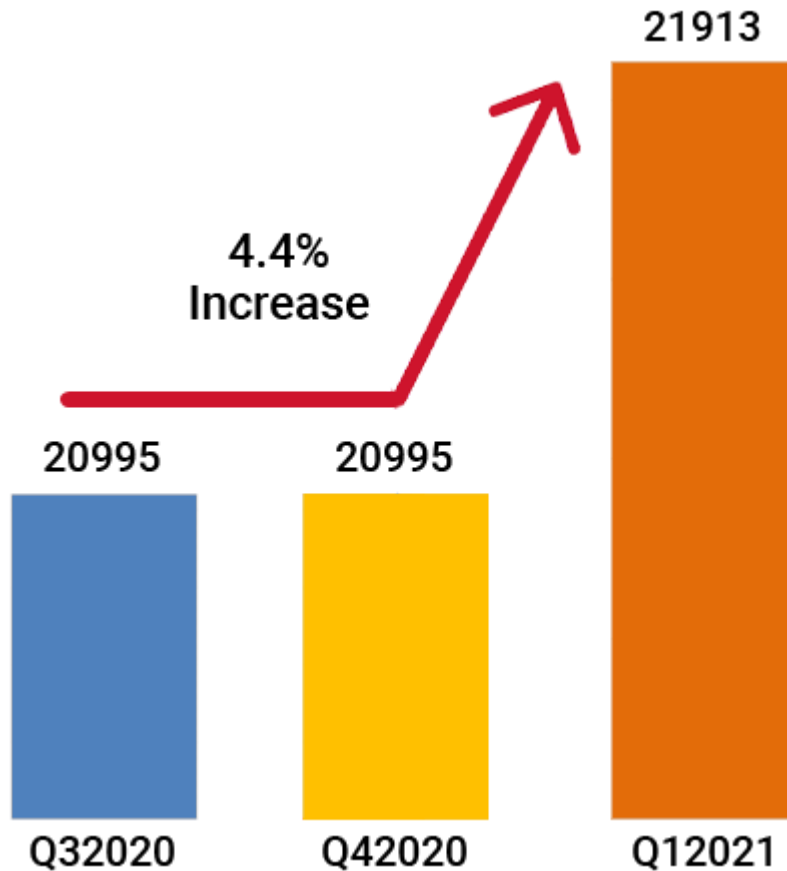




PolicyX.Com Term Insurance Price Index

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

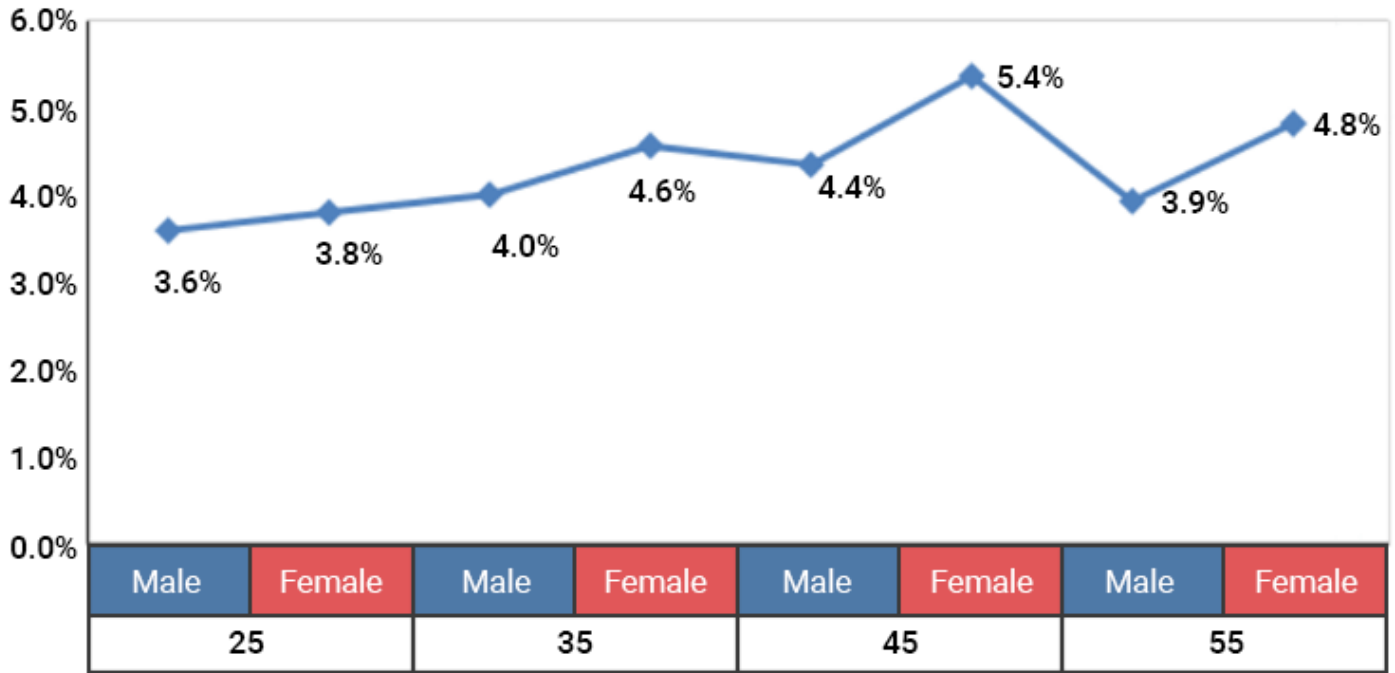
The Broader Picture



Term Insurance prices witness surge in Q1 2021

The index value changed to Rs. 21,913 which is 4.4% higher than the previous quarter. Previously, the average price for a Rs. 50 lac sum assured was Rs. 14,839 and for a Rs. 1 crore sum assured was Rs. 27,150. This has now increased to Rs. 15,553 for 50 lac and Rs. 28,274 for 1 crore sum assured. This is an average price for various age groups i.e, 25 years, 35 years, 45 years, and 55 years and both genders. It also considers the prices for both smokers and non-smokers.

Significant Shift in Q1 2021



In the latest quarter of 2021, the premium prices have witnessed a similar fashion of growth across all age groups. Female in the age group witnessed highest average increase of 5.4% and male in the age group of 25 witnessed the lowest increase of 3.6%.

