

# Non-Life Insurance Returns to Double-Digit Growth in October, Health and Motor Continue to be Key Drivers

November 16, 2022 | BFSI Research



Ratings • Advisory • Research • Risk Solutions

## Overview

The non-life insurance industry returned to double-digit growth in October 2022 after reporting near-flat growth in September 2022. The industry reached Rs. 20,423.4 crore in October 2022, a 15.5% growth y-o-y. In YTD FY23, the industry has grown 15.3%, compared to 12.4% in the same period last year. This growth was 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        | 15,742.9        |                 | 2.3               | 5.5              |                  |
| December  | 17,662.3        | 18,952.6        |                 | 10.1              | 7.3              |                  |
| 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                 | Oct-20          | Oct-21          | Oct-22          | Oct-21 Growth | Oct-22 Growth | YTD FY21          | YTD FY22          | YTD FY23          | YTD FY22 Growth | YTD FY23 Growth |
|--------------------------|-----------------|-----------------|-----------------|---------------|---------------|-------------------|-------------------|-------------------|-----------------|-----------------|
| General Insurers         | 14,272.8        | 15,651.8        | 18,390.9        | 9.7           | 17.5          | 96,298.0          | 1,06,602.9        | 1,23,013.3        | 10.7            | 15.4            |
| SAHI                     | 1,233.3         | 1,610.5         | 1,938.0         | 30.6          | 20.3          | 7,927.8           | 10,812.5          | 13,599.9          | 36.4            | 25.8            |
| Specialized PSU Insurers | 400.6           | 419.0           | 94.6            | 4.6           | -77.4         | 8,072.0           | 8,841.3           | 9,006.1           | 9.5             | 1.9             |
| <b>Total</b>             | <b>15,906.7</b> | <b>17,681.4</b> | <b>20,423.4</b> | <b>11.2</b>   | <b>15.5</b>   | <b>1,12,297.7</b> | <b>1,26,256.7</b> | <b>1,45,619.2</b> | <b>12.4</b>     | <b>15.3</b>     |

Source: General Insurance Council, IRDAI

- General Insurers' October 2022 numbers were up by 17.5% compared to an increase of 9.7%, while for YTD FY23, the growth has been nearly 1.5x that was witnessed last year driven by the health and motor segments.
- Standalone Private Health Insurers (SAHI) continued their growth path as October 2022 numbers reached Rs 1,938.0 crores, down sequentially from Rs 2,191.6 crores in September 2022, and up from Rs 1,610.5 crore in October 2021. This monthly growth of 20.3% was slower than the 30.6% reported in October 2021. Meanwhile, the YTD FY23 growth rate 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 a significant drop of 77.4% in October 2022 vs a marginal increase of 4.6% in October 2021 and the year-to-date numbers have remained mostly flat as the fall in the participation 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       | Oct-20   | Oct-21   | Oct-22   | Oct-21 Growth | Oct-22 Growth | YTD FY21 | YTD FY22 | YTD FY23 | YTD FY22 Growth | YTD FY23 Growth |
|----------------|----------|----------|----------|---------------|---------------|----------|----------|----------|-----------------|-----------------|
| Public Sector  | 5,776.1  | 6,326.2  | 7,328.7  | 9.5           | 15.8          | 49,095.9 | 53,273.9 | 57,253.0 | 8.5             | 7.5             |
| Private Sector | 10,130.6 | 11,355.2 | 13,094.7 | 12.1          | 15.3          | 63,201.8 | 72,982.9 | 88,366.2 | 15.5            | 21.1            |

Source: General Insurance Council, IRDAI

- In October 2022, public players grew marginally faster than their private peers primarily due to Group and Government health business. However, in aggregate the YTD numbers still show private companies growing nearly 3x the public sector companies. 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 56% 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             | 32,547.5               | 42,448.8          | 51,361.7          | 29.0         | 33.6         | 35.1         | 30.4        | 21.0        |
| Motor              | 34,443.7               | 36,506.4          | 42,940.5          | 30.7         | 28.9         | 29.4         | 6.0         | 17.6        |
| Fire               | 12,741.1               | 13,944.0          | 15,530.7          | 11.3         | 11.0         | 10.6         | 9.4         | 11.4        |
| Crop Insurance     | 18,945.0               | 18,622.0          | 18,904.5          | 16.9         | 14.7         | 12.9         | -1.7        | 1.5         |
| Other Segments     | 13,620.4               | 14,735.6          | 17,415.3          | 12.1         | 11.7         | 11.9         | 8.2         | 18.2        |
| <b>Grand Total</b> | <b>1,12,297.7</b>      | <b>1,26,256.8</b> | <b>1,46,152.6</b> | <b>100.0</b> | <b>100.0</b> | <b>100.0</b> | <b>12.4</b> | <b>15.8</b> |

