

July non-life insurance premiums shrug off pandemic cloud: Care Ratings

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performance with July numbers reporting 19.5 per cent growth in line with the trend seen during previous months, Care Ratings has said.

Non-life insurance premium reached Rs 20,171 crore compared to Rs 16,885 crore in July 2020. The growth was driven by health and fire segments with motor segment also turning in positive numbers.

Care said general insurers grew at 17.6 per cent for July which is higher than the 12.2 per cent growth witnessed in July last year. The year-to-date numbers grew at a 12.9 per cent for July versus a decline of 2.1 per cent in July FY21.

The general insurance segment continues to maintain the highest share. However, its continued growth can be attributed to the health portfolio.

Standalone private health issuers reported a sustained premium growth of Rs 1,753 crore in July 2021, demonstrating a growth of 27.5 per cent.

A much sharper growth was observed in the YTD July FY22 numbers which reached Rs 5,976 crore from Rs 4,090 crore in YTD July FY21, a jump of 46.1 per cent versus a growth of 27 per cent in YTD July FY21.

Specialised insurers too grew by 29.4 per cent in July 2021 and by 17.2 per cent for YTD July FY22. The growth can be attributed to crop insurance premiums which is lower compared to the previous year when they mostly shifted from public general insurers to Agriculture Insurance Company of India Ltd.

For July 2021, public insurers premium growth was higher by 112 basis point at 20.1 per cent compared to 19 per cent premium growth reported by private players.

However, the YTD July FY22 numbers continued the previous trend of private players outpacing their public peers.

Health insurance premiums have been main driver of non-life insurance industry since the commencement of Covid-19 pandemic.

The health segment grew by 34.2 per cent in YTD July FY22 which is significantly higher than the growth of 9.9 per cent witnessed in YTD Jul FY21, given that first four months of FY21 were under a nationwide lockdown.

Additionally, YTD premium growth of standalone health insurers continued to be higher than industry average in YTD FY22, indicating that retail premiums are growing faster than group business as standalone health insurers derive most of their premiums from retail segment.

The government schemes have also been a significant factor in the growth as these premiums reached Rs 2,906 crore for the YTD July FY22 versus premiums of Rs 806 crore for a similar period last year.