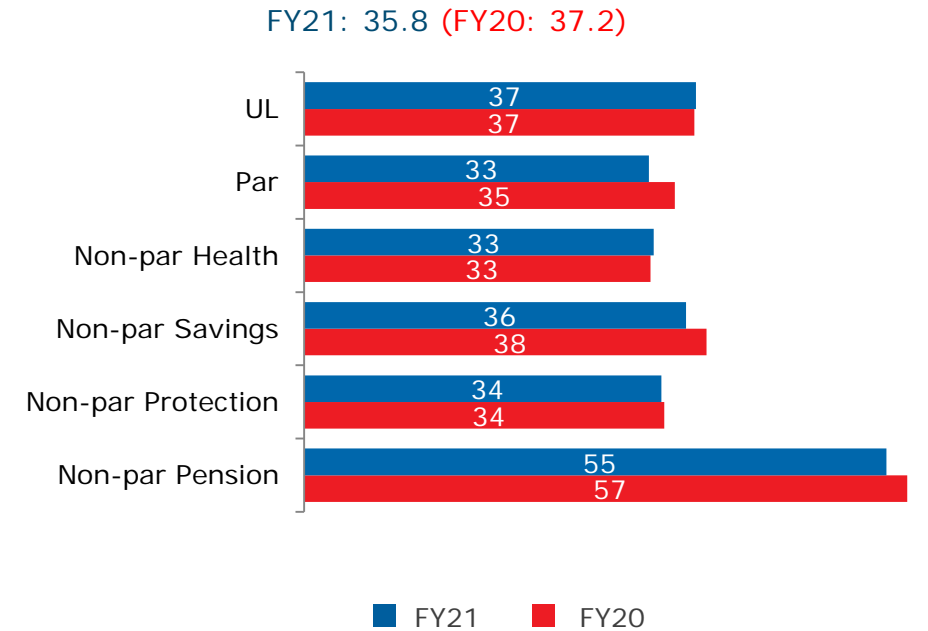
Rs Bn.

# Segment wise average term and age<sup>1</sup>

## Average Policy Term excluding annuity (Yrs)



## Average Customer Age excluding annuity (Yrs)



- Focus on long term insurance solutions, reflected in longer policy tenure
- Extensive product solutions catering customer needs across life cycles from young age to relatively older population

# Summary of Milliman report on our ALM approach

Scope of review	Portfolios reviewed
<ul style="list-style-type: none"> <li>Assess appropriateness of ALM strategy to manage interest rate risk in non-par savings business</li> <li>Review sensitivity of value of assets and liabilities to changes in assumptions</li> </ul>	<ul style="list-style-type: none"> <li>Portfolio 1: Savings and Protection – All non-single premium non-par savings contracts and group protection products</li> <li>Portfolio 2: All immediate and deferred annuities</li> </ul>

Description	Stress scenarios tested	Net asset liability position
Interest rate scenarios	Parallel shifts/ shape changes in yield curve within +/- 150 bps of March 31 <sup>st</sup> 2020 Gsec yield curve	Changes by < 4.5%
Interest rate + Demographic scenarios	Interest rate variation + changes in future persistency/ mortality experience	Changes by < 7%
100% persistency and low interest rates	100% persistency with interest rates falling to 4% p.a. for next 5 years, 2% p.a for years 6 -10 and 0% thereafter	Still remains positive

## Opinion and conclusion

**ALM strategy adopted for Portfolios 1 and 2 is appropriate to:**

- meet policyholder liability cash flows
- protect net asset-liability position thereby limiting impact on shareholder value



# Indian Embedded value: Methodology and Approach (1/2)

## Overview

**Indian Embedded Value (IEV)** consists of:

- **Adjusted Net Worth (ANW)**, consisting of:
  - Free surplus (FS);
  - Required capital (RC); and
- **Value of in-force covered business (VIF)**: Present value of the shareholders' interest in the earnings distributable from assets allocated to the covered business, after making sufficient allowance for the aggregate risks in the covered business.

