

Non-Life Insurance Premiums: FY21 ends on a positive note with March month numbers showing strong growth

April 12, 2021 | BFSI Research

Overview

The pandemic year of FY21 ended on a strong note for the non-life insurance industry as the March 2021 monthly numbers reported a 23.4% growth. Further as anticipated the yearly numbers too showed a single digit growth of 5.2%.

Non-life insurance premium reached Rs 19,298.9 crore for the month of March 2021 compared to Rs. 15,635.4 crore in March 2020. Growth has continued to be driven by the fire and health insurance segments.

Figure 1: Movement in Monthly Premiums

Month	Premium in FY19 (Rs cr.)	Premium in FY20 (Rs cr.)	Premium in FY21 (Rs. cr.)	Delta (% change FY20 over FY19)	Delta (% change FY21 over FY20)
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%
December	14,335.0	16,048.9	17,936.0	12.0%	11.8%
January	16,076.3	17,333.7	18,488.1	7.8%	6.7%
February	12,959.7	13,805.8	15,767.1	6.5%	14.2%
March	17,672.9	15,635.4	19,298.9	-11.5%	23.4%

Source: IRDAI, General Insurance Council

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

Insurers	For Mar 2019	For Mar 2020	For Mar 2021	Mar 2020 Growth in %	Mar 2021 Growth in %	FY19	FY20	FY21	FY20 Growth in %	FY21 Growth in %
General Insurers	15,797.1	13,685.9	15,683.4	-13.4%	14.6%	1,49,946.0	1,64,328.2	1,69,840.0	9.6%	3.4%
Stand-alone Pvt Health Insurers	1,732.2	1,545.8	2,185.0	-10.8%	41.4%	11,354.0	14,151.7	15,720.0	24.6%	11.1%
Specialized PSU Insurers	143.7	403.7	1,430.4	181.0%	254.3%	8,148.4	10,436.7	13,174.6	28.1%	26.2%
Total	17,672.9	15,635.4	19,298.9	-11.5%	23.4%	1,69,448.4	1,88,916.6	1,98,734.7	11.5%	5.2%

Source: IRDAI; Note: Standalone health numbers are not comparable due to takeover of Reliance Health Insurance portfolio by Reliance General Insurance and HDFCERGO Health Insurance has been merged with HDFCERGO General (with Effective Date of November 13, 2020 and Appointed Date of March 1, 2020)

- In FY21, the general insurers have broadly moved away from crop insurance, and the specialized PSU insurers have taken their place, the comparison of segmental growth rates is not appropriate.
- General Insurers continue to maintain the highest share; however, the growth can be attributed to the health portfolios of these companies.
- HDFC Ergo Health numbers have been grouped with HDFC Ergo post the merger of the two companies. If HDFC Ergo Health is removed from the standalone health insurers set and the growth is recomputed, the revised number would be 31.5% insrad of the reported 11.1% for FY21.

Despite the manifold challenges present in the current scenario, the non-life industry ended FY21 on a positive note. The growth was driven by the private sector who grew at a much faster pace compared to the public sector. Within the various segments, fire and retail health has contributed to the growth in the industry, however, the growth momentum was pulled by the fall in motor insurance premiums. In FY22, along with the expected uptick in the health segment, any increase in the premium levels of the Motor TP segment, which was held steady in FY21, could drive the non-life premiums.

Contact:

Sanjay Agarwal
Saurabh Bhalerao
Mradul Mishra

Senior Director
Associate Director – BFSI Research
(Media Contact)

sanjay.agarwal@careratings.com
saurabh.bhalerao@careratings.com
mradul.mishra@careratings.com

+91-22-6754 3582/+91-810-800-7676
+91-22-6754 3519/+91-900-495-2514
+91-22-6754 3573

Disclaimer: This report is prepared by CARE Ratings Limited. CARE Ratings has taken utmost care to ensure accuracy and objectivity while developing this report based on information available in public domain. However, neither the accuracy nor completeness of information contained in this report is guaranteed. CARE Ratings is not responsible for any errors or omissions in analysis / inferences / views or for results obtained from the use of information contained in this report and especially states that CARE Ratings has no financial liability whatsoever to the user of this report

CARE Ratings Limited

Corporate Office: 4th Floor, Godrej Coliseum, Somaiya Hospital
Road, Off Eastern Express Highway, Sion (East), Mumbai - 400 022
Tel. : +91-22-6754 3456 | CIN: L67190MH1993PLC071691

Connect :

