

## Non-Life Insurance Premiums: November numbers witness an uptick. Health continues to remain ahead of the Motor Segment | December 22, 2020

### Overview

November 2020 monthly numbers reversed the monthly with overall YTD numbers for the industry have continued to grow at a subdued rate. Non-life insurance premium rose by 2.7% for the month of November 2020 to Rs 14,981 crore, compared to Rs 14585.9 crore in November 2019 driven primarily by health insurance.

**Figure 1: Movement in Monthly Premiums**

Month	Premium in 2018 (Rs cr.)	Premium in 2019 (Rs cr.)	Premium in 2020 (Rs. cr.)	Delta (% change 19 over 18)	Delta (% change 20 over 19)
March	16,508.5	15,784.7	17,672.9	-4.4%	12.0%
April	13,880.3	15,891.6	14,476.5	14.5%	-8.9%
May	10,508.6	12,231.5	10,891.5	16.4%	-11.0%
June	12,970.7	12,947.7	13,961.5	-0.2%	7.8%
July	11,715.1	14,369.5	17,011.4	22.7%	18.4%
August	13,657.5	15,964.7	17,623.2	16.9%	10.4%
September	19,141.7	24,121.6	23,056.8	26.0%	-4.4%
October	14,291.5	15,921.9	15,855.1	11.4%	-0.4%
November	12,903.6	14,585.9	14,981.0	13.0%	2.7%

Source: IRDAI

**Figure 2: Movement in Gross Direct Premium Underwritten (Rs cr)**

Insurers	For Nov 2018	For Nov 2019	For Nov 2020	Nov 2019 Growth in %	Nov 2020 Growth in %	YTD Nov FY19	YTD Nov FY20	YTD Nov FY21	YTD Nov FY20 Growth in %	YTD Nov FY21 Growth in %
General Insurers	11,508.7	12,723.7	12,923.9	10.6%	1.6%	95,709.3	1,09,831.3	1,09,757.5	14.8%	-0.1%
Stand-alone Pvt Health Insurers	903.6	1,167.7	1,324.8	29.2%	13.5%	6,232.9	8,327.2	9,181.3	33.6%	10.3%
Specialized PSU Insurers	491.3	694.5	732.3	41.4%	5.4%	7,126.0	7,878.1	8,804.3	10.6%	11.8%
<b>Total</b>	<b>12,903.6</b>	<b>14,585.9</b>	<b>14,981.0</b>	<b>13.0%</b>	<b>2.7%</b>	<b>1,09,068.1</b>	<b>1,26,036.6</b>	<b>1,27,743.2</b>	<b>15.6%</b>	<b>1.4%</b>

Source: IRDAI

- Gross direct premiums in YTD November FY21 increased by 1.4% to Rs 127,743.2 crore from Rs 126,036.6 crore in YTD November FY20. The growth has continued to be driven by the health segment.
- The standalone health insurers demonstrated a growth of 13.5% in November 2020, which is significantly lower compared to the growth of 29.2% witnessed in November 2019, however, YTD Novembers FY21 numbers are not comparable as HDFC Ergo Health Insurance has been merged with HDFCERGO General w.e.f. 13.11.2020, hence HDFC Ergo General YTD numbers contain the merged figures. However, it should be noted that that YTD November FY21 growth of these players is significantly higher than growth witnessed by the overall industry highlighting the rising importance of the health segment.

**Figure 3: Movement in Segment Premiums**

Segment	Total Premium Rs cr			% Share			YoY Growth	
	YTD Nov FY19	YTD Nov FY20	YTD Nov FY21	YTD Nov FY19	YTD Nov FY20	YTD Nov FY21	YTD Nov FY20	YTD Nov FY21
Fire	7,495.4	10,923.9	14,332.0	6.9%	8.7%	11.2%	45.7%	31.2%
Marine	2,151.3	2,455.3	2,201.4	2.0%	1.9%	1.7%	14.1%	-10.3%
Engineering	1,570.2	1,707.4	1,845.5	1.4%	1.4%	1.4%	8.7%	8.1%
Motor	41,524.0	45,315.1	41,633.1	38.1%	36.0%	32.6%	9.1%	-8.1%
Health	27,895.9	32,683.6	36,920.4	25.6%	25.9%	28.9%	17.2%	13.0%
Aviation	363.9	406.2	452.0	0.3%	0.3%	0.4%	11.6%	11.3%
Liability	1,719.4	1,915.8	2,182.0	1.6%	1.5%	1.7%	11.4%	13.9%
P.A.	3,373.0	3,372.5	3,158.5	3.1%	2.7%	2.5%	0.0%	-6.3%
All Other Misc (Crop	22,975.0	27,256.9	25,018.7	21.1%	21.6%	19.6%	18.6%	-8.2%
<b>Grand Total</b>	<b>1,09,068.1</b>	<b>1,26,036.7</b>	<b>1,27,743.5</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>15.6%</b>	<b>1.4%</b>

Source: General Insurance Council, Others segment includes Crop Insurance, Credit Guarantee and All Other miscellaneous products

Due to the lockdown, segments barring fire, engineering, health, aviation and liability showed a decline in their premium numbers.

- The YTD November FY21 Fire segment grew by 31.2%, mainly due to increase in reinsurance rates by GIC Re. This growth is however lower than the 45.7% growth demonstrated in YTD November FY20.
- The health segment has grown by 17.6% in YTD November FY21 compared with the 12.5% growth witnessed in YTD November FY20. The pandemic has increased the awareness of the health insurance which has boosted growth. Retail Health premium has grown at a much faster rate of 42.7% compared to the 13.5% growth in group business and a fall of 32.6% and 75.4% in government schemes and overseas travel insurance respectively.
- The Motor insurance segment has witnessed a decline. Muted growth in the economy and subdued activity in the auto sales has impacted motor insurance business. Further, holding the premium rates for Motor Third Party Liability Insurance Cover steady at last year's level may also have been a contributing in the fall in the Motor TP insurance premium.

**Figure 4: Movement in Health Segment Premiums**

Segment	Total Premium Rs cr			% Share			YoY Growth	
	YTD Nov FY19	YTD Nov FY20	YTD Nov FY21	YTD Nov FY19	YTD Nov FY20	YTD Nov FY21	YTD Nov FY20	YTD Nov FY21
Health-Retail	10,742.8	11,049.4	15,770.5	38.5%	35.2%	42.7%	2.9%	42.7%
Health-Group	14,583.2	16,704.3	18,958.8	52.3%	53.2%	51.4%	14.5%	13.5%
Health-Government	1,974.3	3,027.2	2,041.4	7.1%	9.6%	5.5%	53.3%	-32.6%
Overseas Medical	595.7	607.9	149.7	2.1%	1.9%	0.4%	2.0%	-75.4%
<b>Health Total</b>	<b>27,895.9</b>	<b>31,388.8</b>	<b>36,920.4</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>12.5%</b>	<b>17.6%</b>

Source: General Insurance Council

The non-life insurance business has witnessed a fall in Q1FY21 but recovered in Q2FY21 primarily due to the health segment. The industry is expected to grow in the single digits for the year. Overall, the outlook is expected to be stable in the medium term.

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