## Components of Adjusted Net Worth (ANW)

- **Free surplus (FS)**: FS is the Market value of any assets allocated to, but not required to support, the in-force covered business as at the valuation date. The FS has been determined as the adjusted net worth of the Company (being the net shareholders' funds adjusted to revalue assets to Market value), less the RC as defined below.
- **Required capital (RC)**: RC is the amount of assets attributed to the covered business over and above that required to back liabilities for the covered business. The distribution of this to shareholders is restricted. RC is set equal to the internal target level of capital equal to 170% of the factor-based regulatory solvency requirements, less the funds for future appropriations ("FFA") in the participating funds.

# Indian Embedded value: Methodology and Approach (2/2)

## Components of Value in-force covered business (VIF)

- **Present value of future profits (PVFP):** PVFP is the present value of projected distributable profits to shareholders arising from the in-force covered business determined by projecting the shareholder cash flows from the in-force covered business and the assets backing the associated liabilities.
- **Time Value of Financial Options and Guarantees (TVFOG):** TVFOG reflects the value of the additional cost to shareholders that may arise from the embedded financial options and guarantees attaching to the covered business in the event of future adverse market movements. Intrinsic value of such options and guarantees is reflected in PVFP.
- **Frictional costs of required capital (FC):** FC represents the investment management expenses and taxation costs associated with holding the RC. VIF includes an allowance for FC of holding RC for the covered business. VIF also includes an allowance for FC in respect of the encumbered capital in the Company's holdings in its subsidiaries.
- **Cost of residual non-hedgeable risks (CRNHR):** CRNHR is an allowance for risks to shareholder value to the extent that these are not already allowed for in the TVFOG or the PVFP. In particular, the CRNHR makes allowance for:
  - asymmetries in the impact of the risks on shareholder value; and
  - risks that are not allowed for in the TVFOG or the PVFP.

CRNHR has been determined using a cost of capital approach. CRNHR is the present value of the cost of capital charge levied on the projected capital in respect of the material risks identified.

# Embedded Value: Economic assumptions<sup>1</sup>

Years	Forward rates %		Spot rates %	
	As at Mar 31, 2021	As at Mar 31, 2020	As at Mar 31, 2021	As at Mar 31, 2020
1	3.95	4.69	3.87	4.58
2	5.31	5.69	4.52	5.06
3	6.27	6.52	5.04	5.48
4	6.95	7.04	5.46	5.81
5	7.42	7.29	5.80	6.06
10	7.97	7.18	6.71	6.55
15	7.52	7.03	6.95	6.64
20	7.06	7.00	6.96	6.67
25	6.76	7.00	6.90	6.69
30	6.59	7.00	6.82	6.70

# Glossary (Part 1)

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- **APE (Annualized Premium Equivalent)** - The sum of annualized first year regular premiums and 10% weighted single premiums and single premium top-ups
- **Backbook surplus** – Surplus accumulated from historical business written
- **Conservation ratio** - Ratio of current year renewal premiums to previous year's renewal premium and first year premium
- **Embedded Value Operating Profit (“EVOP”)** – Measure of the increase in the EV during any given period, excluding the impact on EV due to external factors like changes in economic variables and shareholder-related actions like capital injection or dividend pay-outs.
- **First year premiums** - Regular premiums received during the year for all modes of payments chosen by the customer which are still in the first year. For example, for a monthly mode policy sold in March 2021, the first instalment would fall into first year premiums for 2020-21 and the remaining 11 instalments in the first year would be first year premiums in 2021-22
- **New business received premium** - The sum of first year premium and single premium.
- **New business strain** – Strain on the business created due to revenues received in the first policy year not being able to cover for expenses incurred

## Glossary (Part 2)

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- **Operating expense** - It includes all expenses that are incurred for the purposes of sourcing new business and expenses incurred for policy servicing (which are known as maintenance costs) including shareholders' expenses. It does not include commission.
- **Operating expense ratio** - Ratio of operating expense (including shareholders' expenses) to total premium
- **Proprietary channels** – Proprietary channels include agency and direct
- **Protection Share** - Share of protection includes annuity and health
- **Persistency** – The proportion of business retained from the business underwritten. The ratio is measured in terms of number of policies and premiums underwritten.
- **Renewal premiums** - Regular recurring premiums received after the first year
- **Solvency ratio** - Ratio of available solvency Margin to required solvency Margins
- **Total premiums** - Total received premiums during the year including first year, single and renewal premiums for individual and group business
- **Weighted received premium (WRP)** - The sum of first year premium and 10% weighted single premiums and single premium top-ups



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