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Customer Acquisition, Premium Growth and Persistency in Indian Life Insurance

A Financial Performance Analysis of Aditya Birla Sun Life Insurance Company Limited (FY21–FY26)

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Abstract

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Life insurance sales are conventionally judged by the volume of premium written, yet premium is a long-duration financial promise whose value depends on whether customers are acquired suitably and remain in force. This paper examines how customer acquisition, distribution and retention together explain the premium performance of Aditya Birla Sun Life Insurance Company Limited (ABSLI), the life-insurance arm of Aditya Birla Capital. Using published secondary data from the Insurance Brand Equity Foundation (IBEF), ABSLI's Annual Report 2024–25 and the Aditya Birla Capital Q4 FY26 investor presentation, the study applies trend analysis, year-on-year and compound growth rates, contribution-to-growth decomposition, premium-mix analysis and an illustrative persistency sensitivity, supported by a literature-based acquisition framework.

The results show that ABSLI's gross written premium grew from Rs. 9,775 crore in FY21 to Rs. 20,639 crore in FY25, a compound annual growth rate of 20.5%, while its share of individual new business among private insurers rose from 4.30% to 4.84%. In FY26, total gross premium reached Rs. 24,779 crore (+20.1%). Of the Rs. 4,140 crore increase, 84.5% came from group first-year premium and renewal premium, and renewals constituted 49.2% of the premium base. Reported quality indicators for FY26 include 13th-month persistency of 86.1%, 83% digital renewal collections and a customer NPS of 66. The paper concludes that sustainable sales performance in life insurance should be managed as a combined acquisition–retention problem, and it proposes a balanced scorecard, a standard funnel and a phased implementation roadmap. The analysis is descriptive and uses only published data; no causal claims are made.

Keywords: life insurance; customer acquisition; premium growth; persistency; first-year premium; sales performance; Aditya Birla Sun Life Insurance

JEL classification: G22 (Insurance; Insurance Companies); M31 (Marketing)



1. Introduction

1.1 Background

Insurance performs two economic functions at once. It transfers risk from households and firms to a pooled balance sheet, and it mobilises long-term savings that insurers invest in the wider economy. In India, the sector comprises life, non-life, standalone health and reinsurance businesses, distributed through agents, brokers, banks, corporate agents and a growing set of digital platforms. IBEF's September 2026 sector update counts 74 insurers, including 26 life insurers and 35 non-life insurers, with Life Insurance Corporation of India (LIC) as the only public-sector life insurer.

For a life insurer, the financial value of a new policy is not realised on the day it is sold. It is earned over years of renewal premiums, investment income and claims experience. A policy that lapses early, or that was sold to a customer for whom it was unsuitable, converts the acquisition effort into a cost. Customer acquisition and sales performance are therefore finance questions as much as marketing questions: they determine the quality of the premium base on which an insurer's growth, profitability and capital planning rest.

1.2 Problem Statement and Rationale

Headline premium growth can conceal differences in how that growth is produced. Premium may come from individual customers acquired through advisory selling, from group and partnership business, or from the renewal of earlier cohorts, and each source has a different risk and cost profile. The central problem examined here is how customer acquisition, channel design and retention combine to produce sustainable premium growth in a regulated, trust-intensive financial service, and how that process can be managed so that growth is not obtained at the expense of suitability, persistency or customer trust.

1.3 Research Questions

RQ1 How has ABSLI's premium and market position evolved over FY21–FY26, and which business lines drove the most recent growth?

RQ2 What share of premium depends on renewals, and what do published persistency and digital-service indicators imply about the quality of that base?

RQ3 Which acquisition drivers identified in the literature are most relevant to converting prospects into persistent policyholders?

RQ4 What measurable management actions can align acquisition volume with quality?

1.4 Objectives of the Study

1. To study the customer-acquisition process for life-insurance products in the ABSLI context, from prospecting through issuance and relationship development.
2. To analyse published sales-performance trends of ABSLI and identify how new business, group business and renewals contribute to growth.
3. To evaluate the role of salesperson competence, trust, service quality, channel design and digital support in acquisition and conversion.
4. To recommend practical, measurable actions that improve acquisition efficiency, conversion quality and persistency.

1.5 Scope and Structure

The study covers the Indian life-insurance market and ABSLI, using the most recent public data available for each indicator (sector data to May 2026; company data to FY26). It does not use customer-level, policy-level or confidential internal data. Section 2 reviews the literature; Section 3 sets out the methodology; Section 4 describes the industry context; Section 5 profiles ABSLI; Section 6 presents the quantitative analysis; Section 7 examines the acquisition process; Section 8 discusses the findings; Section 9 gives recommendations; Sections 10 and 11 present limitations and conclusions.



2. Review of Literature and Conceptual Framework

2.1 Theoretical Foundations

Acquisition funnel and AIDA. A customer-acquisition funnel converts a large pool of prospects into a smaller group of qualified, issued and retained customers. The Attention–Interest–Desire–Action (AIDA) sequence describes how communication moves a prospect towards a decision (Kotler & Keller, 2016). In life insurance, the sequence must be extended with need discovery and suitability checks, because the aim is an informed and durable purchase rather than only a closed sale.

Commitment–trust theory. Morgan and Hunt (1994) argue that relationship commitment and trust are the key mediators of successful relationship marketing. The argument fits insurance closely, since the customer relies on the insurer and its advisor to communicate accurately and to honour obligations that may last decades.

Service quality. The SERVQUAL framework of Parasuraman, Zeithaml and Berry (1988) assesses service through reliability, responsiveness, assurance, empathy and tangibles. An insurance sale is a service encounter before it is a contract: accurate information (reliability), prompt answers (responsiveness), professional knowledge (assurance), need-based advice (empathy) and clear documentation (tangibles) all influence whether a prospect proceeds.

Customer lifetime value and persistency. Lifetime value extends the sales objective from the first premium to the whole expected stream of renewals, cross-sell and referrals. Persistency, the continuation of policies through renewal, is both an actuarial and financial indicator and a signal of how well acquisition matched customers to products.

2.2 Empirical Literature

Table 1: Summary of selected literature and relevance to this study

Study	Focus	Key message	Relevance
Crosby, Evans & Cowles (1990)	Relationship quality in services selling	Salesperson expertise and relational quality matter where services are complex and uncertain.	Supports expertise- and trust-led selling.
Morgan & Hunt (1994)	Commitment–trust theory	Trust and commitment mediate relationship-marketing success.	Explains retention and referral logic.
Siddiqui & Sharma (2010)	Service quality in Indian life insurance	Service-quality dimensions explain customer satisfaction.	Reliability matters, not only persuasion.
Gera (2011)	Service antecedents and behavioural intentions	Product knowledge, empathy, reliability and trust shape intentions.	Supports advisor knowledge and empathy.
Khurana (2012)	Service quality and satisfaction	Assurance, credibility and competence affect satisfaction.	Supports professional, transparent selling.
Panda (2013)	Service quality and salesperson traits	Service and salesperson attributes influence trust and commitment.	Links salesperson behaviour to relationship outcomes.
Panigrahi, Azizan & Khan (2018)	Service quality, trust and purchase intention	Service quality, trust and satisfaction relate to purchase intention.	Justifies balancing conversion and experience metrics.



