



PolicyX.Com Term Insurance Price Index

Analysis and Insights from Pricing of Term Insurance
from leading insurance companies in India.

The Overall Picture



Term Insurance prices have remained stable over the last quarter.

The index value remained unchanged at 20995. The average price for a 50 lac sum assured was Rs. 14,839 and for a 1 crore sum assured it was Rs. 27,150. There was no change for all the 10 insurance companies forming part of the index. The price is an average price for 4 age bands i.e 25 years, 35 years, 45 years and 55 years and both genders Male and Female. It also considers prices for both smokers and non-smokers.

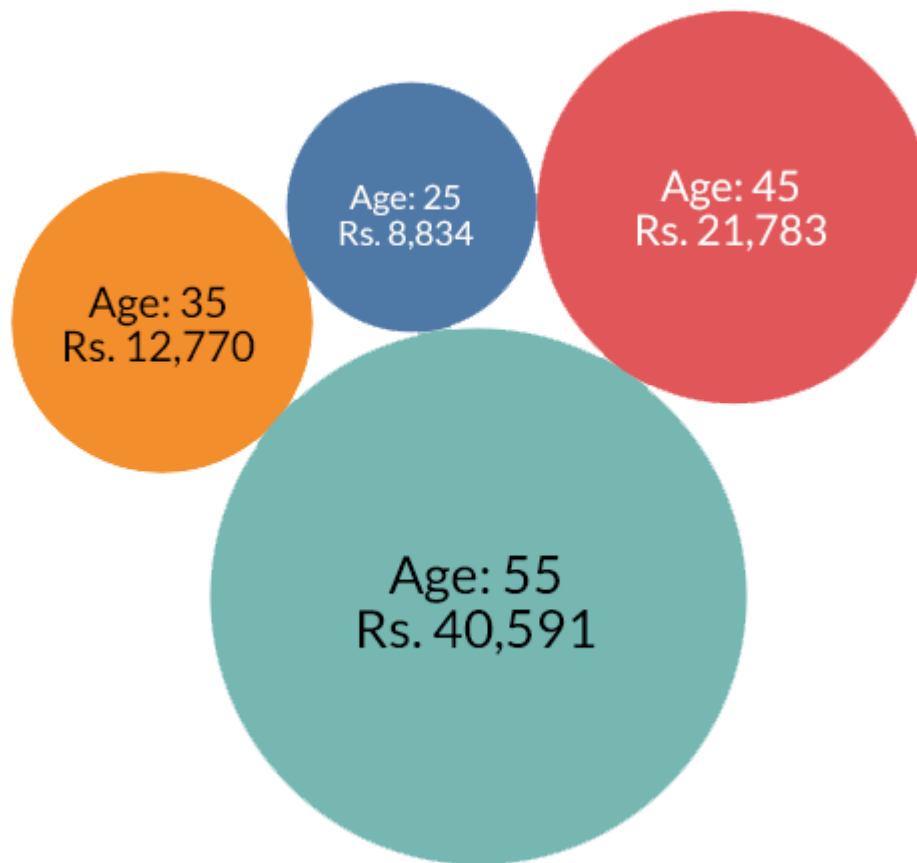
Segment Wise Premiums

		50 Lac Sum Assured		1 Cr Sum Assured		
Age	Gender	Non-Smoker	Smoker	Non-Smoker	Smoker	Average Premium
25	Female	5248	7088	8636	12070	8260
	Male	5844	8058	9767	13959	9407
35	Female	6933	9916	11956	17645	11612
	Male	8099	11910	14224	21481	13928
45	Female	11046	16545	19718	30331	19410
	Male	13560	20575	24472	38020	24157
55	Female	19198	31436	35831	59231	36424
	Male	23393	38582	43957	73095	44757
Average		11665	18014	21070	33229	20995

The premium prices mentioned are average premium prices from top 10 companies. A non-smoker 25 year old female pays on an average 5,248 per annum for a 50 lac cover and 8,636 for a 1 cr cover. As is evident from the table, the premium increase is not linear. As the sum assured is increased, most companies provide a high sum assured discount due to which the premium for a 1 cr sum assured is lower than twice the premium for a 50 lac sum assured.

***Source:** Average prices in above tabular data are determined from leading 10 Term insurance companies in india. These prices are for illustration purposes & actual price may vary depending on insurer, age, gender, health condition, Sum assured & Coverage type.