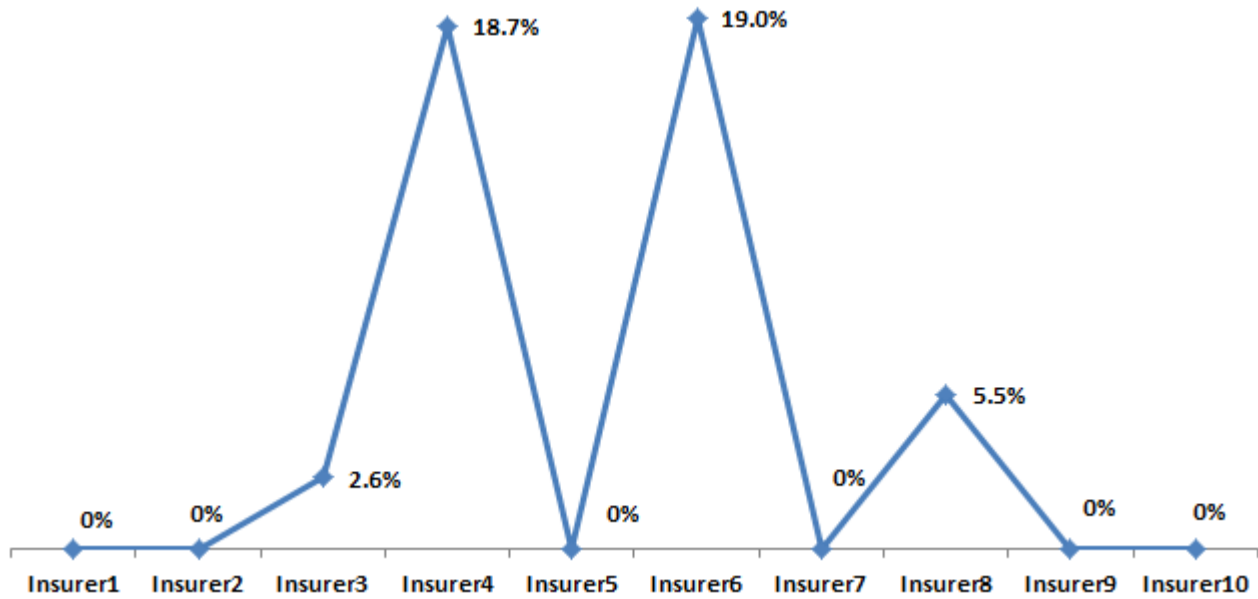
Segment Wise Category

Age	Gender	50 Lac		1 Cr		Average Premium
		Non-Smoker	Smoker	Non-Smoker	Smoker	
25	Female	5339	7401	8905	12654	8575
	Male	5936	8412	10053	14580	9745
35	Female	7244	10492	12430	18404	12143
	Male	8439	12514	14718	22275	14486
45	Female	11628	17599	20677	31902	20452
	Male	14137	21685	25372	39638	25208
55	Female	20098	33225	37375	62027	38181
	Male	24251	40442	45479	75896	46517
Average		12134	18971	21876	34672	21913

The mentioned premium prices are average premium prices from the top 10 insurance companies. A non-smoker 25-year-old female pays an average of Rs. 5,339 for a Rs. 50 lac cover and Rs. 8,905 for a Rs. 1 cr cover annually. As is evident from the table, the premium increase is not linear. As the sum assured increases, most companies provide a high sum assured discount, hence, the premium for a Rs. 1 cr sum assured is lower than twice the premium for a Rs. 50 lac sum assured.

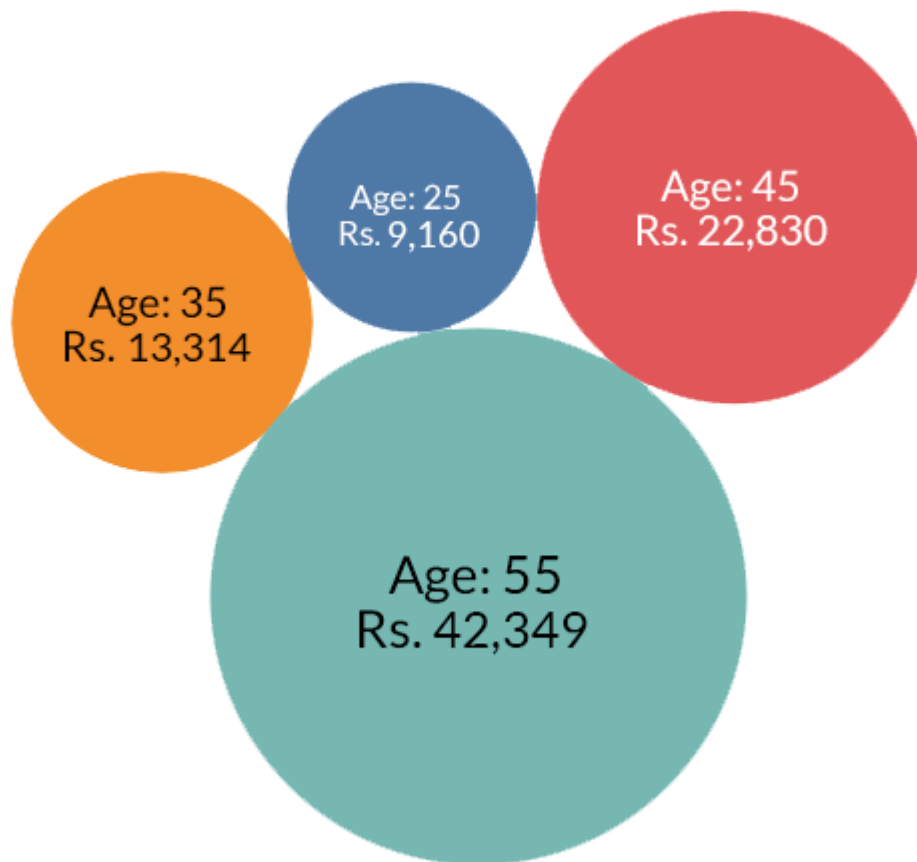
***Source:** Average prices in above tabular data are determined from leading 10 Term insurance companies in india. These prices are for illustration purposes & actual price may vary depending on insurer, age, gender, health condition, Sum assured & Coverage type.