Study	Focus	Key message	Relevance
Basri & Shetty (2023)	ULIP purchase and relationship selling	Agents' relationship-selling behaviour affects ULIP purchase.	Supports consultative selling of market-linked products.

2.3 Conceptual Framework and Propositions

Drawing on this literature, the study treats acquisition quality as a function of lead quality, salesperson competence, trust and brand credibility, service quality and digital convenience. Acquisition quality in turn influences conversion, premium growth, persistency and the probability of cross-sell or referral (Figure 1). The framework is directional and conceptual; without customer-level data no statistical coefficients are estimated.

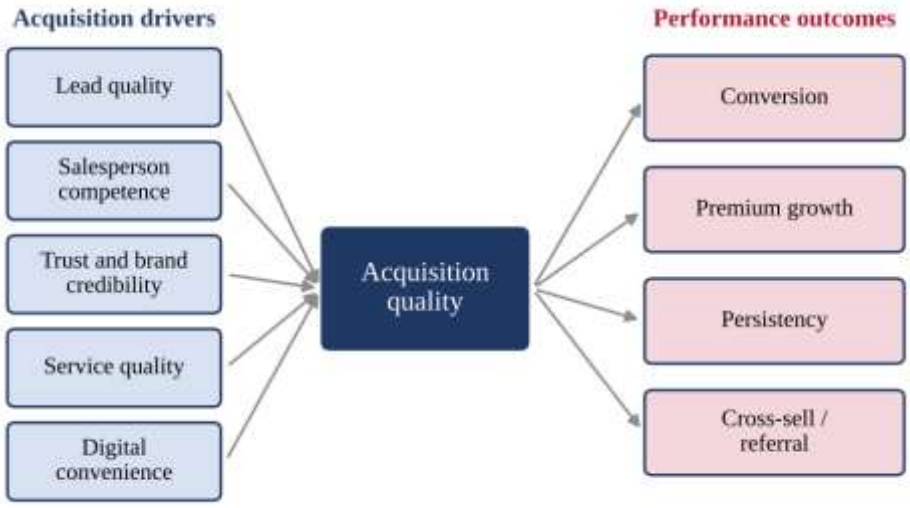


Figure 1: Conceptual link between acquisition drivers and sales performance
Source: Developed by the author from relationship-marketing, service-quality and sales-funnel literature.

Four propositions guide the analysis, and Section 8 assesses what the available evidence can and cannot say about each:

P1 Trust, competence and service quality are associated with higher conversion into persistent policies.

P2 Premium growth is produced jointly by new business (individual and group) and renewals.

P3 A high renewal share makes persistency a first-order determinant of sustainable premium.

P4 Digital process convenience complements, but does not replace, advisor guidance.

3. Research Methodology

3.1 Research Design

The study is descriptive and analytical. It is descriptive because it documents the acquisition process and the sector and company context, and analytical because it computes growth rates, contributions and mix shares from published figures and interprets them against the conceptual framework. It is not an experimental or causal design.

The study is informed by the author's summer training at Aditya Birla Capital, which the company certificate records as running from 15 May to 1 August 2026 (the academic On-the-Job Training calendar runs from 15 May to 15 July 2026). The certificate confirms sessions on Portfolio Management, Equity Research and Derivatives and practical application through client-acquisition activities. These sessions helped frame the distinction between insurance as protection and market investments that runs through the analysis. The certificate does not quantify leads, proposals or policies, so no internship-level performance figures are reported.



3.2 Data Sources

Table 2: Data sources used

Source	Data used	Period
India Brand Equity Foundation (IBEF)	Sector size, premium, penetration, density, life-insurance market shares	FY24–FY26; May 2026
ABSLI Annual Report 2024–25	Gross written premium, new business premium, individual new-business market share, product mix	FY21–FY25
Aditya Birla Capital Q4 FY26 investor presentation	Individual and group first-year premium, renewal premium, total premium, profit after tax	FY25–FY26
ABSLI / ABCL management commentary	Persistency, digital collections, upsell ratio, NPS, digital onboarding	FY26
Regulatory and government sources	IRDAI role, FDI reform, Insurance for All by 2047 policy direction	2025–2026
Peer-reviewed literature	Theoretical framework and propositions	1988–2023

3.3 Metrics and Formulae

Four calculations underpin Section 6. Year-on-year growth is computed as

$$Growth\ (\%) = (X_t \div X_{t-1} - 1) \times 100$$

and compound annual growth rate over n years as

$$CAGR\ (\%) = [(X_{end} \div X_{start})^{(1/n)} - 1] \times 100$$

with n = 4 for FY21–FY25. The contribution of a component to total growth is its absolute change divided by the absolute change in the total, and the premium-mix share is a component divided by the sum of individual first-year premium (FYP), group FYP and renewal premium. All figures are in Rs. crore unless stated.

3.4 Definitional Consistency and Data Integrity

Insurers report first-year premium on different bases. The annual-report series used for FY21–FY25 treats single premium at 10%, whereas the FY26 investor presentation treats individual single premium at 100%. The study therefore compares figures only within a consistent source and basis: the five-year trend uses the annual report, and the FY25–FY26 comparison uses the investor presentation. Annual-report new business premium and investor-presentation first-year premium are not combined. No customer-identifying information is used, and no internal conversion rates or policy counts are assumed or estimated.

4. Industry Context: The Indian Insurance Sector

4.1 Market Size and Growth

IBEF projects the domestic insurance market at about Rs. 19,30,290 crore (US$222 billion) by FY26 and notes a long-run compound growth of roughly 17% over the previous two decades. Non-life gross direct premium rose from Rs. 2,89,673 crore in FY24 to Rs. 3,07,611 crore in FY25 and Rs. 3,35,918 crore in FY26, growth of 6.2% and 9.2% respectively (Figure 2). The acceleration in FY26 reflects continuing expansion in health, motor and other risk categories.

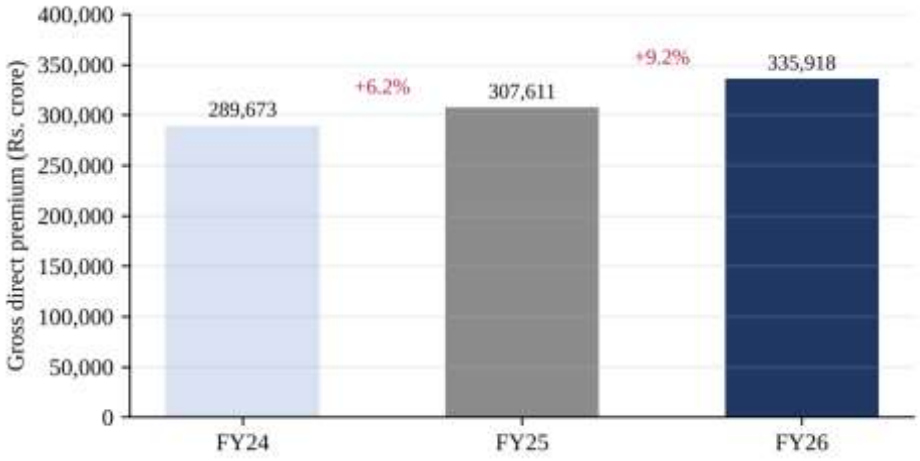


Figure 2: India non-life gross direct premium, FY24–FY26

Source: IBEF (2026); growth rates calculated by the author.

