

Business Standard

Fire, health segments drive non-life insurers' rebound, Q2 may be better

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Subrata Panda | Mumbai September 23, 2020 Last Updated at 23:44 IST



Non-life insurers have witnessed 3.6 per cent growth in premiums in the first five months of FY21, a signal that the second quarter (Q2) will be better for the industry than Q1 when firms saw a drop in

The health segment, on the other hand, saw 13 per cent in rise

premiums. Growth was driven by fire, engineering, health, aviation, and liability segments.

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Till August this year, the motor segment witnessed 15.7 per cent reduction in premiums, with own-damage premium falling over 17 per cent and third-party premiums declining almost 15 per cent.

Muted growth in the economy and subdued activity in auto sales impacted motor insurance business. Holding the premium rates for motor third-party insurance steady at last year's level may also have been a contributing factor, say experts.

The health segment,

Gross direct premiums underwritten

YTD August	Premiums till August (₹ cr)			YoY growth (%)	
	FY19	FY20	FY21	FY20	FY21
Fire	5,147	7,606	10,302	48	35
Marine	1,427	1,595	1,374	12	-14
Engineering	1,004	1,107	1,150	10	4
Motor	24,926	26,407	22,254	6	-16
Health	17,253	20,274	22,903	18	13
Aviation	224	242	271	8	12
Liability	1,131	1,293	1,425	14	10
Personal accident	1,883	2,102	1,919	12	-9
Miscellaneous	9,737	10,780	12,368	11	15
Total	62,732	71,407	73,965	14	4

Source: Irdai, CARE Ratings

on the other hand, saw 13 per cent in rise, with retail health premiums growing at 33 per cent compared to the 10 per cent growth in group business and a fall of 26.6 per cent and 83 per cent in

government schemes and overseas travel insurance, respectively.

According to CARE Ratings, the industry could return to growth in the second or third quarter of FY21. Overall, the outlook is expected to be stable in the medium term.