Axis Max Life Insurance Limited

February 02, 2026

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Subordinate Debt*	1,300.00	CARE AA+; Stable	Reaffirmed

Details of instruments/facilities in Annexure-1.

**The rated subordinate debt issuance exhibits the following key features:*

- *The company can pay interest only if its solvency ratio is above the regulatory minimum.*
- *If the solvency ratio falls below the regulatory threshold, or if paying interest causes the solvency ratio to drop below the regulatory minimum, then the company must get approval from the regulator before making interest payments.*
- *If payment of interest results in a net loss or increases an existing net loss, regulatory approval is needed for the same.*

Delay in payment of interest / principal (as the case may be) following the invocation of covenants, would constitute an event of default per CARE Ratings Limited's (CareEdge Ratings) definition of default and as such these instruments may exhibit sharper migration of the rating.

Rationale and key rating drivers

Reaffirmation of the rating assigned to Axis Max Life Insurance Limited's (AMLI)'s subordinate debt derives strength from its strong parentage (Axis Bank Limited [ABL-rated 'CARE AAA, Stable'] and its subsidiaries, together referred as Axis Group, hold 19.02% stake in AMLI) – AMLI is strategically important to Axis Bank as demonstrated by the ₹1,612-crore equity infusion by ABL in FY25 and the shared brand name. AMLI shall continue to benefit from management oversight in the form of ABL representatives on the board and strong brand linkages .The rating further factors in AMLI's established market position, with it being one of the top four private life insurance players in India with a market share of 9.8% in FY25 (PY: 9.4%) based on individual weighted new business premium (NBP)[2], comfortable solvency levels, and strong liquidity buffers.

However, the rating is constrained by AMLI's relatively higher operating expenses and susceptibility of its business growth and profitability to evolving regulatory landscape.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors: Factors that could individually or collectively lead to positive rating action/upgrade:

- Significant increase in the shareholding of the Axis Group in AMLI.
- Healthy improvement in the market position, profitability and solvency on a sustained basis.

Negative factors: Factors that could individually or collectively lead to negative rating action/downgrade:

- Material stake dilution or weakening in expected support from and strategic importance to ABL.
- Deterioration in credit profile of ABL.
- Solvency margin remaining below 1.7x on a sustained basis.
- Significant decline in market position on a sustained basis.

Analytical approach:

Standalone and factoring in the strength of the promoter, ABL. Being strategically important to ABL, AMLI is expected to benefit from operational, financial, managerial, and branding linkages with ABL.

Outlook: Stable

The Stable outlook reflects CARE Ratings Limited's (CareEdge Ratings') expectation of a steady operating performance by AMLI over the medium term, while maintaining its solvency margin above 1.7x. CareEdge Ratings also expects AMLI to remain strategically important to ABL and receive need-based capital support to maintain its growth and profitability.

[1] Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.
[2] Individual weighted new business premium is first year regular premium + 10% of individual single premium

Detailed description of key rating drivers:

Key strengths

Strong parentage and expected support from ABL

AMLI is jointly promoted by ABL and Max Financial Services Limited (MFSL). Strategic importance of AMLI to the Axis group is demonstrated by increase in its shareholding to 19.02% as on September 30, 2025, from ~13.00% as on March 31, 2024. ABL infused preferential equity capital of ₹1,612 crore in April 2024. ABL has the necessary approvals for acquiring balance stake of 0.98% in AMLI. MFSL, which holds 80.98% stake in AMLI, is a widely held listed company with Mitsui Sumitomo Insurance (21.86% stake) and Mutual Funds (~39%) being the major shareholders as on December 31, 2025. The Boards of MFSL and AMLI have approved a roadmap for listing of AMLI, wherein MFSL is proposed to be reverse merged with AMLI.

AMLI derives business synergies from ABL, which is evident through capital, managerial, and business support apart from brand and logo sharing. AMLI also has four board representatives from ABL, which provides access to its strong distribution franchise of 5,976 pan-India branches as on September 30, 2025, with AMLI having counter share of 65-70% in ABL's life insurance sourcing business. Overall ABL contributed 40-45% to AMLI's individual NBP for FY25.

ABL is the third-largest private bank in India with advances base of ~₹11 lakh crore as on September 30, 2025. ABL's subsidiaries are engaged in providing a wide array of financial services and operating areas of asset management, investment management, broking, non-banking financial services and others. AMLI is a strategically important entity for the Axis Group providing access to life insurance business.

AMLI's Board consist of four nominee directors from ABL bringing in strategic oversight, industry expertise, corporate governance, and standard risk management practices on board. The Board has four Independent Directors. AMLI is led by Sumit Madan (Managing Director and Chief Executive Officer) having over two decades of experience in insurance sector.

