

Max Life Insurance Investor Day

November 30, 2021



Presenters for the day



Prashant Tripathy

Managing Director & CEO



V Viswanand

Deputy Managing Director



Manu Lavanya

Director & Chief Operations Officer



Amrit Singh

Chief Financial Officer



Jose John

Senior Director & Appointed Actuary



Sachin Saxena

Chief Risk Officer



Suhail Ghai

Chief Digital & Information Officer



Agenda for the Day

● **Future Outlook – Max Life’s Strategic Roadmap**

● **Innovating for customer segments and building distribution of the future**

● **Pervasive intelligence and automation across the enterprise**

● **Strategic Risk Management**

● **Q&A: Interaction with the Management team**

Future Outlook–Max Life’s Strategic roadmap

Prashant Tripathy

*Managing Director
and CEO*

Amrit Singh

Chief Financial Officer

November 30, 2021



Purpose driven Organization



Purpose

**Inspire People to Increase the Value
of their Life**

OUR VALUES

Customer Obsession: Customer at the core

Growth Mindset: Curious to learn, Hungry to win

Caring: Respect people, Act with compassion

Collaboration: Stronger together

Max Life has an extensive presence across India through its own offices and distribution partners and is the 4th largest private Life Insurance player

4th Largest Private Life Insurer[^]

~10% Private Market Share[^]

#1 Claims Paid ratio
in industry



358 Own Branch Units

6000+ Partner Branches

~54K Agents

~60 Distribution Partners



~100K Cr
Assets Under
Management



~11 Lakh Cr
New business Sum
Assured[#]

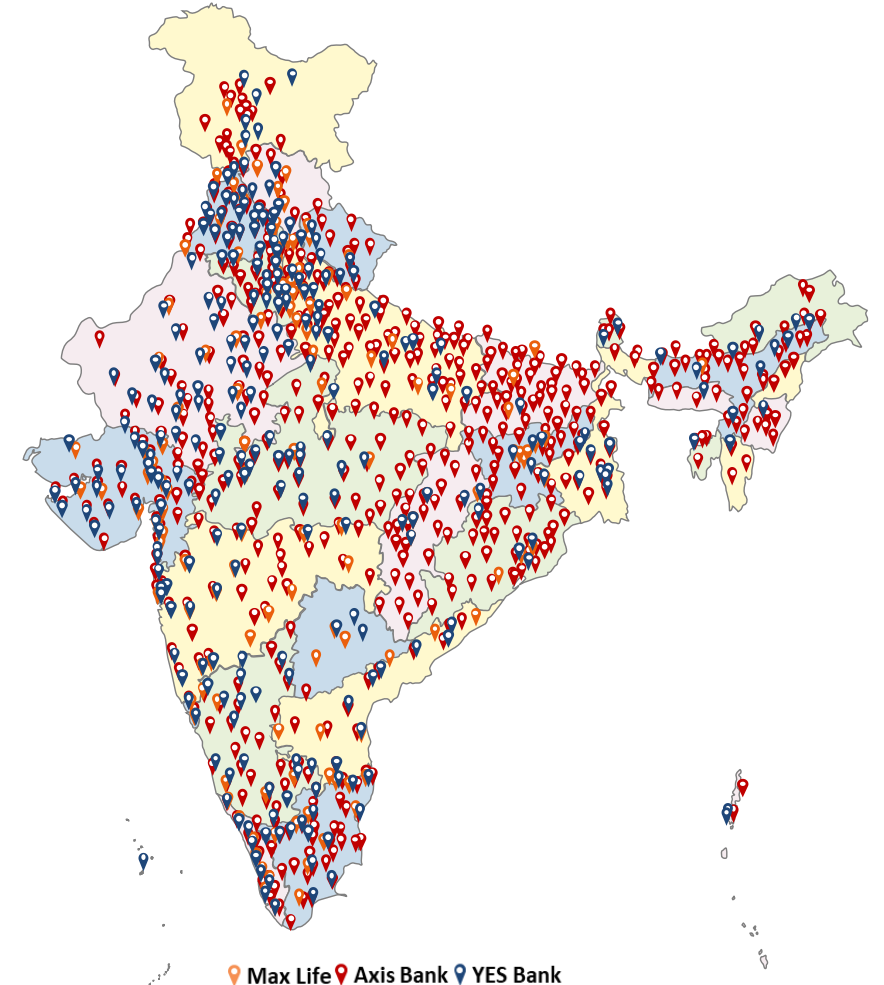


1.7 Cr+ Lives Insured

37 Lakhs+ Active Customers^{**}

4th Largest AUM

Max Life has more ~6500 Point of Sales
across the country



Note: Data as of 30th Sept'21.

[^]By Individual New Sales ^{**}Individual customers; # for FY21

Key Highlights for Max Life (1/2)

Consistent growth



5-Yr CAGR of 18% on Individual new business
vs
13% of Top 3 listed life insurers




Improved **market share**
from
9.3% to 10.8% in 5 years



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


Value generation



VNB CAGR of 27%
in 5 years




New Business Margin
expansion from 17.9% to
25.2% in 5 years




5-Yr EV CAGR of 20%



Share price CAGR of 20% in 5 years



Consistently high RoE –
19% in FY21 (21% in FY16)



Consistently high RoEV –
18.5% in FY21 (17% in FY16)

Key Highlights for Max Life (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 consistently among the **top decile (FY21: 96%)**


Customer metrics




#1 rank in customer loyalty² in FY21



Company NPS at 44 – 9 points improvement in 2 years³



Rank#1 in claims paid ratio at **99.35%** in FY21



#2 rank in grievance incidence rate in FY21, with decade-low mis-selling count and incidence rate


Brand metrics



Strategic partnership with Axis Bank



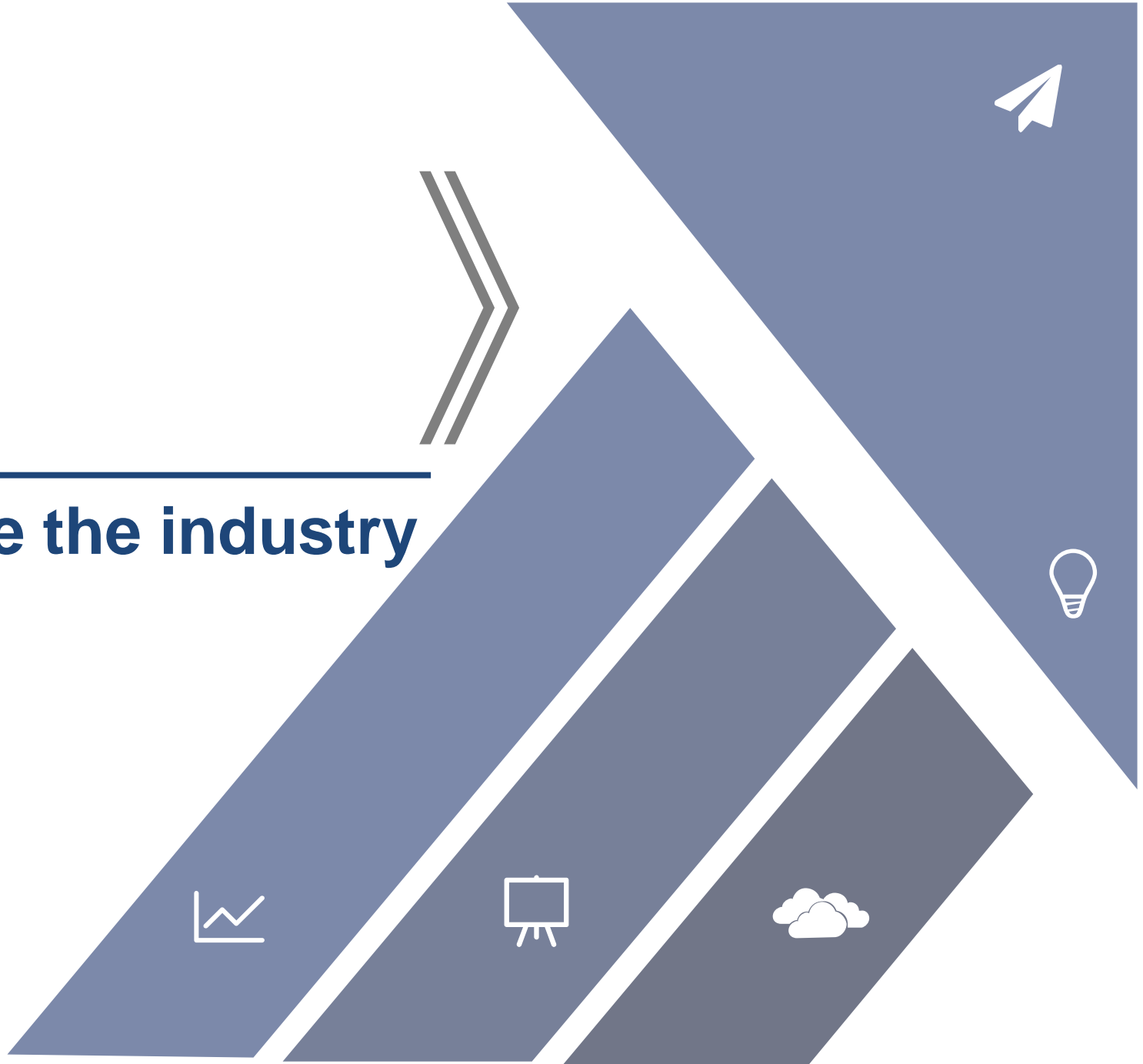
Highest Share of Voice in the industry in FY21 at **30% share**



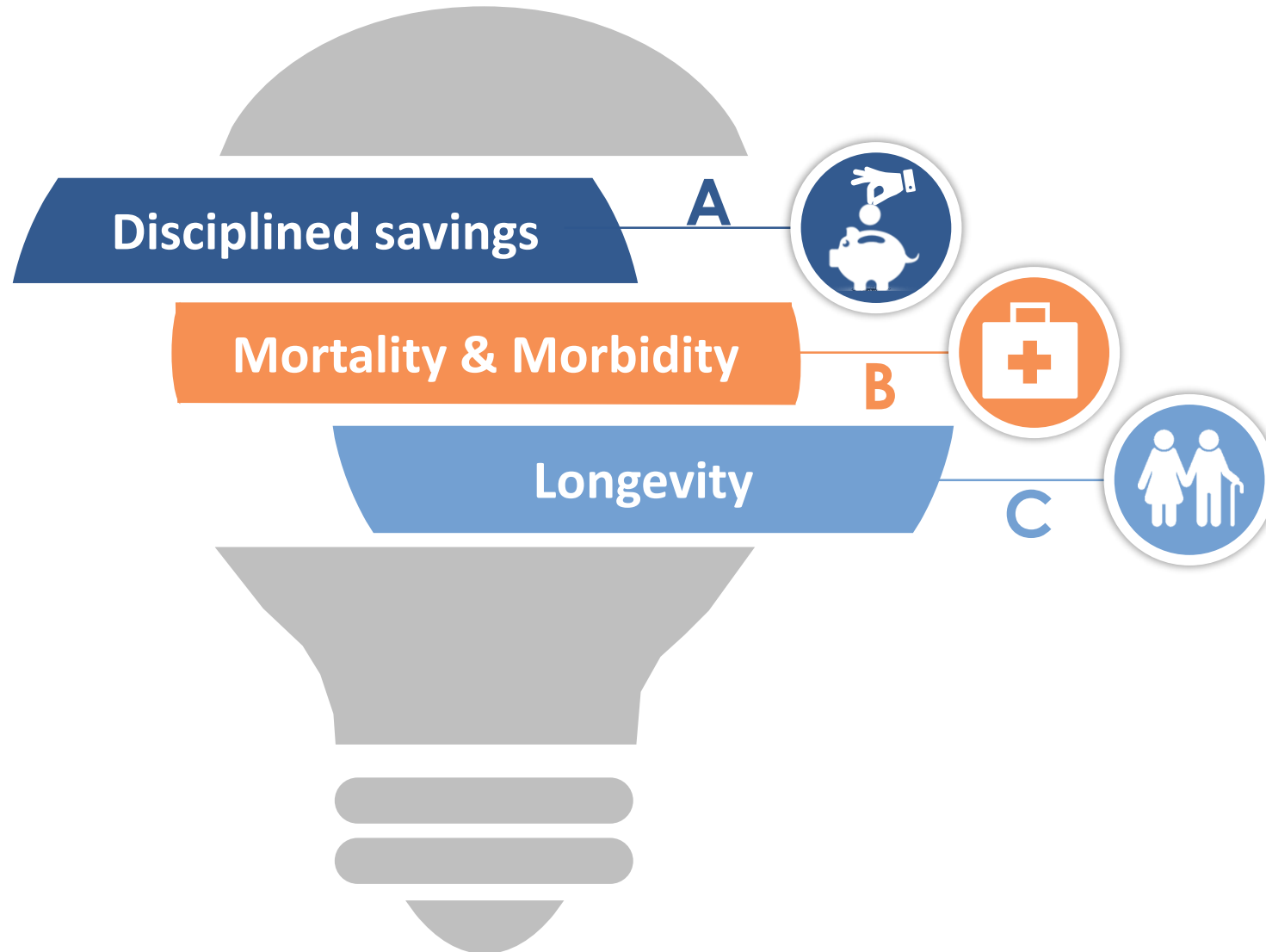
Rank#3 in Brand consideration index⁴ to competition brands among private Life insurers – rank improved by 3 positions in 5 years

