

# Non-Life Insurance Sustains Double-Digit Growth in December with Group Health and Motor as Key Drivers

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## Overview

The non-life insurance industry continued to report double-digit growth in December 2022 after reporting near-flat growth in September 2022. The industry reached Rs. 21,871.6 crore in December 2022, a 14.5% growth y-o-y. In YTD FY23, the industry has grown 16.2%, compared to 11.2% in the same period last year. This growth has been driven by health (especially the group segment), and motor insurance.

**Figure 1: Movement in Monthly Premium (Rs crore)**

Month	Premium in FY21	Premium in FY22	Premium in FY23	FY21 vs. FY20 (%)	FY22 vs FY21 (%)	FY23 vs FY22 (%)
April	14,134.8	17,251.2	21,276.3	-11.1	22.0	23.3
May	10,891.5	12,294.9	15,404.5	-11.0	12.9	25.3
June	13,842.2	14,761.0	17,810.6	6.9	6.6	20.7
July	16,884.8	20,157.3	23,392.4	17.5	19.4	16.0
August	17,580.6	21,867.9	24,471.9	10.1	24.4	11.9
September	22,870.8	22,246.3	22,838.6	-5.2	-2.7	2.7
October	15,906.7	17,681.4	20,423.4	-0.1	11.2	15.5
November	14,919.5	15,735.3	19,209.2	2.3	5.5	22.1
December	17,662.3	19,099.3	21,871.6	10.1	8.1	14.5
January	18,457.6	21,401.0		6.5	15.9	
February	15,747.0	16,561.0		14.1	5.2	
March	19,478.0	21,591.5		24.6	10.9	

Source: General Insurance Council, IRDAI

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

Insurers	Dec-20	Dec -21	Dec -22	Dec -21 Growth	Dec -22 Growth	YTD FY21	YTD FY22	YTD FY23	YTD FY22 Growth	YTD FY23 Growth
General Insurers	15,463.5	16,109.7	18,279.7	4.2	13.5	1,24,780.2	1,36,278.6	1,58,338.6	9.2	16.2
SAHI	1,325.0	1,880.1	2,307.7	41.9	22.7	10,421.3	14,201.8	17,933.9	36.3	26.3
Specialized PSU Insurers	873.8	1,109.5	1,284.2	27.0	15.7	9,678.1	10,610.9	10,959.4	9.6	3.3
<b>Total</b>	<b>17,662.3</b>	<b>19,099.3</b>	<b>21,871.6</b>	<b>8.1</b>	<b>14.5</b>	<b>1,44,879.5</b>	<b>1,61,091.3</b>	<b>1,87,231.9</b>	<b>11.2</b>	<b>16.2</b>

Source: General Insurance Council, IRDAI

- General Insurers' December 2022 numbers were up by 13.5%, compared to an increase of 4.2% in December 2021, while for YTD FY23, the growth which has been driven by the group health and motor segments, has been nearly 1.7x that was witnessed last year.
- Standalone Private Health Insurers (SAHI) continued their growth path as December 2022 numbers reached Rs. 2,307.7 crore up sequentially from Rs 2,026.3 crore in November 2022, and up from Rs 1,880.1 crore in December 2021. This monthly growth of 22.7% was significantly slower than the 41.9% reported in December 2021. Meanwhile, the YTD FY23 growth rate too was slower in the current year vs. last year. The slowing was on account of the normalised growth in the government and retail health schemes in the current year, while last year, the same had posted significant growth.
- Specialised insurers posted an increase of 15.7% in December 2022 compared to a rise of 27% in December 2021, meanwhile the year-to-date numbers have remained mostly flat as the fall in the participation in crop insurance by a few private sector general insurance companies offset the increase of other companies.

**Figure 3: Movement in Premium Type (Rs crore) of Non-Life Insurance Companies**

Insurers	Dec -20	Dec -21	Dec -22	Dec -21 Growth	Dec -22 Growth	YTD FY21	YTD FY22	YTD FY23	YTD FY22 Growth	YTD FY23 Growth
Public Sector	7,657.5	8,409.6	8,635.6	9.8	2.7	62,651.9	67,766.8	73,051.9	8.2	7.8
Private Sector	10,004.9	10,689.6	13,236.0	6.8	23.8	82,227.6	93,324.5	1,14,180.0	13.5	22.3

Source: General Insurance Council, IRDAI

- In December 2022, the long-term trend of private players growing faster than their public peers has continued given the market presence and relative solvency levels. The market share of private non-life insurance companies has witnessed a sustained increase to 61% in YTD FY23 from 58% in YTD FY22 and 57% in YTD FY21.