Insurer Wise Average Premium



In Quarter 1 2021, four insurance companies have escalated their premium prices out of 10. The highest jump observed in premium prices is about 19.0%, which is followed by 18.7%, 5.5% and the minimum is 2.6%, where else, other six insurance companies kept their premium prices same as last quarter.

Average Premium Prices By Age



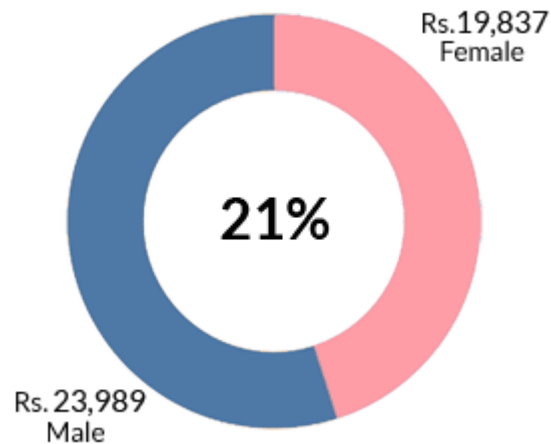
Delaying a term plan purchase costs dearly

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 above the age of 55 are paying the highest amount, which is 4.5 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 up to 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%

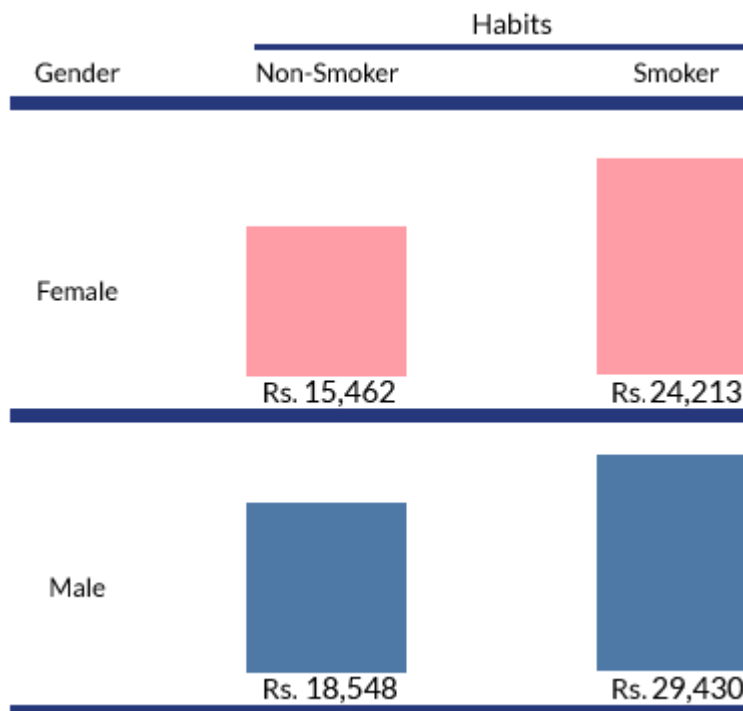
Average Premium Prices By Gender



Insurance companies perceive the male insured risk to be higher than females. The average cost of male insured is 21% higher than 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 For Smokers & Non-Smokers



Along with your age & gender, habits also affect the price of your premium. On average, male smokers pay 59% more than non-smokers. Female smokers pay 57% more than non-smokers.

The highest impact is observed for both 55-year-old males & females with a 67% increase in the male category and 66% in the female category in their regular premium prices for being smokers. The least affected age group was 25 years old female who observed a hike of 41% in their respective premium prices for being smokers.

Index Computation Methodology

The prices & charts displayed above are based on the average premium prices of the top 10 life insurance companies in India in terms of their GWP as per IRDAI 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