1. Conducted by Willis Tower Watson; 2. As per annual syndicated survey of policyholders by Kantar 3. NPS as a measure of customer experience was adopted by Max Life in FY19, done by Kantar; 4. As per syndicated Life Insurance brand track study by Nielson

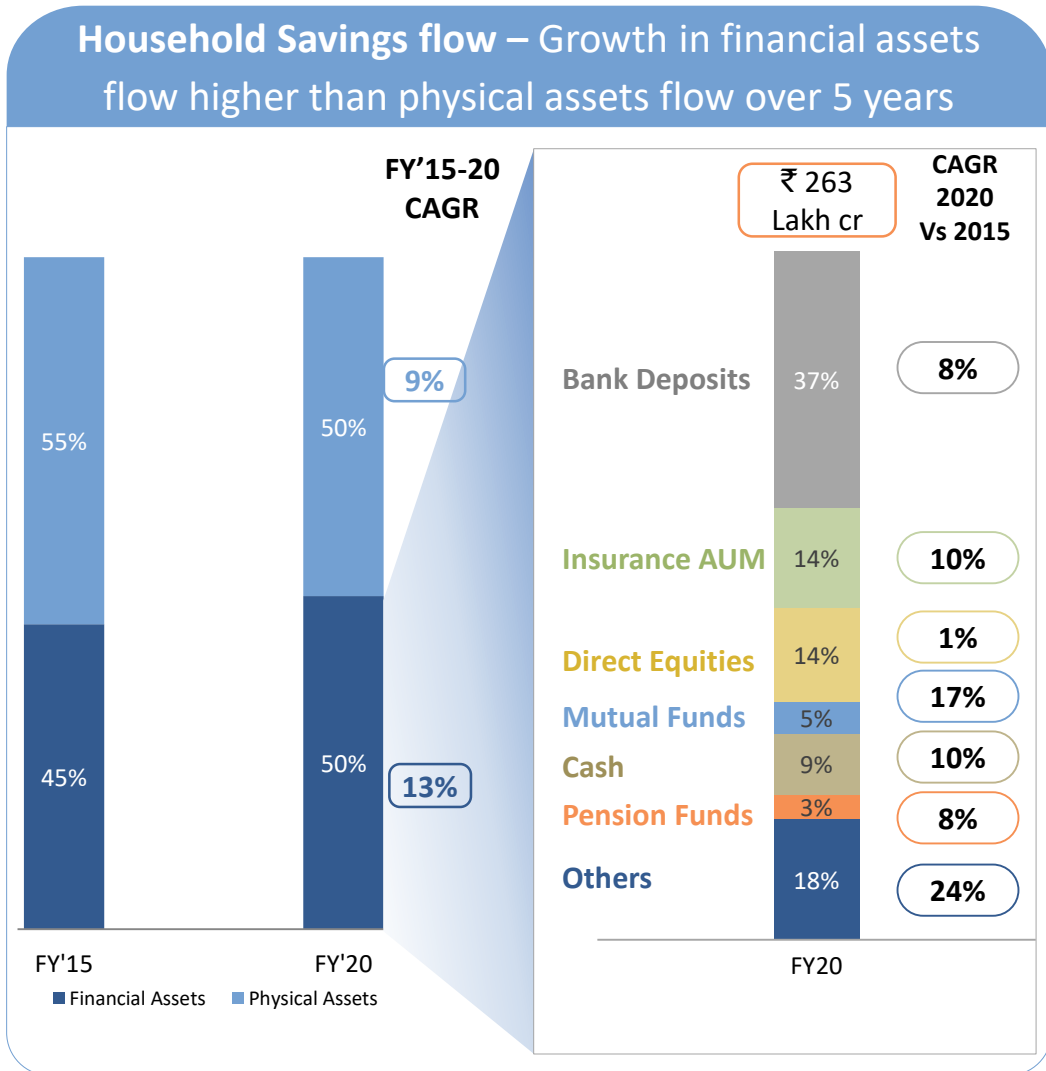
Big trends that will shape the industry



Life Insurance is a business of Risk Management; plays available for Life Insurers include Disciplined savings, Mortality & Morbidity and Longevity



Financialization and formalization of economy continues. India continues to maintain high savings culture and Life Insurance among the preferred asset classes



Individual tax filers nearly doubled¹ over the last 5 years to ~6 cr; active subscriber base of EPFO increased from ~4.5 cr to ~6 cr over last 5 years²

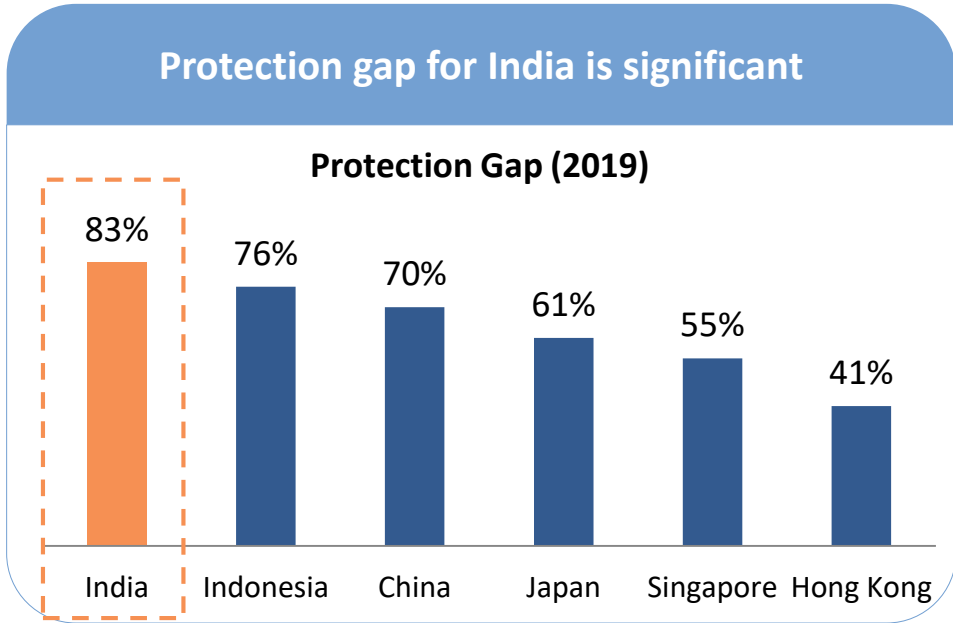
Financial security remains an important concern. Top 3 financial priorities of Indians include³: Child's needs and security*, Spouse security, and medical emergencies

Life Insurance is the preferred asset class and ensures disciplined savings over long-term; insurance as a category has capability to solve for all risk appetites

Urbanization, improving affluence, emergence of nuclear families will continue providing impetus to the Life Insurance industry

*Child's needs include providing for child's future/education/marriage

Protection gap in India is large; long term protection opportunity huge



Source: Swiss Re (basis respective financial year of countries)

Retail protection market grew **~6X¹** over the last 5 years in India

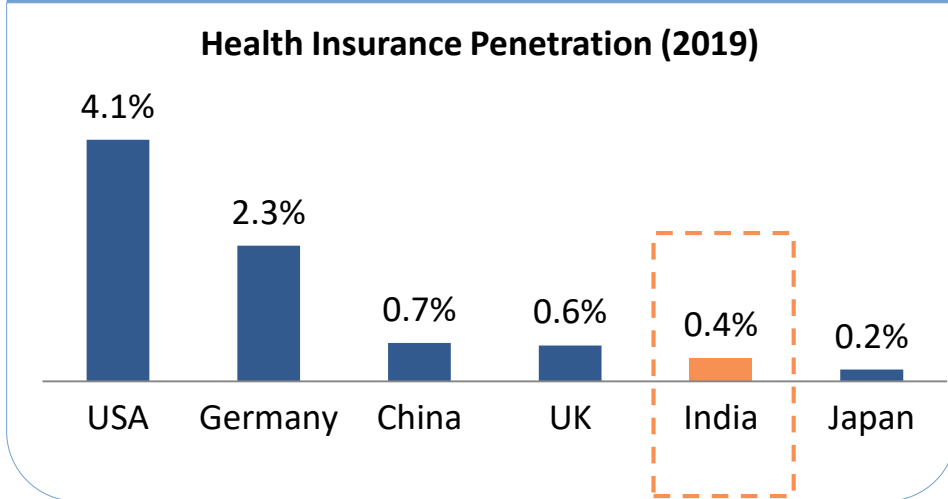
Only **1 out of 40 people²** (2.5%) who can afford it, is buying a term policy

~18% of income tax filers³ subscribed for retail term offerings in FY20; likely to increase to **~25% in FY30**

Contribution of protection policies for Max Life increased from **<10% to ~35% over the last 5 years⁴**; online channel contributed **>40%** protection policies in FY21

Increasing consumer awareness for health & wellness products

Health insurance penetration relatively low in India



Source: OECD; World Bank data; CRISIL Research

Large incidents of non-communicable diseases along with significantly high **out-of-pocket expenses** on healthcare in India

As per BCG Top 10 Consumer trends, **46% Urban Indian consumers** spending on health check-ups, gym memberships and diet consults¹

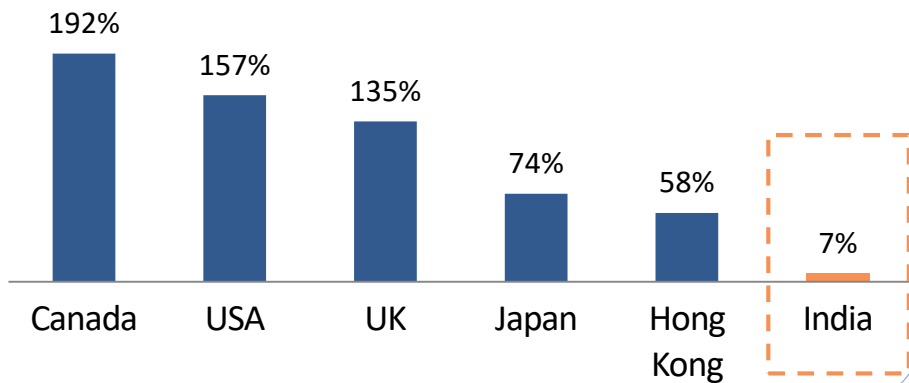
Consumers who are **aware of health & wellness** are **1.5x² more likely to purchase insurance**

Currently, Life insurers allowed to sell health combi, fixed benefit health and fixed benefit long-term products

Change in demographics, emergence of nuclear families and advancement of healthcare facilities leading to pronounced need for pension products

India's pension market is under-penetrated at ~7% of GDP

Pension Asset as % of GDP (2020)



Source: Thinking Ahead Institute- Willis Towers Watson

Change in demographics and emergence of nuclear families; population >60 years likely to become 1.4X in CY30¹

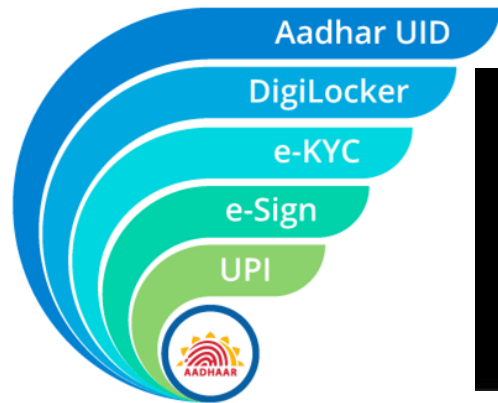
Retirement assets* set to grow at 15% CAGR from INR 28 Lac Cr to INR 118 Lac Cr over the next 10 years²