**Figure 4: Movement in Segment Premiums (Rs crore)**

Segment	Total Premium Rs crore			% Share			YoY Growth	
	YTD FY21	YTD FY22	YTD FY23	YTD FY21	YTD FY22	YTD FY23	YTD FY22	YTD FY23
Health	42,113.9	54,240.5	65,556.2	29.1	33.7	35.0	28.8	20.9
Group	21,464.3	27,898.5	34,938.3	14.8	17.3	18.7	30.0	25.2
Others incl. Retail	20,649.6	26,342.0	30,617.9	14.3	16.4	16.4	27.6	16.2
Motor	47,946.1	49,742.3	57,882.7	33.1	30.9	30.9	3.7	16.4
Own Damage	18,672.5	19,560.3	22,952.0	12.9	12.1	12.3	4.8	17.3
Third Party	29,273.6	30,182.0	34,930.7	20.2	18.7	18.7	3.1	15.7
Fire	15,728.4	16,980.3	18,802.0	10.9	10.5	10.0	8.0	10.7
Crop Insurance	23,963.9	21,495.3	23,227.2	16.5	13.3	12.4	-10.3	8.1
Other Segments	15,127.2	18,633.0	21,763.8	10.4	11.6	11.6	23.2	16.8
<b>Grand Total</b>	<b>1,44,879.5</b>	<b>1,61,091.3</b>	<b>1,87,231.9</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>11.2</b>	<b>16.2</b>

Source: General Insurance Council, IRDAI

For YTD FY23, all segments excluding aviation have shown y-o-y growth.

- Health insurance premiums has been the primary growth lever of the non-life insurance industry since the commencement of the Covid-19 pandemic. This has resulted in the segment increasing its market share from 29.1% for YTD FY21 to 35% for YTD FY23. The health segment has grown by 20.9% for YTD FY23, which is lower than the growth of 28.8% witnessed for YTD FY22.
  - Group Health segment has been witnessing growth due to the rationalization of discounts in premiums, adverse claims ratio in prior periods, medical inflation, and enhanced coverage. Meanwhile, Retail Health segment growth looks to be normalising post the pandemic. Government schemes have increased their share in YTD FY22 and YTD FY23 compared to YTD FY21 due to the Ayushman Bharat scheme, and other medical options were made available due to pandemic-induced awareness. Overseas medical has been returning to pre-pandemic levels as international travel has increased.
  - SAHIs focus on Retail, while Group accounts for a dominant share of general insurers. The YTD FY23 premium growth of the SAHI continues to be higher than the industry average. This has led to SAHI holding 27.4% of the health insurance market (increasing their share from 24.7% in YTD FY21). Within general insurance companies, private players have broadly kept pace with SAHI, and public peers have grown at a slower pace.
- In YTD FY23, Motor insurance reached Rs. 57,882.7 crore and has continued to grow at over 4 times the rate reported for the similar period in FY22. In YTD FY23, Motor OD grew by 17.3% (vs. 4.8% for YTD FY22) and Motor TP rose by 15.7% (vs. 3.1% for YTD FY22). For December 2022, Motor OD and Motor TP premiums grew by 12.4% and 11.8%, respectively. The growth can be attributed to last year's low base, the repricing of Motor TP rates and higher vehicle sales.

