

Max Financial Performance Update

Investor Release H1 FY23

October 19, 2022





SECTION I

- ▶ Max Financial Services : 6MFY23 Key Highlights
- 

Max Financial Services: H1 FY23 Key Highlights

1

Consolidated Revenue excluding investment income at **Rs 9,720 Cr**, grows **12%** in H1FY23. Consolidated PAT at **Rs 130 Cr**, Up **56%**, due to lower tax expenses than corresponding previous half year

2

In H1 FY23, New Business Premium grew 9% to Rs 3,378Cr and APE by 2% to Rs 2,200Cr
Proprietary channels grew by 23% in H1

3

Margin expanded from 25.3% in **6M FY22** to **26.7%** in 6MFY23, **VNB** grew by **7%** YoY
H1 FY23 operating RoEV at **15.7%**. **MCEV** as at Sep'22 end at **Rs. 14,704 Cr**

4

Entered into partnership agreements with leading brokers such as **Turtlemint, Bluechip, NJ Brokers, Muthoot Insurance Brokers and Vkover**
New Banca partnership with **TamilNad Mercantile Bank for term of 5 years**

5

Retail protection grew by 11% in Q2 FY23 resulting in growth of 11% in individual new business sum assured. Maintained Rank #2 amongst private players in individual new business sum assured

6

Focus on retirement led to growth of **86% in Annuity business** in H1 FY23. Strengthened Annuity product proposition with the launch of limited pay variant and other flexible options

7

Max Life Pension Fund Management Limited commenced operations in Q2 FY23

8

Assets under Management as on 30th September 2022 at **~1.13 Lac Cr**, **YoY Growth of 13%**



SECTION II

- ▶ Max Life Insurance – Business Overview
- 

Key Highlights for Max Life FY17-22 (1/2)



5-Yr CAGR of 16% on
Individual new business
vs
10% for life insurance industry



Improved
market share
from
9.2% to 9.9% in 5 years



Consistently maintained
rank#4
since **last 5 years**



**5-Yr CAGR of
16% in Prop channels**



**5-Yr CAGR of
16% in Banca Channel**



**Retail protection
penetration doubled to
8% in FY22**



VNB CAGR of 25%
in 5 years



New Business Margin
expansion from 18.8% in FY17
to **27.4%** in FY22



**5-Yr EV#
CAGR of 20%**

Consistent growth

Value generation

Key Highlights for Max Life FY17-22 (2/2)

Employee metrics



Great Places to Work rank #18 in FY21



Rank #55 among **Great Places to Work in Asia** in FY21



Experienced leadership with almost half the leadership's **tenure with Max Life more than a decade**



Employee engagement¹ score of **>95%** for last 3 years

Customer metrics



#1 rank in customer loyalty² in FY21



Company NPS at 49 – 14 points improvement in 3 years³



Claims paid ratio at **99.34%** in FY22

Brand metrics



Strategic partnership with **Axis Bank**



Highest Share of Voice in the industry in FY21 at **30% share**



Brand Consideration score⁴ improved by **8%** in FY22 Vs FY21

Financial Performance Summary H1 FY23

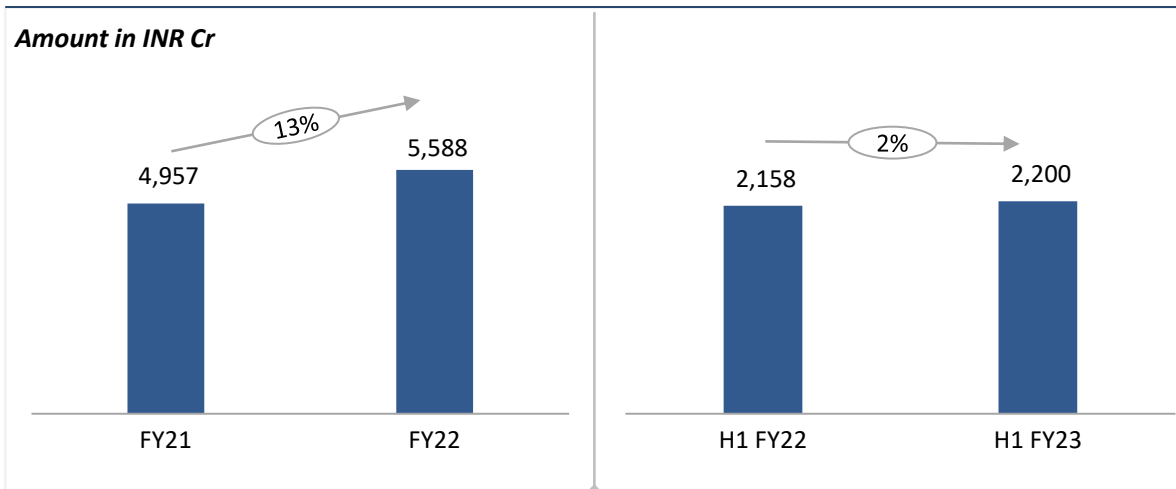
Individual APE Rs 2,168 Cr [Rs 2,127 Cr] 2% ↑	Gross Written Premium Rs 9,904 Cr [Rs 8,815 Cr] 12% ↑	Renewal Premium Rs 6,526 Cr [Rs 5,706 Cr] 14% ↑	AUM Rs 1,13,352 Cr [Rs 1,00,090 Cr] 13% ↑									
Profit Before tax Rs 144 Cr [Rs 148 Cr] -3% ↓	Net Worth Rs 3,272 Cr [Rs 2,969 Cr] 10% ↑	Policyholder Cost to GWP Ratio 21.0% [21.7%] 70 bps ↓	Policyholder Expense to GWP Ratio 15.1% [15.5%] 40 bps ↓									
New business margin 26.7% [25.3%] 140 bps ↑	Operating RoEV 15.7% [16.5%] 80 bps ↓	Embedded Value[^] 14,704 [12,988] 15.7% ↑	Solvency 196% [211%] -15% ↓									
VNB 586 Cr [546 Cr] 7% ↑	Policies Sold ('000) 241 [259] -7% ↓	Ind. New business Sum assured 85,330 [88,187] -3% ↓	Protection Mix^{**} <table border="1" style="width: 100%; text-align: center;"> <thead> <tr> <th>Individual</th> <th>Group</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>7%</td> <td>8%</td> <td>15%</td> </tr> <tr> <td>[8%]</td> <td>[9%]</td> <td>[16%]</td> </tr> </tbody> </table>	Individual	Group	Total	7%	8%	15%	[8%]	[9%]	[16%]
Individual	Group	Total										
7%	8%	15%										
[8%]	[9%]	[16%]										

Figures in [brackets] are for previous year numbers. Totals may not match due to rounding

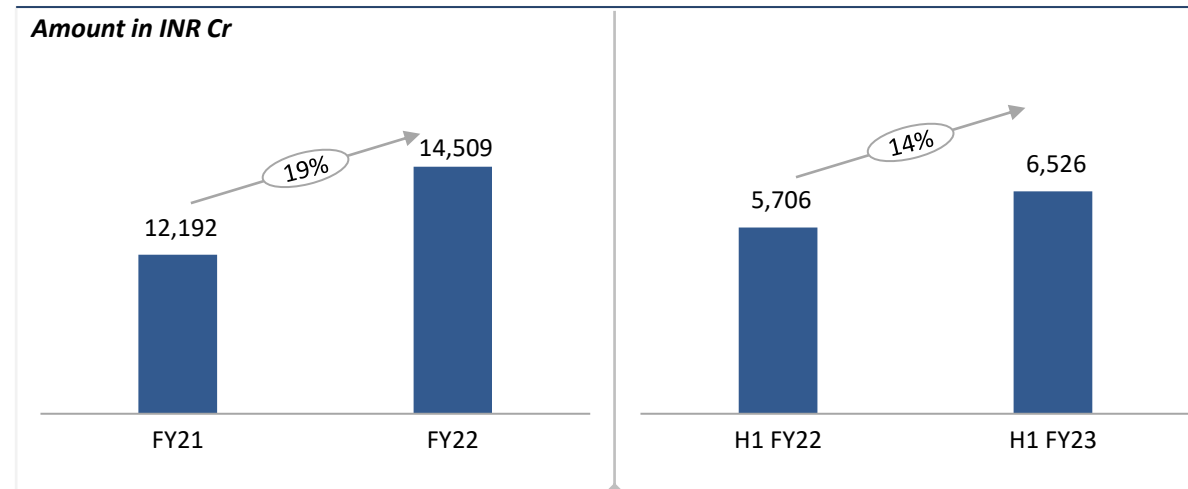
[^]Growth on Embedded value is operating RoEV, ^{**}Group protection (incl. Group credit life adjusted for 10% for single premium and term business)

Max Life APE grew by 2% led by proprietary channels

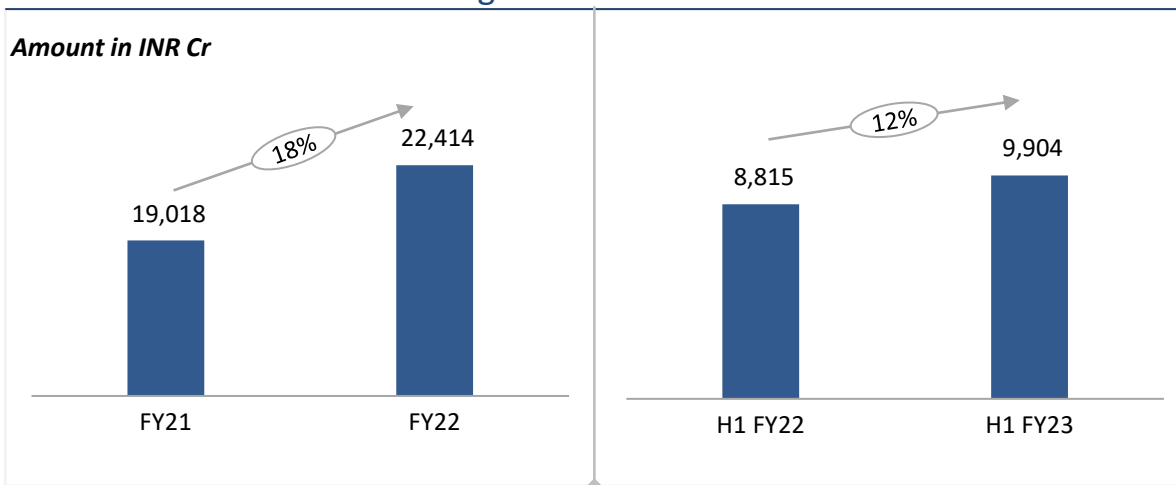
New Business Premiums (on APE basis) – Strong growth of 23% in proprietary channels in H1



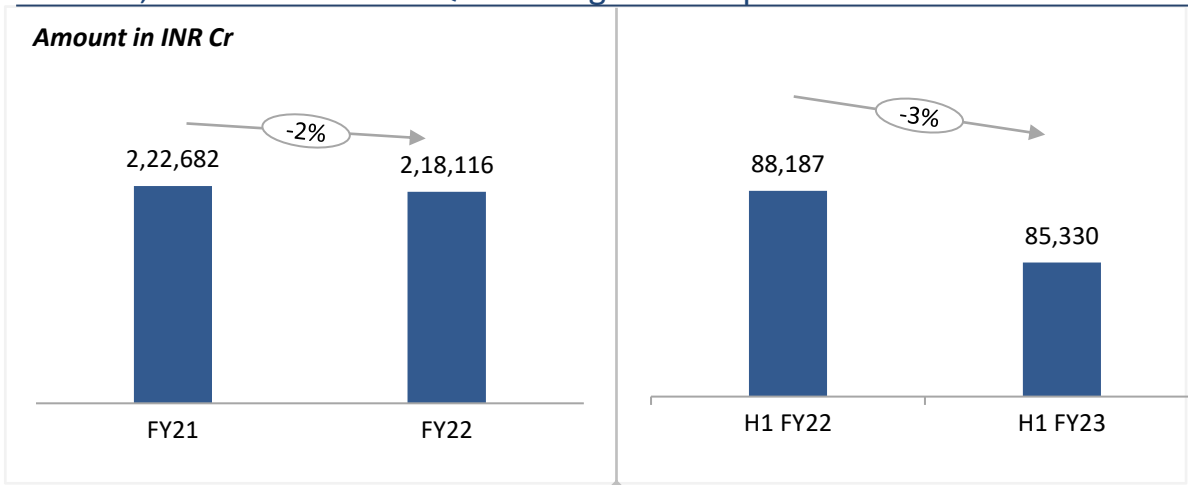
Renewal Income – Delivering consistent growth



Gross Written Premium – 12% growth in H1 FY23

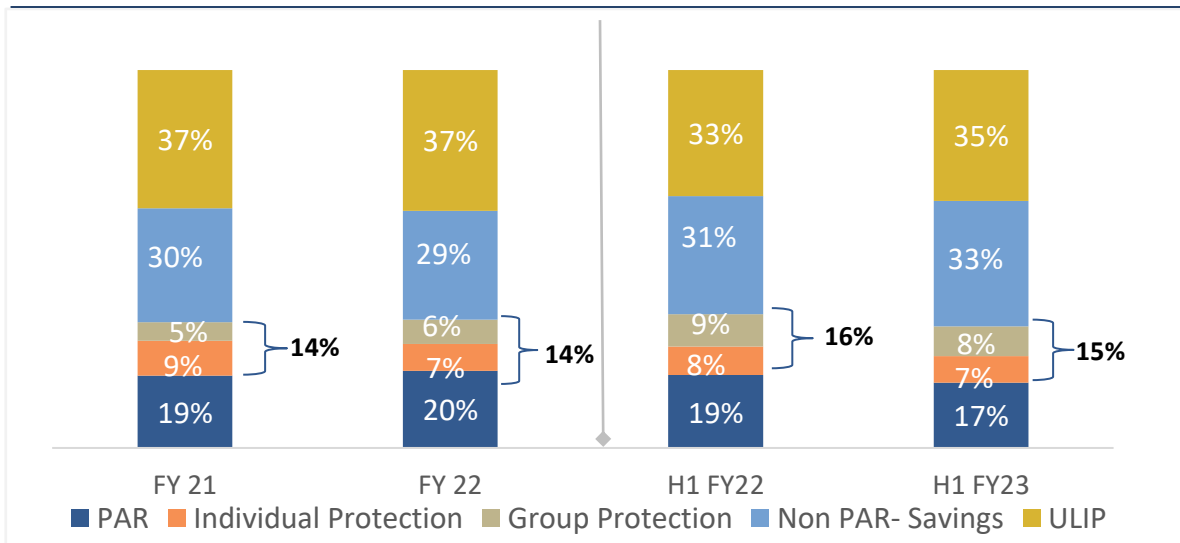


Individual Sum Assured of New business- Rank 2 in individual sum assured in H1 FY23, Growth of 11% in Q2 due to growth in protection