Going forward, CareEdge Ratings expects ABL to continue to provide managerial, business, and need-based capital support to AMLI, augmenting its business growth and market presence.

Adequate solvency position

The solvency position of the company is supported by strong capital raising ability and financial flexibility given its parentage and internal accruals. AMLI had an adequate solvency position as on September 30, 2025, with a solvency margin of 2.08x (as on March 31, 2025: 2.01x) supported by capital infusion of ₹1,612 crore by ABL in April 2024. The solvency position is further supported by sub debt issuance of ₹500.00 crore ₹800.00 crore in February 2025 and September 2025 respectively. The company's solvency margin remained well above the regulatory requirement of 1.50x translating into surplus (after considering 1.5x of required solvency margin) of ₹3,424 crore as on September 30, 2025 (March 2025: ₹2,815 crore).

Going forward, CareEdge Ratings expects the company to continue to maintain solvency margins above 1.7x on a sustained basis.

Established market position

In the last two decades, AMLI has strengthened its market position and is among the top four private life insurance players with a market share of 9.8% in FY25 (PY: 9.4%) in terms of individual weighted NBP. The market share is driven by four-year compounded annual growth rate (CAGR) of 16% in NBP to ₹12,174 crore. The strong business growth for AMLI has been led by diversification in its distribution channels over the years. The concentration in banca channel has now reduced to 51% of individual NBP for FY25 [March 2022: 64%]. The company has been ramping up its proprietary channels (direct + agency), the share of which has increased to 42% in terms of annualised premium equivalent (APE) for FY25 [PY: 40%].

Though the share of banca channel has been decreasing, the contribution from the channel continues to remain significant with ABL contributing 40-45% to the individual NBP for FY25. However, company has adopted open architecture for distribution with AMLI having tie-ups with other private and regional banks apart from tie-ups with NBFCs, other finance institutions, and fintech companies.

Led by a strong distribution franchise, the company has an adequately balanced and diversified product mix with increased share of Unit Linked Insurance Plans (ULIP - in line with industry trend) to ~42% in terms of APE for FY25 (March 2024: ~35%). Consequently, share of non-participating (Non-PAR) savings in total APE decreased to ~23% for FY25 (PY: ~28%) while share of participating (PAR) decreased to ~15% (PY: ~18%), protection and health increased to ~10% (PY: ~9%), annuity was stable at

~5% (PY: ~6%) and group funds was stable at ~5% (PY: ~5%). CareEdge Ratings expects the product mix to remain diversified with AMLI adopting balance growth approach.

Going forward, CareEdge Ratings expects AMLI to continue to benefit from brand and logo sharing with ABL, which aligns with the company's overall strategic focus on individual segment.

Healthy profitability supported by improving persistency

AMLI's operating return on embedded value (ROEV) ranged between ~19% and ~22% in the last four years. Operating ROEV is supported by continued growth momentum in individual business and growth in absolute value to new business (VNB), which grew by four-year CAGR of 14% to ₹2,107 crore for FY25. However, VNB margins declined in FY24 by 250 bps to 26.5% due to change in product mix (share of ULIP in total APE increased to 42% for FY25 from 35% for FY23, in line industry-wide trend) and high operating expenditure. Reported expense of management to GWP (EOM) remained high compared to peers at 23% for FY25 (PY: 22%). The high EOM is attributed to the focus on augmenting retail business through scaling up its proprietary channels. CareEdge Ratings expects the VNB margins to remain range bound in near-to-medium terms.

In FY25, the company reported an investment income of ₹13,677 crore (PY: ₹17,416 crore). Supported by growing absolute VNB the total embedded value of the company increased to ₹25,192 crore as on March 31, 2025 (PY: ₹19,494 crore). However, the company's return on net worth (RONW) moderated to 8.5% for FY24 (PY: 10.1%) due to changes in product mix, investments made in distribution channels and growth in non-PAR business which requires higher initial reserves.

In H1FY26, APE grew by 15% YoY leading to absolute VNB growth of 27% to ₹974 crore. VNB margins improved to 23.30% [PY: 21.20%] due to favourable changes in product mix. The VNB margins for H1FY26 was impacted by 60 bps due to GST rate cuts leading to input tax credit loss. GST rate cuts have impacted the entire life insurance industry in terms of loss of input tax credit. However, this impact is short-term in nature. It is expected to benefit the industry with increasing demand for life insurance products with traction in products, such as protection.

