September 11, 2026

Axis Max Life Insurance Limited: [ICRA]AA+ (Stable) assigned; Rating Reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action	Financial sector regulator#
Subordinated debt programme	1,300.00	1,300.00	[ICRA]AA+ (Stable); reaffirmed	SEBI
Subordinated debt programme	496.00	-	[ICRA]AA+ (Stable); reaffirmed and withdrawn	SEBI
Subordinated debt programme	-	686.00	[ICRA]AA+ (Stable); assigned	SEBI
Total	**1,796.00**	**1,986.00**		

**Instrument details are provided in Annexure I*

 # The Securities and Exchange Board of India's (SEBI) grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments that fall under the regulatory purview of financial sector regulators (FSRs) other than SEBI

Rationale

The rating factors in Axis Max Life Insurance Limited's (Axis Max Life) established presence in the individual life insurance segment with a diversified distribution network. The company was among the top 4 private life insurers with a market share of 7.5% in FY2026 (6.9% in FY2025) in terms of individual adjusted first year premium[1] (AFYP). The rating also considers the comfortable solvency position with a solvency ratio of 1.98 times as on June 30, 2026, following the growth capital infusion of around Rs. 381 crore in Q1 FY2027 and Rs. 1,612 crore in FY2025. The profitability remained healthy with an operating return on embedded value (RoEV) of 18.7% in FY2026. Moreover, the embedded value (EV) increased at a compound annual growth rate (CAGR) of 19.5% during FY2021-FY2026 to Rs. 28,871 crore as on March 31, 2026 (Rs. 30,415 crore as on June 30, 2026).

The rating factors in the company's strong promoter profile, with Axis Bank Limited[2] (Axis) holding a 19.99% stake as on June 30, 2026 along with its subsidiaries (Axis Capital Limited and Axis Securities Limited). Previously known as Max Life Insurance Company Limited, the company rebranded itself as Axis Max Life Insurance Limited in December 2024, further strengthening its strategic importance to the bank and ICRA's expectation of support as and when required. Axis has been associated with Axis Max Life as a distributing partner, accounting for ~43% of its individual annual premium equivalent (APE) in FY2026. The bank has strong board representation at the company (four out of thirteen directors are nominated by Axis, including the Chairman). While Axis has a presence across the financial services segment, Axis Max Life's foothold in the insurance business is of strategic importance to the bank. The other promoter, Max Financial Services Limited (Max Financial), is a widely-held listed company with an 80.01% stake in Axis Max Life as on June 30, 2026. ICRA also notes that Axis Bank is expected to emerge as the single largest shareholder following the planned reverse merger of Max Financial into Axis Max Life.

The company's operating expenses remain high compared to large private life insurance players, given the significant share of individual business in its overall business and the expansion of its distribution reach. The growth in the value of new business (VNB), VNB margin and profitability would depend on Axis Max Life's ability to increase its APE and improve its operating efficiency. The profitability and solvency may remain susceptible to changes in the actuarial assumptions, leading to long-term changes in the reserving requirements.

The Stable outlook factors in the expectation that the company will continue to receive support from Axis, if required, and will maintain its solvency level above the negative rating trigger of 1.70 times.

[1] Adjusted first year premium = First year regular premium + 10% of single premium

[2] Rated [ICRA]AAA (Stable) for its Basel III Tier II bonds

In accordance with its policy on the withdrawal of credit ratings, ICRA has reaffirmed and withdrawn the rating assigned to the Rs. 496.00-crore subordinated debt (sub-debt) programme as it has been fully repaid through the exercise of the call option on the due date.

Key rating drivers and their description

Credit strengths

Strong promoter profile – As on June 30, 2026, Axis, along with its subsidiaries, Axis Capital Limited and Axis Securities Limited, held an aggregate 19.99% stake in Axis Max Life, up from 19.02% as on March 31, 2026. The increase followed the equity infusion of around Rs. 381 crore through a preferential allotment in June 2026, after the receipt of the requisite regulatory approval.