Retiree segment look for long-term care and holistic retirement solutions

*Retirement assets include NPS, Life Insurance Pensions, EPFO (Pension), EPF (excluding Pensions), and PPF; **Non-protection plans only

Increasing adoption of digital; customers now more transparent in sharing data and expect personalization

Government push towards Digital adoption



Ayushman Bharat Digital Mission

Creating India's Digital Health Ecosystem

Health ID - Key to your digital healthcare journey

Create your Health ID now



Share of digital transactions in the total volume of non-cash retail payments at ~98% in FY21¹

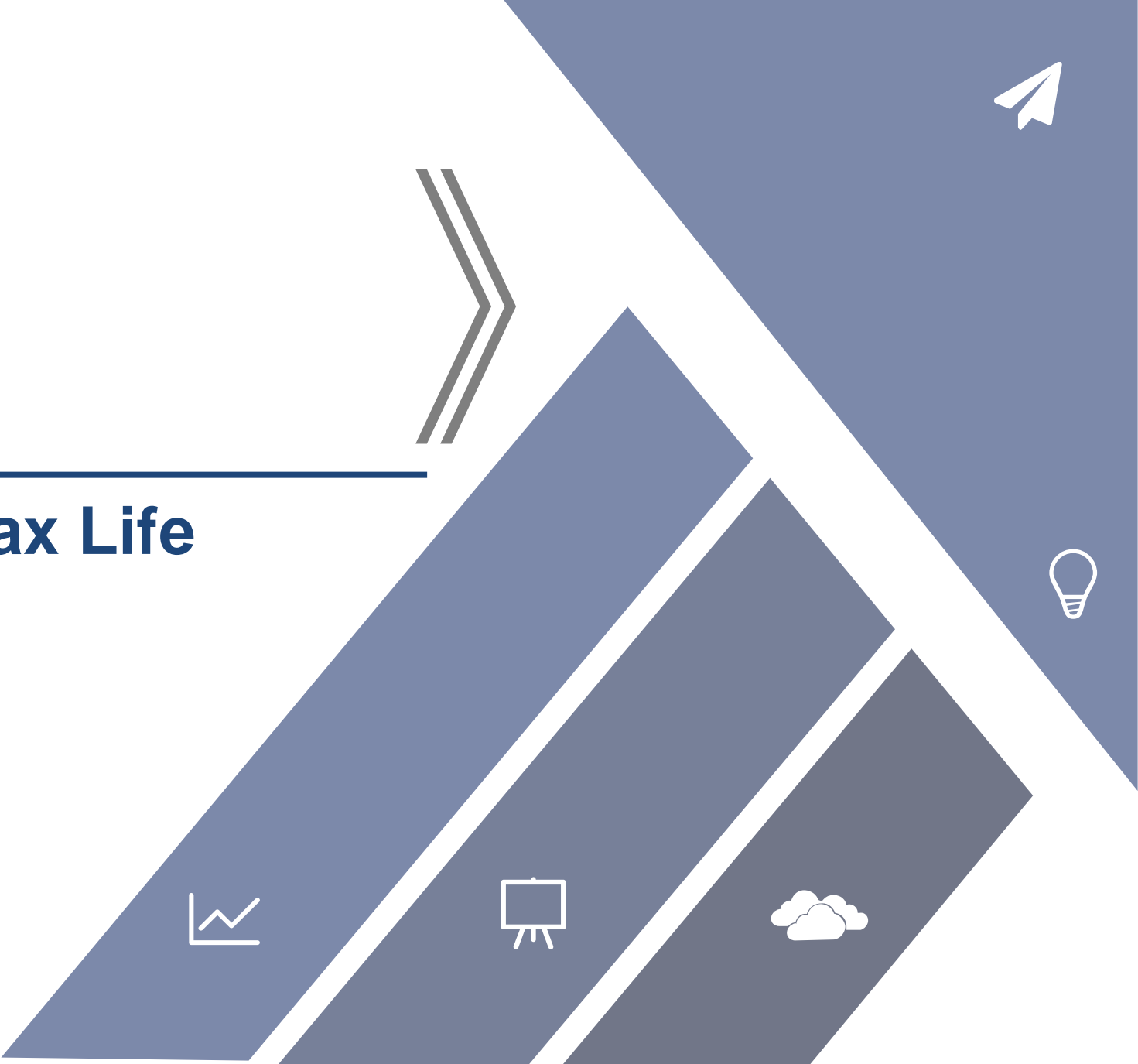
Number of **online shoppers expected to grow** from 15 Cr in 2020 to 50 Cr by 2030²

Insurance amongst the faster growing online categories; exhibited high growth in digital influence and digital purchases (>2x) in the last 3 years³

90% millennials willing to share data⁴ with insurance providers & **expect personalization**

~16% of policies sourced online⁵ at Max Life

Strategic Direction for Max Life



Next 5 years Strategic Thrust Areas



1

***Leader in
online
acquisition***



2

***Fastest
growing
profitable
proprietary
distribution***



3

***Leader in
Protection
+ Health &
Wellness
proposition***



4

***Leader in
Retirement***



5

***Inorganic
Expansion***

Digital and AI enablement

Leverage strategic partnership with Axis

People capability

Creating a sustainable business (ESG)

Max Life's 5-Year Aspirations



Max Life's ESG Strategy revolves around four pillars and has set bold aspirations to drive Organization towards sustainability



A

Work Ethically & Sustainably

- **Robust Corporate Governance**
- **Ethics & Compliance**
- **Digital Initiatives**
- **Ethical usage of Data**

- 90% of all **self servicing operations** to be **digital** by FY25



B

Care for People & Society

- **Diversity & Inclusion**
- **Employee Development**
- **Health & Wellness programs**
- **CSR Initiatives**

- Achieve **30% gender diversity** ratio by FY25 (23% in FY21)
- Focus on **upskilling & reskilling of employees**– improve digital learning hours by ~3X by FY25
- Focus on **financial literacy programs and plantation drives** through CSR activities - target to have 5 lac beneficiaries by FY25 (vs 1 lakh+ beneficiaries in FY21)



C

Financial Responsibility

- **Sustainable Investing**
- **Financial Empowerment**
- **Product responsibility**
- **Customer feedback integration**

- **100% ESG integration in all investment research and decision making** by FY23
- **75% of equity portfolio to be ESG compliant** at all times from FY23



D

Green Operations

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

- To achieve **carbon neutrality** by FY28

Thank You



Innovating for customer segments and building distribution of the future

V Viswanand

Deputy Managing Director

November 30, 2021



Max Life has built a challenger consumer brand emphasising importance of individual and value the consumer ascribes to self



The advertisement shows a family of three (a man, a woman, and a child) sitting on a bed, looking at a laptop. The man is lying down, smiling, while the woman and child sit up behind him. The Max Life Insurance logo is in the top left corner. A large text overlay reads: **CELEBRATE** the value that the consumer brings to the life of their loved ones. Below this is a dark blue banner with the hashtag **#YouAreTheDifference**. At the bottom of the image, there is a search bar with the text "Know your real value." and "OR MEET OUR AGENT ADVISORS".

A Brand that **inspires** people to increase the value of their life

A Brand that caters to all key needs of the consumer – **protection, savings, wealth creation, retirement**

A Brand for all consumers – **Top 3 Brand Consideration score¹** among private insurers

A trusted Brand – powered by **India Ke Bharose ka number** with **#1** claims paid ratio in the industry

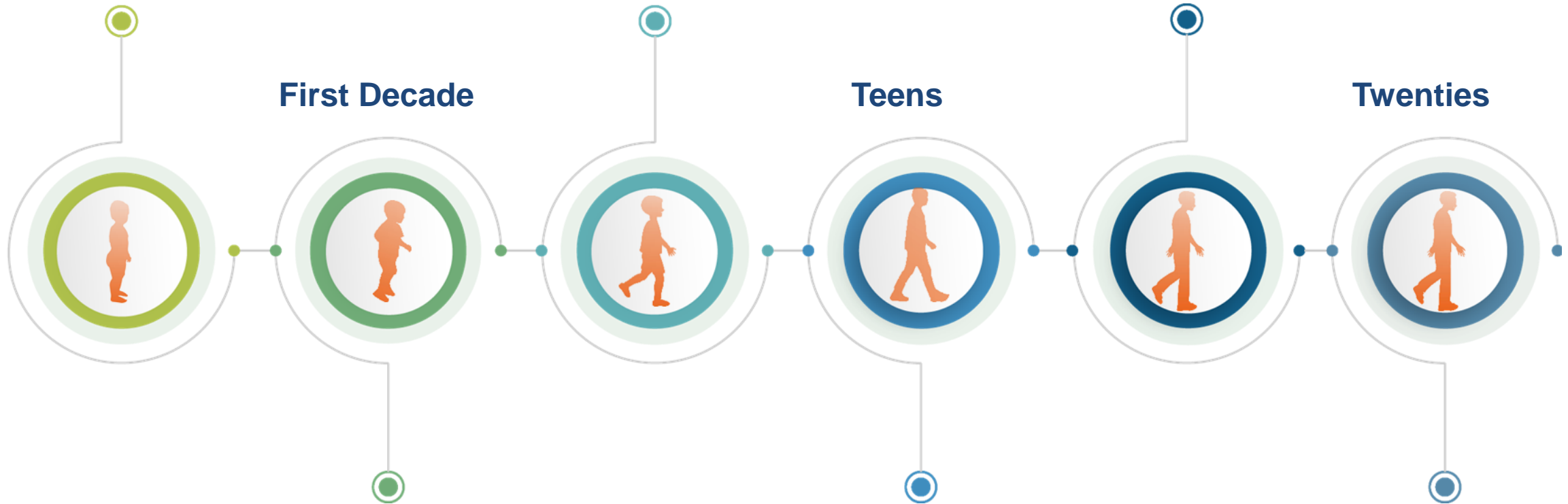
A brand recommended by customers - **#1 in customer loyalty scores²** among private insurers, continuous improvement in **Net Promoter Score³**

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)

Max Life has established a reputation for providing trusted advise through a well trained sales & service force

Right Advise through Agent Advisors



You always get **"Sachchi Advice"** from those who care. Here's an opportunity to say Thank You to them.



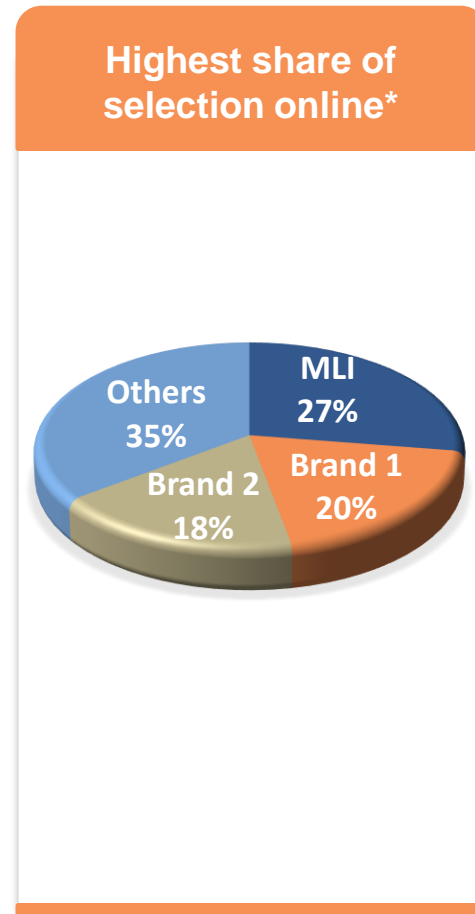
There's always that one special person that you trust to give you honest advice. So we thought, let's celebrate them. Here's an opportunity to share your story and tell the world about the best #Sachchi Advice received by you. Tag the person & thank them for their guidance.

Just like the honesty in your loved one's advice, we too endeavour to live the promise of Sachchi Advice, always.