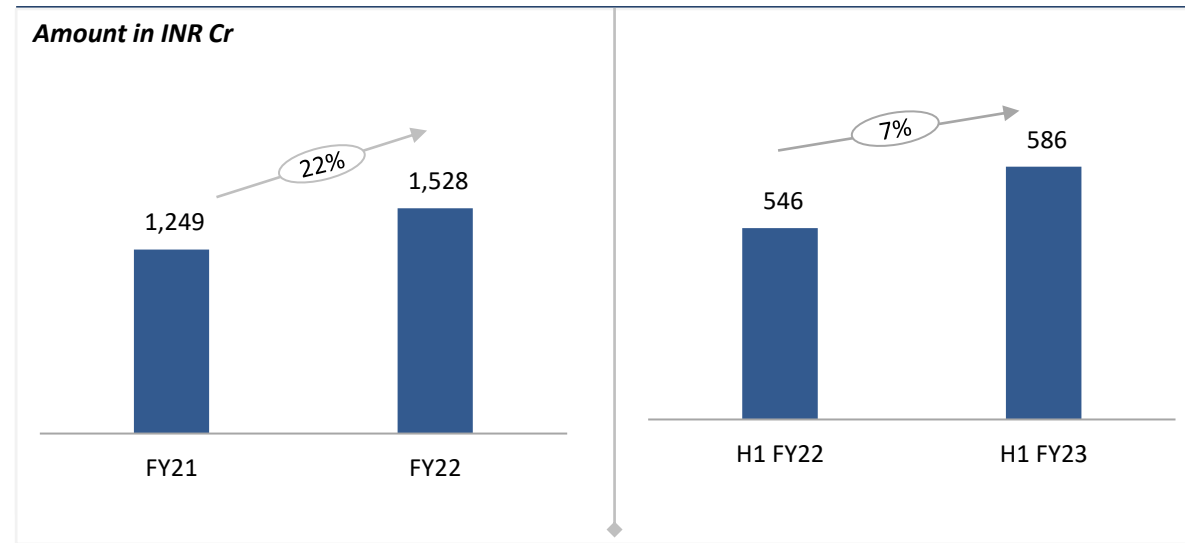


VNB increased by 7% over last year aided by and expansion in product NBM's

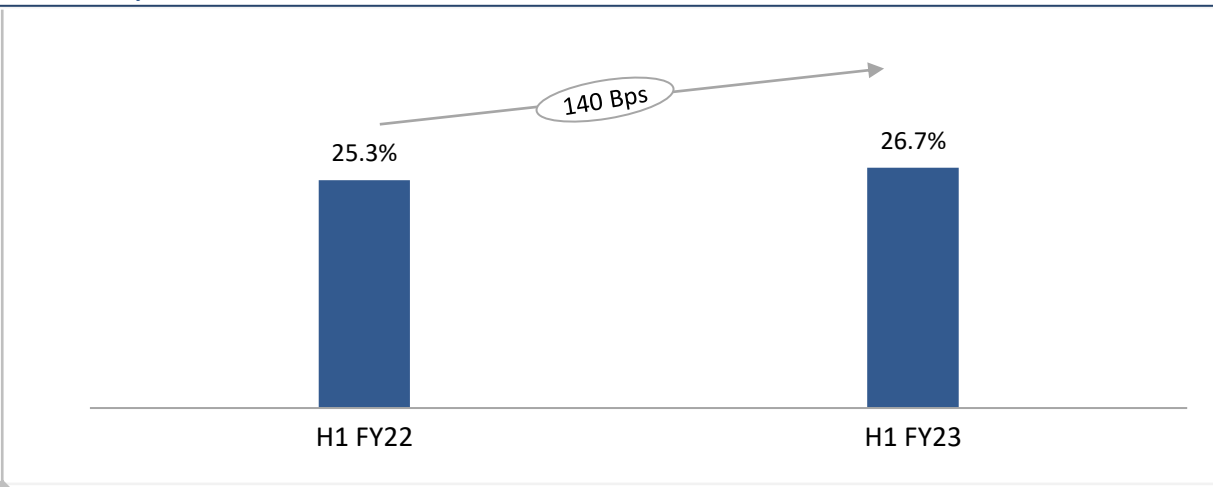
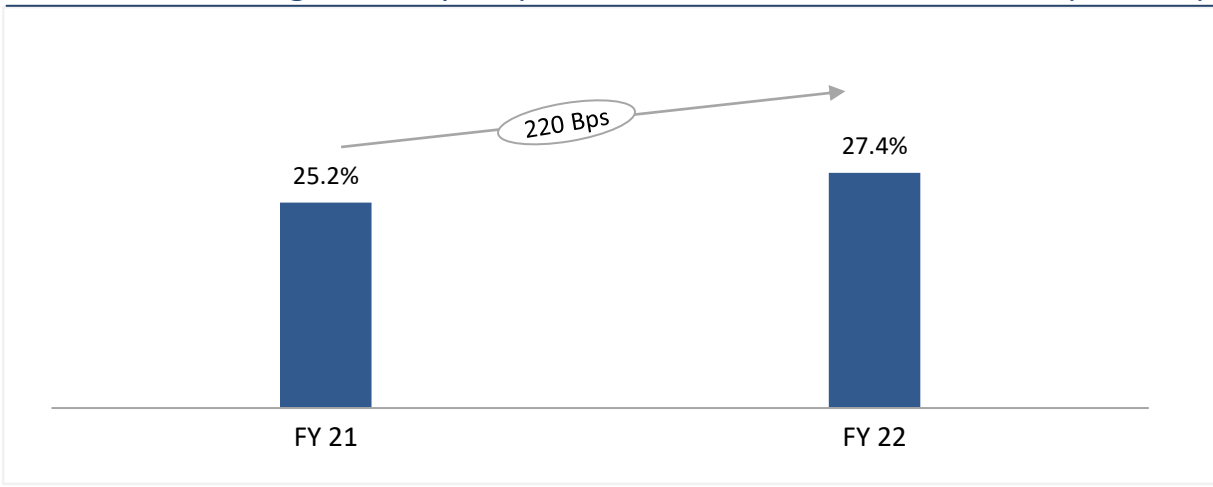
Product Mix – Balanced product mix



Value of New Business- Consistently growing VNB through balanced product mix, H1 3 year CAGR 17%

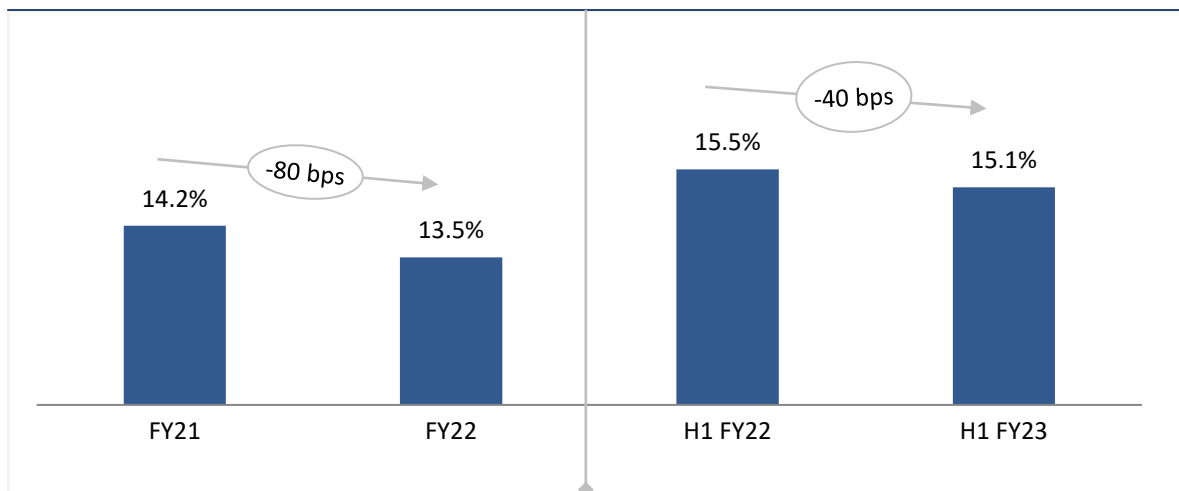


New Business Margin- 140 Bps expansion in NBM's due to increase in product profitability

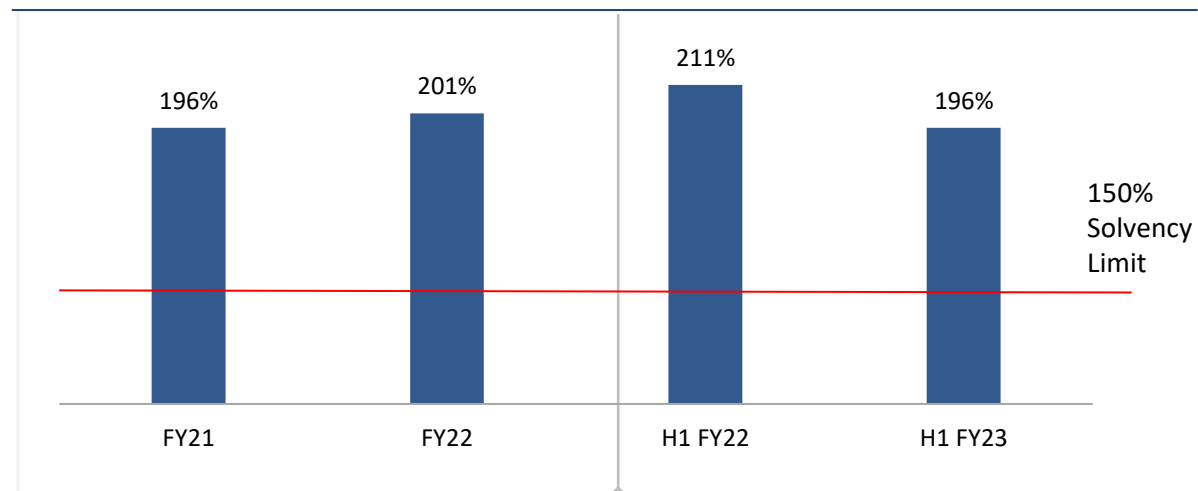


Efficient capital management with profitable growth

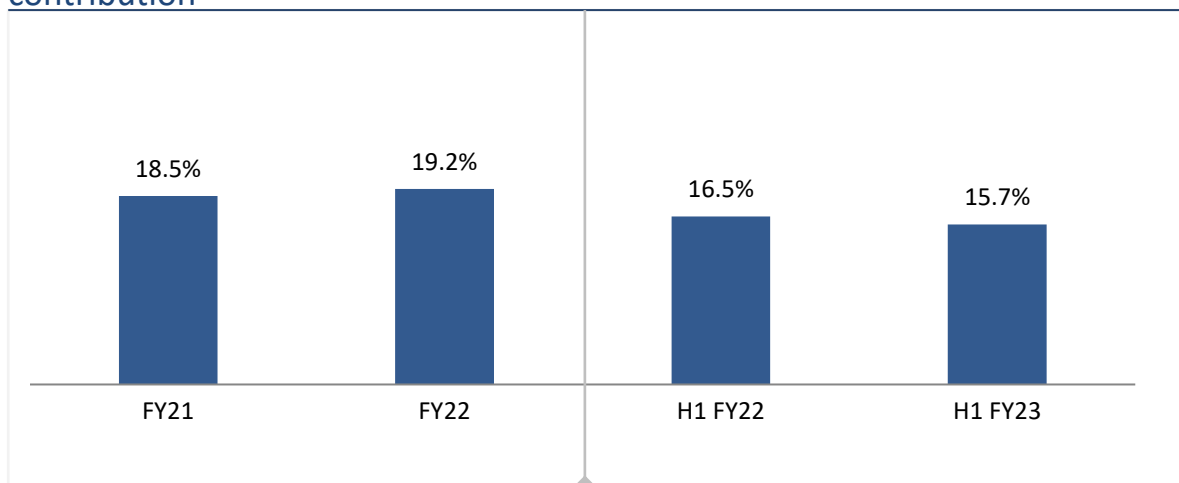
Opex to GWP –



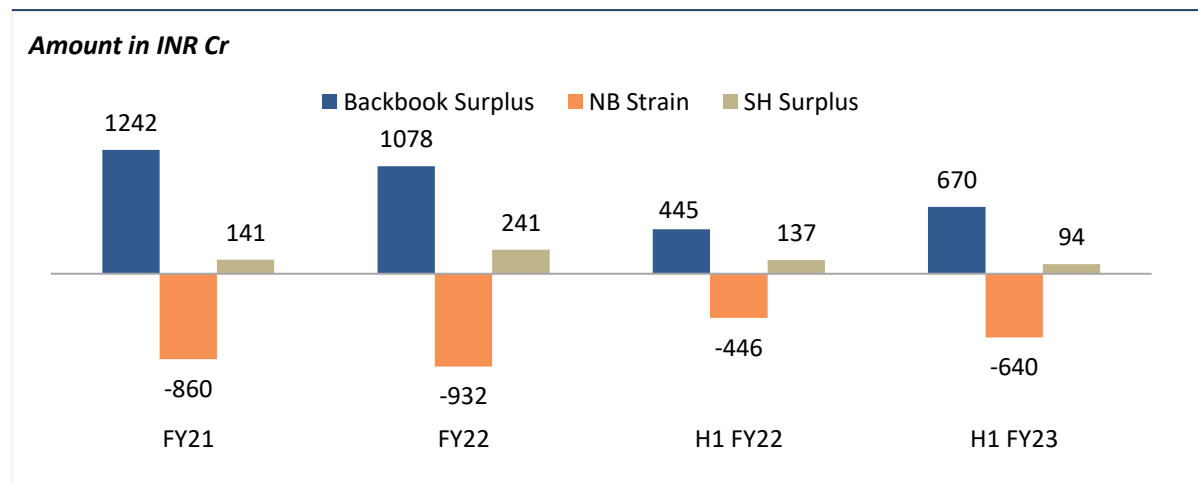
Solvency Ratio (pre dividend)



Operating Return on EV (RoEV) – Reduction primarily due to lower VNB contribution

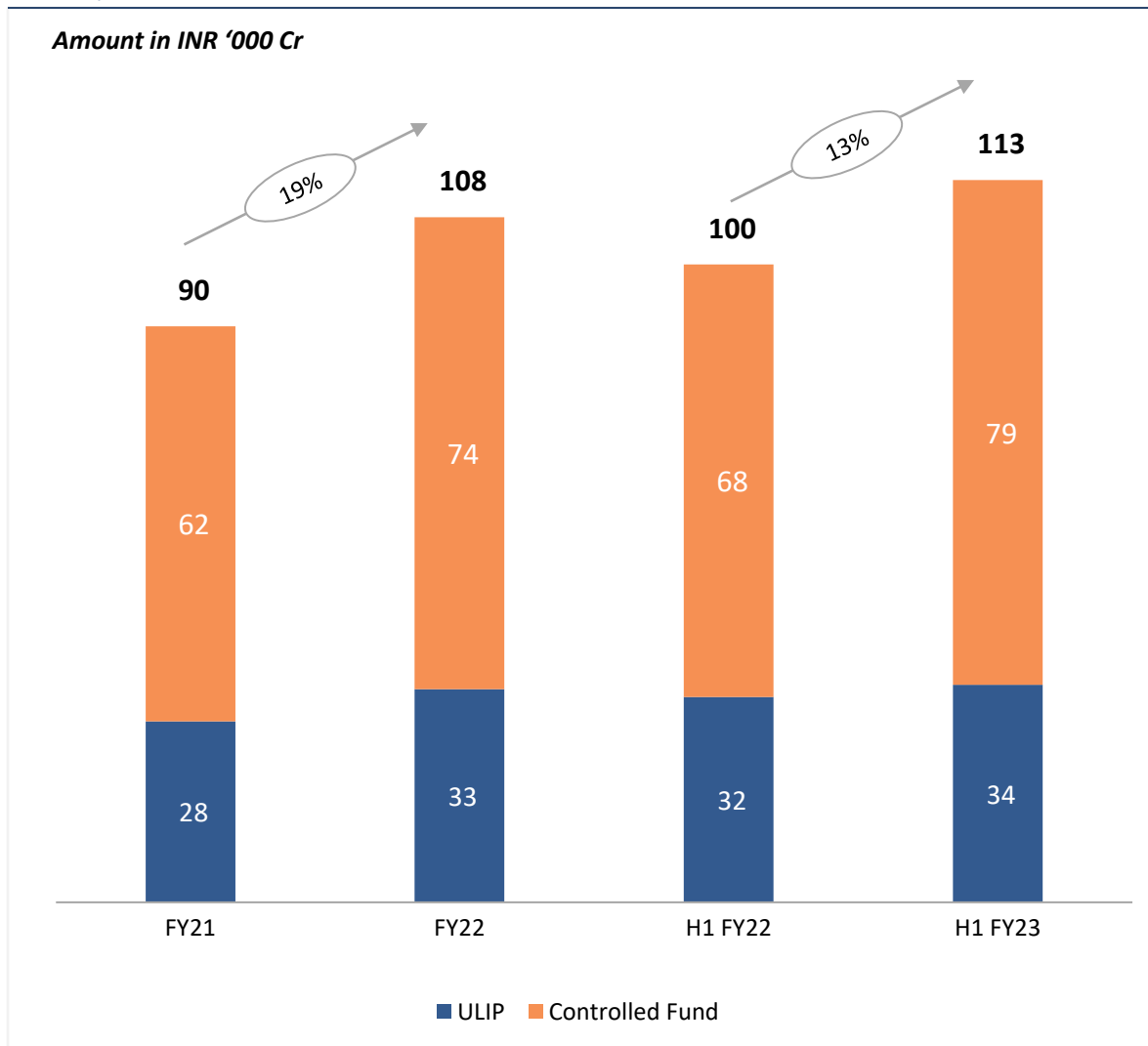


Underwriting Profits

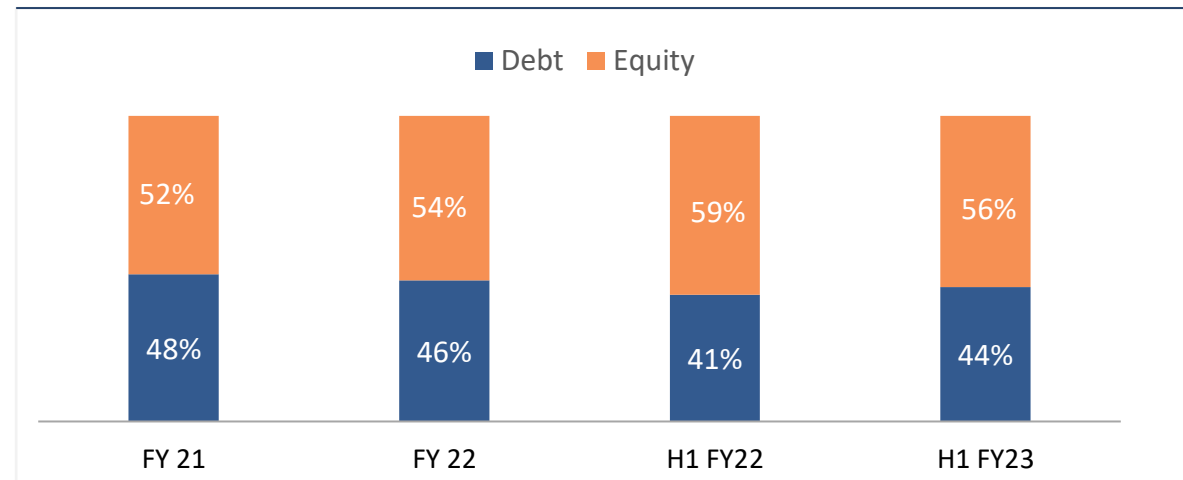


Max Life has consistently grown its Asset Under Management

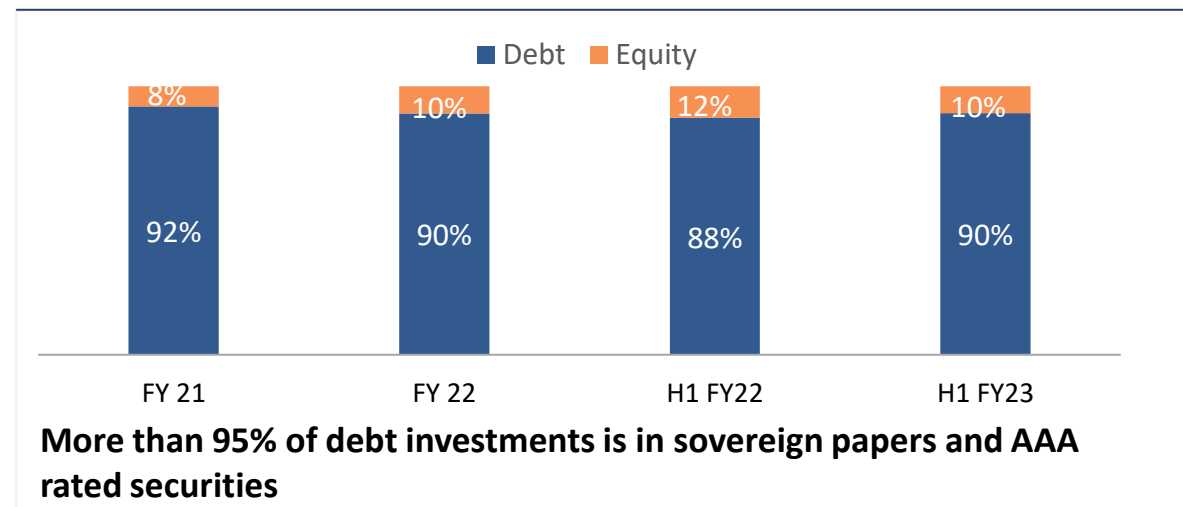
Assets Under Management - MLI is the 4th largest manager of private LI AUMs, Par fund size ~56K