Profitability is supported by improving persistency ratio across cohorts. As on September 30, 2025, persistency ratio for 13th month was stable at 85.1% (March 25: 85%), it improved to 75.7% (March 2025: 74.0%) for 25th month, to 62.7% (March 2025: 62.0%) for 37th month, to 58.1% (March 2025: 57.0%) for 49th month, and to 54.8% (March 2025: 53.0%) for 61st month.

Going forward, CareEdge Ratings notes, the company's ability to maintain its growth momentum while improving profitability – by controlling operating expenses and meeting the underwriting assumptions for persistency and mortality – remains a key rating monitorable.

Key weaknesses

Ability to sustain growth in its individual business

AMLI's premium growth has been led by individual NBP, which grew by 15% in FY25 compared to a growth of 11% for the life insurance industry. Individual NBP accounts for 87% of the total NBP in FY25 for AMLI, while it accounts for 42% for the industry. The group NBP accounting for 13% of total NBP largely comprises credit life protection business with ABL being the major contributor.

While CareEdge Ratings notes that the growth in individual business is enabled by its diversified distribution channels, the company's ability to continue to maintain growth momentum in individual business remains a key rating monitorable.

Changing regulatory dynamics and competitive industry landscape

Long-term growth prospects for Indian life insurance sector remains robust with low penetration of life insurance as a percentage of GDP in India supported by strong socio-economic growth drivers. As Indian life insurance sector continues to evolve, the sector has been witnessing slew of regulatory changes.

Some key regulatory changes include increase in surrender values of life insurance policies, expected migration to IFRS and risk-based capital framework in the medium term. While these measures are expected to improve product proposition and propel the Indian insurance industry towards greater efficiency and effectiveness leading towards the vision of Insurance for All by 2047, it is also expected to increase competition in the industry and lead to changes in operating models/technology adoption in the medium term.

Liquidity: Strong

AMLI has a strong liquidity profile. As on March 31, 2025, AMLI's cash inflows (premiums received+ investment income) stood at ₹41,152 crore against cash outflows (claims payouts + total expense) of ₹24,681 crore, indicating a healthy liquidity buffer to meet these obligations. The company continues to have positive operating cashflow in the past four years. Additionally, 98% of non-linked investments (in terms of book value) amounting to ₹113,770 crore were invested in G-secs and AAA rated bonds as on September 30, 2025.

Assumptions/Covenants

Not applicable

Environment, social, and governance (ESG) risks

Not applicable

Applicable criteria

Definition of Default
Factoring Linkages Parent Sub JV Group
Rating Outlook and Rating Watch
Life Insurance Sector

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Financial Services	Financial Services	Insurance	Life Insurance

AMLI is a joint venture between Max Financial Services Limited (MFSL – holding ~80.98% as on September 30, 2025) and ABL (with ABL and group companies holding ~19.02% stake) established in 2000. The company is among the top four life insurance companies in India (based on individual rated new business premium), offering protection and long-term savings insurance product via its multi-channel distribution including bancassurance, agency among others. The company has a pan India presence with 405 own branches, and it sold more than 7.95 lakh policies in FY25.

About MFSL

Focused on life insurance, MFSL holds and manages an 80.98% majority stake in Axis Max Life Insurance Limited (formerly Max Life Insurance Company Limited). The Company is listed on the NSE and BSE with holding stake in AMLI being its main business. Its shareholding is widely dispersed with promoters holding less than 2%. The major shareholders include Mitsui Sumitomo Insurance (21.86%) and Mutual Funds (39.49%) as on December 31, 2025.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	September 30, 2025 (A)
Gross Direct Premium	29,529	33,223	15,490
Profit after tax (PAT)	360	406	149
Tangible net worth (TNW)*	3,765	5,794	5,991
Solvency (x)	1.72	2.01	2.08
Persistency ratio (13th month) (%)	87.0	85.0	85.1
Persistency ratio (61st month) (%)	52.0	53.0	54.8

A: Audited UA: Unaudited; Note: 'the above results are latest financial results available'
*Excluding intangible assets and deferred tax assets

Status of non-cooperation with previous CRA:
Not applicable

Any other information:
Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Subordinate Debt	INE511N08024	18-Feb-2025	8.34	18-Feb-2035	500.00	CARE AA+; Stable
Subordinate Debt	INE511N08032	24-Sep-2025	7.95	24-Sep-2035	800.00	CARE AA+; Stable

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Debt-Subordinate Debt	LT	1300.00	CARE AA+; Stable	-	1)CARE AA+; Stable (03-Feb-25)	-	-

LT: Long term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities

Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Debt-Subordinate Debt	Complex

Annexure-5: Lender details

To view lender-wise details of bank facilities please click here

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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About us:

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