To share your #Sachchi Advice story, log on to


facebook.com/maxlife | [twitter.com/maxlife](https://twitter.com/commaxlife)

A Max India and MIS Joint Venture




Dil Se Ek – Axis MLI Partnership



We aspire to be the **epitome of trust**
 We wish to be a **model of growth**
 We aim at being an **example for India**
 We are the **two sides of a coin**,
 We are **Max Life Insurance and Axis Bank**
 We **protect lives**




We are now



MAX LIFE INSURANCE
AN AXIS BANK PROMOTED CO.

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A Max Financial and 

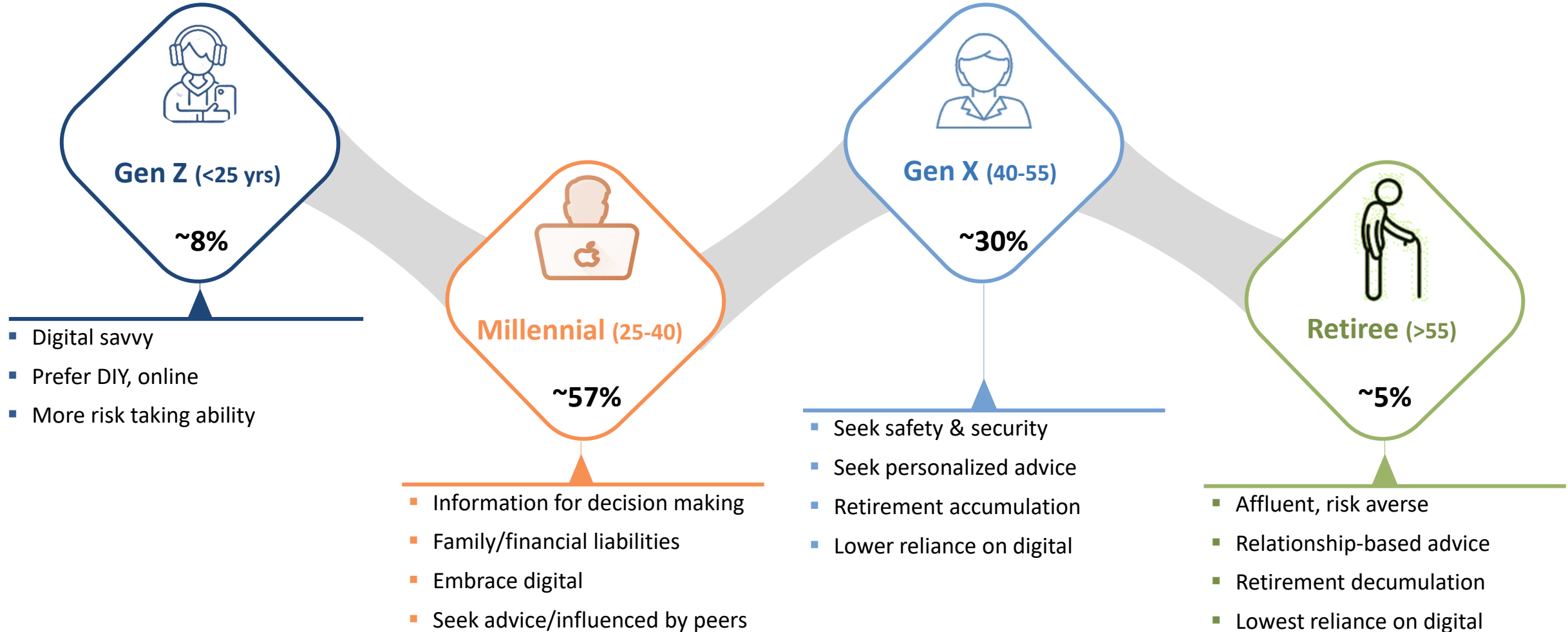
Virtual Relationship Manager for all customers



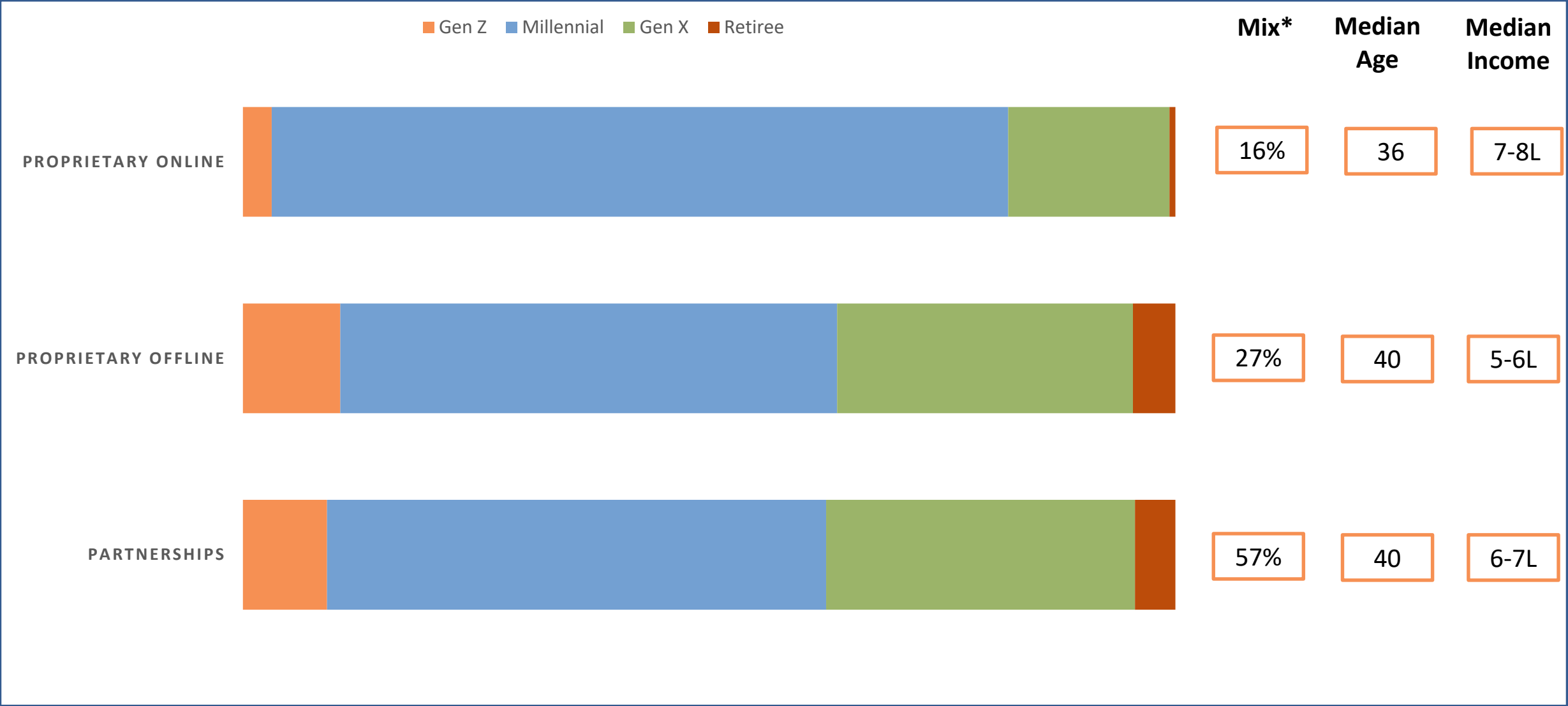
YOUR PARTNER FOR LIFE

* Share of consumer selection in Protection category on India's leading Online Broker

Max Life sees our consumer segments across four categories and they have distinctive traits

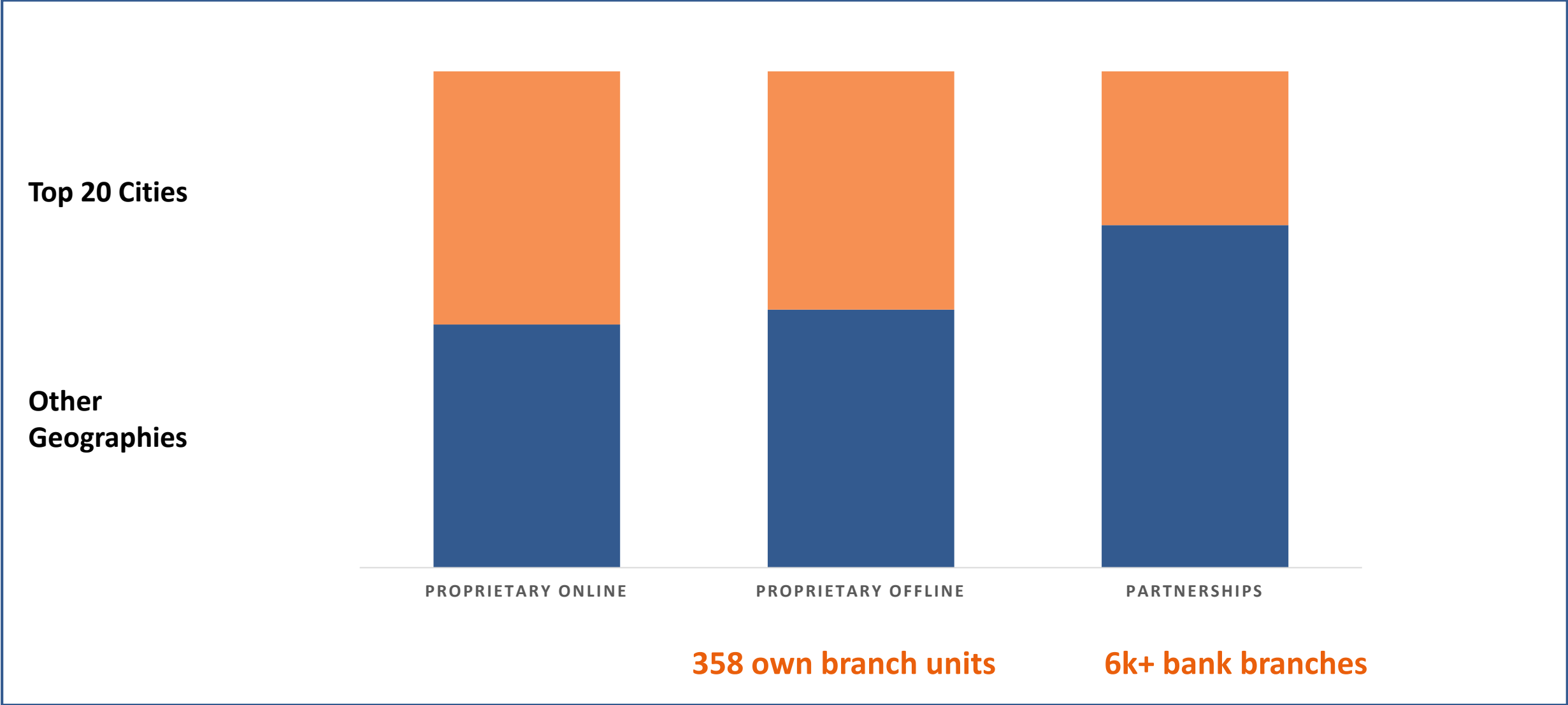


Max Life has a well diversified distribution network to cater to these consumer segments



*Basis FY21 number of policies

... and cover geographies in line with their distribution reach



*Basis FY21 number of policies

Max Life's distribution is differentiated in the market through dedicated org verticals, process execution rigour, deep digitalisation and integration with distribution partners

Proprietary Online

- Leadership position at biggest web aggregator in protection
- SEM Dominance
- 16% of customers acquired online
- 50 Lacs unique leads with customer details since inception
- Highest share of selection in India's leading web aggregator and direct platform