Average Premium Prices By Age



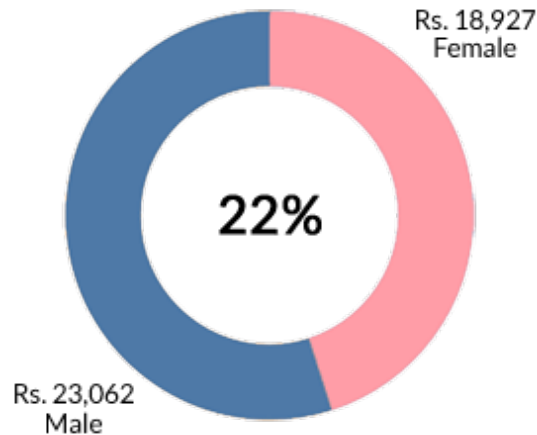
Delaying a term plan purchase costs dearly

Premium prices increase exponentially as we age. Delaying a term plan purchase by 10 years costs on an average 45% higher for a 25 year old and 71% higher for a 35 year old. People aged 55 are paying the highest amount, which is 4 times more than what a 25 year old is paying. Therefore it is always better to enter into a term plan early and lock-in the prices. Typically, people cover themselves upto the age of retirement.

Following are the shifts observed in premium age in every ten years :-

Age Brackets	% Change in premium prices
25 to 35	45%
35 to 45	71%
45 to 55	86%

Average Premium Prices By Gender

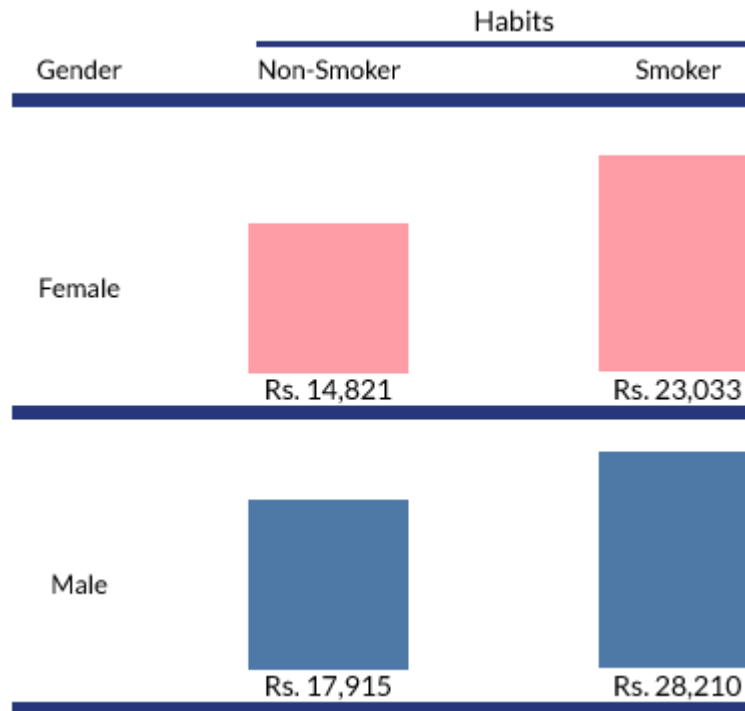


Insurance companies perceive the male insured risk to be higher than females. The average cost of male insured is 22% higher than for female insured for a term plan.

Based on the mortality rates observed by the World Health Organization, male mortality rates are higher than females across all countries since the last few decades.

Source: <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC6345642/>

Average Premium Smokers & Non-Smokers



Along with Your age & gender, Habits will also affect the price of your premium. On Average Male smokers pay 57 % more than non-smoker. Female smokers pay 55 % more than non-smokers.

The highest impact was observed for both 55 year old male & females with 65% increase in their regular premium prices for being smokers. The least affected age group was 25 year olds who observed a hike of 40% in their respective premium prices for being smokers.

Index Computation Methodology

The prices & charts displayed above are based on the average premium prices of top ten life insurance companies in India in terms of their GWP as per IRDA Nov 2020 report. (LIC of India, SBI Life, HDFC Life, ICICI Prudential, Max Life, Bajaj Allianz Life, Aditya Birla Sun Life, Kotak Mahindra Life, Tata AIA Life and Canara HSBC OBC Life).

The Prices represent the annual premium for each sample customer (age & gender) with their habits (Smoker & Non smoker) and policy type (Term & Sum Assured) as of January 01 2020. The Insurer individual rate may vary depending on age, gender, health profile, Sum Assured & Coverage type.

Want more information about the price index?



Got a press query? Contact our press team, they'll be happy to help with any questions you may have regarding the latest price index.

For Feedback and suggestion: helpdesk@policyx.com