4.2 Penetration and Density

Insurance penetration (premium as a percentage of GDP) was 3.7% in FY25, made up of 2.7% for life and 1.0% for non-life insurance, while insurance density (premium per capita) rose from US$95 in FY24 to US$97 in FY25 (Figure 3). Penetration of this order, set against the size of the population and economy, indicates substantial headroom, but it also shows that demand has to be created through education and trust-building rather than assumed.

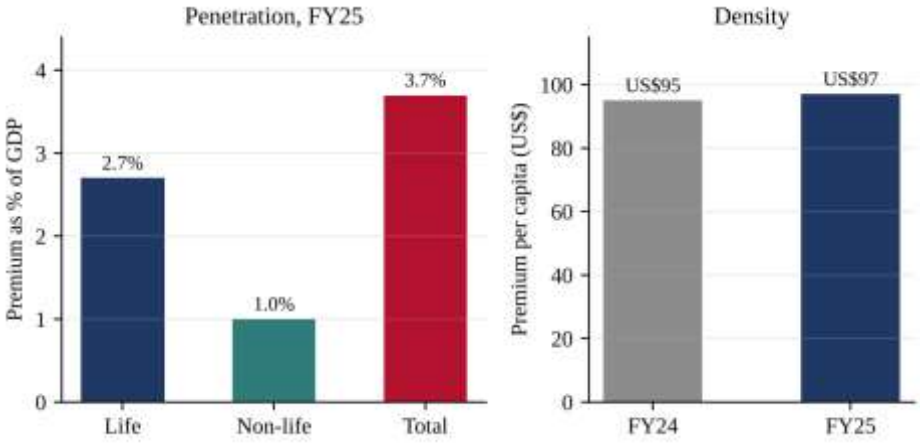


Figure 3: Insurance penetration and density

Source: IBEF (2026).

4.3 Life-Insurance Market Structure

By May 2026 life-insurance first-year premium was about Rs. 62,581 crore, up 19.37% year on year. LIC held 60.44% of the market (about Rs. 37,824 crore) and private insurers 39.56% (about Rs. 24,757 crore) (Figure 4). The private field includes SBI Life, HDFC Life, ICICI Prudential Life, Axis Max Life, Tata AIA, Bajaj Allianz Life, Kotak Mahindra Life and ABSLI. With the public-sector incumbent holding a majority share, private insurers compete on advisor productivity, bancassurance partnerships, digital onboarding and service quality.

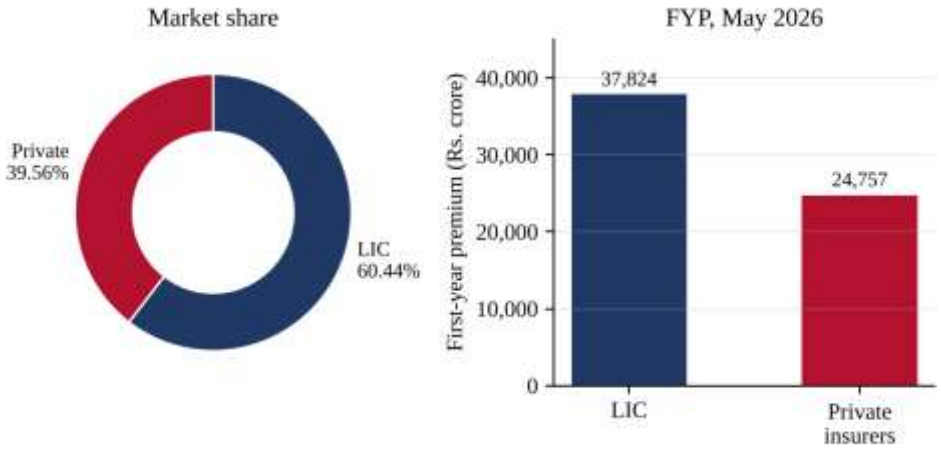


Figure 4: Life-insurance market share and first-year premium, May 2026
Source: IBEF (2026).

4.4 Regulation and Policy Environment

The Insurance Regulatory and Development Authority of India (IRDAI) licenses insurers and intermediaries and supervises solvency, product and market conduct, distribution and grievance handling. Prospecting, benefit illustration, disclosure and servicing therefore operate within conduct standards. The Reserve Bank of India and the Securities and Exchange Board of India regulate banks, non-banking financial companies and investment products that act as distribution partners or comparison alternatives. The Sabka Bima Sabki Raksha (Amendment of Insurance Laws) Act, 2025 raised the permitted foreign investment in insurers from 74% to 100%, which can bring additional capital and competition. The policy direction of 'Insurance for All by 2047', together with the Bima Sugam digital marketplace and government-supported schemes such as PMJJBY, PMFBY and PM-JAY, widens awareness and normalises insurance as a mainstream financial-protection tool.

4.5 PESTEL Analysis

Table 3: PESTEL analysis and implications for customer acquisition

Factor	Implication for acquisition
Political / policy	Insurance for All by 2047, reform measures and social-insurance schemes support awareness and reach.
Economic	Income growth supports premium capacity; inflation and household cash-flow pressure can reduce affordability and raise lapses.
Social	Trust, family responsibility, ageing and financial literacy shape purchase decisions.
Technological	Digital KYC, e-proposals, analytics and self-service reduce friction but raise data-governance and digital-literacy needs.
Environmental	Climate and health risks raise protection awareness and affect underwriting and investment.
Legal / regulatory	IRDAI rules, suitability, disclosure, KYC/AML, data protection and grievance requirements make compliant selling essential.

4.6 Competitive Intensity

Applying Porter's five forces, rivalry is rated high, buyer power and channel power moderate to high, and substitutes and new entry moderate (Figure 5). Customers can compare illustrations and service online, banks and high-productivity advisors influence access to customers, and mutual funds, deposits and government savings compete for wallet share without fully replacing protection. Reform of foreign-investment limits may raise the threat of new entry over time. The

implication for acquisition is that product features alone are rarely decisive; trust, clarity and process convenience differentiate.

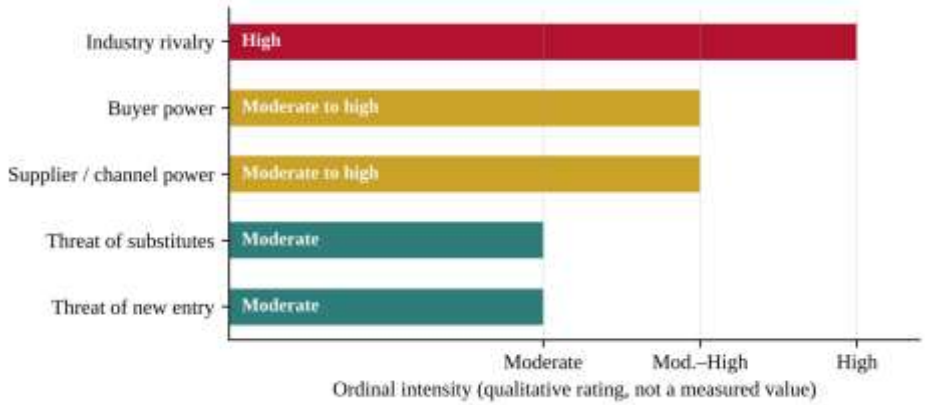


Figure 5: Porter's five forces: qualitative intensity of the Indian life-insurance market

Source: Author's assessment based on IBEF (2026) and sector characteristics. The scale is ordinal and indicative.

