

## PRESS RELEASE

# HDFC Life's **Life Freedom Index (LFI)** sees an **8.7 point** increase over 3 years

### ***LFI gives insights on urban India's financial awareness and planning trends across segments***

**Mumbai, May 14, 2020** – HDFC Life, one of India's leading private life insurance companies, has announced the findings of its Life Freedom Index. HDFC Life believes in a research driven approach to seek insights to understand the ever-changing customer needs, innovate through new offerings and enhance the overall customer experience.

HDFC Life established the **Life Freedom Index (LFI)** in 2011. LFI enables the measurement of "financial freedom" of customers. The latest findings for the FY'20 study conducted by Nielsen have been released in the form of a report that highlights the positive movement by 8.7 points in the index to 66.6, in comparison to the previous exercise done in 2016, which is still a low number considering the segment. The study was conducted in 14 cities representing the whole of India and involved over 2000 participants between the ages of 20 and 60 years.

The report details the findings in terms of behavioural changes in customer segments across different indices, in various locations.

**LFI** is an Index that helps measure "financial freedom" of customers, across four key segments: **Proud Parents, Wisdom Investors, Young Aspirants** and **Smart Women**.

The Life Freedom Index includes four sub-indices: **Financial Awareness Index, Financial Planning Index, Financial Sufficiency and Adequacy Index,** and **Financial Liberty Index**.

In the report, HDFC Life has highlighted an 8.7 point increase in the Life Freedom Index in comparison to 2016. This indicates that people are becoming more confident with the adequacy of their financial plans and its comprehensiveness to fulfil their needs and aspirations. The increase in LFI scores is primarily contributed by **Proud Parents** and **Young Aspirants**. Both these segments have seen an increase across indices.

Interestingly, LFI scores in **Metros (69.0)** are **significantly higher** than in Tier 1 (**64.6**) and Tier 2 (**61.4**) cities. The lower scores in non-Metro cities are due to **significantly low financial awareness** scores in these markets.

Also, LFI scores are **significantly higher** amongst **Nuclear families** (empty nest stage), largely driven by their **high financial liberty and sufficiency** on account of their fewer responsibilities.

Key Insights across core customer segments include:

- **Proud Parents'** main priority are their children (80%). Spouse at 44% and Parents at 38% are the other key priorities
- **Smart Women** prioritize physical and mental fitness (50%) along with their child's needs



- **Young Aspirants** focus on short term goals such as improving lifestyle (49%), starting their own business (36%)
- **Wisdom Investors** prioritize long-term goals such as child's future (74%) and their own retirement (37%) and health (44%) planning

Speaking about the LFI report, **Pankaj Gupta Sr. EVP (Sales & Distribution) and Chief Marketing Officer – HDFC Life**, said, "We created Life Freedom Index with the objective of measuring financial awareness and planning across our target segments and markets. The Index gives us a deeper understanding of the levels of financial planning, as well as the sufficiency and adequacy of these financial plans to enable a person live their life with the Pride of being self-reliant.

We do this study every three years and for this round we partnered with Nielsen. As a life insurer we use these insights to design our product and service offerings to continue to meet customer needs and expectations on an ongoing basis."

There is a great need for life insurance products in India due to the huge protection gap. India has one of the lowest rates of penetration when it comes to protection products, in comparison to the rest of the world. In the current COVID19 lockdown scenario, HDFC Life believes that protection products like life insurance and health insurance will maintain their relevance with consumers and they may not defer their decision to ensure the protection of their families.

#### **About HDFC Life:**

HDFC Life Insurance Company Limited (formerly HDFC Standard Life Insurance Company Limited) ('HDFC Life' / 'Company') is a joint venture between HDFC Ltd., India's leading housing finance institution and Standard Life Aberdeen, a global investment company.

Established in 2000, HDFC Life is a leading long-term life insurance solutions provider in India, offering a range of individual and group insurance solutions that meet various customer needs such as Protection, Pension, Savings, Investment, Annuity and Health. As on March 31, 2020, the Company had 37 individual and 11 group products in its portfolio, along with 6 optional rider benefits, catering to a diverse range of customer needs.

HDFC Life continues to benefit from its increased presence across the country having a wide reach with 421 branches and additional distribution touch-points through several new tie-ups and partnerships. The count of our partnerships is in excess of 270, comprising traditional partners such as NBFCs, MFIs and SFBs, and includes more than 40 new-ecosystem partners. The Company has a strong base of financial consultants.

For more information, please visit our website, [www.hdfclife.com](http://www.hdfclife.com). You may also connect with us on [Facebook](#), [Twitter](#), [YouTube](#) and [LinkedIn](#).

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