### **CareEdge View**

CareEdge estimates that the Indian non-life insurance market would grow by approximately 13-15% over the medium term. The health insurance segment to continue to grow at around 15-18% reaching the Rs. 1 lakh crore mark and Motor insurance premiums would grow at 11.5%-13.5% crossing Rs 85,000 crore in FY24. The growth would be driven by popularity of health insurance products/schemes, growing demand for motor insurance (Third party & Owner damage) products due to post-covid rising demand for personal mobility space leading to a shift in vehicle ownership patterns, expected rise in per capita / disposable income levels, a greater volume of transactions under segments such as fire, marine, export credit, customised products especially in motor and health insurance and gradual introduction of new products. Further, improving profitability, stabilisation of loss ratios which had increased during the pandemic, expenses of management would be controlled given the upcoming regulations around the same, enabling regulatory environment, strengthening of distribution networks (increase in the number of partners, digital issuance and online channels are expected to witness continued growth) higher investment yields due to a rising interest rate environment and adequate availability of growth capital will support growth.

Companies are expected to incur significant investments into overall digital enablement across the distribution channels along with expanding the online/digital distribution channel, simplifying the insurance purchase experience boosting underwriting capacities including automated/AI-based underwriting while maintaining a focus on cost improvement to sustain margins. Overall, the outlook is expected to be stable in the medium term. However, intensification of competition and an uncertain geopolitical environment, and high inflation, can negatively impact economic growth and subsequently the non-life insurance sector.

## Annexure

**Figure A1: Movement in Health Segment Premiums (Rs crore)**

Segment	Total Premium Rs crore			% Share			YoY Growth	
	YTD FY21	YTD FY22	YTD FY23	YTD FY21	YTD FY22	YTD FY23	YTD FY22	YTD FY23
Health-Retail	17,965.2	21,044.6	24,186.3	42.7	38.8	36.9	17.1	14.9
Health-Group	21,464.3	27,898.5	34,938.3	51.0	51.4	53.3	30.0	25.2
Health-Government	2,510.0	4,985.4	5,659.8	6.0	9.2	8.6	98.6	13.5
Overseas Medical	174.5	311.9	771.8	0.4	0.6	1.2	78.8	147.4
<b>Health Total</b>	<b>42,113.9</b>	<b>54,240.5</b>	<b>65,556.2</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>28.8</b>	<b>20.9</b>

Source: General Insurance Council, IRDAI

**Figure A2: Movement in Segment Premiums (Rs crore)**

Segment	Total Premium			% Share			YoY Growth (%)	
	YTD FY21	YTD FY22	YTD FY23	YTD FY21	YTD FY22	YTD FY23	YTD FY22	YTD FY23
Health	42,113.9	54,240.5	65,556.2	29.1	33.7	35.0	28.8	20.9
Motor	47,946.1	49,742.3	57,882.7	33.1	30.9	30.9	3.7	16.4
Fire	15,728.4	16,980.3	18,802.0	10.9	10.5	10.0	8.0	10.7
Crop Insurance	23,963.9	21,495.3	23,227.2	16.5	13.3	12.4	-10.3	8.1
P.A.	3,673.7	4,890.5	5,328.1	2.5	3.0	2.8	33.1	8.9
Marine	2,467.2	3,122.1	3,766.1	1.7	1.9	2.0	26.5	20.6
Liability	2,426.3	3,123.5	3,924.1	1.7	1.9	2.1	28.7	25.6
Engineering	2,105.4	2,612.1	3,074.0	1.5	1.6	1.6	24.1	17.7
Credit Guarantee	953.6	1,007.0	1,186.1	0.7	0.6	0.6	5.6	17.8
Aviation	511.7	651.7	643.5	0.4	0.4	0.3	27.4	-1.3
All Other Misc.	2,989.4	3,226.1	3,842.0	2.1	2.0	2.1	7.9	19.1
<b>Grand Total</b>	<b>1,44,879.5</b>	<b>1,61,091.3</b>	<b>1,87,231.9</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>11.2</b>	<b>16.2</b>