5. Company Profile: Aditya Birla Sun Life Insurance

5.1 Ownership and Structure

Aditya Birla Capital Limited (ABCL) is the listed holding company for the Aditya Birla Group's financial-services businesses, spanning loans, investments, insurance and payments. Its public profile reports more than 66,500 employees, 1,759 branches and over 200,000 agents and channel partners across the group's businesses as of 2026. ABSLI was incorporated on 4 August 2000, commenced operations in 2001 under IRDAI registration number 109, and operates as a 51:49 joint venture between the Aditya Birla Group and Sun Life Financial (Figure 6). Its managing director and CEO is Kamlesh Rao.

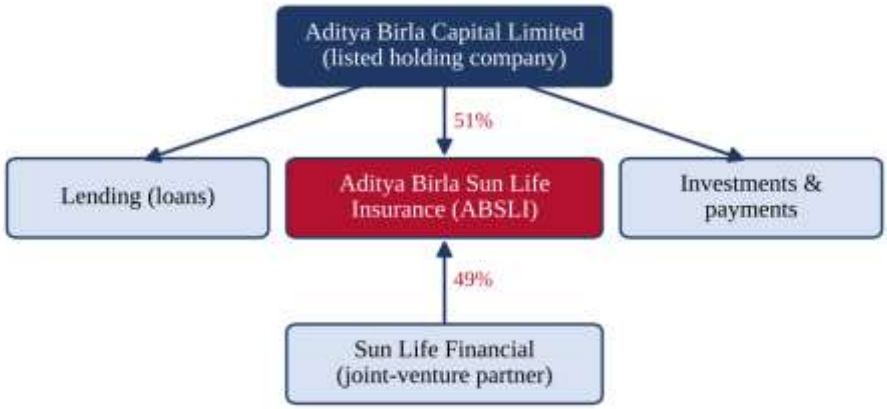


Figure 6: Business structure of Aditya Birla Capital and ABSLI

Source: Constructed from public ABCL and ABSLI company information.

5.2 Products and Distribution

ABSLI's portfolio covers term protection, savings and guaranteed plans, participating plans, unit-linked plans (ULIPs), retirement and annuity plans, and group and credit-life cover. Each category needs a different customer conversation: protection requires diagnosis of the coverage gap; guaranteed and participating plans require clarity on guaranteed and non-guaranteed benefits; ULIPs require discussion of market risk and horizon; and group business is acquired through institutional partnerships rather than retail prospecting.

Distribution is multi-channel. A September 2025 company description cites more than 440 branches, 12 bancassurance partners, six distribution channels and over 65,200 direct selling agents. Agency selling is advice-intensive and relationship-led, bancassurance benefits from bank-customer access, digital channels improve convenience, and group



channels reach customers through employers and lenders. A single acquisition script therefore cannot be applied across channels.

5.3 SWOT Analysis

Table 4: SWOT analysis of ABSLI

Dimension	Assessment
Strengths	Strong Aditya Birla brand; broad financial-services ecosystem; multi-channel distribution; growing premium base; high digital adoption.
Weaknesses	Complex product communication; sales quality may vary by channel and advisor; a long process can create drop-offs.
Opportunities	Low-to-moderate penetration and protection gap; tier-II and tier-III growth; AI and analytics; cross-sell across the group ecosystem; retirement demand.
Threats	Intense competition; regulatory change; market volatility; industry-wide mis-selling concerns; affordability pressure; digital disruption.

6. Financial and Sales Performance Analysis

6.1 Five-Year Premium Trend (FY21–FY25)

Gross written premium (GWP) more than doubled in four years, from Rs. 9,775 crore in FY21 to Rs. 20,639 crore in FY25, a CAGR of 20.5%. New business premium (NBP) rose from Rs. 4,426 crore to Rs. 9,703 crore, a CAGR of 21.7%, so new business grew slightly faster than total premium (Figure 7, Table 5). The ratio of NBP to GWP stayed between 44% and 48% throughout, which shows that the company's premium has not become progressively more dependent on a single source. Because NBP and GWP are drawn from one annual-report series, this ratio is a consistent indicator of new-business intensity.

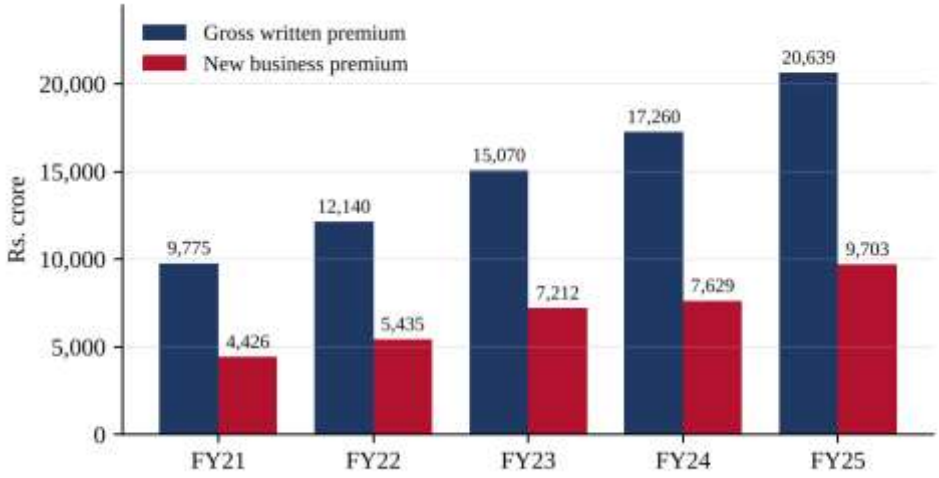


Figure 7: ABSLI gross written premium and new business premium, FY21–FY25
Source: ABSLI Annual Report 2024–25; CAGR calculated by the author.

Table 5: ABSLI premium growth and new-business intensity, FY21–FY25 (Rs. crore)

Year	GWP	GWP growth	NBP	NBP growth	NBP / GWP
FY21	9,775	–	4,426	–	45.3%
FY22	12,140	+24.2%	5,435	+22.8%	44.8%
FY23	15,070	+24.1%	7,212	+32.7%	47.9%



Year	GWP	GWP growth	NBP	NBP growth	NBP / GWP
FY24	17,260	+14.5%	7,629	+5.8%	44.2%
FY25	20,639	+19.6%	9,703	+27.2%	47.0%

Source: ABSLI Annual Report 2024–25; growth rates and ratio calculated by the author.

6.2 Growth Dynamics

Annual growth was uneven (Figure 8). GWP grew about 24% in both FY22 and FY23 before slowing to 14.5% in FY24 and recovering to 19.6% in FY25. NBP was more volatile: it rose 32.7% in FY23, slowed sharply to 5.8% in FY24 and rebounded by 27.2% in FY25. The FY24 deceleration in new business, followed by a strong recovery, illustrates that acquisition is sensitive to product mix, channel momentum and market conditions, and that total premium is cushioned by the renewal base in a weaker new-business year.