Axis is the third largest private sector bank in India in terms of advances. Although it has a diversified presence in the financial services segment spanning asset management, securities broking, and investment banking through its subsidiaries, Axis Max Life helps the Axis improve its foothold in the life insurance business. Axis already had a well-established relationship with Axis Max Life as a bancassurance (banca) partner and the rebranding of the ompany (effective from December 12, 2024) further improves its importance to the Axis. Axis is a promoter of Axis Max Life (along with Max Financial) and has strong representation on its board (four out of thirteen directors are nominated by Axis, including the Chairman). The bank's wide distribution network has also supported the company's growth. However, with the diversification in the distribution channels, the reliance on Axis and banca has reduced over the years (Axis accounted for ~43% of individual APE in FY2026 compared to ~55% in FY2023).

The strong parentage and shared brand name with Axis, along with board supervision, strengthen ICRA's expectation that the company will receive timely support if required.

Established player in individual segment with balanced product mix – Axis Max Life is an established player in the life insurance industry, ranking among the top 4 private life insurers with a 7.5% market share in individual AFYP in FY2026. However, its relatively limited presence in the group business segment moderated its overall market share to 3.2% in terms of total new business premium (NBP).

The company maintains a diversified product mix, with unit linked insurance plans (ULIPs) remaining the largest segment at 38% of individual APE in FY2026 (44% in FY2025), followed by non-participating (non-par) savings (22% vs. 24%), par (17% vs. 16%), protection (13% vs. 10%) and annuity (10% vs. 5%). Protection growth was supported by improved customer affordability following the goods and services tax (GST) rationalisation and higher rider attachment rates. Growth in annuity and par products benefitted from new product launches.

A key driver of the company's growth has been its strategic focus on expanding its proprietary distribution channel, thereby reducing its dependence on banca and enhancing channel diversification. The share of banca in individual APE declined to 51% in FY2026 from 62% in FY2023, while the proprietary channel recorded stronger growth than the industry average. Axis Max Life intends to maintain balanced growth across products and distribution channels, going forward.

Solvency supported by recent equity infusion – Axis Max Life's solvency remained comfortable at 1.98 times as on June 30, 2026 (versus 1.94 times as on March 31, 2026 and 1.90 times as on March 31, 2024). The solvency position was supported by equity infusions of around Rs. 381 crore in Q1 FY2027 and Rs. 1,612 crore in FY2025, along with sub-debt issuances of Rs. 800 crore in FY2026 and Rs. 500 crore in FY2025. The solvency ratio is also supported by internal accruals and fund for future appropriation (FFA) related to the participating fund, which accounted for around 35% of the available solvency margin as on June 30, 2026. While dividend payouts were high till FY2021, the company announced negligible dividend payouts between FY2022 and FY2026 to retain profits for business growth and to maintain solvency. Further, ICRA expects support from the parent to be forthcoming if required.

Healthy profitability – Axis Max Life's EV increased to Rs. 28,871 crore as on March 31, 2026 (Rs. 30,415 crore as on June 30, 2026) from Rs. 11,834 crore as on March 31, 2021, with an operating RoEV of 18-22% in the last five years. The absolute VNB rose during this period and stood at Rs. 2,647 crore in FY2026 (Rs. 1,249 crore in FY2021), supported by APE growth as well as healthy VNB margins. VNB increased by 25.6% year-on-year (YoY) to Rs. 2,647 crore in FY2026, aided by strong APE growth and higher VNB margin of 25.2% (24.0% in FY2025). The improvement was driven by favourable yield curve movements and higher contribution from protection and annuity products, partly offset by the impact of the loss of input tax credit (ITC) following GST rationalisation. Going forward, an improvement in the absolute VNB will largely depend on growth in individual APE as margins are expected to remain range-bound.

