

Insurance

April 07, 2026

Coverage Universe

Name of the Company	Rating	CMP (INR)	TP (INR)
HDFC Life Insurance Company	BUY	582	820
ICICI Prudential Life Insurance Company	Buy	517	685
Max Financial Services	Buy	1,491	2,040
SBI Life Insurance Company	Accumulate	1,841	2,100

Steady growth; margin headwinds easing

Quick Pointers

- Growth momentum sustains driven by protection; ULIP resilient
- VNB margin improves as drag from loss of ITC eases
- FY27 outlook will be a key monitorable

Private life insurers reported healthy growth in Jan/ Feb-26 volumes (+14% YoY) driven by a surge in demand from GST exemption. We expect the momentum to continue in Q4; weakness in NPAR volume continues to be a challenge for some players (HDFC Life/ SBI Life). Expect 4QFY26E VNB margin to improve across players with the impact of GST exemption fading. Valuations continue to remain undemanding. Reiterate BUY on Max FS (TP of INR 2,040 at 2.2x FY27E P/EV) as our top pick. Key monitorable from 4QFY26E results are: (1) Growth guidance for FY27E (2) Margin recovery trajectory.

Private life insurers have seen healthy growth in Jan and Feb-26 (+14% YoY) aided by sustained tailwinds from GST exemption. We expect robust growth in retail protection to aid volumes in Q4; however high competitive intensity in NPAR continues to be a challenge. On the margin front, expect a recovery across players with the impact of non-availability of ITC credit post GST exemption fading.

- **HDFC Life** has seen flattish growth in Jan/ Feb-26 and we expect Mar-26 to be similar, implying APE growth of ~2% YoY in Q4. Tight liquidity due to the Gulf War, weak banca volumes and high competitive intensity in NPAR is likely to weigh on growth. Despite sustained growth in retail protection, Q4 is likely to see an unfavorable product mix (high share of ULIP/savings), resulting in lower margin. The company has indicated a gross impact of ~100 bps on FY26 VNB margin due to loss of ITC; we build 23.9%/ 24.2% in Q4/FY26E.
- **IPRU Life** has seen a de-growth (-1% YoY YTD) impacted by a slowdown in ULIP; we expect 3% YoY growth in Q4, factoring in a benign base, pick-up in credit life and sustained demand in retail protection/ NPAR. Higher sum assured/ rider attachment and longer tenure products are likely to offset the drag on profitability from non-availability of ITC credit. We factor in the same with a VNB margin of 24.0% for Q4 driven by better product mix and cost optimization.
- **SBI Life** has seen recovery in Q3, with sustained momentum in Jan/ Feb-26 volumes (+15% YoY on a YTD basis). We build a growth of 4% YoY in Q4 (factoring in a high base) led by strong growth in retail protection, PAR and ULIP. Company has guided for 13-14% APE growth for FY26; we build a similar trajectory. We build in 28.4%/ 27.5% VNB margin for Q4/ FY26E with an increase in the share of pure protection compensating for the drag of GST exemption.
- **Axis Max Life** has outperformed peers with APE growth of 22% YoY on a YTD basis. We expect the outperformance to continue (+12% YoY in Q4) with strong growth in retail protection volume and traction in new launches- Smart VIBE (NPAR), Smart ULIP. 9MFY26 VNB margin stood at 23.6%, and the company has reiterated a guidance of 24-25%; we build 25.9%/ 24.4% for Q4/ FY26E.

Exhibit 1 : Q4FY26E Result Preview (INR mn)

Companies		Q4FY26	Q4FY25	YoY gr. (%)	Q3FY26	QoQ gr. (%)	Remarks
HDFC Life Insurance Company	APE	52,741	51,870	1.7	39,740	32.7	Expect APE growth of ~2% YoY in Q4 due to tight liquidity, weak banca volumes and high competition in NPAR segment
	VNB	12,590	13,758	-8.5	9,550	31.8	
	VNB Margin (%)	23.9	26.5	-265 bps	24.0	-16 bps	VNB margin to be at 23.9% in Q4 due to an unfavorable product mix
ICICI Prudential Life Insurance Company	APE	36,137	35,020	3.2	25,240	43.2	Expect APE growth of 3% YoY in Q4 with pick-up in credit life and demand in retail protection/ NPAR
	VNB	8,690	7,950	9.3	6,150	41.3	
	VNB Margin (%)	24.0	22.7	134 bps	24.4	-32 bps	VNB margin to be at 24% for Q4 driven by better product mix and cost optimization
Max Financial Services	APE	34,148	30,390	12.4	27,330	24.9	Expect 12% YoY growth in APE due to strong growth in retail protection volume and traction in new launches
	VNB	8,858	8,520	4.0	6,590	34.4	
	VNB Margin (%)	25.9	28.0	-210 bps	24.1	183 bps	VNB margin to be at 25.9% factoring the easing of impact of ITC loss
SBI Life Insurance Company	APE	56,534	54,400	3.9	86,100	-34.3	Expect an APE growth of 4% YoY factoring high base of last year, led by strong growth in retail protection, PAR and ULIP
	VNB	16,077	16,600	-3.2	22,900	-29.8	
	VNB Margin (%)	28.4	30.5	-208 bps	26.6	184 bps	VNB margin to be at 28.4% supported by increase in the share of pure protection