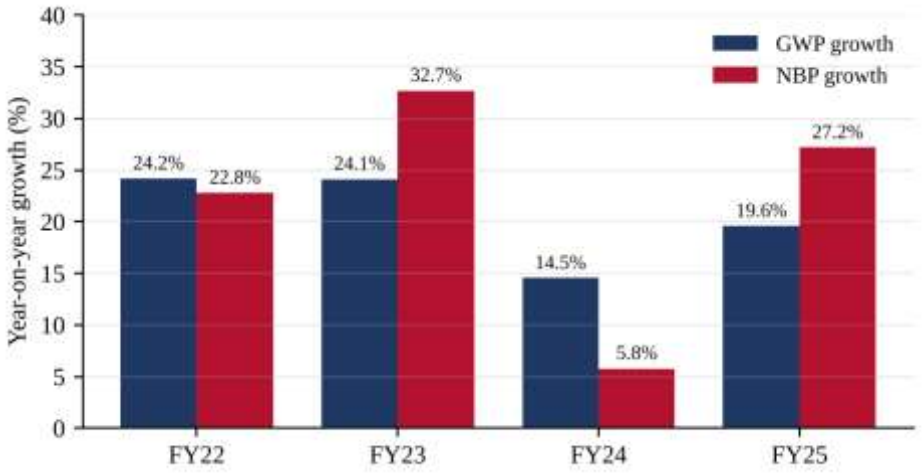


Figure 8: Year-on-year growth in GWP and NBP, FY22–FY25
Source: Calculated by the author from ABSLI Annual Report 2024–25.

6.3 Market Position

Among private insurers, ABSLI's individual new-business market share, based on individual first-year premium with single premium at 10%, moved from 4.30% in FY21 to 4.00% in FY22, 4.42% in FY23, 4.16% in FY24 and 4.84% in FY25 (Figure 9). The series is not monotonic, but FY25 is the highest in the period. This indicates that growth in individual business was not only the result of an expanding market: ABSLI also improved its relative position within the private competitive set by 54 basis points over four years.



Figure 9: ABSLI individual new-business market share among private insurers
Source: ABSLI Annual Report 2024–25.



6.4 Product Mix

The FY25 individual new-business mix was about 58% non-participating traditional, 35% ULIP, 4% participating and 3% protection (Figure 10). Over 90% of individual new business therefore sits in savings and market-linked categories, with pure protection forming a small share. This composition matters for acquisition quality: savings and ULIP sales invite direct comparison with mutual funds and deposits, and they require careful explanation of guarantees, charges, liquidity and market risk. The low protection share also points to a potential opportunity, given the protection gap noted in the sector analysis.

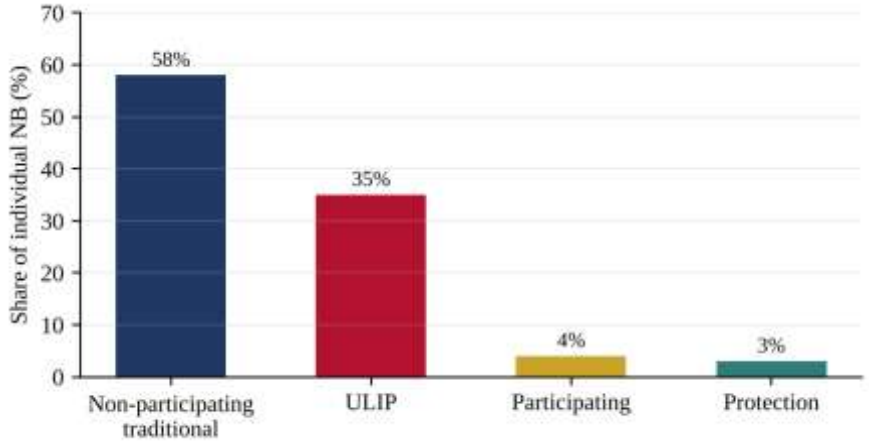


Figure 10: ABSLI individual new-business product mix, FY25

Source: ABSLI Annual Report 2024–25.

6.5 FY25 versus FY26 Performance

The Aditya Birla Capital Q4 FY26 investor presentation reports total gross premium of Rs. 24,779 crore in FY26, up 20.1% from Rs. 20,639 crore in FY25 (Table 6, Figures 11 and 12). Group first-year premium grew fastest among the premium lines at 30.9%, renewal premium grew 17.0% and individual first-year premium grew 13.9%. Profit after tax rose from Rs. 90 crore to Rs. 171 crore, an increase of 90.0%, although the profit figure is on the consolidated life-insurance basis defined in the presentation and from a small base.

Table 6: ABSLI performance, FY25 versus FY26 (Rs. crore)

Metric	FY25	FY26	Change
Individual first-year premium*	4,633	5,275	+13.9%
Group first-year premium	5,587	7,314	+30.9%
Renewal premium	10,419	12,190	+17.0%
Total gross premium	20,639	24,779	+20.1%
Profit after tax†	90	171	+90.0%

*Source: Aditya Birla Capital Q4 FY26 investor presentation; change calculated by the author. *Individual single premium at 100%. †Consolidated life-insurance basis as defined in the presentation.*

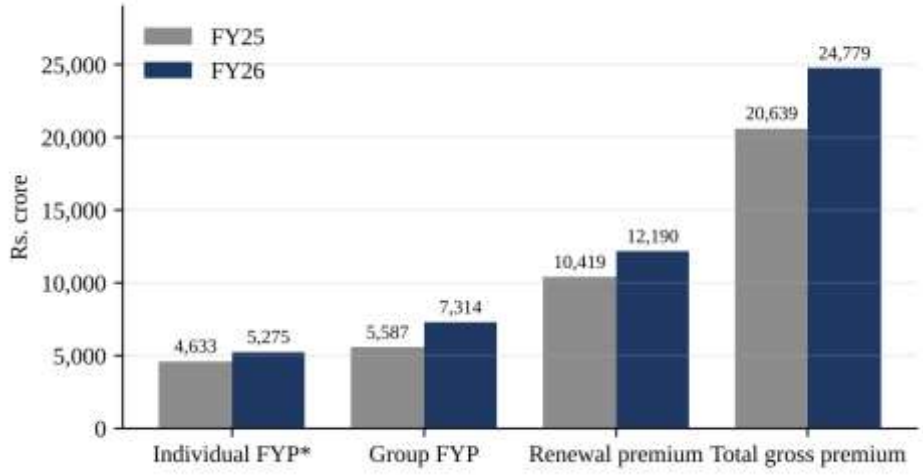


Figure 11: ABSLI premium components, FY25 versus FY26

*Source: Aditya Birla Capital Q4 FY26 investor presentation. *Individual single premium at 100%.*