ULIP: Healthy mix of Debt and Equity



Controlled: Healthy mix of Debt and Equity



Max Life has been recognised by a number of Indian and foreign business bodies for its excellence in business, customer service and focus on people

Business Excellence

- Selected as India's most Trusted Brand 2022 at the Ideafest by WCRICNT
- Recognized by The Economic Times among the Best BFSI Brands 2022
- Awarded **"Best Finance Team of the year"** at the ET Ascent National Awards for Excellence
- Awarded Gold for Lead Generation campaign under BFSI services at Adgully Digixx Awards 2022
- Max Life bagged the Advisors Initiative of the Year for India at the Insurance Asia Awards 2022
- Gold for e-scw under the best brand loyalty program at the **ACEF Awards for Brand, Marketing & CSR 2022**
- Max Life awarded at Cypher 2022 as **top domestic firm using AI / ML**



Leaders in Quality

- No. 1 in Customer Loyalty survey by IMRB
- Gold at ASQ World Conference
- Winner of IMC Ramkrishna Bajaj National Quality Award
- Winner of CII Industry Innovation Award
- Asia Pacific Quality Organization (APQO) award for global performance excellence
- Silver Award in ASQ ITEA 2019 for Sell Right for Customer Delight at Axis Bank
- Silver Award in the 12th QCI-DL Shah Quality Awards for Enhancing S2R Conversion% Select 60 offices in Agency.
- At CMO Asia Awards , won Best Term Plan Company of the Year
- Max Life awarded recognized as 'Challenger' by NASSCOM AI Gamechangers awards 2021
- Max Life bagged Best Customer Initiative and Best use of Relationship marketing at the Customer Fest Awards 2022
- Max Life awarded Gold and Platinum at the CII (Institute of Quality)16th National level Competition on Six Sigma



Focus on People

- Ranked 55th amongst '2021 Best Workplaces in Asia' by Great Place to Work®
- Ranked 18th amongst 'India's Great Places to Work For' in 2021
- Max Life recognized in India's Best Workplaces in BFSI 2021
- Max Life has been awarded "Excellence in Gender Diversity" at the 4th D&I Summit and Awards by Transformance Forums
- Max Life awarded Silver for Best Internal Communications campaign at The Economic Times Kaleido Awards 2022
- Awarded Gold an Silver at the ASQ International Team Excellence Awards 2022
- Max Life awarded 'Best ongoing strategic internal communication engaging internal stakeholders', 'Best internal communication campaign leveraging using various channels of communication' and 'Best Financial Services Sector Campaign under Products and Promotion' at IPRCCA 2021
- Max Life awarded Silver for Best use of Internal Communications at Fulcrum Awards 2022





SECTION III

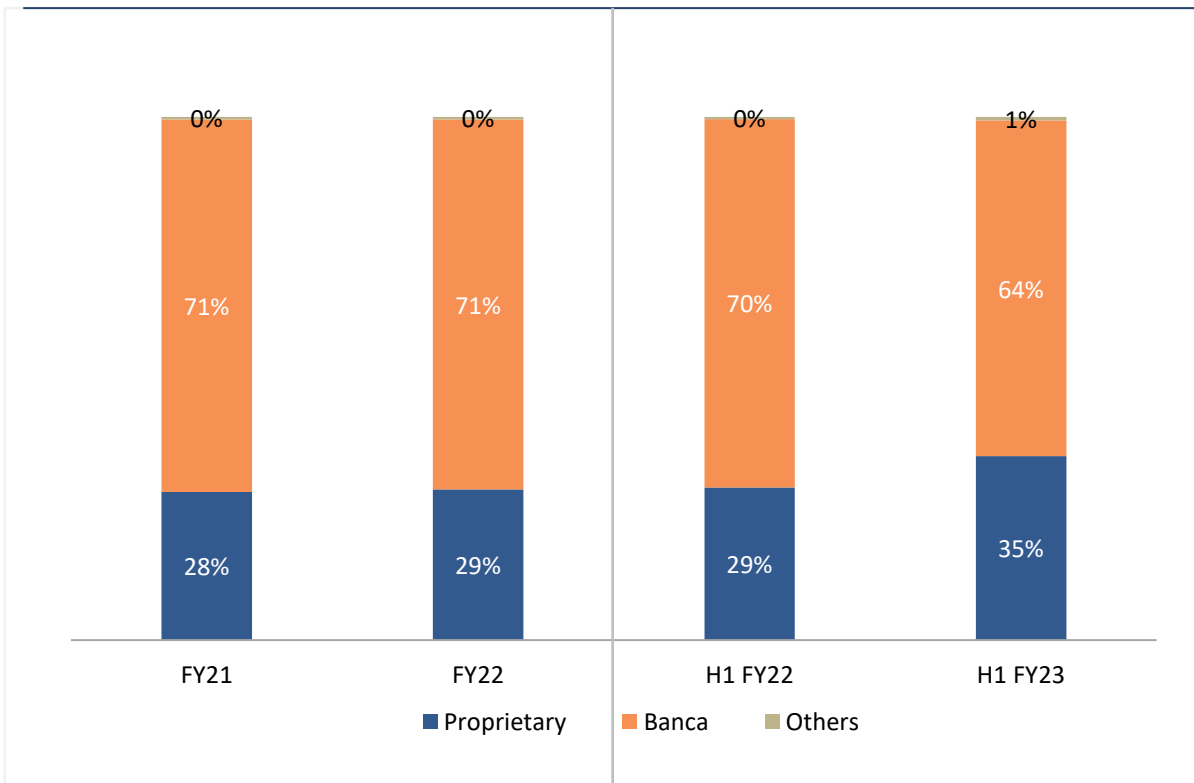
- ▶ Max Life Insurance – Strategy
- 

Max Life's Strategic Thrust Areas and progress made

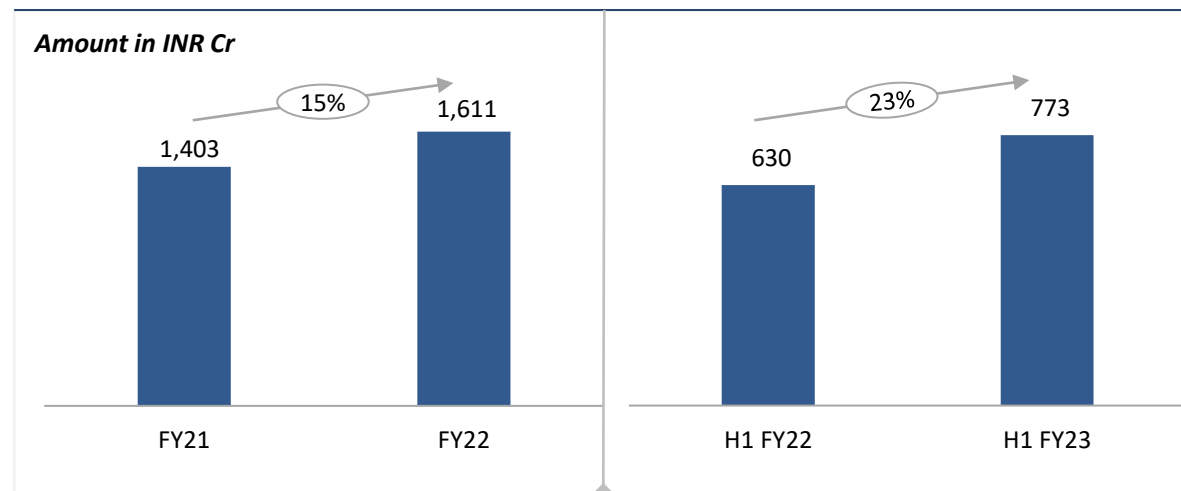
	 A	 B	 C	 D
	Predictable & Sustainable growth	Product innovation to drive margins	Customer centricity across the value chain	Digitization for efficiency and intelligence
Aspirations	<ul style="list-style-type: none"> Fastest growing profitable proprietary distribution Leader in Online Acquisition Inorganic Expansion Deepen Bancassurance partnerships 	<ul style="list-style-type: none"> Leader in Protection + Health & Wellness proposition Leader in Retirement Drive Non PAR saving Enhanced investment and mortality risk management 	<ul style="list-style-type: none"> Improve position in 13M and 61M persistency ranking Highest Relationship Net Promoter Score (NPS) in the industry 	<ul style="list-style-type: none"> Continue with digitization agenda across the organisation Build intelligence (AI) in all digital assets
Progress achieved	<ul style="list-style-type: none"> Strong growth of 23% in Proprietary channels in H1 FY23 New Banca Partnership in Q2 FY23- TamilNad Mercantile Bank Continued leadership in protection sales in ecommerce, savings expanded by 7X Partnership ecosystem expanded in H1 FY23. Signed agreements with - Wealthy.in, Nova Benefits, Finmapp, Turtlemint, BlueChip, Muthoot, Vcover and NJ 	<ul style="list-style-type: none"> Q2 FY23 margin of 31.4%, increase of 230 bps from Q2 FY22 Annuity grew by 86%, NPS ecosystem augmented with retiral offerings across the spectrum Product Launches: Smart Flexi Protect Solution (ULIP), Flexi Wealth Advantage plan (ULIP), Smart fixed return digital (Savings) Rider attachment rate at 31% for 6MFY23 compared to 25% in 6M FY22; proprietary channels leading with 55% rider attachment rates compared to 40% in 6MFY22 	<ul style="list-style-type: none"> Claim paid ratio at 99.34% at the end of FY22, best in the industry 13M* persistency at 84% and 61M persistency at 50% Improvement of 2 points from 49 in March 22 to 51 in Sep 22 in the overall Company NPS scores 	<ul style="list-style-type: none"> 9 New partners on boarded in record time in Q2 FY23 Industry first underwriting AI model (Medicheck) launched for fraud prevention Video POSV (Point of Sale Verification) launched for high risk customer verification Building a New Age Digital customer service platform – Revamp website, Unified payments, QR code for self servicing & chase journey on WhatsApp Launched PFM with Treasury, Online Portal & Finance systems on cloud Common Dialer and customer 360 view leading to improvement in productivity by 40%

*For Regular/Limited pay policies

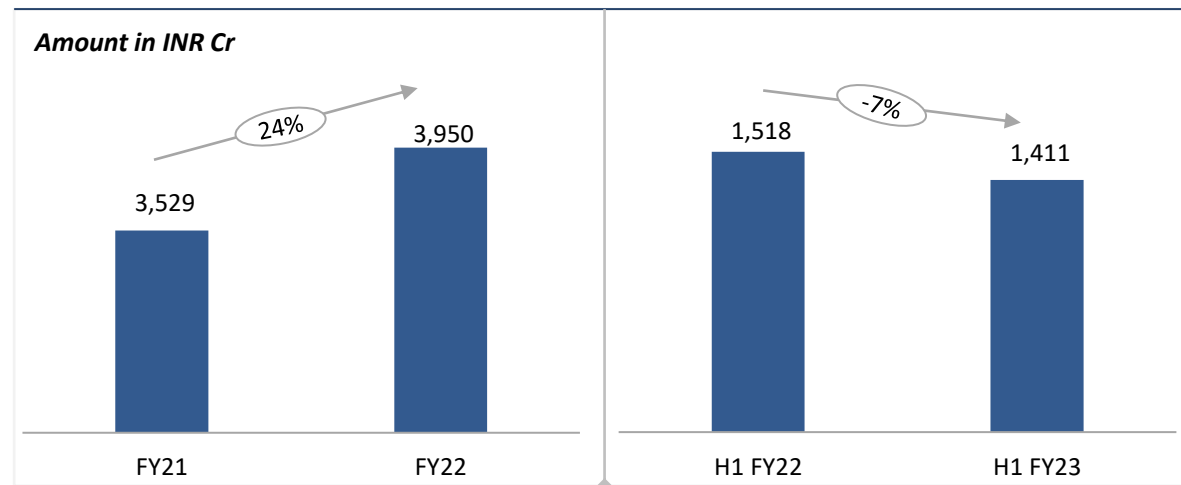
Channel Mix - Max Life has focused on maintaining a balanced distribution mix



Proprietary Channels New Business (APE)

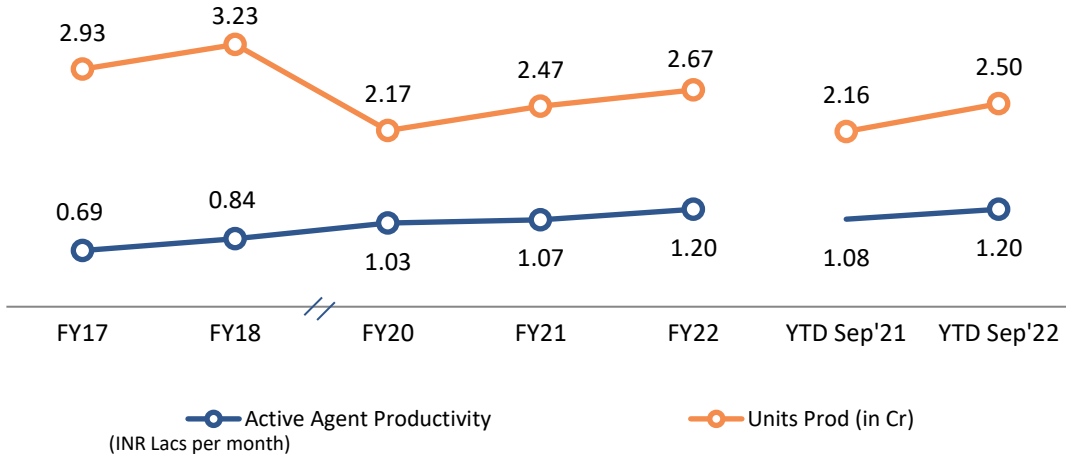


Bancassurance Channel (APE)



Active agent and branch units productivity increased over the last 5 years

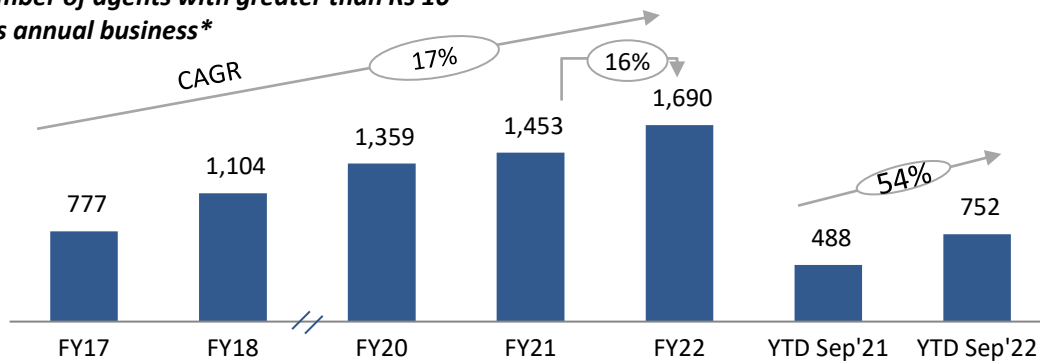
Agent and Branch Productivity



*Units productivity annualized for YTD numbers

Consistent focus on increasing the number of agents doing business of more than INR 10 lacs per annum

