

HDFC Standard Life Declares Results for FY2008-09; Total Premium Income grows by 15%; Renewal Premium Income increases by 34%

May 5, 2009, Mumbai: HDFC Standard Life, one of India's leading private life insurance companies, declared its annual results for the financial year ending March 31, 2009. The company generated Total Premium Income of Rs. 5564.69 crores in FY2008-09 registering a year-on-year growth of 15%. The growth was primarily driven by the company's structured sales processes based on customer needs and their assessments, wide range of product portfolio and diverse distribution network.

Mr. Paresh Parasnis, Principal Officer and Executive Director, said, "The financial year 2008-09 was a defining year with the unfolding of several unexpected events - sharp correction in financial markets and a spread of recessionary trends. These events also had an impact on the Indian life insurance industry. We are happy that our new policies issued grew by 16% over the last year. However, given the uncertainty in the overall scenario, customers have reduced their annual premium commitment on new policies. At the same time, existing policies continued to be in force reflected in our renewal premium, which posted a healthy growth of 34%."

In line with overall market conditions, growth in Effective Premium Income (EPI) in respect of retail business increased by 5%, growing from Rs. 2,425 crores in 2007-08 to Rs. 2,552 crores in 2008-09. HDFC Standard Life tracks its New Business Premium on the basis of Effective Premium Income (EPI). EPI is calculated by giving only a 10% value to a Single Premium policy and is an internationally accepted indicator of an insurance company's performance.

HDFC Standard Life maintained its healthy pipeline of products last year by launching 11 products apart from slashing the premium rates of its Term Assurance Plan premium rates by about 25% across different age bands. "Our entry into the health insurance market last year with the launch of two products – SurgiCare and Critical Care was a significant move in line with our business objective. The low penetration of health insurance in India gives us a tremendous opportunity to provide quality health insurance. Our health products along our complete range of life insurance and pensions portfolio meet almost every aspect of an individual's requirements," Mr. Parasnis added.

Highlights of Financial Year 2008-09

- Total Premium Income is up by 15% at Rs. 5564.69 crores as against Rs. 4858.56 crores in FY2007-08.
- Renewal premium collected increased to Rs. 2913.58 crores from Rs. 2173.19 crores in the previous year, registering a growth of 34%.
- Effective Premium Income (EPI) in respect of retail business increased by 5%, growing from Rs 2,425 crores in 2007-08 to 2,552 crores in 2008-09.
- Alternate Channels, including bancassurance, contributed about 47% to the Effective Premium Income (EPI).
- A well balanced product portfolio with pension comprising over 40% children plans around 25% and the remaining constituting protection and savings plans,
- Total assets under management increased to Rs. 10,595 crores, registering a growth of 21% over FY2007-08.
- Assets under management for the Group business have increased to Rs. 1075 crores, registering a growth of 12% over FY2007-08.

- Company products and services are now available through a network of 595 offices serving over 700 cities and towns across the country. This is further complemented by corporate agency relationships with public, private and cooperative banks.
- Strength of Financial Consultants reported year-on-year growth of 43% to over 2,07,000 in FY2008-09 compared to 1,45,000 last financial year.
- The sum assured in-force for 2008-09 was Rs. 57,158 crores as compared to Rs. 45,743 crores for the previous year.

Towards improving the quality of training imparted, the company started an in-house training facility to cater to the mandatory training required to be given as well as for other sales training requirements. The company has received accreditation from the Insurance Regulatory and Development Authority (IRDA) for 149 training centers housed in its branches. During the year, HDFC Standard Life also launched a three-month insurance and management programme in collaboration with Manipal Education to select, train, and groom talent from across the country and ensure a ready pool of insurance-trained sales professionals for the company.

HDFC Standard Life has revamped its corporate website (www.hdfcinsurance.com) in line with its communication philosophy. The new improved, interactive, and user-friendly website is in sync with its need-based communication strategy of helping individuals through their decision of selecting the right life insurance plans that fit their needs.

To meet the demands arising from the company's rapid growth, the promoters contributed an additional Rs. 525 crores of equity to take the paid-up share capital as on March 2009 to Rs. 1796 crores.

About HDFC Standard Life: HDFC Standard Life, one of India's leading private life insurance companies, offers a range of individual and group insurance solutions. It is a joint venture between Housing Development Finance Corporation Limited (HDFC), India's leading housing finance institution and Standard Life plc, the leading provider of financial services in the United Kingdom.

HDFC Standard Life's Product portfolio comprises solutions, which meet various customer needs such as Protection, Pension, Savings, Investment, and Health. Customers have the added advantage of customizing the Plans, by adding optional benefits called riders, at a nominal price. The company currently has 25 retail and 6 group products in its portfolio, along with five optional rider benefits catering to the savings, investment, protection and retirement needs of customers.

HDFC Standard Life continues to have one of the widest reaches among new insurance companies through a network of 595 offices serving over 700 cities and towns across the country. The company has also increased its depth in existing markets with a strong base of more than 2,07,000 Financial Consultants.