Axis Max Life remained the third largest private insurer, in terms of individual sum assured written during the year, with a market share of 12.5% in FY2026 (11.1% in FY2025). The mortality risk underwritten in the individual business has increased over the years. Given the long-tail nature, a rise in mortality risk increases the exposure to deviations in actual claims vis-à-vis reserving, potentially impacting profitability and solvency. ICRA, however, notes the favourable mortality experiences in the EV walk (barring the impact of the Covid-19 pandemic) and the adequate solvency buffer maintained by the company.

Axis Max Life's accounting profitability has moderated in recent years with an average return on equity (RoE) of 9.5% during FY2022-FY2026 (compared to 21.2% in the five years ending FY2021). Profitability was lower due to the higher initial reserving required, particularly in the protection, non-par savings and annuity segments, and continued investment in distribution channels to support growth. While the company's 13th month persistency[3] ratio was satisfactory at 83% in FY2026, it was lower in the later cohorts, also impacting profitability.

The ability to maintain prudent asset-liability management, to mitigate the interest rate risk arising from the deployment of future policy premiums at remunerative rates, and achieve operating experience (such as persistency, mortality, operating costs, and interest rates), in line with the assumptions at the time of policy underwriting, will remain a key driver of the long-term profitability and capitalisation.

Credit challenges

Operating expenses relatively higher than peers – Axis Max Life's operating expenses (including commissions) remained higher than other larger private life insurance peers and increased further to 25.4% of the gross written premium (GWP) in FY2026 from 20.8% in FY2023. This was due to the significant share of the retail business, the relatively lower renewal premium base and continued investment in proprietary distribution and agency expansion. Expenses were further affected in FY2026 by the loss of ITC following GST rationalisation. While the expense ratio remains elevated relative to peers, the company continues to demonstrate healthy profitability, with a VNB margin of 25.2% and RoEV of 18.7% in FY2026, supported by an improving and diversified product mix as well as sourcing mix. Further, ICRA takes note of strong new business growth, outperforming the industry over the past few years. Operating expenses are expected to remain elevated over the medium term.

Ability to maintain premium growth in individual segment – The regulatory landscape for the life insurance sector has changed significantly in recent years, with implications for growth and profitability. Following the moderation in demand after the taxation of returns from life insurance policies with an annual premium of more than Rs. 5 lakh, the sector witnessed a recovery in FY2025 and FY2026, with individual NBP growth of 11.2% and 10.8%, respectively. This was supported by strong ULIP sales amid favourable equity market conditions. While growth in FY2026 was supported by the GST exemption on pure protection policies, profitability was under pressure due to the increased cost pressure resulting from the loss of ITC. Further, the implementation of revised Insurance Regulatory and Development Authority of India (IRDAI) surrender value regulations from October 01, 2024 adversely affected margins and profitability.

[3] *Regular premium/Limited premium payment under individual category*

Axis Max Life's individual NBP increased at a CAGR of 15.6% during FY2023-FY2026, higher than the private players' growth of 10.9% during this period. ICRA takes note of the company's balanced product mix and diversified distribution network, which are likely to support its growth.

Liquidity position: Strong

The company's net premium (excluding ULIP) stood at Rs. 26,929 crore in FY2026 in relation to the maximum net claims and benefits (excluding ULIP) paid of Rs. 11,226 crore in the last three years. The operating cash flow has remained positive, leading to investment book growth. Further, investments in Central and state government securities stood at Rs. 1,06,065 crore, accounting for 70.9% of the total investments (excluding ULIP) as on June 30, 2026, supporting the liquidity to meet the claims of policyholders. The shareholders' investment of Rs. 10,499 crore also remains strong in relation to the sub-debt outstanding of Rs. 1,796 crore as on June 30, 2026.

Rating sensitivities

Positive factors – A material increase in the aggregate shareholding of Axis Bank and its subsidiaries in Axis Max Life beyond 19.99% and/or a sustained improvement in Axis Max Life's market position and profitability will be positive factors.