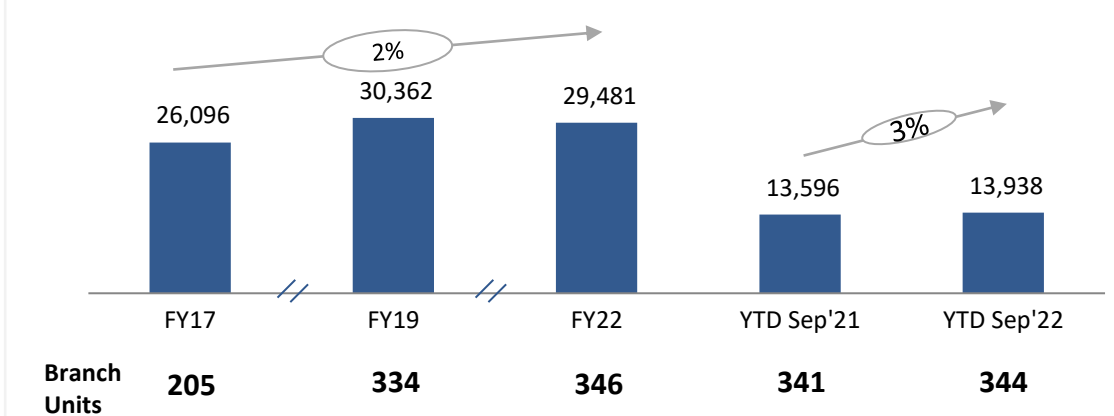
Number of agents with greater than Rs 10 lacs annual business*



* Total Adj. MFYP by an agent, including new initiatives data since FY20

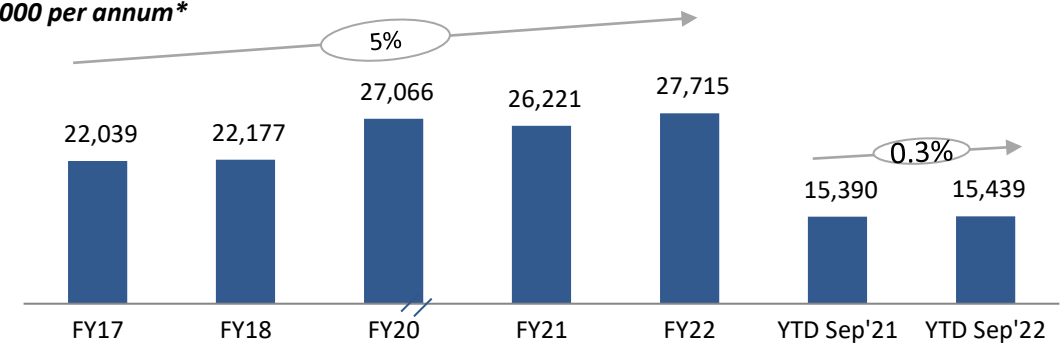
Recruitment growth over last year owing to a slew of initiatives across all recruitment sources

Number of agents recruited



Focus has also been on ensuring that agents contribute atleast INR 50K per annum

Number of agents doing business of more than Rs 50,000 per annum*



A Agency transformation – Launched new “Way of Working” (WoW) pilot started in 25 branches

New Way of Working

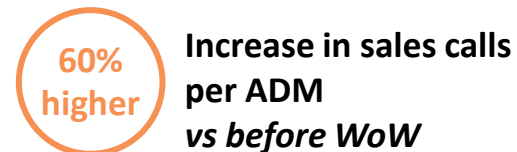
Right Enablement

Right Inputs

Right Output

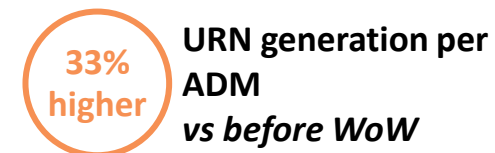
Advisors

- Segmented expectation across advisor segment
- Joint sales calls for all advisors
- Segmented agent enablement through virtual/ F2F trainings
- Attractive agent proposition driving input behavior



ADM & supervisors

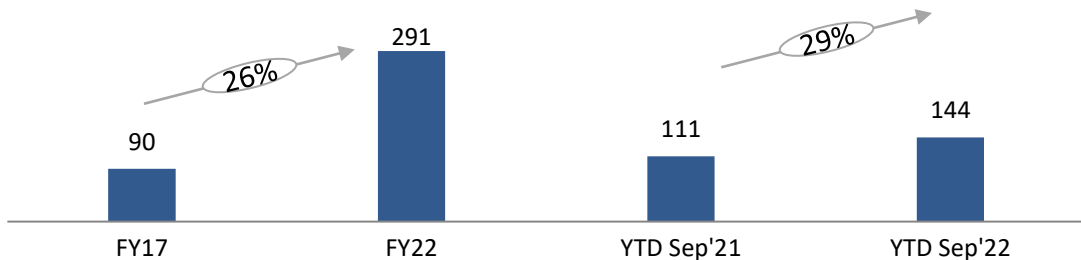
- Joint calls of ADM with Office Head
- Joint sales calls with advisors
- Dedicated time for field activities across supervisors
- Behavior enforcement through PMS linkage through input allowance



A Cross-selling Direct Channels: Max Life has set up a channel focused exclusively on cross-selling. Cross-sell engine is powered by strong analytics and robust on-ground execution

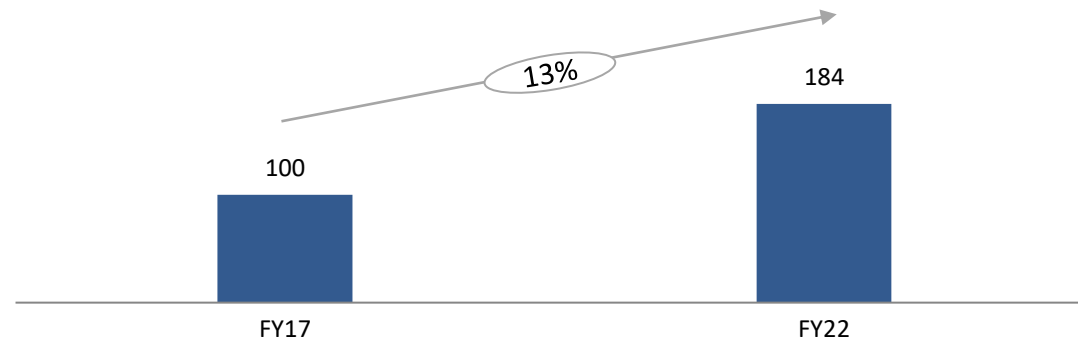
New Business Premium from direct channels

Amount in INR Cr

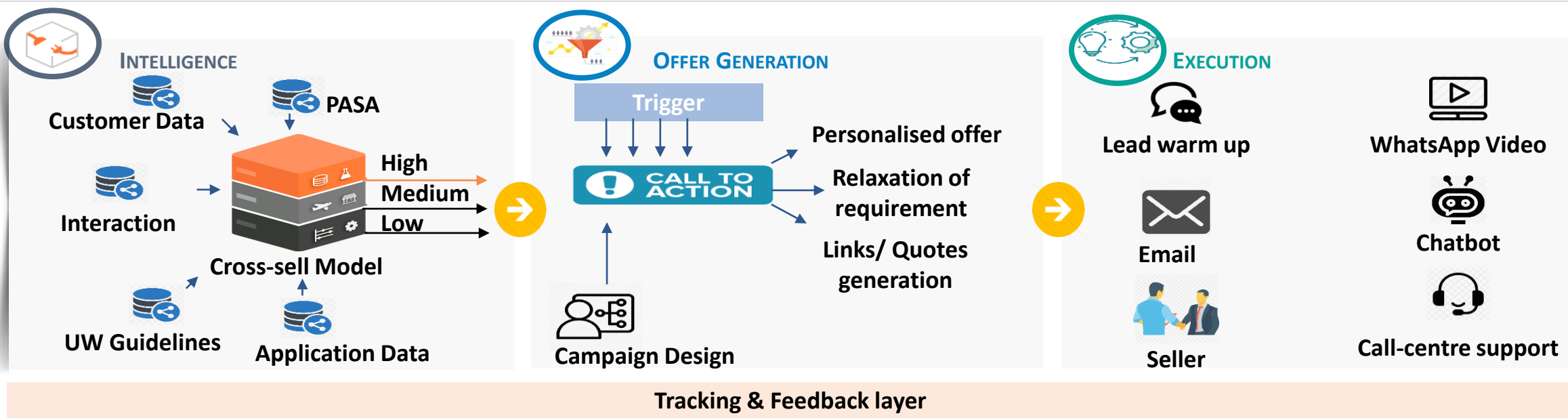


Cross-sell Policies - Strong growth in number of cross-sell policies

Policies sold in FY17 baselined to 100



Cross sell engine



Cross-sell rate at ~28% (NOP basis) and ~40% (Premium basis) in FY22

A

Max Life has been augmenting distribution capability by expanding both traditional and emerging ecosystems

Ecosystems

Key partners signed by Max Life in Q2

Bancassurance



Offline Brokers



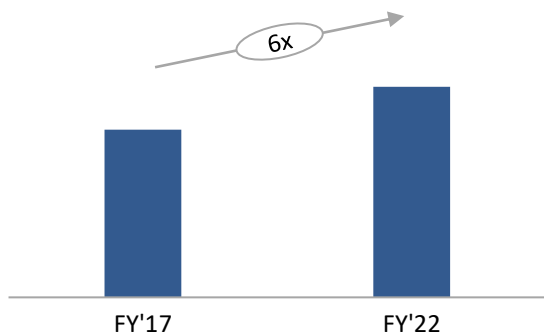
Online Brokers



A

Continued leadership in online acquisition

APE grew 6X in 5 years



Leadership position in protection in Direct & Partnership

Key Partners



H1 FY23 Highlights

New product launch – FD/RD like category created; Best in class returns

Led to 100% growth in savings run-rate



Penetrated into new segments – contribute to ~10% in Term on run rate basis



Homemaker



NRI



Self-employed

Key Success Factors

Seamless integration with partners



Partner Portal



Innovation Hub



SEO Leadership



Best in class conversion



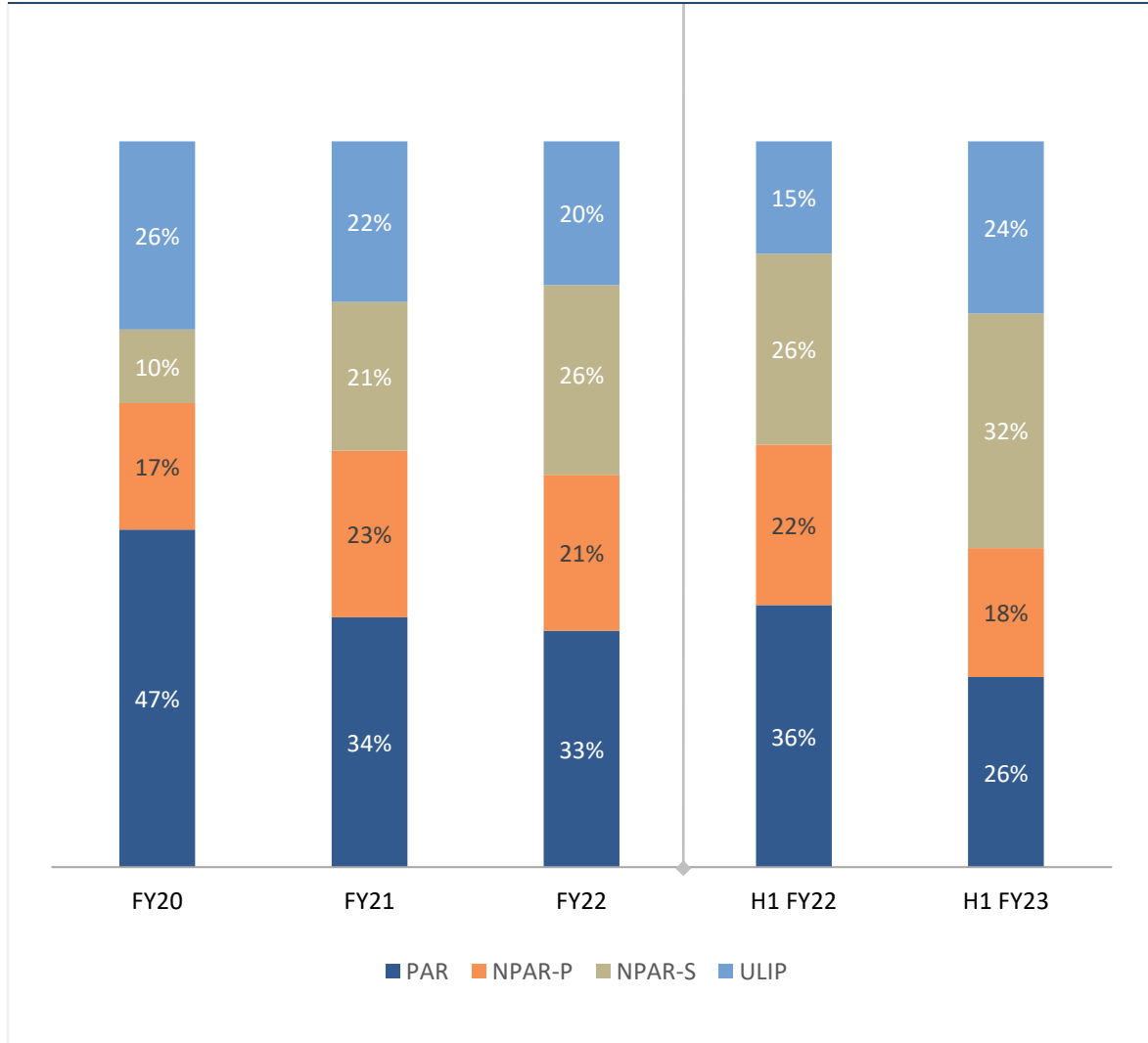
Analytics



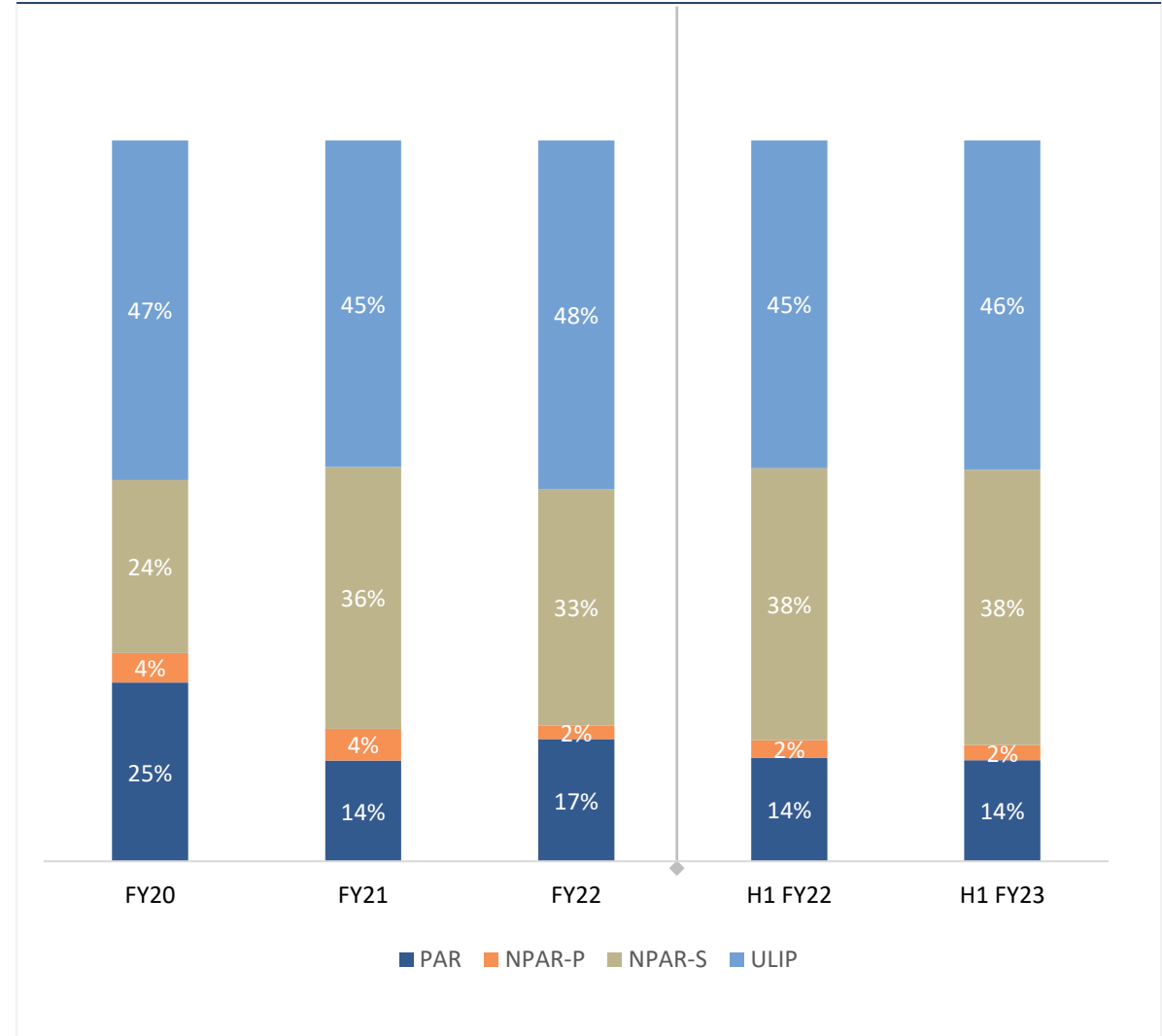
New Category creation (Housewife)

