

**RESEARCH****[SECTOR REPORT] INSURANCE**

Resilient and rising: Reforms spur growth

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**SUMMARY****[SECTOR REPORT] INSURANCE**

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- GST rationalisation, 100% foreign ownership and other initiatives to boost growth
- We initiate coverage on CANHLIFE with a BUY. Maintain BUY on HDFC Life, ICICI Pru Life, SBI Life and LIC

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**INSURANCE**

27 March 2026

**Resilient and rising: Reforms spur growth**

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**Strong growth momentum ahead:** India’s life insurance industry (premium) is expected to grow at a CAGR of 6.8% over 2025-30. Within this, private life insurers were initially expected to deliver ~12% growth in FY26 vs ~9% in FY25. However, stronger-than-anticipated momentum is evident, with YTD APE growth at ~13%, indicating that private players are likely to outperform the earlier growth forecasts.

**Stronger footing on policy support and awareness:** The industry appears to be on a stronger footing marked by greater maturity, sharper strategic focus, and stronger structural depth. Policy support, regulatory clarity, and evolving consumer preferences are repositioning life insurance as a core pillar of household financial resilience rather than a discretionary savings product.

**GST cuts and FDI boost growth:** GST rationalisation has supported disposable incomes, while the move to allow 100% foreign ownership signals a clear policy intent to deepen insurance penetration and attract global capital.

**Way forward:** Heading into FY27, growth drivers are becoming more balanced and sustainable, with rising protection demand supported by the awareness of financial vulnerabilities and improving affordability. Large rural and semi-urban segments remain underinsured, while annuity and retirement solutions gain traction as households plan earlier, signaling sustained acceleration and structural transformation in the life insurance sector. **We initiate coverage on Canara HSBC Life (CANHLIFE) with a BUY and maintain BUY on HDFC Life, ICICI Pru Life, SBI Life and LICI.**

**BUY:** CANHLIFE has consistently outperformed the industry, with an APE CAGR of 18.7% vs industry growth of 10.6% over FY17-FY25 and is expected to maintain industry-leading APE CAGR of 19% over FY25-28E. Over 90% of its individual WPI business comes from bancassurance (a key growth driver), while a gradual shift toward higher-margin products is likely to support VNB margin expansion. We initiate BUY on CANHLIFE with TP of Rs 185, implying 1.8x FY28E P/EV.

**Recommendation snapshot**

Ticker	Price	Target	Rating
CANHLIFE IN	141	185	BUY
HDFCLIFE IN	613	907	BUY
IPRU IN	541	800	BUY
LICI IN	781	1,102	BUY
SBILIFE IN	1,852	2,503	BUY

Price & Target in Rupees | Price as of 25 Mar 2026



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**BUY** – Expected return >+15%

**HOLD** – Expected return from -6% to +15%

**SELL** – Expected return <-6%

**Note:** Recommendation structure changed with effect from 21 June 2021

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