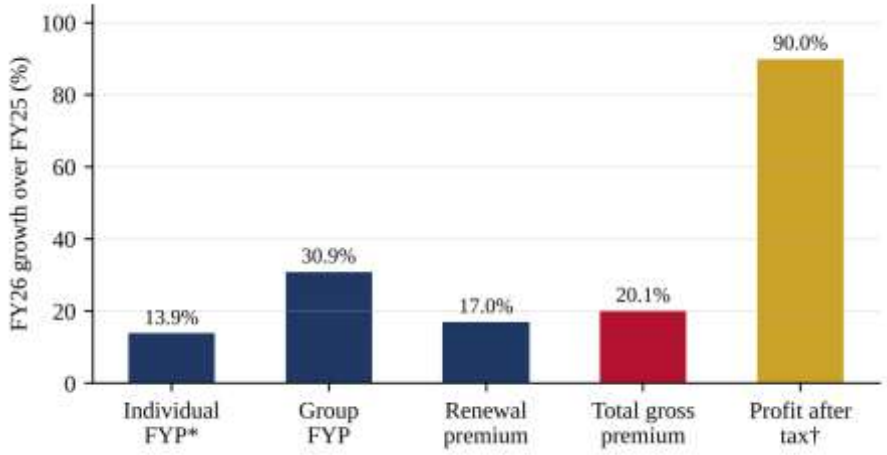


Figure 12: ABSLI FY26 growth across selected metrics

Source: Calculated by the author from the Aditya Birla Capital Q4 FY26 investor presentation. †Consolidated life-insurance basis.

6.6 Decomposition of FY26 Growth

A contribution analysis shows where the incremental premium came from. Total premium rose by Rs. 4,140 crore. Individual first-year premium contributed Rs. 642 crore (15.5%), group first-year premium Rs. 1,727 crore (41.7%) and renewal premium Rs. 1,771 crore (42.8%) (Figure 13). Renewals were thus the largest single contributor, and group and renewal business together accounted for 84.5% of the increase. Individual acquisition, the part of the business closest to retail customer selling, grew in absolute terms but provided a smaller share of incremental premium. This does not diminish its importance: today's individual acquisitions become tomorrow's renewal base, and the renewal contribution seen in FY26 is the accumulated result of earlier acquisition and persistency.

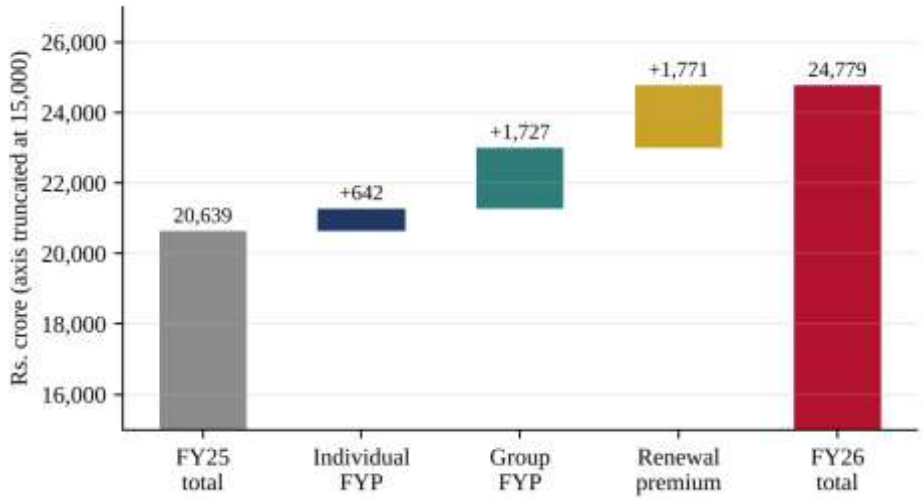


Figure 13: Contribution to the increase in ABSLI total premium, FY25 to FY26 (Rs. crore)

Source: Calculated by the author from the Aditya Birla Capital Q4 FY26 investor presentation.

6.7 Premium Composition and Renewal Dependence

Using the three published components, renewal premium made up 49.2% of FY26 premium, group FYP 29.5% and individual FYP 21.3% (Figure 14). In FY25 the corresponding shares were 50.5%, 27.1% and 22.4%. The renewal share has therefore fallen by about 1.3 percentage points as group new business has expanded, but nearly half of all premium still depends on customers continuing to pay. From a finance standpoint, this is a source of earnings stability, because renewals are more predictable than new sales, and also a concentration of risk in persistency: a small deterioration in persistency affects a very large base.

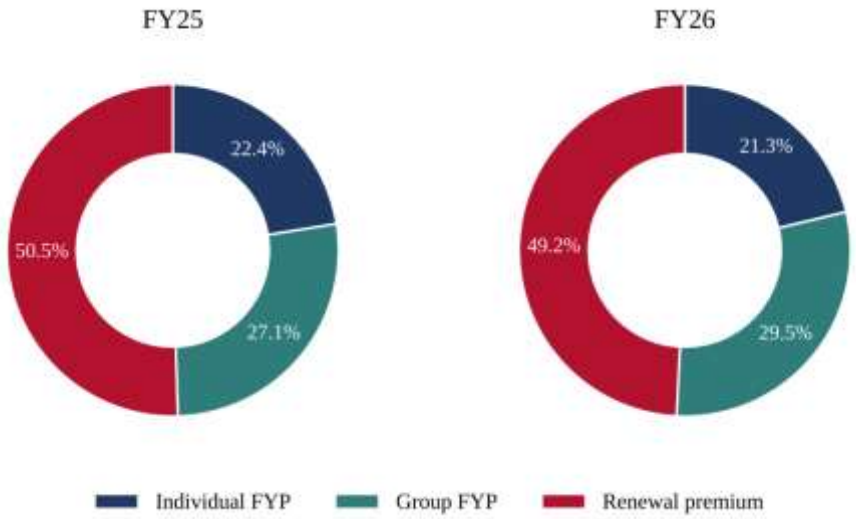


Figure 14: ABSLI premium composition, FY25 and FY26

Source: Calculated by the author from the Aditya Birla Capital Q4 FY26 investor presentation.

6.8 Quality and Digital Indicators

Management commentary for FY26 reports 13th-month persistency of 86.1%, digital collections equal to 83% of renewal premium, an upsell ratio of 32%, a customer NPS of 66 and 100% digital onboarding of new-business customers (Figure 15). These are not acquisition counts, but they describe the quality of what acquisition produces. Persistency indicates whether customers stay, NPS indicates advocacy, the upsell ratio indicates deepening relationships, and digital collection reduces renewal friction. The indicators are in different units and are shown together only for reference.

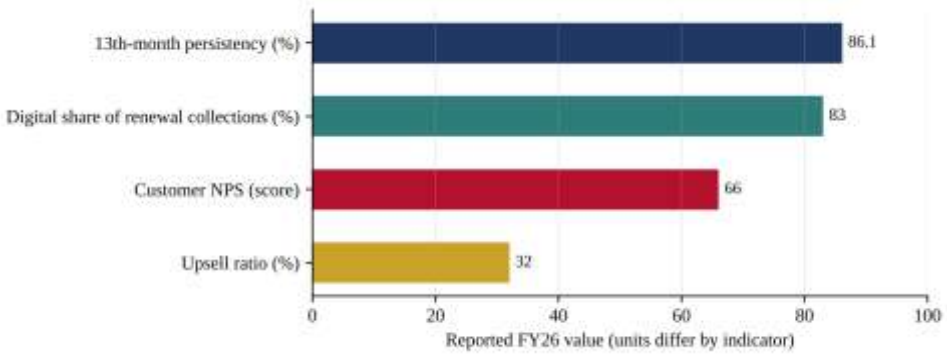


Figure 15: ABSLI reported quality and digital indicators, FY26

Source: ABSLI / ABCL FY26 management commentary. Units differ by indicator.