Source: Company, PL

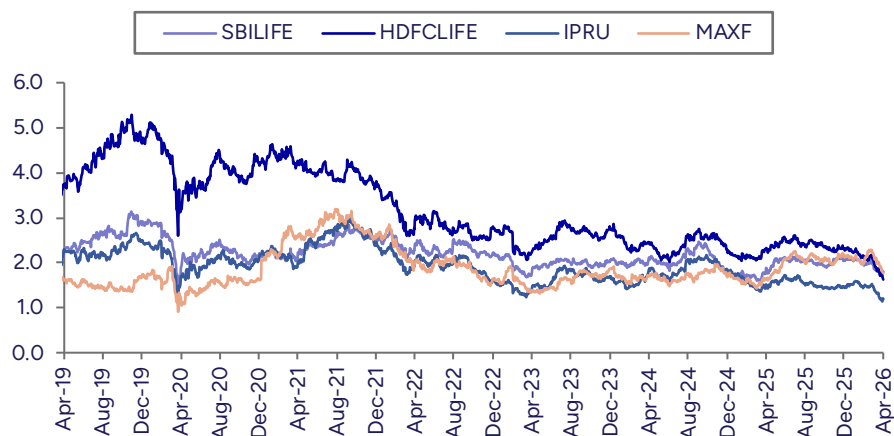
Exhibit 2: Valuation Summary

Company	CMP (INR)	TP (INR)	Rating	MCap (INR bn)	Upside / Downside	P/EV (x)				APE (INR bn)				VNB (INR bn)			
						FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E
HDFCLIFE IN	582	820	BUY	1,250	41%	2.3	1.9	1.7	1.4	150.1	166.6	187.7	213.1	39.6	40.3	46.4	53.3
IPRU IN	517	685	Buy	747	33%	1.6	1.4	1.2	1.1	104.1	104.2	113.5	125.6	23.7	25.3	27.8	31.0
MAXF IN	1,491	2,040	Buy	515	37%	2.5	2.1	1.8	1.5	87.7	103.2	120.7	140.5	21.1	25.2	29.8	35.1
SBILIFE IN	1,841	2,100	Accumulate	1,843	14%	2.6	2.2	1.9	1.6	214.1	241.7	274.0	311.3	59.5	66.5	75.6	86.2

Company	CMP (INR)	TP (INR)	Rating	MCap (INR bn)	Upside / Downside	VNB Margin (%)				Embedded Value (INR bn)				RoEV (%)			
						FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E
HDFCLIFE IN	582	820	BUY	1,250	41%	25.6	24.2	24.7	25.0	554.3	642.1	744.8	864.0	16.7	15.5	15.5	15.4
IPRU IN	517	685	Buy	747	33%	22.8	24.3	24.5	24.7	479.5	543.9	616.6	698.8	13.1	13.4	13.3	13.3
MAXF IN	1,491	2,040	Buy	515	37%	24.0	24.4	24.7	25.0	204.1	241.5	285.8	337.8	19.1	18.3	18.4	18.2
SBILIFE IN	1,841	2,100	Accumulate	1,843	14%	27.8	27.5	27.6	27.7	702.5	835.3	984.2	1,154.6	20.2	18.8	17.9	17.5

Source: Company, PL

Exhibit 3: Insurance under coverage are trading at an average P/EV of 1.6x



Source: Company, PL

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	AAVAS Financiers	BUY	1500	1136
2	Bajaj Finance	BUY	1125	964
3	Can Fin Homes	Accumulate	1015	938
4	Cholamandalam Investment and Finance Company	BUY	1850	1594
5	HDFC Life Insurance Company	BUY	900	723
6	Home First Finance Company India	BUY	1375	1174
7	ICICI Prudential Life Insurance Company	Accumulate	725	684
8	LIC Housing Finance	Accumulate	525	496
9	Mahindra & Mahindra Financial Services	Accumulate	395	371
10	Max Financial Services	BUY	2050	1734
11	SBI Life Insurance Company	Hold	2125	2053
12	Shriram Finance	BUY	1175	1004
13	Sundaram Finance	Hold	5500	5359

PL's Recommendation Nomenclature (Absolute Performance)

BUY	: > 15%
Accumulate	: 5% to 15%
Hold	: +5% to -5%
Reduce	: -5% to -15%
Sell	: < -15%
Not Rated (NR)	: No specific call on the stock
Under Review (UR)	: Rating likely to change shortly

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