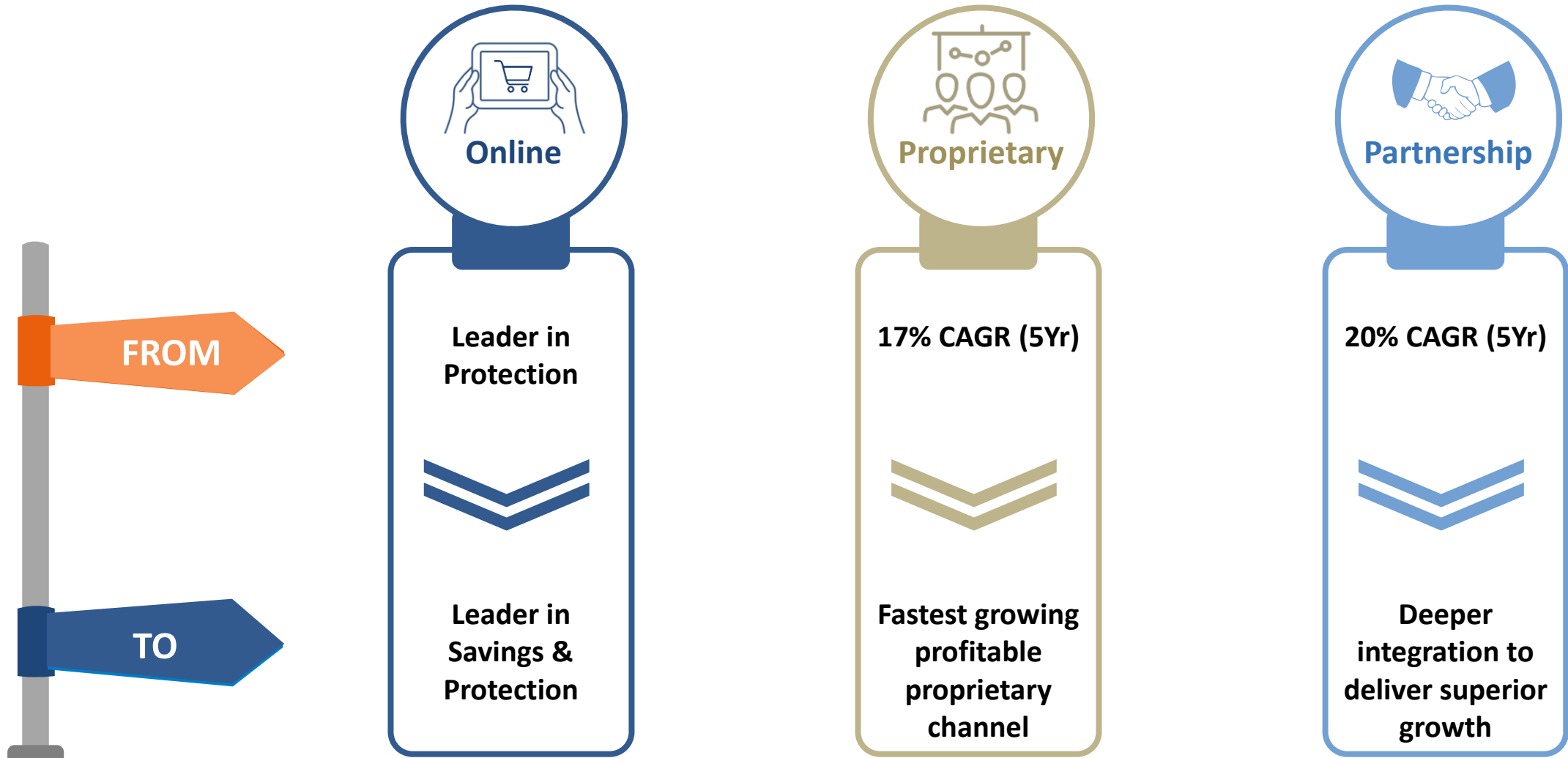
Proprietary Offline

- Demonstrated 4-Yr VNB CAGR of 34%
- 50K+ strong agent force with highest productivity and best in class value proposition. Senior Agents acting as supervisors contribute 1/3rd business & growing
- Dedicated cross sell channel with 4x growth in last 5 years
- Pioneers in Insurance Marketing Firm (IMF) with ~55% share of licenses
- Best in class training
- Discipline, skilling & technology driven 'Agency Work System 'AWS' 2.0; Agency best practices through Growth Leadership Practices 'GLP' 5.0
- Growth driven through customer (walk-ins) growing vide 25% share of sales & 45% share of new recruits

Partnerships

- Pan India reach through 6k+ bank branches
- Strategic partnership with 3rd largest private bank in India
- Deep integration with Bank's tech platforms – interconnected CRM, Market Place & New Insurance System and joint analytics
- Strong engagement & governance through Axis Way of Engagement (AWE) & Yes Engagement System (YES)

As we look forward, Max Life has set the following aspirations



Online proprietary aspirations

Leader in online protection and savings

From



Leader in Protection



Strong D2C platform



25+ partnerships



Highest share of selection at India's leading web aggregator

To



Leader in savings and protection



Build world-class D2C platform



Ecosystem partner of choice







Pilot more disruptive models




Offline proprietary aspirations

Fastest growing profitable proprietary distribution

From

-  **Profitable offline channels**
-  **Best-in-class agent productivity**
-  **Strong cross-sell channel**
-  **Highest share of licensed IMFs**

To

-  **Accelerate proprietary growth through agency variablization and geographic expansion**
-  **Omni channel orchestration through digital & AI enablement**
-  **Bionic Agency and Direct team**

Partnership aspirations

Deeper integration to deliver superior growth

From



2 big bank partners



Tech integration with partners



Present in all bank touchpoints

To



Add new partners



Scale up across all Bank segments – digital / virtual



Tap into health, retirement and protection opportunity



Analytics led customer acquisition engine



Unlock synergy with Axis Bank

Thank You



Intelligent and pervasive automation across the enterprise

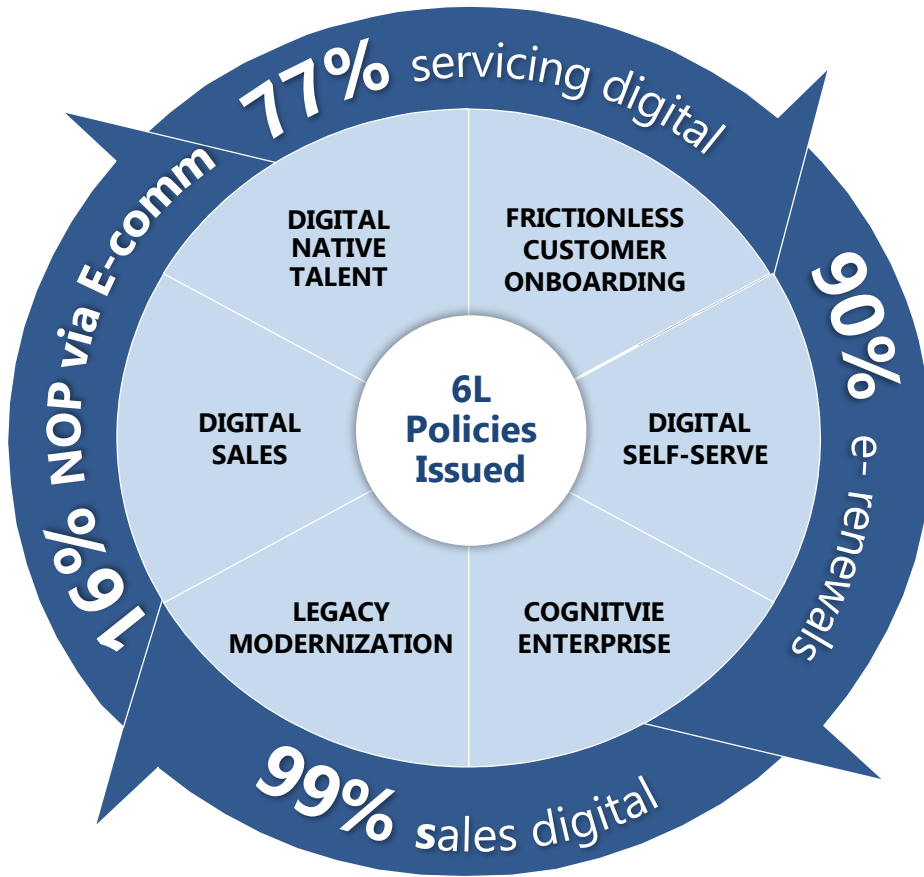
Manu Lavanya
Chief Operations
Officer

Suhail Ghai
Chief Digital &
Information Officer

November 30, 2021



Max Life is a leading Digital Insurer in India



3 second
Page Load Time

BEST IN CLASS

49%
Insta claim settlement

67%
Automated Underwriting (Retail)

TOP QUARTILE

99.35%
Claims paid

BEST IN CLASS

100%
Systems of Engagement On cloud

BEST IN CLASS

48%*
Insta COI

* Oct'21

Max Life's Digital Strategy is based on 9 Key Pillars

<p>Scale eCommerce Business 1</p> <ul style="list-style-type: none"> Digital Marketing Muscle (Sharper prospecting) Mobile first purchase journey Personalized experience WhatsApp chase journeys <p>Organic Traffic Growth Protection - 30% Savings – 100% (FY22)</p>	<p>Digital Sales 2</p> <ul style="list-style-type: none"> Intelligent & Integrated LEAD management Integrated Recruitment Funnel Digital Native Training & Content Mgt solution Smart Assistant for seller productivity Digital standardized sales governance <p>Lead Conversion: 50% Automate sales Governance: 95%</p>	<p>Onboarding / Issuance 3</p> <ul style="list-style-type: none"> Digital Native Onboarding platform – SEO Frictionless Onboarding experience leveraging eco system partnerships Smart U/W - embedded AI Models Legacy Modernization – Insta Issuance <p>Insta Issuance: 65% Human Less U/W: 85% Issuance cycle: 10 mins</p>	<p>Customer Service 4</p> <ul style="list-style-type: none"> 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 <p>Digital Penetration: 72% Digital Adoption: 82%</p>	<p>Enterprise 5</p> <ul style="list-style-type: none"> Mobile First Employee Experience – HR Self Service Digital Engagement & Collaboration Back-office transformation – Treasury, AML Enhanced Security – cloud, threat monitoring, vulnerability Mgt Intelligent Automation <p>Self Service: 90% Security Posture: 4 / 5 Scale</p>
<p>Pervasive Intelligence 6</p> <p>(AI /ML, Analytics embedded in all key processes)</p>	<p>Cloud Enabled Legacy Modernization & Enterprise Data Hub 7</p> <p>Workloads on Cloud: 70% (FY 24)</p>	<p>Employer of Choice for Top Digital Talent 8</p> <p>300+ engineers</p>	<p>Digital Culture 9</p> <p>InsureTech ecosystem</p>	

Max Life has built digital Native Frictionless & Intelligent onboarding Journeys.....



Key Accomplishments B2C

% of Customers to Max Life

Fiscal Year	% of Customers to Max Life
FY16	4%
FY17	~7%
FY18	~9%
FY19	~14%
FY20	~13%
FY21	16%

8x growth over 4 years

70% - Zero Documentation

Page Load Times <3 Seconds



Mobile First Frictionless Journey

mPRO

Active Cases

- 1 Customer Details
- 1 Product Details
- 5 Personal Details

Information Pending

Submission Status

Enter email id / Mobile no / Policy number Search

Advance Search

< 1 of 1 page(s) >

Transaction ID	Policy Number
1100219692	

Max Financial Services and MS Joint Venture



Key Accomplishments B2B

48%* Insta Issuance

65% Human less U/W

Insta Issuance 30 Mins

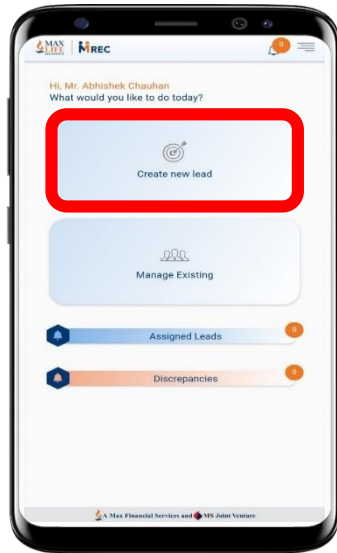
Journey Time < 10 Mins

~70% FTR

Max Life's Agency is enabled with digital assets end-to-end across the value chain



Digital Tools Across the Value



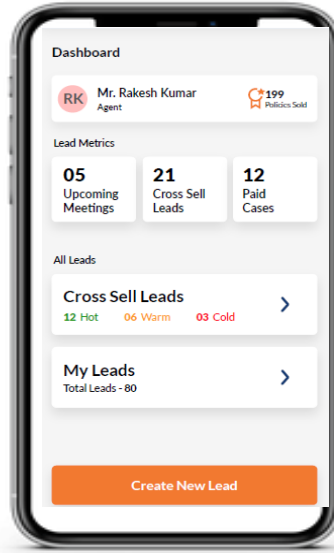
Integration of career seminar and website leads. URNs can be generated in < 5 min