Product mix in proprietary and Bancassurance channels aligned to customer needs;

Proprietary Channels Product mix - biased towards traditional products and protection for driving margins



Bancassurance Product Mix - has been biased towards ULIPs to cater to target customer segments



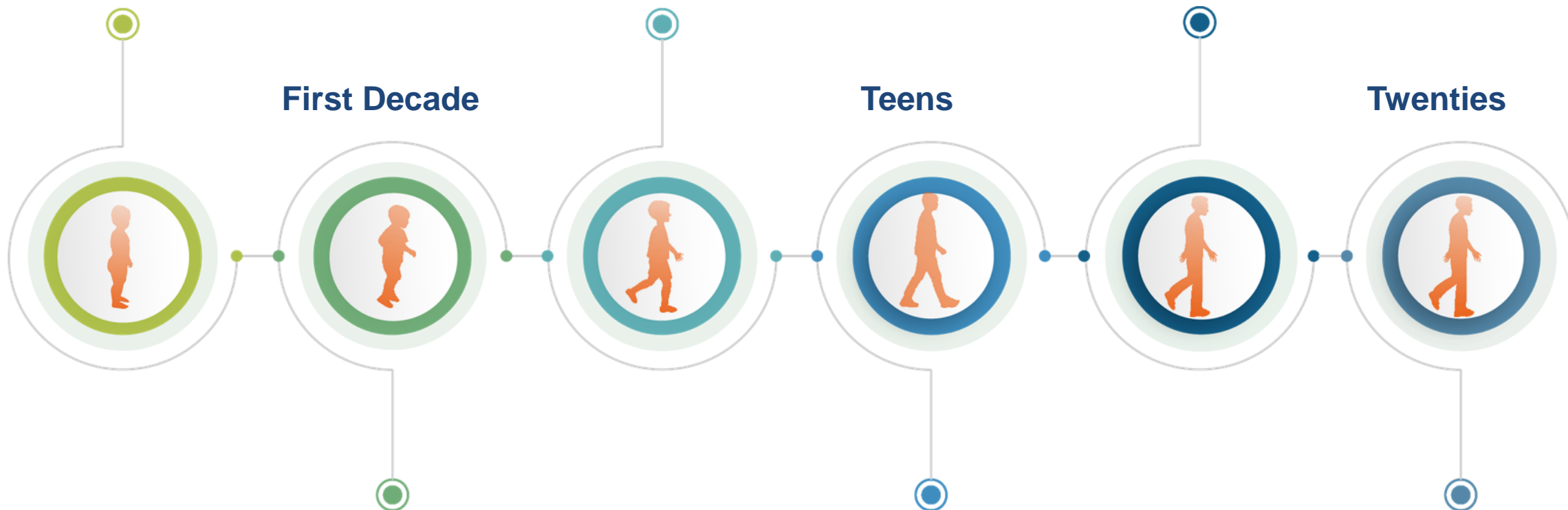
B

Max Life has been at the forefront of driving Products Innovation by creating first-in-industry propositions

1. Break the endowments category clutter with Industry **First Whole Life plan**
2. Provide **liquidity & flexibility through First Cash & Premium Offset Bonus** options
3. **First PAR Top Up** option

6. Enabled transparent customer participation in Bonds with **First Index-Linked Non PAR plan**

10. **Hedged Guarantees with Derivatives**
11. Launched industry **First COVID-19 Rider** (diagnosis & death benefit)



4. Enable Customer Obsession **through First “Freelook Period”**, became Regulation later
5. **Created Universal Life product** – Enable transparent customer participation in Debt market

7. **Scaled “Monthly Income” category** first on Non PAR and then on PAR platforms

12. **Differentiated Term plan** with industry firsts (Special exit value, Premium holiday option)
13. **Strengthened PAR proposition** (guarantees under early income variant)
14. Launched new savings proposition **Smart Fixed-return Digital Plan**

Millennials preferring FD/RD like deposits

Smart Fixed-return Digital Plan

LIFE INVESTMENTS FOR YOU, *ab Simple hai!*

WITH **SMART FIXED-RETURN DIGITAL PLAN**

Key Features

- Simplified on-boarding process with instant confirmation of issuance after journey completion
- Shorter policy tenures starting at just 5 years
- Fully guaranteed returns payable as a lump sum at maturity
- Higher benefits offered for higher premiums paid
- Special benefits for women customers

ULIP product for self employed

SMART PROTECTION FOR THE SELF-MADE INDIAN*

PRESENTING **MAXLIFE SMART Flexi PROTECT SOLUTION**

A MARKET LINKED PROTECTION SOLUTION WHICH IS A COMBINATION OF

FWP FLEXI WEALTH PLUS and **MAXLIFE CRITICAL ILLNESS AND DISABILITY SECURE RIDER**

Key Features

- Enhanced life cover
- Comprehensive protection against Death, Critical Illness and Total Permanent Disability
- Savings with market linked returns
- Easy issuance with Video medical examination and relaxed financial documentation
- Tax benefits under Sections 80C and 80D of the Income Tax Act

Solution for self employed /homemakers

MAX LIFE INSURANCE

LIVE LIFE **FRONT FOOT PE** WITH THE EASE OF **MAX LIFE SMART SECURE Easy SOLUTION**

A COMBINATION OF **MAX LIFE SMART SECURE PLUS PLAN WITH ACCIDENT COVER OPTION** AND **MAX LIFE CRITICAL ILLNESS AND DISABILITY RIDER WITH ACCIDENT COVER OPTION**

Key Features

- Comprehensive protection against Death, Critical Illness and Total Permanent Disability
- Easy issuance with Video medical examination and relaxed financial documentation
- Return of premium option available
- Choice of 4 coverage options
- Tax benefits under Sections 80C and 80D of the Income Tax Act

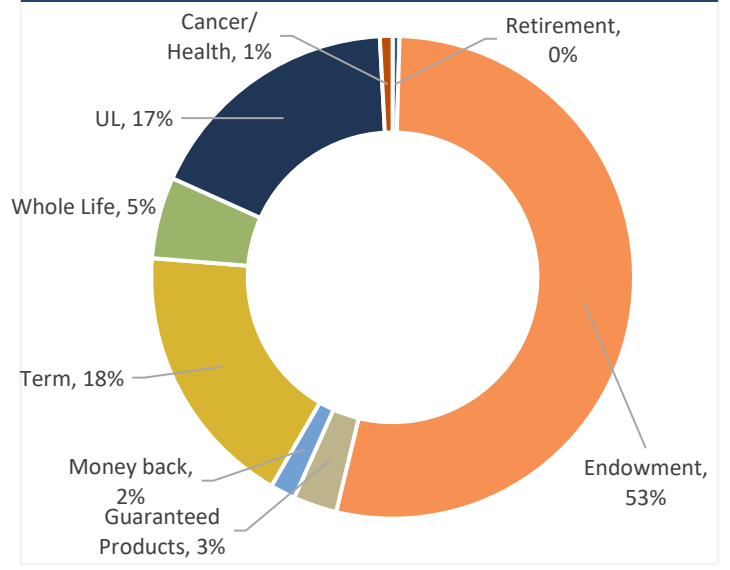
B Max Life has a complete suite of products and focus is on selling longer term products along with improving penetration of pure protection offerings



Max Life has products across all categories

- 4** Protection plans
- 5** Income plans
- 5** Endowment plans
- 5** ULIP plans
- 2** Child plans
- 1** Health plan
- 3** Annuity plan
- 1** Retirement ULIP
- 1** Whole life
- 4** Riders

Current portfolio¹ biased towards traditional products



Product Type	Average Policyholder Age (Years)	Average Policy Term (Years)	Average PPT (Years)
Endowment	35	22	10
ULIP	38	14	8
Whole Life	36	64	52
Money back	27	17	17
Pure Term	35	38	32
Guaranteed products	43	19	9
Health	38	21	21
Cancer Insurance	38	29	29
Pension	32	24	24
Annuity	62	58	1

As on 30th Sep 2022

36

Average

26

Average

16

Average

(1) Based on all policies sold till date

Focus on retirement

Life stage & Objective

Age: 25-45 yrs
Accumulate funds

Age: 45-60 yrs
Plan for retirement

Age: 60+ yrs
Cover the risk of living too long

Needs

- Tax Saving
- Savings for future

- Tax Saving
- Lumpsum req. for big events (child's education, buy home, child's marriage)
- Savings for retirement

- Regular income stream until death
- Legacy planning

Max Life's solutions

- NPS account (Pension Fund Management - PFM)
- Pension plan

- Long Term Income (Smart Wealth Plan)
- NPS account (PFM)
- Pension plan
- Annuity

- Annuity



Smart Guaranteed Pension Plan

- Guaranteed Income** to cater to your needs as long as you live
- Advance Annuity Amount** option to take in advance, your next 5 years annuities
- Option for Life-long income:** option to choose a single life or a joint life annuity
- Available for Group members** who want to purchase annuities
- Available for National Pension System(NPS) customers**

Max Life Pension Fund Management

- Business commenced from 12th September**
- Launched social media campaigns and PFM website**
- Garnered INR 16 Cr AUM within 18 days of launch**
- Distribution across Corporate, retail and government base**

Guaranteed Life Time Income Plan

- Guaranteed Lifelong income** with Single Life & Joint Life Option
- Option to choose between Immediate & Deferred Annuity**
- Flexibility to choose how long you want to pay premiums** - Single Pay and Limited Pay Options
- Easier on-boarding** with Zero Medical Underwriting
- Option to get Return of Premium as minimum Death Benefit³**



Focus on protection and its risk management

Customer Profiling and Selection

- AI based risk models, Credit Bureaus, IIB Database deployed in underwriting risk assessments
- Stringent medical and financial underwriting controls deployed

Experience monitoring

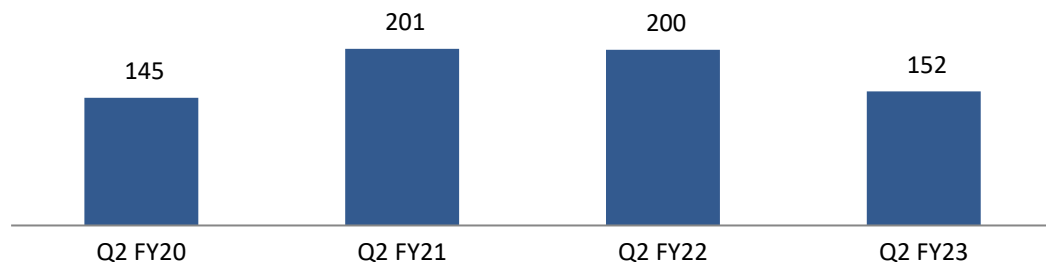
- Regular portfolio review/ Post issuance verification
- AI models leveraged to monitor and forecast experience
- Early warning framework for early course correction
- Industry collaboration against organized frauds

Profitability & Risk Management

- Regular repricing of products
- Product boundaries based on geography, income and channel
- Adequacy of reserve to minimize P&L volatility – Building up provisions for catastrophic events
- Adequate reinsurance (Individual and Catastrophic) to protect against claims volatility

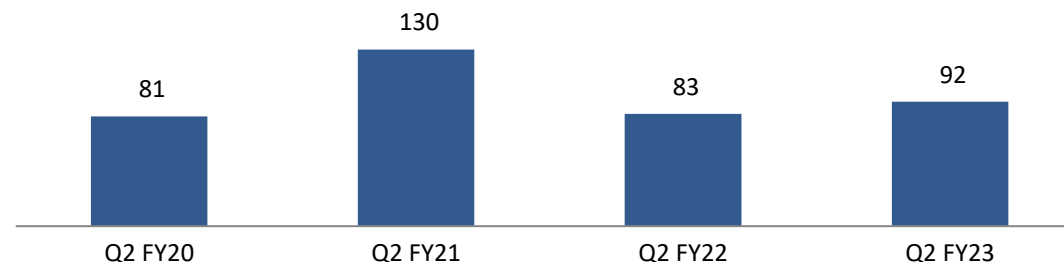
Total Protection – Growth tapered due to moderation in GTL pricing

Amount in INR Cr



Retail Protection APE – Increased customer bias towards protection during covid years, Q2 growth 11%

Amount in INR Cr



Interest Rate Risks

Robust Asset Liability

Management Framework:

- Cash flow and duration matching
- Comprehensive hedging program
- Natural hedge
- Limit on non-par sales
- Active policyholder bonus management for Par business

Focused Product Management:

- Repricing to align benefits with current rates
- Variant and channel level granular monitoring

Resilience and Expert Validation:

- Direct Board oversight
- Stress testing
- Sensitivity tracking
- Peer review of liabilities
- Periodic external review of Derivatives

Investment Risks

Front Office – Led by CIO:

- Differential strategy as per the fund characteristics
- Ensuing diversification and credit quality across portfolio, minimize credit and concentration risks

Middle Office – Led by CRO:

- Independent credit review of portfolio and all new investment proposals
- Derivative risk management
- Early Warning Framework
- Consequence management of stressed assets

Back Office – Led by CFO:

- Ensuring implementation of cash flow matching requirement of ALM
- Valuation, Collateral and Margin management of Derivatives
- Appropriate provisioning for stressed assets

Information Security and Business Continuity Risks

- **Cyber DARE framework for managing security goals:**
- Robust framework based on **ISO 27001**

Internal and External Validation:

- Dedicated CISO, internal security team and external security partner(s)
- Independent external benchmarking (Bit Sight) to keep abreast with emerging security trends

Business Continuity :

- Robust framework based on **ISO 22301**
- Business continuity plans reviewed annually
- Annual BCP drill
- Alternate Disaster Recovery (DR site) and regular data backups with movement to DR site
- Crisis Action Manual

Operational Risks

Preventive Programs:

- Multi-tier governance and automation for highest impact areas
- Quantified risk appetite for
 - Operational errors
 - Product set up errors
- Comprehensive Vendor due diligence

Detective Programs:

- Customized Incident Management program
- Enterprise-wide tool for incident disclosures
- Risk certifications for critical processes

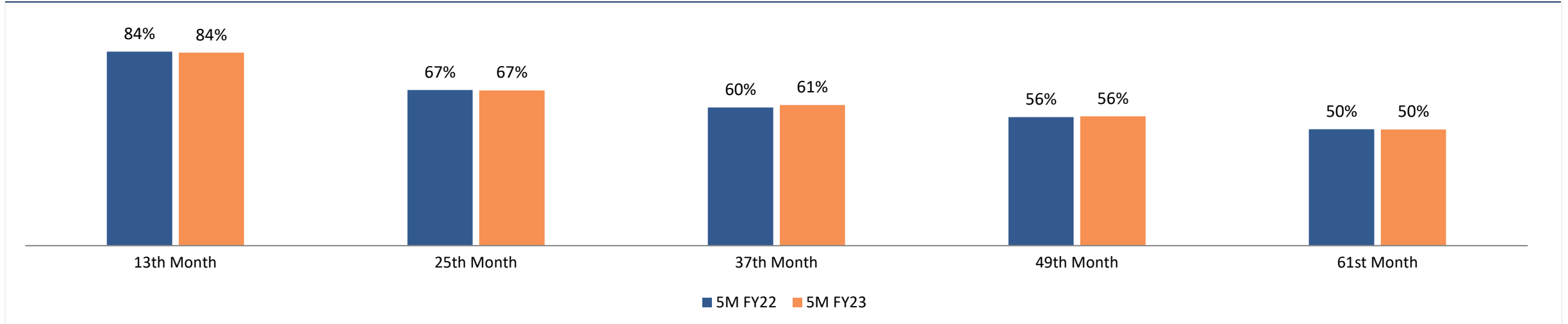
Corrective programs:

- Revenue Assurance model for concurrent checks
- Cross functional forum for system gaps

