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HDFC Standard Life posts strong growth

Premium Income grows by 177%

HDFC Standard Life has recorded an impressive growth of 177% in the first half of the current financial year with new business first year premium of Rs. 352 Cr as against Rs. 127 Cr recorded in the same period last year. The growth achieved by the company was way above the private sector industry growth of 82% for the first half. In terms of effective premium income (EPI), which gives a 10% value to a Single Premium policy and is an internationally accepted indicator of an insurance company's performance, HDFC Standard Life's premium income grew by over 206% from Rs. 93 Cr. to Rs. 285 Cr.

Commenting on the consistently strong performance of the company, Mr. Deepak Satwalekar, MD and CEO, HDFC Standard Life said, "Our efforts to provide high quality insurance solutions to customers through quality pre-sale advice and post sale service have started to pay off. Customers are appreciating the company's principled approach to do business. We are confident of continuing with our growth in the second half as well."

HDFC Standard Life has achieved a balanced growth in its business, which will help the company achieve a strong long-term performance. The growth in new business premium has been a result of strong growth in policies sold as well as an increase in the Average Premium. For the individual business, volume, measured by the number of policies sold, witnessed a 86% growth from 68,000 in first half of FY 05 to 1,26,600 in first half FY 06. Average effective premium on the other hand more than doubled to over Rs. 25,000.

Contribution to the individual business premium income by the different channels of distribution also changed significantly compared to the first half last year. The Corporate Agency and Bancassurance channel has grown tremendously and currently accounts for over 40% of the company's business. Speaking on this, Mr. Satwalekar said, "Life insurance business is a long term business and needs strong partnerships which have been built over time. HDFC Standard Life has strengthened its existing relationships and the results are something we are proud of."

Given the strong performance of the unit linked funds and the low charging structure designed to improve long term returns to corporate customers, HDFC Standard Life's Group Retirement Solutions have been very well received by companies.

HDFC Standard Life added 56 new offices, enhancing its national footprint and taking the number of offices to 160 by the end of the first half. Ongoing training for conventional products and specialized training for unit linked products for around 28,000 financial consultants representing HDFC Standard life has also helped its customers choose the products best suited for their need for protection, savings, investments and pensions. HDFC Standard Life is the only company requiring its sales force to undergo specific training in ULIPs before they are permitted to sell ULIPs. IRDA is now proposing this as a requirement for all companies. This is

one more step that HDFC Standard Life has taken to protect the interests of the policyholders. HDFC Standard life had 21,600 financial consultants in the same period last year.