100% Agents recruited digitally
100% ADMs - Digital banners for sourcing leads from social media



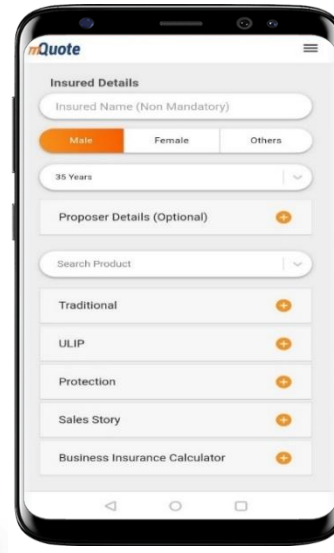
Self Learning Tool for Agent advisors & ADM

12k Unique users / month
20-25k assessments / month



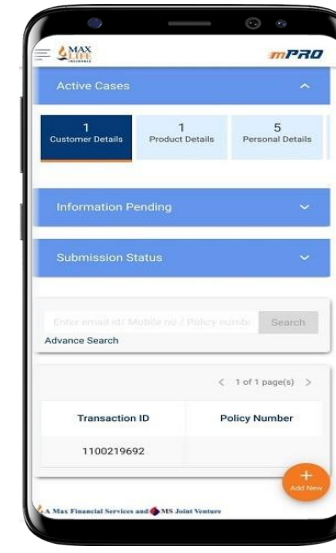
Lead lifecycle tracking with campaign tagging capability and Notifications

10k+ Agents/month & 5 Lac+ leads/month
21% of the leads gets converted to meeting



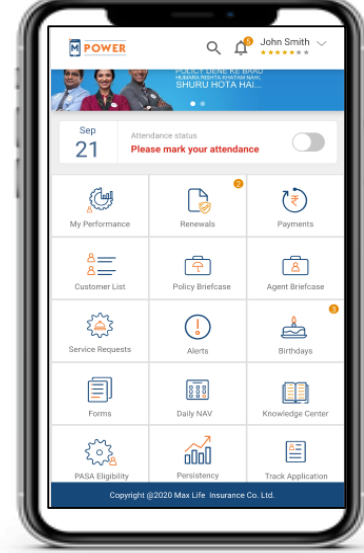
Management of Self & Central Leads. Visual Customer Illustrations

8k+ active agents /month using the tool



Mobile access, Shorter form, Digital Login of policies

98% of policies logged through mPro

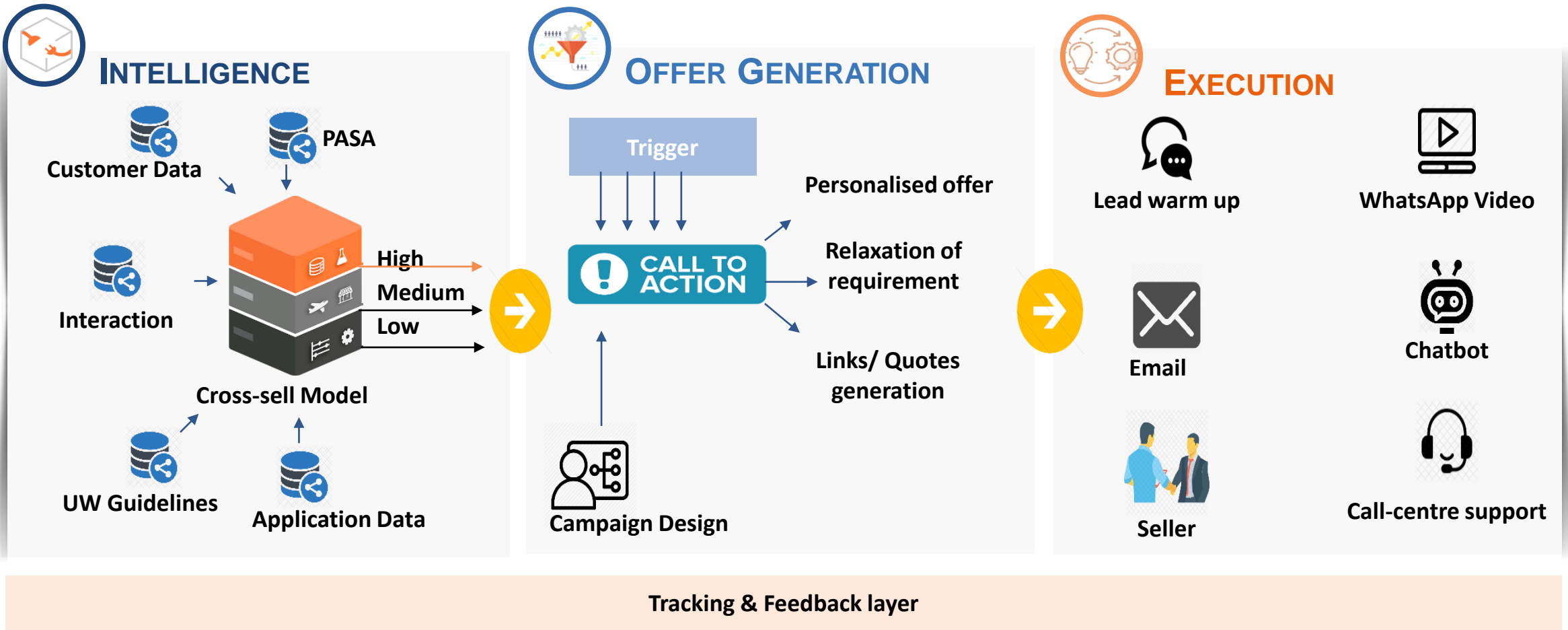


On-The-Go Visibility of Agents Book of Customers, Incentives & Nudges

80k+ average monthly impression on customer service and self serve

Max Life has set up a channel focused exclusively on cross-selling, powered by strong analytics

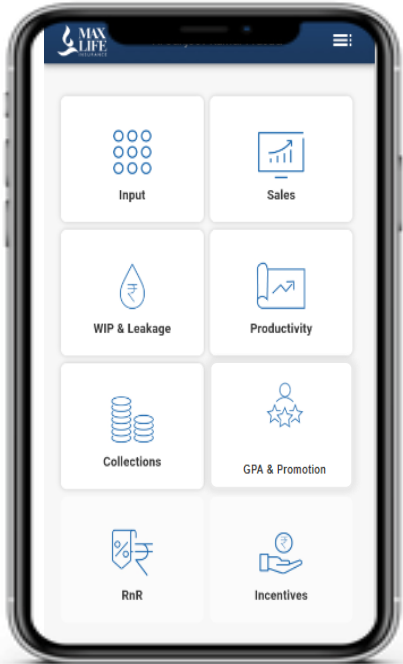
Cross sell engine



Cross-sell improved from ~27% in FY20 to ~31% in FY21

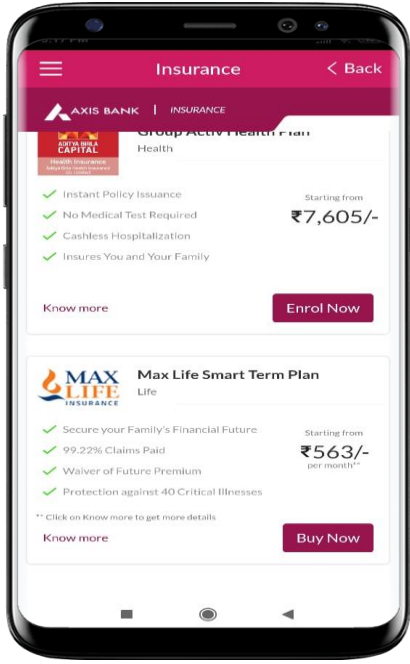
Deep integration with Bank partners - multiple innovations to increase productivity, drive growth, sales efficiency and improve customer experience through reduced friction at Axis Bank

Multiple innovations to improve sales efficiencies



- Enhanced CRM Integration
- Digitized sales planning and governance
- ~3X Improvement in Sales Conversion - 12% (FY20) to ~37% (H1 FY22)

New Customer Touchpoints for sales



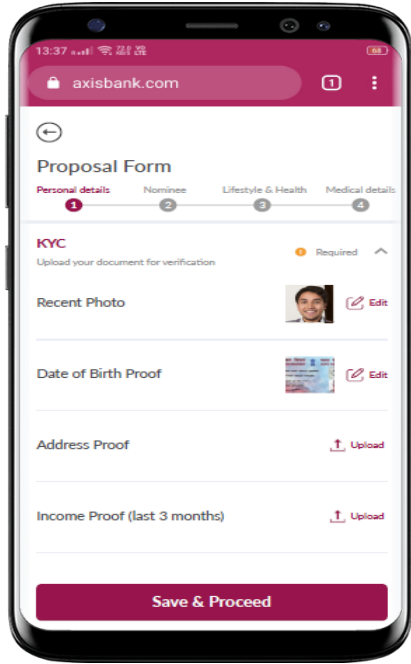
- **Tele Sales Model** –Facilitated STP (Straight through pass) journeys, completed on call
- **D2C** (Internet & Mobile Banking) – enabled online purchase journeys on bank platforms through internet & mobile banking

Enhanced sales team capability through innovation in training



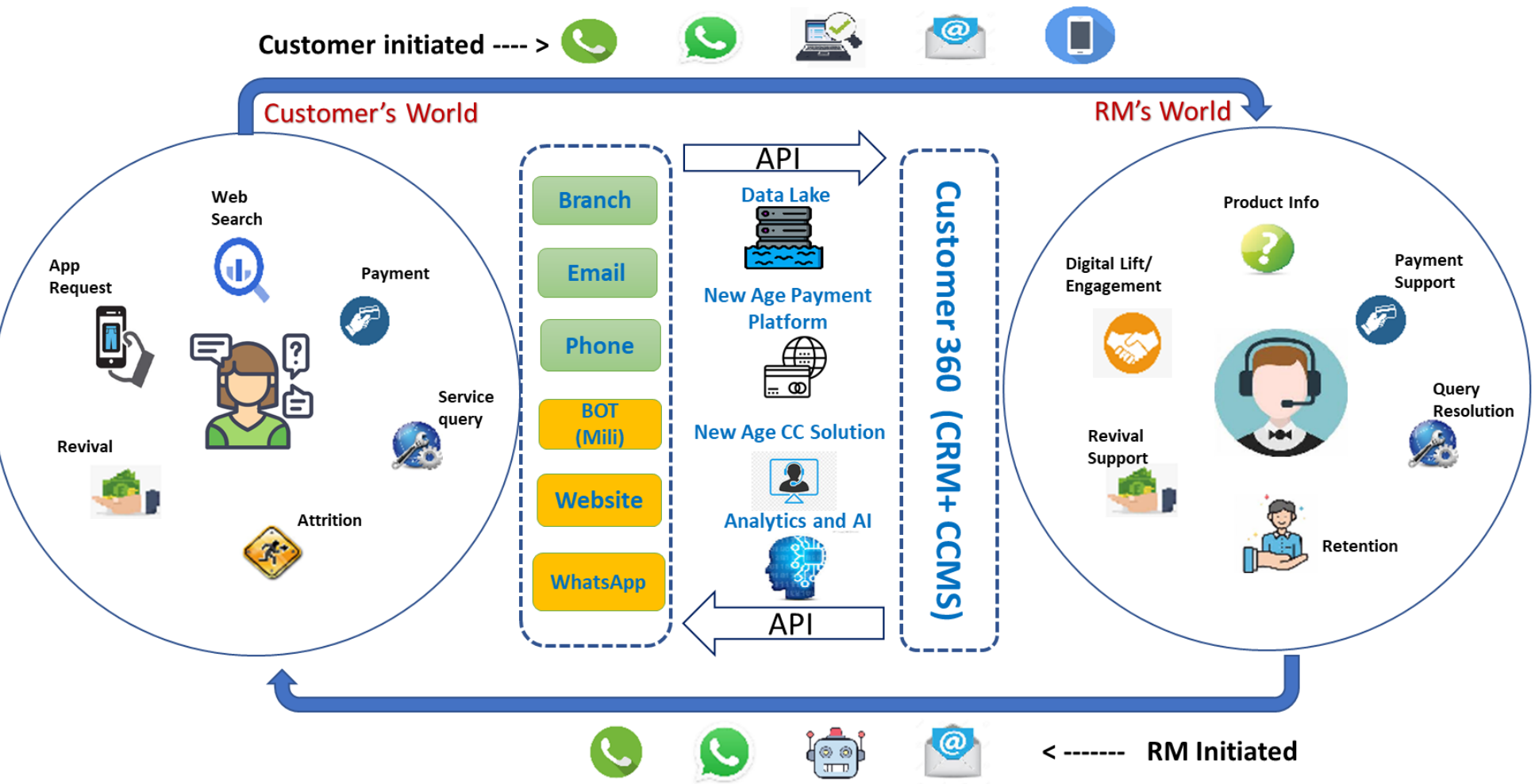
- Digitized **on-demand learning modules** training journeys
- **mBuddy**, a **digital platform** to access content, improve selling skills, etc
- **Revamped 12 month training journeys** for sales reps




