

# New biz premium falls in Feb

**A STAFF REPORTER**

**Calcutta:** The life insurance industry saw a 13.5 per cent decline in new business premium in February over January with the largest player LIC dragging down the growth for the month.

The total new business premium for life insurers in February was Rs 22,847.65 crore, down from Rs 26,423.65 crore in January and Rs 27,464.76 crore in February 2022. New business premium for LIC was Rs 11,879.49 crore in February down from Rs 15,301.67 crore in January and Rs 17,489.34 crore a year ago, according to provisional data from the Life Insurance Council.

The 23 private life insurers earned a combined new business premium of Rs 10,968.16 crore in February, margin-



## LIFE INSURANCE STATS

ally down from Rs 11,121.98 crore in January, but up from Rs 9,975.42 crore in February 2022.

A category wise breakup of new business premium in February shows that there has been a year-on-year decline in individual single and non-single premium as well as group single premium, while group non single premium has seen a growth.

According to industry sources, a combination of fac-

tors could have affected the growth of new business premium in February.

Besides industry seasonality and a correction in prices for some products such as annuity, there is a wait and watch approach among prospective policy buyers following the budget proposal where new taxpayers are being encouraged to consider the tax regime without 80C exemptions.

The budget had proposed no tax liability for income up to Rs 7 lakh after rebate in the new tax regime.

"We cannot discount the fact that the number of policies sold in February 2023 (22,85,529) is less than that of February 2022 (26,99,219) as well as January 2023 (25,39,166). It remains to be seen whether the trend persists in March," an industry source said.

The Union budget has also proposed income tax at marginal rates on non ULIP life insurance products with annual premium more than Rs 5 lakh which analysts say materially reduces the return attractiveness of such products which were earlier tax free.

While the industry has sought more clarity on the announcement which comes into effect from April, the material impact of the proposal, if any, would be more clear once the March numbers are available.

"If we get a feeling from the ground that people are not getting the return that they are expecting or the features they are expecting, then we will see whether within regulations we can do something," said SBI Life Insurance MD and CEO Mahesh Kumar Sharma.