6.9 Illustrative Persistency Sensitivity

To show why persistency matters financially, Table 7 compares the retained renewal premium in the second year per Rs. 100 of first-year premium at different persistency levels, including the reported 86.1%. The calculation is simple arithmetic on a premium basis and is illustrative only: it is not a reported figure, it assumes that persistency applies equally to premium and policy count, and it ignores single-premium policies, which have no renewals.

Table 7: Illustrative second-year retained premium per Rs. 100 of first-year premium

Persistency scenario	Retained (Rs.)	Not retained (Rs.)	Change vs 86.1% (Rs.)
80%	80.0	20.0	-6.1
86.1% (reported, FY26)	86.1	13.9	0.0
90%	90.0	10.0	+3.9
95%	95.0	5.0	+8.9

Source: Illustrative arithmetic by the author; the 86.1% input is from FY26 management commentary.

Each percentage point of persistency is worth Rs. 1 of retained renewal premium for every Rs. 100 of first-year premium, before any consideration of acquisition cost, commission or claims. Moving from 86.1% to 90% would retain an additional Rs. 3.9 per Rs. 100, and the 13.9 of every 100 that is not retained represents acquisition effort that does not earn a second-year return. The point of the exercise is the direction and relative size of the effect, which supports the use of persistency as a standing sales-quality measure.

6.10 Summary of Quantitative Evidence

- ABSLI's premium roughly doubled over FY21–FY25 (GWP CAGR 20.5%), with new business growing at a similar or faster pace.
- Individual new-business market share among private insurers reached its five-year high of 4.84% in FY25.
- In FY26, group and renewal premium produced 84.5% of the Rs. 4,140 crore increase in total premium.
- Renewals form 49.2% of the premium base, and reported persistency is 86.1%, so retention is financially central.
- Individual new business is concentrated in non-participating and ULIP products, which require careful suitability discussion.

7. Customer Acquisition Process and Drivers of Conversion Quality

7.1 The Acquisition Funnel

The acquisition journey runs from target prospects through contact, need discovery, product fit, proposal, underwriting or KYC and issuance, and then continues through renewal, service and referral (Figure 16). Treating the post-issuance stages as part of the funnel is deliberate: issuance does not confirm a sustainable relationship, and the financial value of

an acquisition is decided largely after the sale. Clear stage definitions let management distinguish weak prospecting from poor proposal conversion, underwriting drop-off or renewal failure. No stage counts are shown because no internal data are used.



Figure 16: Customer-acquisition and policy-conversion funnel
Source: Process framework developed by the author; conceptual, with no stage counts.

Table 8: Acquisition stages, likely friction and management response

Stage	Likely friction	Management response
Prospecting	Poor lead fit, stale leads, low intent	Segmentation, source tracking, lead scoring
Initial contact	Low answer rate, weak relevance, trust barrier	Permission-based opening; source-specific scripts
Need discovery	Premature product pitch; incomplete financial picture	Structured discovery before recommendation
Product fit	Complexity; return-only expectations	Simple benefit–risk comparison; suitability record
Proposal / KYC	Documentation gaps; form fatigue	Pre-check documents; clear checklist
Underwriting	Medical or financial requirements; delays	Set expectations early; track pending items
Issuance / payment	Payment failure; last-minute hesitation	Transparent summary; next-step support
Renewal / service	Missed reminders; affordability stress	Proactive service; renewal nudges; need review
Referral / cross-sell	No structured trigger after a good experience	Ask at service milestones, not after every sale

7.2 Drivers of Conversion Quality

Lead quality. Well-targeted leads reduce effort spent on customers with no relevant need or affordability. Lead sources should be assessed by conversion and persistency, not by volume alone. **Salesperson competence.** Product knowledge and the ability to explain trade-offs increase assurance and reduce misinformation (Gera, 2011; Panda, 2013). **Trust and brand credibility.** Brand reputation opens the conversation, but advisor behaviour determines whether trust is sustained (Morgan & Hunt, 1994). **Need-based recommendation.** Matching product purpose to customer goals reduces



objections and improves the chance that a policy remains useful and in force. **Follow-up discipline.** Because many insurance decisions are delayed, a defined next action and date prevent leakage without harassment. **Digital convenience.** Fast e-KYC, digital proposals and payments reduce friction; ABSLI's reported 100% digital onboarding shows the strategic weight of this driver. **Post-sale service.** Service quality influences renewal and referral, so acquisition must hand off cleanly into servicing (Siddiqui & Sharma, 2010; Khurana, 2012).

7.3 Sales-Performance KPI Framework

Table 9: Balanced sales-performance KPI framework

KPI group	Suggested metrics	Purpose
Prospecting	Valid leads; contact rate; source-wise response	Separates database quality from effort
Qualification	Qualified-lead rate; appointment rate	Measures relevance and need discovery
Conversion	Proposal rate; underwriting completion; issuance rate	Locates drop-off stages
Value	First-year premium; average premium; product mix	Measures commercial output and mix
Speed	Median days from lead to proposal and issuance	Identifies process friction
Quality	Free-look cancellation; complaints; early lapse; 13th-month persistency	Guards against volume-only selling
Relationship	Renewal premium; cross-sell; upsell; referral rate; NPS	Measures lifetime value and advocacy
Channel	Conversion and persistency by channel	Supports resource allocation

8. Findings and Discussion

8.1 Objective-wise Findings

Table 10: Objective-wise findings

Objective	Evidence	Finding
1. Acquisition process	Funnel mapping; literature	Conversion is multi-stage and includes post-sale quality; stage definitions make losses visible.
2. Sales-performance trends	FY21–FY26 company data	Growth is broad-based; in FY26 group and renewal premium supplied 84.5% of incremental premium; renewals are 49.2% of the base.
3. Drivers of conversion	Literature; digital and channel evidence	Trust, competence, service quality and process convenience are recurring drivers; effects are not statistically tested here.
4. Recommendations	Findings 1–3	A standard funnel, need-based lead prioritisation and a balanced scorecard can align volume with quality.



8.2 Assessment of Propositions

Table 11: Assessment of propositions against available evidence

Proposition	Assessment	Basis and caveat
P1 Trust, competence and service quality relate to persistent conversion	Supported by literature; not tested	Consistent with studies in Table 1; no customer-level data to test the link
P2 Growth is produced by new business and renewals jointly	Supported	FY26 decomposition: 15.5% individual, 41.7% group, 42.8% renewal
P3 Persistency is first-order given the renewal share	Supported descriptively	Renewals 49.2% of premium; persistency 86.1%; sensitivity in Table 7 is illustrative
P4 Digital convenience complements advisor guidance	Consistent, not causal	100% digital onboarding and 83% digital renewal collection coexist with continued growth in advisory-led individual business

8.3 Discussion

Three conclusions follow from the evidence. First, the composition of growth matters as much as its rate. FY26 premium growth of 20.1% was driven mainly by group and renewal business, which have different acquisition economics from individual sales and rely on institutional partnerships and on earlier cohorts staying in force. Second, a renewal share close to half of premium means that retention quality is inseparable from sales performance: acquisition that produces lapses reduces the value of the very base on which future earnings stability depends. Third, the product mix of individual new business, concentrated in non-participating and ULIP plans, places a premium on need discovery and clear explanation of guarantees, charges and market risk, because these are the products most likely to be compared with other savings instruments.