System / Tech integration



- **Onboarding platform enhancements** to reduce physical documentation, improving seller experience and issuance metrics
- **One view to visualize sales dashboards**, reducing friction and improving productivity of frontline

Max Life is delivering the vision of “HIGH TECH - HIGH TOUCH” servicing model by providing omni-channel service experience to our customers

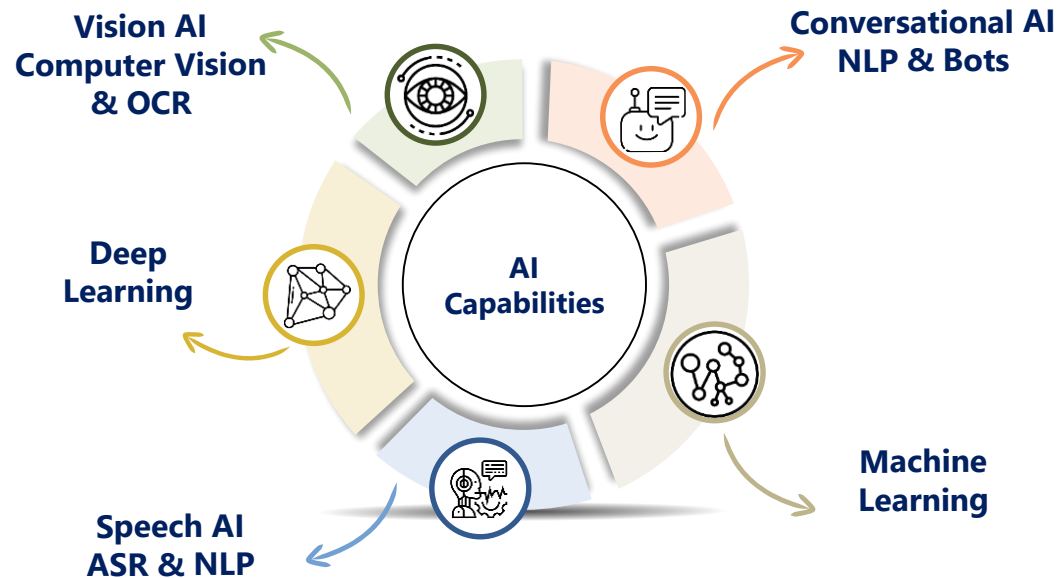


KPI	
	50L+ self-service transactions annually 82% adoption
	3X increase in number of work types available digitally in 18 months
	100k+ transactions on conversational interfaces
	1.5L+ Cross-Sell leads generated through digital channels annually

Digital Service Penetration Improved from 43% (FY20) to 77% (YTD FY22)

Max Life has built capabilities across analytics spectrum to accelerate our journey of embedding intelligence across the value chain

Capabilities



Industry Recognition



Tool stack for majority of our solutions



1 **Dedicated team (AI Works)** with talent from top institutes


2 **Problem solving across the life insurance value chain**

3 **Getting data rich** with partnerships with bureaus to better understand customer profile.

4 **Build vs Buy framework** to decide in-house dev. vs. partner enabled solution to accelerate time to market.

Max Life has developed and deployed multiple solutions to enhance top line, optimize effort and proactively identify and manage risk

New Business



Speech Analytics engine for Customer insights, call sentiment, call effectiveness Agent performance analysis




Customized customer offers with propensity prediction & Product recommendation engine


Purchase & Issuance



Shield Early Claim & Fraud risk prediction Engine




Upfront Persistency Risk Prediction and Engagement recommendation



Automated document verification & Financial analysis with OCR




Diagnostic center analytics and fraud prediction and monitoring



Computer Vision based Photo and liveliness verification


Servicing, Retention & Claims




Deep Learning Customer Engagement, Retention & Persistency Prediction



Machine Learning based Renewal Income & Persistency Forecasting & Real time monitoring



Upfront Query Resolution with unified intent prediction and auto response bot



Actuarial and ML based claim risk & insights platform

90%
VOX- Transcription & NLP Accuracy (Hindi, English, Hinglish)

3X
I2i engine- 3X Conversion Rate in High Propensity Leads

100%
Real time Risk prediction

21%
Core Converse – monthly email volume automatically handled by Bot

1,500+ Cr
High risk sum assured detected and rejected.

250+
Suspicious Diagnostic Centers identified.

★ Q4 FY22 release

....aided by investments in strong technology foundation and People capability

Digital Talent



50+ Data Scientist and Engineers

Dedicated AI works Team since 2010

New Age Tech Foundation



38% Compute on Cloud
70% FY2023

Move to Elastic Cloud Infrastructure



200+ Engineers

Engineering Capability



Customer Data Platform on Cloud

Modern Cloud Native Data Platform



We are building innovation Muscle through Max Life Innovation Labs 2.0



PARTNERS



USECASES SHORTLISTED FOR POC

- Non Invasive Medical Tests
- Digital Twin
- Intelligent Data Acquisition
- Health & Wellness

PARTNER



>200

Applications received
for Innovation Labs
2.0

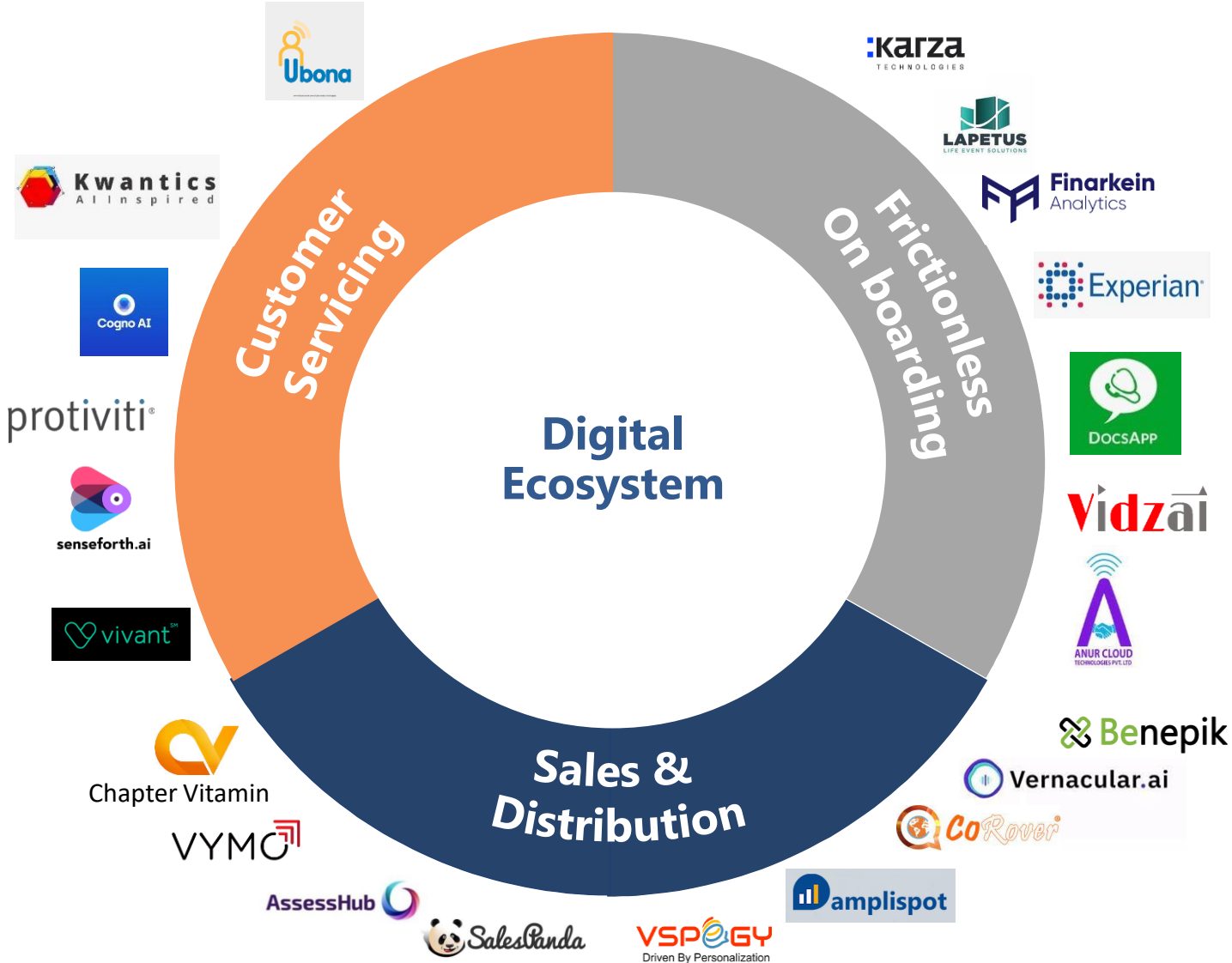
Dec

POC Closure

Jan

Scale-up

Partnerships with InsurTech Eco system is accelerating our digital Journey



Our Goal in 12-18 months: We will be a leading Digital First Life Insurer

Industry Leading Onboarding Experience	Industry Leading Digital Driven Online Channel	AI/ML Driven Intelligent Organization	High- Touch High-Tech Customer Experience	Digital Maturity
<p><3 Seconds Page Load Time</p> <p>New Age Onboarding Platform will deliver Industry best Page Load Time</p>	<p>15% Session to Quote and 50% Lead Conversion</p> <p>Industry Leading Digital Led Lead Conversion Efficiency</p>	<p>90% Data on Elastic Cloud</p> <p>Modern New Age and Elastic Platform for Driving AI/ ML</p>	<p>Industry leading RNPS of 60+</p> <p>AI/ML Driven Omni Channel Customer 360 Platform</p>	<p>300+ Engineers & 40% Niche Talent</p> <p>Building a pool of Digital Workforce needed for driving transformation</p>
<p>65% Insta-Issuance & 10 Minutes Issuance TAT</p> <p>Industry best Instant Gratification for Our Customers</p>	<p>Faster E-Commerce and Cross Sell Growth</p> <p>Digital as a prime lever for Max Life Growth over next 2 years</p>	<p>95% Automated Sales Governance</p> <p>Building a Bionic Sales Force</p>	<p>95% Digital Self Service Platform</p> <p>Innovative, Digital First servicing platforms</p>	<p>70% Infrastructure on Cloud</p> <p>Future Proof Scalable & On Demand Digital Infrastructure</p>
<p>85% Human Less UW</p> <p>AI/ML Driven Intelligent and Automated UW</p>	<p>Faster E-Commerce and Cross Sell Growth</p> <p>Digital as a prime lever for Max Life Growth over next 2 years</p>	<p>90% Employee Self Service</p> <p>Digital First Both Internal and External</p>	<p>85% Digital Adoption</p> <p>Digital as a preferred medium of Customer service and interaction</p>	<p>4 / 5 COBIT Maturity</p> <p>Building a secure and resilient Cyber security</p>

