

ICICI Prudential Life Insurance Retirement Study finds that consumers now have an optimistic attitude towards life after retirement

- **Corpus of ~ ₹ 65.4 lakh is considered ideal for retirement**
- **11% of total income is apportioned towards retirement-specific savings**
- **Individuals who are well prepared for retirement start investing even before they turn 40**
- **65% of respondents who have not invested in annuity plans so far intend to do so**
- **Around 66% of respondents are worried about inflation and critical illness impacting their retirement savings, and consequently, their lifestyle**

Mumbai, March 08, 2023: “Retirement is a pause and not a stop,” is the current attitude of Indians towards one of the most important milestones in their lives. This was revealed in an ICICI Prudential Life Insurance study titled “Is India prepared for retirement?” to understand people’s attitude towards retirement planning.

The findings show that retirement is viewed positively as a time full of possibilities. It is seen as a time when one can make a fresh start and live life the way one wants to. A large number of individuals view it as a phase of maintenance, upgradation, and growth. Continuing with the current lifestyle into their retirement is the topmost priority, as indicated by 83% of respondents. Over three-fifths of the respondents indicated that their retirement goals include enjoying life, staying connected with friends, travelling abroad, feeling financially secure, and having peace of mind in this new chapter of their lives.

Though the phase of retirement evokes positive emotions among respondents, at the same time, they are also cognizant of the need to factor in inflation and rising medical expenses while planning for their life’s new chapter. This, some felt, could impact their standard of living.

Over two-thirds of those surveyed have mentioned, they worry about inflation impacting their retirement savings, and consequently, their lifestyle. At the same time, 67% of the respondents highlighted the need to have adequate retirement corpus to take care of medical expenses if stuck with a terminal illness during their retirement.

Currently, 11% of total income is channeled towards retirement-specific savings. The survey reveals that the respondents consider an average corpus of ₹ 65.4 lakh as ideal for retirement.

To prepare for retirement, individuals are recognising the importance of products that are risk-free and offer guaranteed returns for life, such as annuity plans. Annuity plans are specifically



designed for retirement and provide regular life-long income for self and spouse. The survey also revealed a high interest in investing in annuity plans among 65% of respondents who have not invested in annuity plans so far.

Interestingly, the findings reveal the emergence of a second front, i.e. a set of individuals who are well prepared to lead a financially independent retired life. They start investing for retirement even before they turn 40 and put aside an average of 17% of their income towards retirement. They invest mainly in NPS and retirement/annuity plans, besides fixed deposits, to become retirement-ready.

Commenting on the findings of the study, Mr. Manish Dubey, Chief Marketing Officer, ICICI Prudential Life Insurance, said, "India's retirement population is growing rapidly and is projected to show a 41% increase by 2031. Additionally, with increasing life expectancy, a large segment of people will be looking for solutions to plan for a longer retirement.

In our research, we found that more individuals are now viewing retirement as an opportunity to explore their interests, follow their passions, and spend time with family and friends. Retirement planning is a long-term process, hence individuals should start saving towards this goal as early as possible. This will enable them to generate adequate regular life-long income.

As per the findings of the study, 65% of people surveyed expressed their intent of investing in annuity products as part of their retirement planning process. In contrast, only 32% of respondents have actually invested in annuity products, highlighting the gap in retirement planning.

Retired individuals look for regular income devoid of market volatility. Annuity products offer regular guaranteed life-long income, therefore a robust retirement plan should include this product in the portfolio. New-age annuity plans like ICICI Pru Guaranteed Pension Plan Flexi enables consumers to make regular contributions and systematically build retirement savings.

As one of the country's largest pension and annuity providers, we endeavour to develop products keeping in mind the varied needs of customers. Through this study, we understood customers' approach to retirement planning and have developed products that suitably address their retirement needs. These include guaranteed income for life, healthcare benefits and flexibility to pay regular premiums. This also aligns with our vision of building an enduring institution that serves the protection and long-term saving needs of customers with sensitivity."

Methodology

ICICI Prudential Life Insurance, in association with Quantum Consumer Solutions, surveyed over 1,100 individuals to understand the consumers' attitudes toward retirement, money, and annuity plans. The survey provides deep insights from diverse perspectives, including government employees, private sector employees, businessmen, self-employed, and retirees across the age bracket of 45 to 75 years from cities with a population of more than 2 million.

Link to the Report: <https://www.icicprulife.com/retirement-pension-plans/is-india-prepared-for-retirement.html>



About ICICI Prudential Life Insurance Company (www.icicprulife.com)

ICICI Prudential Life is promoted by ICICI Bank Limited and Prudential Corporation Holdings Limited. The Company began operations in fiscal 2001 and has consistently been amongst the top private sector life insurance companies in India on a Retail Weighted Received Premium (RWRP) basis. The Company offers an array of products in the Protection and Savings category which match the different life stage requirements of customers, enabling them to provide a financial safety net to their families as well as achieve their long-term financial goals. The digital platform of the Company provides a paperless onboarding experience to customers, empowers them to conduct an assortment of self-service transactions, provides a convenient route to make digital payments for purchasing and making renewal premium payments, and facilitates a hassle-free claims settlement process. At December 31, 2022 the Company had an AUM of ₹ 2,518.84 billion and a Total Sum Assured of ₹ 27.55 trillion. ICICI Prudential Life is listed on both the National Stock Exchange (NSE) Limited and the BSE Limited.

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For further press queries email us on corpcomm@icicprulife.com