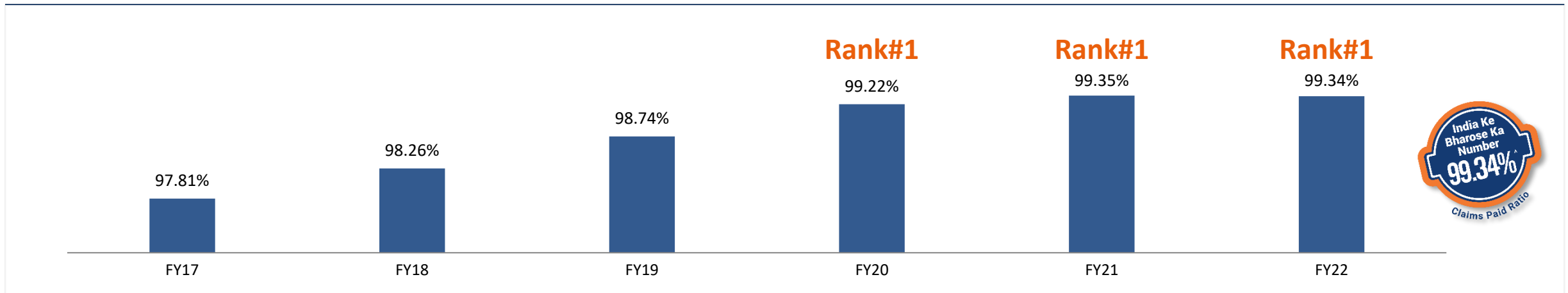


Strong focus towards customer measures has helped deliver superior performance across health parameters and will continue to remain an important priority

Persistency# - Individual policies excluding single pay/fully paid up policies



Claims Paid Ratio



Persistency for the period ending 30th Sep 22 for policies renewed from Sep 21 to Aug 22

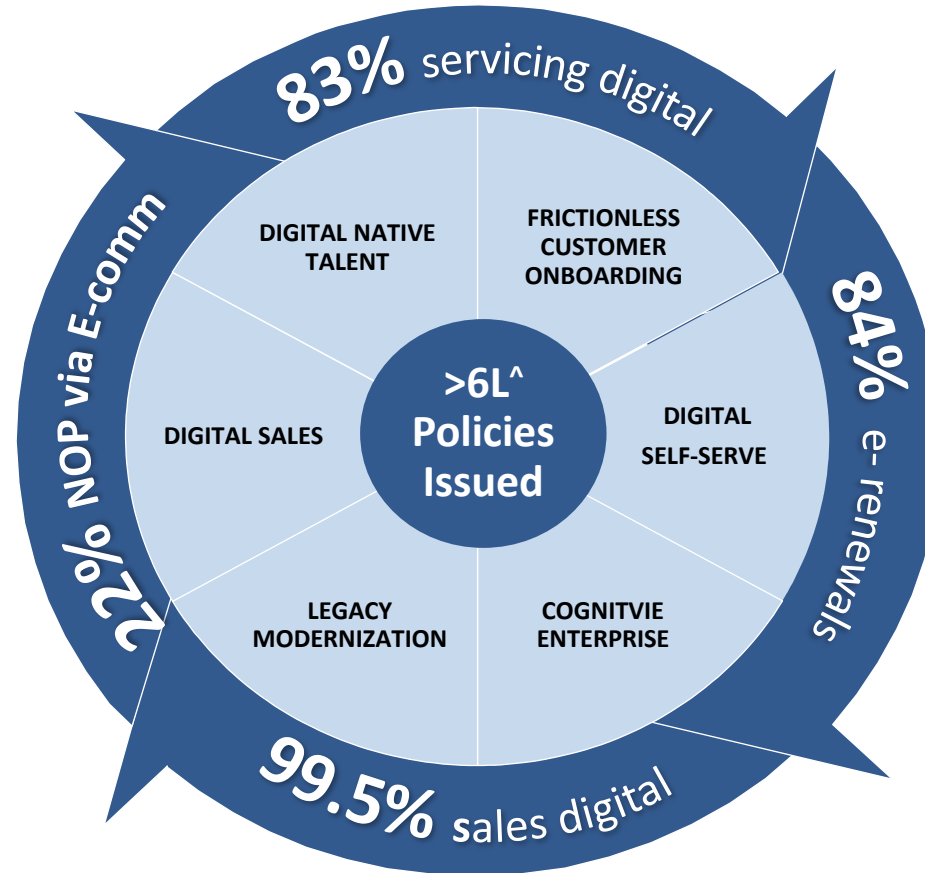
We had made significant progress on our Digital Journey

72%
Automated Underwriting (Retail)

~58
Claims paid everyday

<3 seconds
Page load time

99.34%
Claims settlement ratio



50+
Partners

46%
Infra on Cloud

56%
Insta COI (Axis)

420K+
Bot queries per month

[^] Total policies issued for FY22

Scale eCommerce Business

1

- Digital Marketing Muscle (**Sharper prospecting**)
- **Mobile first** purchase journey
- **Personalized** experience
- **WhatsApp** chase journeys

Digital Sales

2

- Intelligent & Integrated **LEAD management**
- Integrated **Recruitment Funnel**
- Digital **Native Training & Content Mgt** solution
- **Smart Assistant** for seller productivity
- Digital standardized **sales governance**

Onboarding / Issuance

3

- Digital Native Onboarding platform – **SEO**
- **Frictionless Onboarding** experience leveraging eco system partnerships
- **Smart U/W** - embedded AI Models
- **Legacy Modernization** – Insta Issuance

Customer Service

4

- **Omni Channel** customer experience (Customer 360)
- Help Center / conversational BOTS for **self service**
- **Continuous customer engagement** by Leveraging Ecosystem
- Digital **Agent Servicing**
- Integration with **Social platforms**

Enterprise

5

- **Mobile First Employee Experience** – HR Self Service
- **Digital Engagement & Collaboration**
- **Back-office transformation** – Treasury, AML
- **Enhanced Security** – cloud, threat monitoring, vulnerability Mgt
- **Intelligent Automation**

Pervasive Intelligence

6

(AI /ML, Analytics embedded in all key processes)

Cloud Enabled Legacy Modernization & Enterprise Data Hub

7

Workloads on Cloud

Employer of Choice for Top Digital Talent

8

300+ Engineers

Digital Culture

9

InsureTech ecosystem

Savings New Intercept

← Guaranteed Savings (5 years) Change Plan

No Risk, Assured Return

You pay ₹ 6.00 Lakh till 2027

You get ★ 100% Guaranteed Return

7.03%

Tax Free Return

₹ 12.84 Lakh	₹ 10.07 Lakh	37.44 K
<small>Life Cover Till 2032</small>	<small>Maturity amount by 2032</small>	<small>Tax Savings on maturity</small>

Flexibility to pay for less than 5 years + Add

Investment Amount (excl. GST) Monthly ▾

₹ 10,000

Pay For 5 Years

Withdrawal After 10 Years ▾

Check Eligibility

Save Tax on your Investment

Comparison Tax Calculations

Sec 80C	Investment Amount	Tax Saved
in 1 st Year	₹ 1.20 Lakh	₹ 37.44 K <small>Check Calculation</small>
Over 5 Years	₹ 6.00 Lakh	₹ 1.87 Lakh

Sec 10(10D)	Maturity Value	Tax on Returns
Guaranteed Savings (5 years)	₹ 10.07 Lakh	No Tax*
Fixed Deposit	₹ 10.07 Lakh	₹ 1.22 Lakh Tax <small>Check Calculation</small>

You are securing yourself with Max Life Smart Fixed-return Digital Plan (A Non-Linked Non-Participating Individual Life Insurance Savings Plan , UIN 104N123V02)



- New Age DIY Savings journey with enhanced customer Experience
- Improved Quote page design across all Savings products.
- Lead to quote improved by >80%
- Session to Lead improvement – by 40%

Chase using Conversational Interfaces

- Unique Conversations = 5500 + in August
- Improved Query Resolution 63%
- 10% user engagement observed during chase on WhatsApp bot
- 55000 + total sent messages



Chase - Conversational Interface (Whatsapp-bot)

maxlifeinsurance.com/te

Mili is online
24/7 Virtual Assistant

Hi 11:01 AM ✓

Hello Vikram, Good to see you here. How can I help you? 11:02 AM

Request a Callback

FAQs for Term Plan

FAQs for Saving Plan

Need help 11:02 AM ✓

What would you like to do Vikram?
💡 Select from the options below 11:02 AM

Download Brochure

FAQs for Term Plan

Request a Callback

Max Life Insurance

Download Brochure 11:02 AM ✓

Here you go Vikram!
Check out the plan details 11:02 AM

MAX LIFE INSURANCE

Message

a few seconds ago

👋 Hi! Welcome to Max Life Insurance, India's leading life insurance company 🤗

I am Mili, your virtual assistant. What would you like to do today?

Chat with an Agent

Request a Callback

Menu

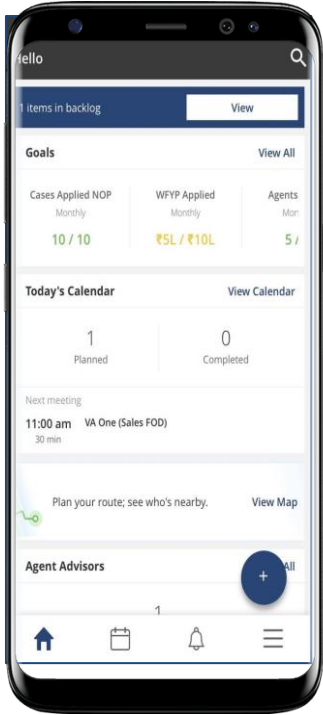
Chat with an Agent

Request a Callback

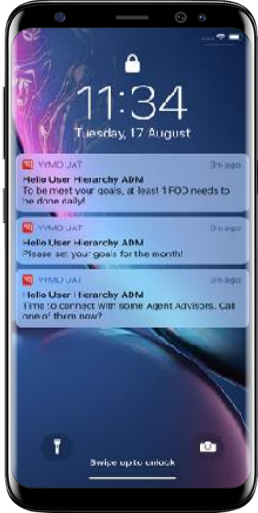
Type here...

Powered by **haptik**

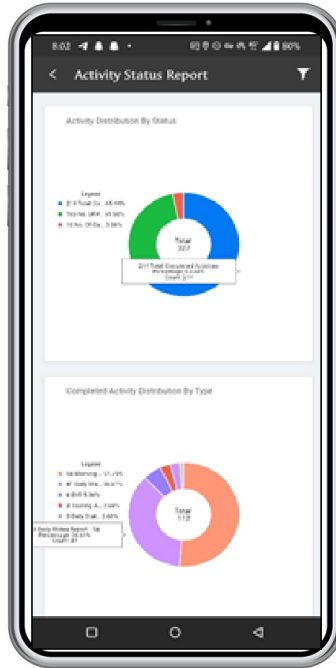
mSMART – Activity and lead Management



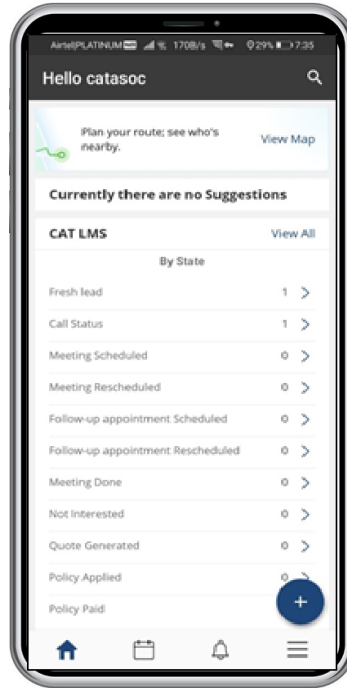
Intelligent nudges on next best action



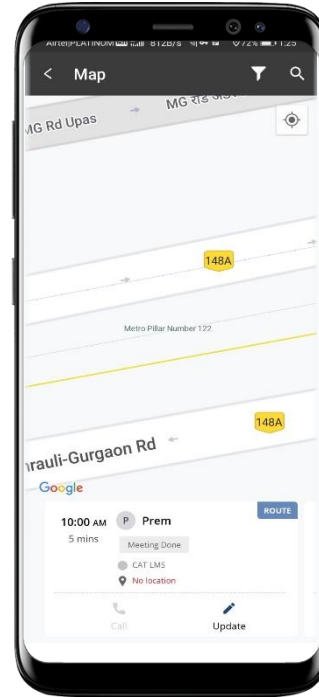
mSMART



Smart Dashboards



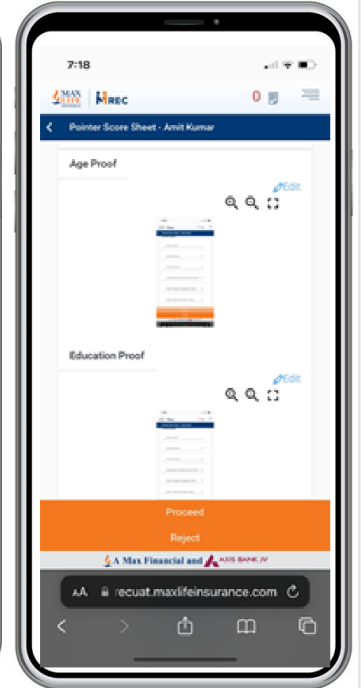
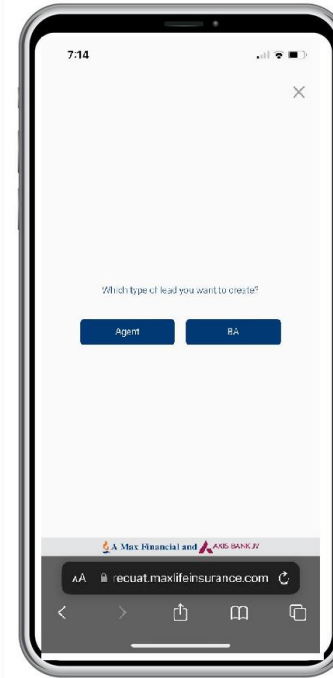
Lead Management bucket wise view



Near by locations view of the leads

Enables ADM/RA's to track and create activities, goals and PRP

mREC



BA hiring for APC/Agency enabled in mREC



1 LAC+ activities in a month



~58k+ FODs in a month



~80%+ Adoption across Agency & Axis channel

New lead Management with intelligent features

All the new BA hiring is being done through automated tool only

New partner Onboarding

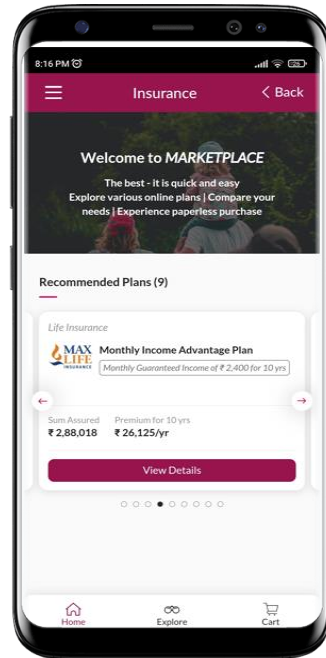


Yella

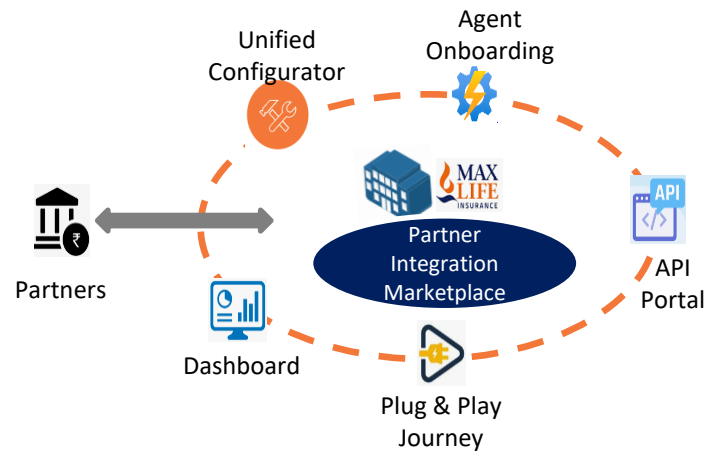


3 new brokers on boarded within 1 month.
New bank on boarded with a week.