Thank You



Strategic Risk Management

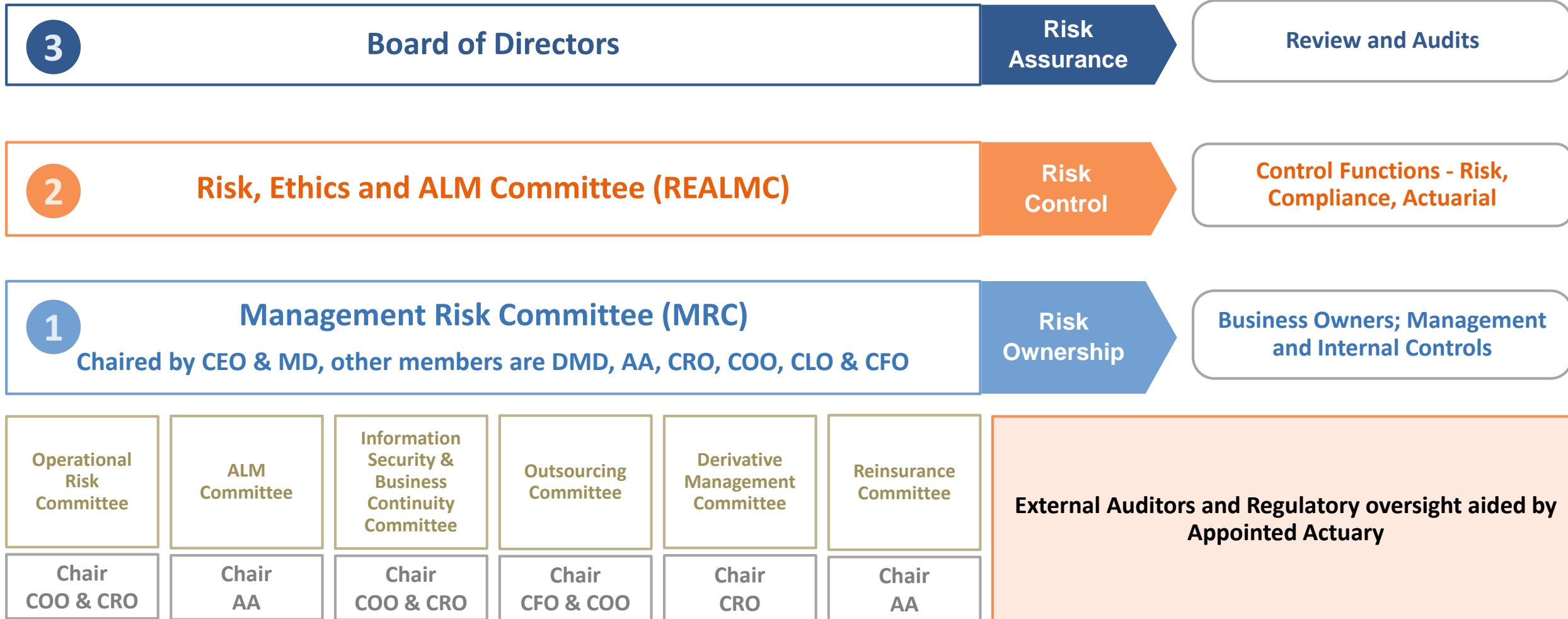
Sachin Saxena
Chief Risk Officer

Jose John
Appointed Actuary

November 30, 2021



3 Lines of Defense (LOD) model deployed to manage risks. Independent and experienced functionaries with direct access to Board



Risk Management Framework of Max Life



Key Risks facing a Life Insurer



Strategic Risks

- General Business Strategy
 - Channel Concentration
 - Product Mix – Non-par Share
 - Regulatory, Legislative & Tax
 - People & Culture
-
- Regulatory Solvency & Capital Adequacy
 - Reputation



Insurance Risks

- Mortality
- Discontinuity
- Expenses



Economic Risks

- Credit Risk
- Market Risk
- Interest Rate Risk



Operational Risks

- Cyber Security
- Business Continuity
- Information Technology & Systems
- Market Conduct
- Fraud
- Safety and Security
- Product development & Pricing
- Process Risks
- Outsourcing & Partners



Differential approach to manage key risks makes Max Life a 'Resilient & Risk Intelligent' organization



Preventable Risk

- Risks arising from within the company that generates no strategic benefit
 - Operational Risks
 - Fraud
 - Conduct
- **Control Model:** Integrated Culture & Compliance model



External Risks

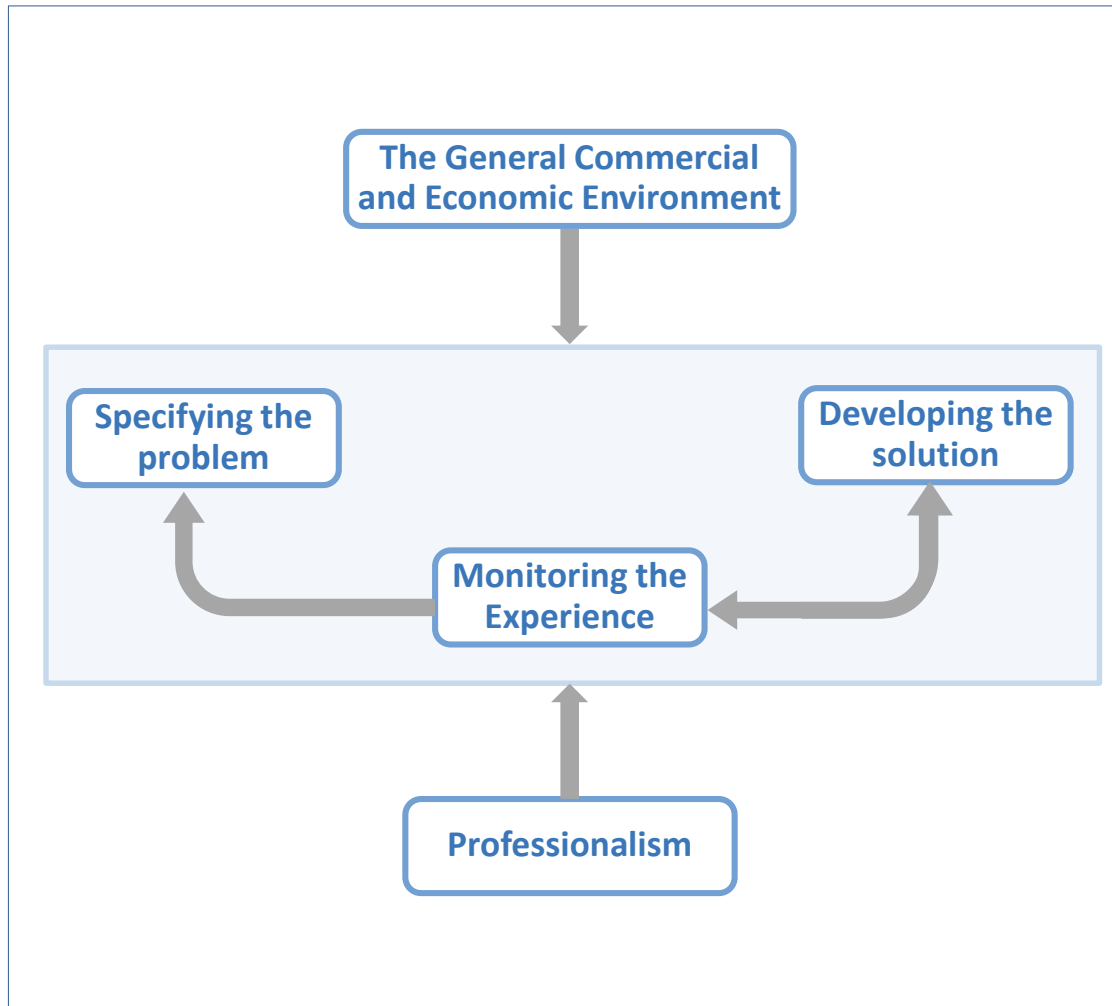
- External, uncontrollable risks
 - Cyber
 - BCP
 - Investments
- **Control Model:** Scenario planning, stress testing & war gaming



Strategic Risks

- Risks taken for superior strategic returns
 - Products/Interest rate
 - Mortality
- **Control Model:** KRIs, Early Warning Framework, Strong Capital Adequacy

'Best in Class' Actuarial Governance and Prudence deployed to manage risks



World class skill and expertise:

- Actuary on the Board
- Standalone Board Committee for reviewing Actuarial matters
- One of the largest pool of fully qualified actuaries with international experience



Prudence that goes beyond the Regulatory minima:

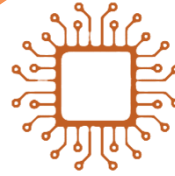
- Practice of holding Global reserves held over and above the mandatory policy level reserves
- Internal Solvency targets set well above the regulatory minima
- Risk Based Capital levels monitored and deployed
- Best practice of external review of Actuarial models followed

Approach on Mortality and Persistency Risk



Customer Profiling and Selection:

- AI based risk models, Credit Bureaus, IIB Database deployed in underwriting and persistency 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:

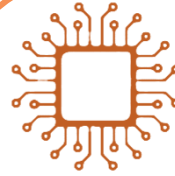
- Regular repricing of products
- Product boundaries based on geography, income and channel
- Adequacy of reserve to minimize P&L volatility
- Adequate reinsurance (Individual and Catastrophic) to protect against claims volatility

Approach on Interest Rate Risk



Robust Asset Liability Management Framework:

- Cash flow and duration matching
- Comprehensive hedging program
- Natural hedge utilized between various product variants or product lines like Non-Par and Protection
- Limit on non-par sales to achieve product diversity
- Active policyholder bonus management for Par business



Focused Product Management:

- Product design - repricing to align benefits with current rates with prudent assumptions for future
- Monitoring – Variant and channel level granular monitoring to ensure portfolio profitability



Resilience and Expert Validation:

- Direct Board oversight on the amount of interest-sensitive business
- Stress testing for all plausible and tail scenarios to assess solvency implications
- Sensitivity of derivative portfolio is tracked separately
- Peer review of liabilities
- Periodic external review of Derivatives

Approach on Investment Risk Management

Clearly segregated and independent Investment sub offices, together managing all aspects of investment risk



Front Office – Led by CIO

- **ALM is primary aim for Traditional Funds**, safety with predictable returns
- Non-par: Ensuring **duration matching & Hedging** to protect portfolio returns
- ULIPs: Active managers of equity, delivering superior returns by investing in **Growth at a Reasonable Price (GARP)**
- Par: Fixed income investments along with **investment in growth assets** like INVIT, REITs, Real Estate, AIF etc.
- 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** for Impairments and Performance
- 450 plus (regulatory and internal) limits monitored daily
- Consequence management of stressed assets



Back Office – Led by CFO

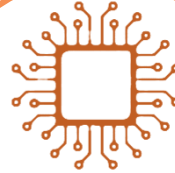
- Ensuring **implementation of cash flow matching** requirement of ALM
- Valuation, Collateral and Margin **management of Derivatives**
- Appropriate **provisioning for stressed assets**

Approach on Information Security and Business Continuity Risk



Cyber DARE framework for managing security goals:

- Robust framework based on **ISO 27001**
- **Defensive** focuses on protective technologies and security by design
- **Aggressive** focuses on testing the effectiveness of controls deployed proactively
- **Responsive** focuses on building resilience measures against cyber attacks
- **Engaging** focuses on stakeholder involvement as coherent participant to robust security posture



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 & approved by function heads
- Annual BCP drill
- Alternate Disaster Recovery (DR site) and regular data backups with movement to DR site
- **Crisis Action Manual** to speed up recovery response

Approach on Operational Risk



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

Risk culture and control mindset

How are we different..

- 1** Independent roles of Appointed Actuary, Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive
- 2** Standalone Board Committee for reviewing Actuarial matters
- 3** CRO involvement in all matters of strategic importance with independent review of business plan
- 4** Quantified risk appetite statement to the extent possible
- 5** Enterprise wide risk monitoring covering all risks facets
- 6** Differential approach to manage different risks- No one size fits all approach
- 7** Segregated and independent investment sub offices
- 8** Comprehensive 'Cyber DARE' strategy to cover all facets of cyber risk
- 9** Crisis Action Manual to speed up recovery response in case of a BCP event
- 10** Customized incident reporting and monitoring for operational risks covering all business areas



ERM Team's Proud Moments – Indian and Global Recognitions



We shined in Industry and bagged 5 Risk Management awards (UBS Forum) in Jan 2020

- Risk Management Team of the Year
- The Most Innovative Risk Strategy of the Year
- The Chief Risk Officer (CRO) of the Year
- The Risk Manager of the Year
- The Risk Rising Star of the Year



Corporate Risk Manager of the Year

Kevinder Singh, SATS Ltd

Sachin Saxena, Max Life Insurance Co Ltd

Sharon Xu, Marriott International

CRO chosen in last 3 finalists internationally



Chief Information Security Officer (CISO) in Global Top 100

Thank You