Source: General Insurance Council, IRDAI

**Figure A3: Company-wise Premiums**

Insurer	Premium (Rs crore)			Market Share (%)		
	YTD FY21	YTD FY22	YTD FY23	YTD FY21	YTD FY22	YTD FY23
Acko General Insurance Ltd	277.3	698.4	1,081.7	0.2	0.4	0.6
Bajaj Allianz General Insurance Co Ltd	9,793.8	10,419.7	11,608.6	6.8	6.5	6.2
Cholamandalam MS General Insurance Co Ltd	3,118.0	3,442.0	4,388.9	2.2	2.1	2.3
Edelweiss General Insurance Co Ltd	153.8	266.8	412.4	0.1	0.2	0.2
Future Generali India Insurance Co Ltd	2,755.2	2,906.0	3,117.4	1.9	1.8	1.7
Go Digit General Insurance Ltd	1,653.2	3,170.2	4,534.5	1.1	2.0	2.4
HDFC Ergo General Insurance Co Ltd	8,745.7	9,547.1	11,933.0	6.0	5.9	6.4
ICICI Lombard General Insurance Co Ltd	12,954.4	13,311.2	16,048.1	8.9	8.3	8.6
IFFCO-Tokio General Insurance Co Ltd	6,439.9	6,314.5	7,116.5	4.4	3.9	3.8
Kotak Mahindra General Insurance Co Ltd	382.3	500.6	786.0	0.3	0.3	0.4
Liberty General Insurance Co. Ltd	1,046.1	1,071.4	1,432.8	0.7	0.7	0.8
Magma HDI General Insurance Co Ltd	851.9	1,158.9	1,826.0	0.6	0.7	1.0
National Insurance Co Ltd	10,515.4	10,082.3	11,578.3	7.3	6.3	6.2
Navi General Insurance Co. Ltd	72.4	65.9	55.6	0.05	0.04	0.03
Raheja QBE General Insurance Co Ltd	180.1	271.6	337.5	0.1	0.2	0.2
Reliance General Insurance Co Ltd	6,302.2	7,203.3	8,097.0	4.3	4.5	4.3
Royal Sundaram General Insurance Co Ltd	2,030.3	2,065.2	2,458.6	1.4	1.3	1.3
SBI General Insurance Co Ltd	5,280.1	5,971.9	6,899.4	3.6	3.7	3.7
Shriram General Insurance Co Ltd	1,558.3	1,268.9	1,594.1	1.1	0.8	0.9
Tata AIG General Insurance Co Ltd	6,031.0	6,952.1	9,379.9	4.2	4.3	5.0
The New India Assurance Co Ltd	21,329.0	25,477.4	26,092.5	14.7	15.8	13.9
The Oriental Insurance Co Ltd	9,212.5	10,364.0	11,581.5	6.4	6.4	6.2
United India Insurance Co Ltd	11,917.0	11,232.2	12,840.2	8.2	7.0	6.9
Universal Sompo General Insurance Co Ltd	2,180.2	2,517.1	3,138.1	1.5	1.6	1.7
<b>General Insurers Sub Total</b>	<b>1,24,780.2</b>	<b>1,36,278.6</b>	<b>1,58,338.6</b>	<b>86.1</b>	<b>84.6</b>	<b>84.6</b>
Niva Bupa health insurance company limited	1,150.3	1918.08	2738.71	0.8	1.2	1.5
Aditya Birla Health Insurance Co Ltd	859.3	1169.86	1858.45	0.6	0.7	1.0
Care Health Insurance Ltd	1,755.5	2649.41	3646.06	1.2	1.6	1.9
ManipalCigna Health Insurance Co Ltd	528.3	690.09	938.71	0.4	0.4	0.5
Star Health & Allied Insurance Co Ltd	6,127.9	7774.32	8751.97	4.2	4.8	4.7
<b>Health Insurers sub-Total</b>	<b>10,421.3</b>	<b>14,201.8</b>	<b>17,933.9</b>	<b>7.2</b>	<b>8.8</b>	<b>9.6</b>
Agriculture Insurance Co of India Ltd	8,962.0	9872.12	10127.01	6.2	6.1	5.4
ECGC Ltd	716.1	738.77	832.43	0.5	0.5	0.4
<b>Specialised Insurers Sub Total</b>	<b>9,678.1</b>	<b>10,610.9</b>	<b>10,959.4</b>	<b>6.7</b>	<b>6.6</b>	<b>5.9</b>
<b>Grand Total</b>	<b>1,44,879.5</b>	<b>1,61,091.3</b>	<b>1,87,231.9</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Note: Bharti AXA General Insurance Co. Ltd has been merged with ICICI Lombard General Insurance Co. Ltd, Source: General Insurance Council, IRDAI

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