The evidence also has limits. Published figures describe the company as a whole and cannot show conversion rates, lead-source quality or cohort persistency, which are the quantities most relevant to acquisition management. The propositions are therefore assessed as consistent or not consistent with the data rather than proven.

9. Managerial Recommendations

The recommendations are designed to improve acquisition efficiency without encouraging volume-only selling.

1. **Standardise the funnel.** Use one set of lead stages across channels (New Lead, Contacted, Qualified, Need Discovery Complete, Product Discussion, Proposal, Underwriting/KYC, Issued, First Renewal), each with entry and exit conditions and a next-action date.
2. **Use need-based segmentation and lead scoring.** Score leads on life stage, dependants, cover gap, liabilities, retirement horizon, investible surplus, engagement recency and source quality, as an aid to human judgement.
3. **Introduce a need-discovery checklist** (Appendix A) before any product is presented, so that recommendations are recorded against stated needs.
4. **Build channel-specific playbooks** on common suitability and compliance standards for agency, bancassurance, digital and group channels.
5. **Set lead-ageing and follow-up triggers**, for example alerts for new leads not contacted within one business day and for proposals waiting on documents.
6. **Adopt a balanced scorecard** (Table 12) that pairs volume indicators with quality indicators such as persistency, complaints and NPS.



7. **Strengthen digital-to-human handoffs** so that a customer who stalls in a digital journey is contacted with context and does not have to restart.

8. **Use cohort analysis** to link lead source, channel and product to 13th-month persistency, so that resources follow durable value and not only initial conversion.

Table 12: Balanced sales dashboard

Dimension	Volume / activity KPI	Quality / value KPI
Prospecting	Leads assigned; contacts attempted	Valid-lead rate; source quality
Conversion	Qualified leads; proposals; issued policies	Stage conversion; free-look cancellation
Premium	FYP / NBP; average premium	Product suitability and mix
Speed	Turnaround from lead to issuance	Rework rate; pending reasons
Retention	Renewals due	13th-month persistency; lapse rate
Customer	Service contacts	NPS; complaints; resolution time
Relationship	Cross-sell / upsell opportunities	Referral rate; lifetime-value proxy

Implementation can be phased (Figure 17): the funnel definitions and checklist within 30 days; lead scoring, ageing alerts, channel playbooks and the dashboard within 90 days; digital handoff alerts within three to six months; and cohort and lifetime-value analytics within six to twelve months, once enough data has accumulated. Expected outcomes include higher contact productivity, lower leakage between need discovery and issuance, more consistent communication across channels and a clearer diagnosis of whether a shortfall arises from targeting, conversion, process or retention.

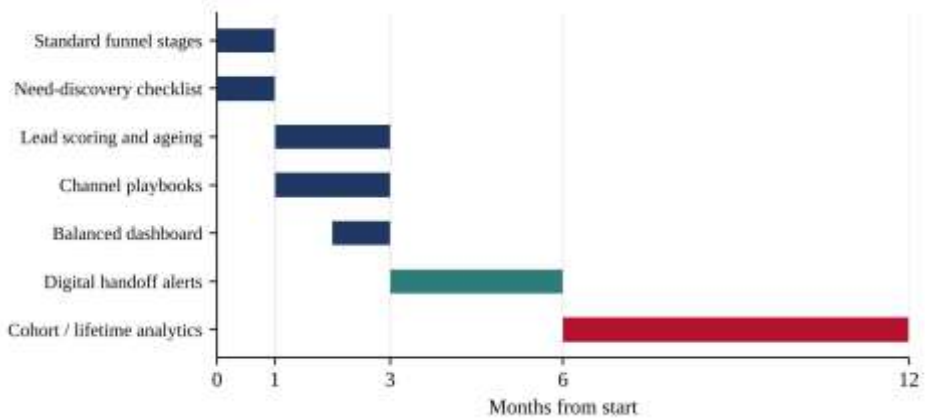


Figure 17: Recommended implementation roadmap
Source: Developed by the author.

10. Limitations and Scope for Future Research

The study relies entirely on published secondary data. No lead-level, proposal-level or policy-level dataset and no customer survey were used, so conversion rates, lead-source quality and cohort persistency cannot be measured, and the conceptual framework is not statistically tested. Company and sector figures describe organisational performance and not that of any individual. Metrics follow the definitions of their sources, and the single-premium treatment differs between the annual-report and investor-presentation series, so cross-source comparisons are avoided. The persistency illustration is arithmetic and not an estimate. The study period is short relative to the duration of an insurance relationship, and outcomes such as multi-year renewal and claims experience lie outside it.

Future research can address these gaps by (i) analysing anonymised CRM data to compute stage-wise conversion by source and channel; (ii) surveying customers on trust, advisor competence, digital convenience and purchase intention



and testing the framework with structural equation modelling; (iii) comparing persistency across acquisition cohorts and products; (iv) estimating customer lifetime value by channel net of acquisition cost; and (v) benchmarking ABSLI against peer private insurers on growth, mix and persistency.

11. Conclusion

This paper has analysed customer acquisition and sales performance at ABSLI from a financial perspective. ABSLI's gross written premium grew at 20.5% a year between FY21 and FY25, its individual new-business share among private insurers reached 4.84%, and total premium rose 20.1% to Rs. 24,779 crore in FY26. Group and renewal premium produced most of the FY26 increase, and renewals account for nearly half of premium. The literature and the process analysis indicate that the quality of acquisition, through lead targeting, need discovery, clear explanation, low-friction onboarding and service after the sale, determines whether new premium becomes a persistent and profitable relationship. Sustainable growth in life insurance is therefore best managed by combining acquisition discipline with suitability, service quality and retention, and by measuring performance with a balanced set of indicators and not with premium volume alone.

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Appendix A: Need-Discovery Checklist and Lead-Tracker Fields

A.1 Need-discovery checklist. Before presenting a product, the adviser records:

- the financial risk or goal the customer wishes to address;
- who depends financially on the customer, and for how long;
- existing life cover and other protection;
- major liabilities such as housing or education loans;
- time horizon and liquidity requirement;
- an affordable premium commitment that does not create financial stress;
- risk tolerance for market-linked products and any retirement or long-term income need;
- the customer's understanding of guaranteed and non-guaranteed elements, exclusions, charges and surrender or liquidity implications.

A.2 Proposed lead-tracker fields.

Table 13: Lead-tracker fields for funnel and cohort analysis

Field group	Fields
Identification	Lead ID (non-sensitive); lead date; lead source; customer segment; primary need
Progress	Contact status; qualification status; need-discovery status; product category discussed; proposal status; underwriting status; issue status
Control	Next action; next-action date; loss or delay reason code; consent and communication note
Quality	Renewal-quality flag for cohort tracking after issuance