Negative factors – A deterioration in the credit profile of Axis or a decline in the strategic importance of Axis Max Life to Axis or a dilution in the expectation of support from Axis would have a negative impact. Additionally, a sustained decline in the company's solvency ratio to less than 1.70 times will be a negative factor.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Life Insurance Policy on Withdrawal of Credit Ratings
Parent/Group support	Parent/Group company: Axis Bank Limited The rating factors in the high likelihood of financial support from Axis to Axis Max Life, driven by reputational and strategic considerations.
Consolidation/Standalone	Standalone

About the company

Axis Max Life is a joint venture between Max Financial Services Limited (Max Financial) and Axis Bank (Axis). As on June 30, 2026, Max Financial held 80.01% while Axis and its subsidiaries held the balance (19.99%). Max Financial is a listed entity, with Max Ventures Investment Holdings Private Limited and Mitsui Sumitomo Insurance Company Limited holding 1.16% and 21.86%, respectively, as on June 30, 2026.

Launched in 2000, Axis Max Life provides life insurance, savings, investment and annuity to individuals and groups. The products are offered under the protection, par, non-par and unit-linked lines of business with a presence across the country through 462 branches (own branches) and distribution partners.

Key financial indicators

Axis Max Life Insurance Company Limited	FY2025	FY2026	Q1 FY2027
Gross direct premium	33,223	38,877	7,607
PAT	406	277	78
Net worth	6,124	6,258	6,733
Total investments	1,75,072	1,89,795	2,02,624
13th month persistency	85.0%	83.0%	83.0%
61st month persistency	53.0%	58.0%	59.0%
Solvency ratio (times)	2.01	1.94	1.98

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Current (FY2027)			Chronology of rating history for the past 3 years					
				FY2026		FY2025		FY2024	
Instrument	**Type**	**Amount rated (Rs. crore)**	**Sep-11-26**	**Date**	**Rating**	**Date**	**Rating**	**Date**	**Rating**
Subordinated debt programme	Long term	1,300.00	[ICRA]AA+ (Stable)	Oct-09-25	[ICRA]AA+ (Stable)	Jun-25-24	[ICRA]AA+ (Stable)	Jul-07-23	[ICRA]AA+ (Stable)
						Jan-06-25	[ICRA]AA+ (Stable)		
Subordinated debt programme	Long term	686.00	[ICRA]AA+ (Stable)	-	-	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Subordinated debt programme	Highly Complex

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: Click here

Annexure I: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity date	Amount rated (Rs. crore)	Current ratings and outlook	Financial sector regulator#
INE511N08016^	**Subordinated debt Programme**	Aug-02-2021	7.50%	02-Aug-2031*	496.00	[ICRA]AA+ (Stable); withdrawn	SEBI
INE511N08024^^	**Subordinated debt Programme**	Feb-18-2025	8.34%	18-Feb-2035@	500.00	[ICRA]AA+ (Stable)	SEBI
INE511N08032^^	**Subordinated debt Programme**	Sep-24-2025	7.95%	24-Sep-2035@	800.00	[ICRA]AA+ (Stable)	SEBI
Yet to be placed	**Subordinated debt Programme**	NA	NA	NA	686.00	[ICRA]AA+ (Stable)	SEBI

*Source: Company; *The company had a call option exercisable on August 02, 2026, which was exercised by it on July 31, 2026 since redemption date was falling on a non-business day*

@ The company has a call option, which is exercisable five years from the date of allotment and at the end of every year thereafter before the redemption date

 # The Securities and Exchange Board of India's (SEBI) grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments that fall under the regulatory purview of financial sector regulators (FSRs) other than SEBI

The rating factors in the key features of the subordinated debt instrument:

- ^Servicing of interest is contingent on the company maintaining a solvency ratio above the level stipulated by the regulator[4]
- ^^In case the solvency ratio is below the level stipulated by the regulator or the interest payouts lead to a decline in the solvency ratio below the regulatory requirement, prior approval of the regulator would be required to service the debt
- If the interest payouts lead to a net loss or an increase in the net loss, prior approval of the regulator would be required to service the debt