Integration with Market Places & creating Max Life Partner Integration



Banca Partners Market Places



Max life - Partner Integration Market place

Eco-system Integration

For KYC details and document waivers

Waiver of Financial Document

Integration with TPA for Medical scheduling and digital report



3 new brokers on-boarded within 1 week. New Bank on-boarded in less than a week

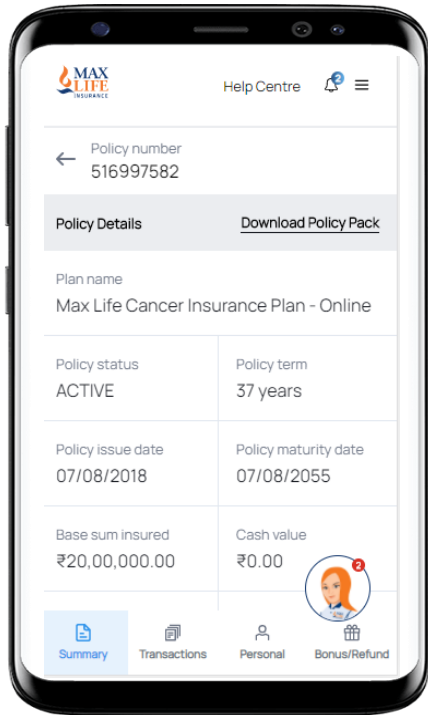


Improvement in First Time Right by 4%



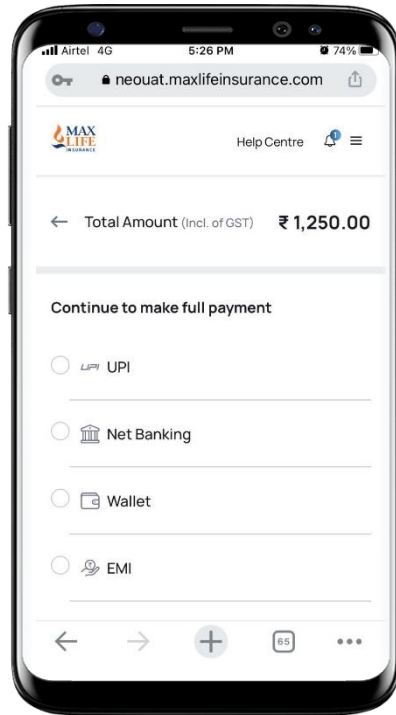
Clear Case - 72% (Retail)

Revamped Website



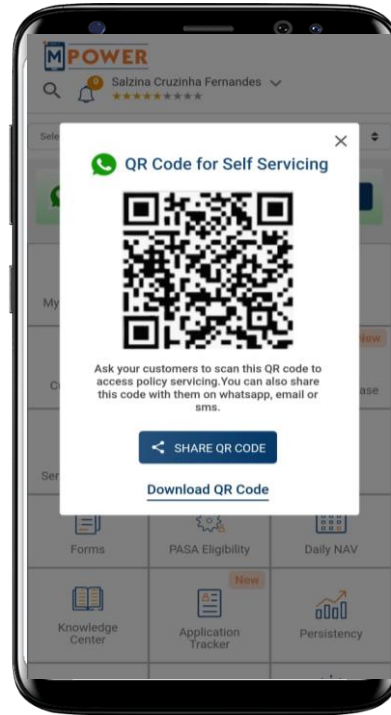
Improved Customer Experience
NPS up by 10pts

Unified Payment Platform



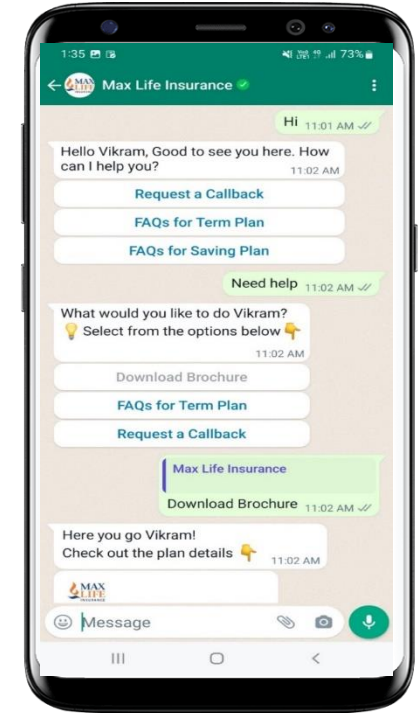
Robust & scalable payment platform
Paytm router - Multi Switch PG capability

Launched QR Code



Soft launch across channels
Seller enablement, Website

Chase journey- WhatsApp Bot



POC completed on Haptik platform



40L+ Self-service transactions
YTD, 82% Penetration



10+ Uplift in Digital NPS for
customer Portal



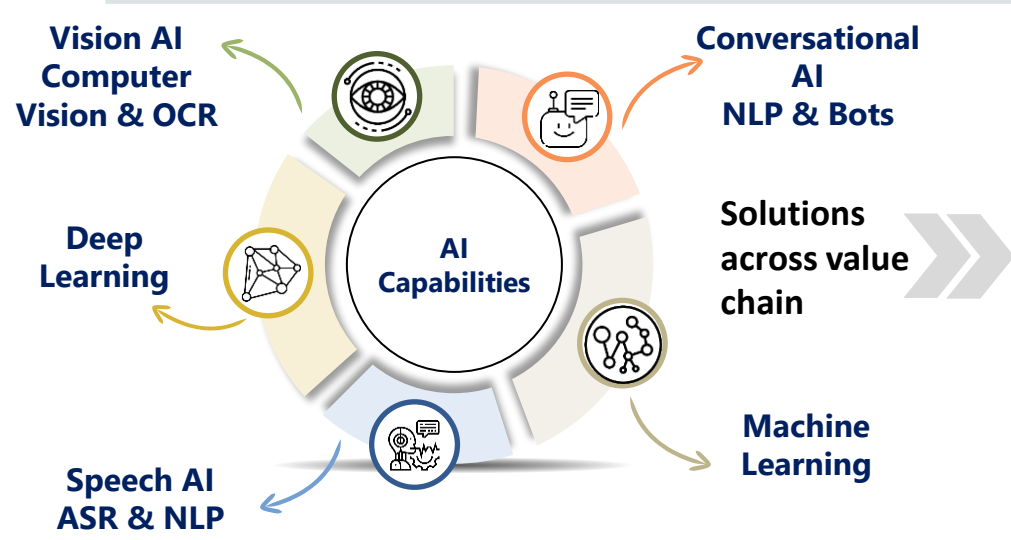
20% Increased traffic on
Whatsapp Bot QoQ



10% Higher user engagement +
63% Improved query resolution
On Haptik platform

D Max Life has implemented cutting edge AI application at scale enabling superior business outcomes across the customer touchpoints

6



New Business	
	Speech Analytics suite for Customer insights, call sentiment, effectiveness & Agent performance analysis
	Customized customer offers with propensity prediction & Product recommendation engine
	Upfront Rural-Urban sector classification engine
	Machine Learning based Sales Leakage prediction
	Automated AI based nudge engine for on ground sales team

Purchase & Issuance	
	Shield Early Claim & Fraud risk prediction Engine
	13M & 25M Upfront Persistency Risk Prediction and Engagement recommendation
	Computer Vision based Photo and liveness verification in PoSV
	Diagnostic center analytics and fraud prediction & monitoring
	UW decision anomaly identification suite to enhance decisional accuracy
	Computer vision based Aadhaar Masking Suite
	Mortality Insights & Analytics hub

Servicing, Retention & Others	
	Deep Learning Customer Engagement, Retention & Persistency Prediction
	Upfront Query Resolution with unified intent prediction and auto response bot
	Machine Learning based Renewal Income & Persistency Forecasting & monitoring
	Machine Learning based Detractor & NPS prediction model
	Machine Learning based Surrender prediction and Surrender retention
	Investment Risk Identification by flagging probable dealer broker collusion

AI Industry Recognition

	CYPHER – Top Domestic Firms using AI/ML
	Nasscom AI Game Changers Award
	ETBFSI AI excellence Awards
	Top 40 Under 40 data scientists Award

	Best Data Science Project Award
AI Case Study Books & Publications	

100% Real time Risk prediction	388 Diagnostic Centers delisted basis Medichcek	90% VOX- Transcription & NLP Accuracy (Hindi, English, Hinglish)	15 Lacs Historical documents being processed daily for Aadhar masking
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NLP: Natural Language Processing
ASR: Automatic Speech Recognition

D Our investments in cloud and system modernization is helping us scale business in an agile way...

7



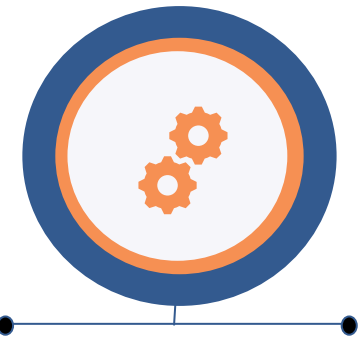
Cloud Data & Analytics Platform

- Data Lake Foundation & Customer 360
- Data stores consolidation and real-time reporting
- AI/ML – Speech to Text, Claims Risk Insight Engine



Cloud Foundation

- Agility in operations support for 4X volume on peak days with response time <1sec
- Footprint increase form 18% to ~46%



Legacy Modernization

- Modernized Treasury, HR, Contact Center, Communications and AML platforms
- Centralized product setup by implementing Product Configurator as a single source of truth for all applications



DR 100% for application migrated



Real-time Backup



Improved resiliency and peak volume support via auto-scaling



Provisioning from 8 weeks to 2-3 Days



SECTION IV

- ▶ Max Life Insurance – ESG
- 

Four pillars of our sustainability framework





Work Ethically & Sustainably

- Corporate Governance
- Ethics & Compliance
- Digital Initiatives
- Ethical usage of Data
- Operational Risk Management



Care for People

- Diversity & Inclusion
- Employee Development
- Health & Wellness programs
- CSR (with Financial Empowerment)



Financial Responsibility

- Sustainable Investing
- Product responsibility
- Customer feedback integration



Green Operations

- Waste Management
- Water Management
- Energy efficiency
- Emissions control



Governance

- 🔥 Dedicated **ESG Management Committee**
- 🔥 **ESG Head** to oversee ESG initiatives
- 🔥 **Diverse Board composition Independent Directors** (~50%- MFSL; ~30%- Max Life Insurance)
- 🔥 Average Board experience > **30 years**



Data Privacy & Security

- 🔥 MLI received the **DSCI Excellence Award** for Best Security Practices in India in 2021
- 🔥 Recertification of **ISO 27001** completed
- 🔥 Data privacy policy
- 🔥 Data privacy and security policies in line with **Aadhar Act, I-T Act** and other regulatory guidelines



Risk Management

- 🔥 Max Life has a **robust governance framework with Board risk committee (REALMC)** supported by domain expertise committees (MRC, ALCO, DMC, ORG, IS BCM etc.)
- 🔥 **Risk Appetite and Risk Management** framework in place
- 🔥 Robust derivative program as well as an ALM framework
- 🔥 Detailed review process of Business Plan in place by CRO with focus on solvency risk and capital management



Compliance & Policies

- 🔥 **Platforms, mechanisms, channels** in place for grievance addresses, incident investigations and corrective actions and policies
- 🔥 Dedicated **whistle-blower platform** managed by independent external partner
- 🔥 Approved **Business Code of Conduct, Anti Bribery, Gifts and Meals** policies



Diversity & Inclusion

- Gender diversity ratio at **25%** at Max Life
- Pragati** (a career comeback program) for women on a break
- Capability building program for women
- Max Life featured in **'Rendezvous'** by India Diversity Forum on D&I practices
- Max Life awarded **"Excellence in Gender Diversity"** at the 4th D&I Summit & Awards by Transformance Forums



Health & Wellness

- Counselling and **mental wellbeing** sessions conducted for employees
- Tied up with **Healthifyme** and conducted health sessions for all employees
- Ongoing employee engagement on **health & wellness (doctors for consultations, mental wellbeing sessions and COVID-19 helpline)**



Employee Development & Policies

- Ranked 18th in Great Place to work** survey in 2021
- Unlimited sick leave policies for **eligible employees**
- High **employee engagement**
- Robust** talent review process
- Launched **POSH** (Prevention of Sexual Harassment) e-learning and certification on intranet / mobile app






CSR Initiatives

- Joy of Giving:** Teams volunteered in our office communities
- Covid Prevention kits** distributed to frontline workers
- Nutritional intervention support for malnourished families in Haridwar through **Akshaya Patra**
- Partnered 4 Max India Foundation NGOs: Teach for India, Simple Education, **Kshamtalya Foundation and Saajha** – to conduct sessions on financial literacy
- Green Project with **GMDA** (Gurgaon Metro) to maintain the green belt from IFFCO Chowk to Sikanderpur metro station – 4.4 km stretch

Financial Responsibility




Committed to responsible investments

-  **100% ESG integration** will be ensured in all equity investment research and decision making by FY23
-  **75%** of equity portfolio to be ESG compliant from FY23
-  **100%** compliance for equity portions of shareholders fund to be adhered to from FY23






Responsible Investments

-  **Comprehensive stewardship policy** in place and a detailed summary of MLI's voting actions are disclosed on a quarterly basis.
-  Max Life evaluates detailed governance reports of all its investee companies in detail
-  Launched new **ESG Fund**
-  There is now a dedicated ESG Update in every **Investments Committee Meeting**




Product Responsibility

-  Special rates for females to precipitate financial inclusion for women - **Under Smart Wealth Insurance Plan (SWIP)**, we provide a preferential discount for women
-  Max Life annuity plans, and Smart Wealth Plan offer senior customers guaranteed income throughout their life
-  Additional health protection through our Rider Suite. Critical Illness and Disability Rider can be attached to almost the entire product portfolio; offers protection against 64 critical illnesses and disabilities



Integrating Customer Feedback

-  Consistent focus on integrating feedback from policyholders in our services, reflected in our NPS ratings, as per Kantar Studies. **NPS improved from 35 in FY19 to 49 in FY22**

Green Operations



Holistic approach

- Conducted a **carbon footprint assessment** of our pan-India offices.
- Striving to be carbon neutral by FY28



Energy Management

- Home Office (HO) building is a LEED Platinum certified building with “5 star rating”** in health and safety by British safety council
- Replacement of CFL with LED lights ongoing in all offices to reduce energy consumption : Replacement concluded in **30% offices in last 3 yrs.** ~3% of energy reduction achieved
- Replacement of old air-conditioners ongoing: Plan to replace **500 ton of AC in FY23**



Water Conservation






- Water is recycled with the help of **STP: 30 kilo litres of water recycled** in FY22
- 100% tap sensors** and water aerators in place in HO. ~70% water consumption is reduced



Waste Management

- MLI has pledged to completely ban **single-use plastic** in the next few years with emphasis on recycled plastic at tuck shop and pantries
- Implementing **dry and wet waste segregation process**
- Used **10000 kg of plastic**, **3000** being single use and **7000** being recycled plastic

Accomplishments in our key strategic shifts identified in our ESG journey

Indicators	Key Metric for ESG Indicators	Key Targets	Current Status
 Digital Operations	Digital enablement (Self Servicing) in Business transactions	90% of all self- servicing operations to be digital by FY25	95% self-service enablement by September'22
 Diversity & Inclusion	Overall Gender Diversity Ratio	Achieve 30% gender diversity ratio by FY25 (23% in FY21)	26% gender diversity ratio in Sep'22
 Workforce Training	Number of Digital Learning hours to upskill and reskill employees	Improve total training hours by ~3X by FY25	21,609 training hours in FY22
 Responsible Investments	ESG integration* & Compliance^ in Investment Decision Making	100% ESG integration in equity investment research and decision making by FY23 75% of equity portfolio to be ESG compliant at all times from FY23	External Consultant on-boarded for ESG integration process Tracking ongoing for ESG compliance
 Carbon Neutrality	Reduce carbon footprint and achieve Carbon Neutrality	To achieve carbon neutrality by FY28	Carbon Assessment completed. Mitigation in progress.

*ESG Integration refers to evaluation of ESG risks and opportunities for each company in the portfolio

^ESG compliance refers to all ESG rating categories excluding severe risk category, as per rating agency scores



SECTION V

- ▶ Max Life Insurance - MCEV Disclosures: H1 FY23
- 

Key Results

The Embedded Value¹ (EV) as at 30th September 2022 is **Rs 14,704 Cr.**

The Operating Return on EV (RoEV) over H1 FY23 is **15.7%**. Including non-operating variances, the total RoEV² is **7.6%**.

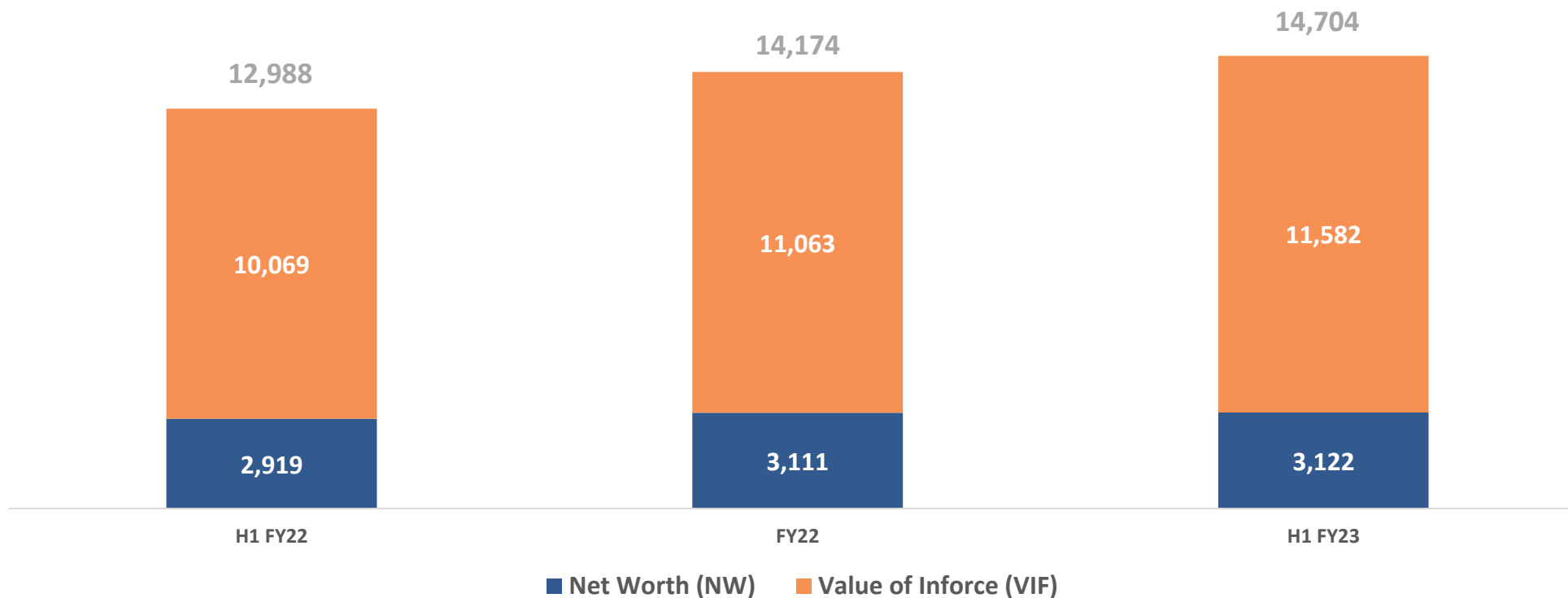
The New Business Margin (NBM) at actual cost for H1 FY23 is **26.7%**, with Value of New Business (VNB) written over the period being **Rs 586 Cr.**

Notes:

¹ Max Life's Embedded Value (EV) is based on a market consistent methodology. However, they are not intended to be compliant with the MCEV Principles issued by the Stitching CFO Forum Foundation (CFO Forum) or the Actuarial Practice Standard 10 (APS10) as issued by the Institute of Actuaries of India.