Annexure II: List of entities considered for consolidated analysis

Not applicable

[4] *As per IRDAI regulations, insurers are required to maintain a minimum solvency ratio of 150%*

ANALYST CONTACTS

Ashish Modani
+91 22 6114 3414
ashish.modani@icraindia.com

Sachin Sachdeva
+91 124 4545 307
sachin.sachdeva@icraindia.com

Neha Parikh
+91 22 6114 3426
neha.parikh@icraindia.com

Abhilash Rathi
+91 20 6606 9923
abhilash.rathi@icraindia.com

Shubham Deokar
+91 22 6114 3427
shubham.deokar@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar
+91 22 6114 3406
shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani
Tel: +91 124 4545 860
communications@icraindia.com

HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)
info@icraindia.com

ABOUT ICRA LIMITED

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

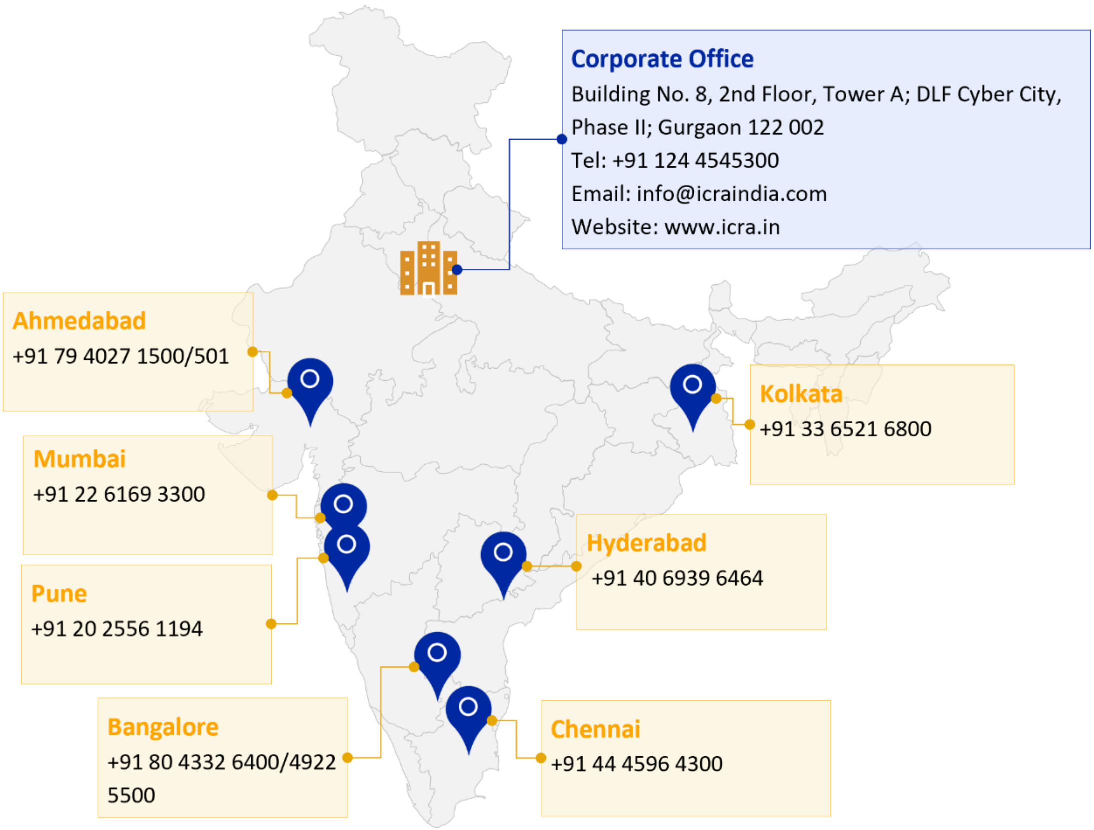
For more information, visit www.icra.in

ICRA Limited

Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001
Tel: +91 11 23357940-45

Branches



ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.