² The return on EV over H1 FY23 is calculated as 3.7% (growth in EV) annualized to 7.6%.

Progression of Embedded Value



1. EV as at H1 FY23 represents an increase of Rs 529 Cr from the EV of Rs 14,174 Cr as at FY22; implying a growth of 3.7% (annualized to 7.6%) over the period.

Value of New Business and New Business Margins as at 30th September 2022

Description	H1 FY22	H1 FY23	Y-o-Y growth
APE ¹	2,158	2,200	2%
New Business Margin (NBM) (post cost overrun)	25.3%	26.7%	140 bps
Value of New Business (VNB) (post cost overrun)	546	586	7%

- The New Business Margin (NBM) has increased by circa 140 bps to 26.7% for H1 FY23 as compared to 25.3% for H1 FY22.
- The increase in margins is primarily driven by increase in product profitability

¹ Annual Premium Equivalent (APE) is calculated as 100% of regular premium + 10% of single premium.

² The VNB is accumulated from the point of sale to the end of the reporting period (i.e. 30th September 2022), using the beginning of quarters' risk free yield curve.

Value of New Business (VNB) and New Business Margin (NBM) Walk



Sensitivity analysis as at 31st March 2022

Sensitivity	EV		New business	
	Value (Rs Cr)	% change	VNB (Rs Cr) NBM	% change
Base Case	14,174	-	1,528 27.4%	-
Lapse/Surrender - 10% increase	14,045	(1%)	1,502 26.9%	(2%)
Lapse/Surrender - 10% decrease	14,300	1%	1,553 27.8%	2%
Mortality - 10% increase	13,932	(2%)	1,465 26.2%	(4%)
Mortality - 10% decrease	14,418	2%	1,592 28.5%	4%
Expenses - 10% increase	14,043	(1%)	1,439 25.8%	(6%)
Expenses - 10% decrease	14,305	1%	1,618 28.9%	6%
Risk free rates - 1% increase	13,945	(2%)	1,592 28.5%	4%
Risk free rates - 1% reduction	14,350	1%	1,449 25.9%	(5%)
Equity values - 10% immediate rise	14,310	1%	1,528 27.4%	Negligible
Equity values - 10% immediate fall	14,039	(1%)	1,528 27.4%	Negligible
Corporate tax Rate - 2% increase	13,881	(2%)	1,482 26.5%	(3%)
Corporate tax Rate - 2% decrease	14,467	2%	1,575 28.2%	3%
Corporate tax rate increased to 25%	12,240	(14%)	1,221 21.9%	(20%)

1. Reduction in interest rate curve leads to an increase in the value of assets which offsets the loss in the value of future profits.
2. Risk free rate sensitivities under new business allow for the change in the value of assets as at the date of valuation.

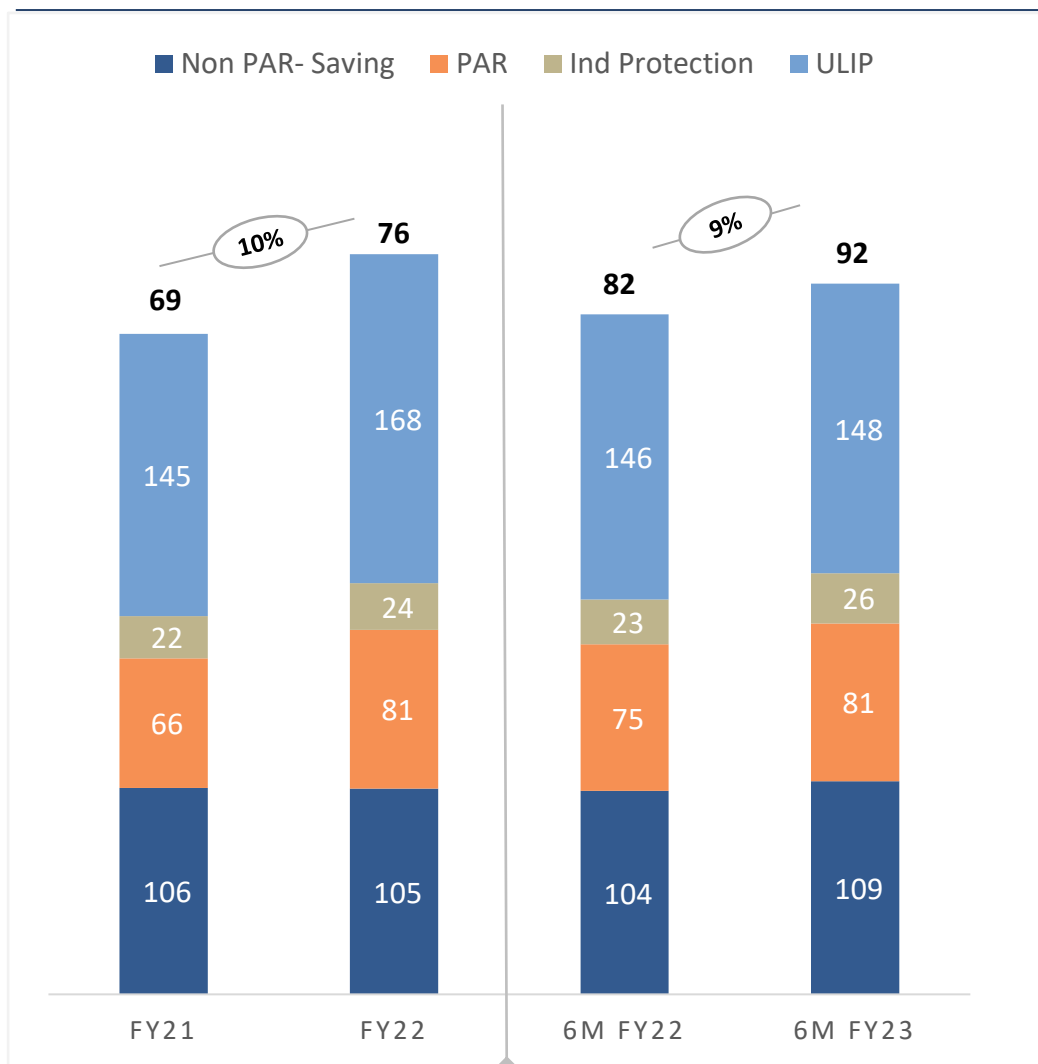


ANNEXURES

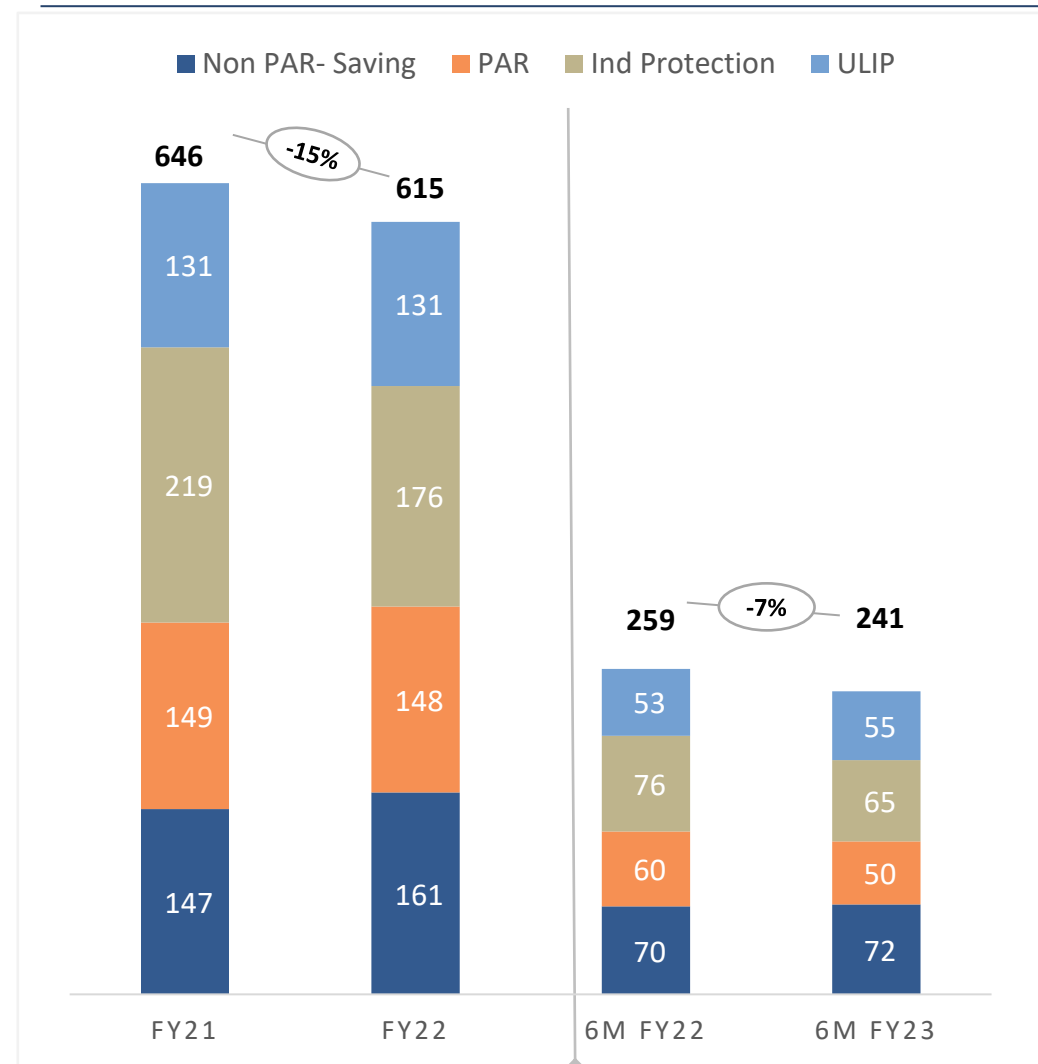


Expansion in case size of policies sold in 6M FY23

Case Size (INR'000)



NoPs ('000)



Definitions of the EV and VNB

Market consistent methodology

- The EV and VNB have been determined using a market consistent methodology which differs from the traditional EV approach in respect of the way in which allowance for the risks in the business is made.
- For the market consistent methodology, an explicit allowance for the risks is made through the estimation of the Time Value of Financial Options and Guarantees (TVFOG), Cost of Residual Non-Hedgeable Risks (CRNHR) and Frictional Cost (FC) whereas for the traditional EV approach, the allowance for the risk is made through the Risk Discount Rate (RDR).

Components of EV

The EV is calculated to be the sum of:

- Net Asset value (NAV) or Net Worth: It represents the market value of assets attributable to shareholders and is calculated as the adjusted net worth of the company (being the net shareholders' funds as shown in the audited financial statements adjusted to allow for all shareholder assets on a market value basis, net of tax).
- Value of In-force (VIF): This component represents the Present Value of Future expected post-tax Profits (PVFP) attributable to shareholders from the in-force business as at the valuation date, after deducting allowances for TVFOG, CRNHR and FC. Thus, $VIF = PVFP - TVFOG - CRNHR - FC$.

Covered Business

- All business of Max Life is covered in the assessment except one-year renewable group term business and group fund business which are excluded due to their immateriality to the overall EV.

Components of VIF (1/2)

Present Value of Future Profits (PVFP)

- Best estimate cash flows are projected and discounted at risk free investment returns.
- PVFP for all lines of business except participating business is derived as the present value of post-tax shareholder profits from the in-force covered business.
- PVFP for participating business is derived as the present value of shareholder transfers arising from the policyholder bonuses *plus* one-tenth of the present value of future transfers to the participating fund estate and one-tenth of the participating fund estate as at the valuation date.
- Appropriate allowance for mark-to-market adjustments to policyholders' assets (net of tax) have been made in PVFP calculations to ensure that the market value of assets is taken into account.
- PVFP is also adjusted for the cost of derivative arrangements in place as at the valuation date.

Cost of Residual Non-Hedgeable Risks (CRNHR)

- The CRNHR is calculated based on a cost of capital approach as the discounted value of an annual charge applied to the projected risk bearing capital for all non-hedgeable risks.
- The risk bearing capital has been calculated based on 99.5 percentile stress events for all non-hedgeable risks over a one-year time horizon. The cost of capital charge applied is 4% per annum. The approach adopted is approximate.
- The stress factors applied in calculating the projected risk capital in the future are based on the latest EU Solvency II directives recalibrated for Indian and Company specific conditions.

Components of VIF (2/2)

Time Value Of Options and Guarantees (TVFOG)

- The TVFOG for participating business is calculated using stochastic simulations which are based on 5,000 stochastic scenarios.
- Given that the shareholder payout is likely to be symmetrical for guaranteed non-participating products in both positive and negative scenarios, the TVFOG for these products is taken as zero.
- The cost associated with investment guarantees in the interest sensitive life non-participating products are allowed for in the PVFP calculation and hence an explicit TVFOG allowance has not been calculated.
- For all unit-linked products with investment guarantees, extra statutory reserves have been kept for which no release has been taken in PVFP and hence an explicit TVFOG allowance has not been calculated.

Frictional Cost (FC)

- The FC is calculated as the discounted value of tax on investment returns and dealing costs on assets backing the required capital over the lifetime of the in-force business. Required capital has been set at 170% of the Required Solvency Margin (RSM) which is the internal target level of capital, which is higher than the regulatory minimum requirement of 150%.
- While calculating the FC, the required capital for non-participating products is funded from the shareholders' fund and is not lowered by other sources of funding available such as the excess capital in the participating business (i.e. participating fund estate).

Key Assumptions for the EV and VNB (1/2)

Economic Assumptions

- The EV is calculated using risk free (government bond) spot rate yield curve taken from FBIL¹ as at 30th September 2022. The VNB is calculated using the beginning of respective quarter's risk free yield curve (i.e. 31st March 2022 and 30th June 2022).
- No allowance has been made for liquidity premium because of lack of credible information on liquidity spreads in the Indian market.
- Samples from 30th September 2022 and 31st March 2022 spot rate (semi annualized) yield curves used are:

Year	1	2	3	4	5	10	15	20	25	30	40
Sept-22	6.96%	7.09%	7.05%	7.27%	7.40%	7.45%	7.51%	7.72%	7.63%	7.53%	7.42%
Mar-22	4.51%	5.10%	5.63%	6.08%	6.42%	7.02%	7.37%	7.51%	7.34%	7.52%	7.40%
Change	2.45%	1.99%	1.42%	1.19%	0.98%	0.43%	0.14%	0.21%	0.29%	0.01%	0.02%

Demographic Assumptions

The lapse and mortality assumptions are approved by Board committee and are set by product line and distribution channel on a best estimate basis, based on the following principles:

- Demographic assumptions are set to reflect the expected long term experience.
- Any one-off impacts expected, including those due to COVID19, are allowed through additional provisions/allowances.

Key Assumptions for the EV and VNB (2/2)

Expense and Inflation

- Maintenance expenses are based on the recent expense studies performed internally by the Company. The VIF is reduced for the value of any maintenance expense overrun in the future. The overrun represents the excess maintenance expenses expected to be incurred by the Company over the expense loadings assumed in the calculation of PVFP.
- Future CSR related expenses have been taken to be 2% of post tax (risk adjusted) profits emerging each year.
- Expenses denominated in fixed rupee terms are inflated at 6.0% per annum.
- The commission rates are based on the actual commission payable, if any.

Tax

- The Corporate tax rate is the effective tax rate, post allowing for exemption available on dividend income. Tax rate is nil for pension business.
- For participating business, the transfers to shareholders resulting from surplus distribution are not taxed as tax is assumed to be deducted before surplus is distributed to policyholders and shareholders.
- Goods and Service tax is assumed to be 18%.
- The mark to market adjustments are also adjusted for tax.