Source: General Insurance Council, IRDAI

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

- Health insurance premiums which drove has been the primary 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% for YTD FY21 to 35.1% for YTD FY23. The health segment has grown by 21% for YTD FY23, which is lower than the growth of 30.4% witnessed for YTD FY22. If we observe the various segments within health, the group segment continues to hold the largest share at 53.2% (51.2% last year), followed by retail at 35.8% (38% last year), government at 9.8% (10.3% last year), and overseas medical at 1.2% (0.5% last year).
  - Group Health segment has been witnessing growth due to discount rationalization, medical inflation, claims ratio in prior periods and enhanced coverage.
  - The Retail Health segment growth has continued but looks to be normalising post the pandemic as the growth rate for YTD FY23 has moderated vs. YTD FY22.
  - The government schemes have increased their share in YTD FY22 and YTD FY23 after a smaller share of 6.5% in YTD FY21 due to the Ayushman Bharat scheme, and medical options being made available primarily due to pandemic-induced awareness.
  - Overseas medical looks to be returning to pre-pandemic levels as that international air travel has increased in India.
  - SAHIs focus on Retail, while Group accounts for a dominant share of the general insurers. The YTD FY23 premium growth of the SAHI continues to be higher than the industry average. This has led to SAHI holding 26.5% of the health insurance market (increasing their share from 24.4% in YTD FY21), while general insurance companies hold the balance 73.5%, compared to a 75.6% share in YTD FY21. Within the general insurance companies, private players have nearly kept pace with SAHI, while public companies have grown at a much slower pace.

- In YTD FY23, Motor insurance reaching Rs. 42,940.5 crore has continued to grow at nearly 3 times the rate reported for YTD. In YTD FY23, Motor OD grew by 19% (vs. 8.9% for YTD FY22) and Motor TP rose by 16.7% (vs. 4.2% for YTD FY22). For October 2022, Motor OD and Motor TP premiums grew by 16% and 10.2%, respectively. The growth can be attributed to last year's low base, the repricing of Motor TP rates and higher vehicle sales.

### **CareEdge View**

The non-life insurance industry has maintained its strong FY23 journey driven by the health and motor segments supported by enabling regulations. Despite a higher base and lower growth rates compared to FY22, the health segment is anticipated to witness continued demand amid increased awareness post-Covid and rationalisation of discounts. The long-term growth of motor insurance would be driven by growth in the automotive industry, which would boost the motor insurance market and increase penetration amongst the uninsured vehicles on road. Further, with the easing out of the pandemic's impact and higher investment yields, sector profitability is anticipated to improve as the loss ratio of health sector moderates. However, slowdown in the economy is a risk to the growth in the 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       | 13,813.0               | 16,149.0        | 18,406.0        | 42.4         | 38.0         | 35.8         | 16.9        | 14.0        |
| Health-Group        | 16,479.6               | 21,738.0        | 27,305.2        | 50.6         | 51.2         | 53.2         | 31.9        | 25.6        |
| Health-Government   | 2,129.9                | 4,365.0         | 5,015.5         | 6.5          | 10.3         | 9.8          | 104.9       | 14.9        |
| Overseas Medical    | 125.1                  | 196.8           | 635.0           | 0.4          | 0.5          | 1.2          | 57.3        | 222.6       |
| <b>Health Total</b> | <b>32,547.5</b>        | <b>42,448.8</b> | <b>51,361.7</b> | <b>100.0</b> | <b>100.0</b> | <b>100.0</b> | <b>30.4</b> | <b>21.0</b> |

Source: General Insurance Council

**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             | 32,547.5          | 42,448.8          | 51,361.7          | 29.0         | 33.6         | 35.1         | 30.4           | 21.0        |
| Motor              | 34,443.7          | 36,506.4          | 42,940.5          | 30.7         | 28.9         | 29.4         | 6.0            | 17.6        |
| Fire               | 12,741.1          | 13,944.0          | 15,530.7          | 11.3         | 11.0         | 10.6         | 9.4            | 11.4        |
| Crop Insurance     | 18,945.0          | 18,622.0          | 18,904.5          | 16.9         | 14.7         | 12.9         | -1.7           | 1.5         |
| P.A.               | 2,773.6           | 3,998.3           | 4,254.4           | 2.5          | 3.2          | 2.9          | 44.2           | 6.4         |
| Marine             | 1,863.6           | 2,432.9           | 3,042.1           | 1.7          | 1.9          | 2.1          | 30.5           | 25.0        |
| Liability          | 1,923.2           | 2,437.3           | 3,218.1           | 1.7          | 1.9          | 2.2          | 26.7           | 32.0        |
| Engineering        | 1,620.2           | 2,022.4           | 2,416.7           | 1.4          | 1.6          | 1.7          | 24.8           | 19.5        |
| Credit Guarantee   | 726.5             | 756.1             | 894.4             | 0.6          | 0.6%         | 0.6          | 4.1            | 18.3        |
| Aviation           | 425.7             | 526.6             | 514.9             | 0.4          | 0.4          | 0.4          | 23.7           | -2.2        |
| All Other Misc.    | 4,287.7           | 2,561.9           | 3,074.7           | 3.8          | 2.0          | 2.1          | -40.3          | 20.0        |
| <b>Grand Total</b> | <b>1,12,297.7</b> | <b>1,26,256.8</b> | <b>1,46,152.6</b> | <b>100.0</b> | <b>100.0</b> | <b>100.0</b> | <b>12.4</b>    | <b>15.8</b> |

Source: General Insurance Council

**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                | 195.8              | 518.0             | 836.3             | 0.2%             | 0.4%          | 0.6%          |
| Bajaj Allianz General Insurance Co Ltd    | 7,355.6            | 8,470.8           | 9,061.2           | 6.6%             | 6.7%          | 6.2%          |
| Cholamandalam MS General Insurance Co Ltd | 2,355.1            | 2,587.2           | 3,306.6           | 2.1%             | 2.0%          | 2.3%          |
| Edelweiss General Insurance Co Ltd        | 117.2              | 195.7             | 320.0             | 0.1%             | 0.2%          | 0.2%          |
| Future Generali India Insurance Co Ltd    | 1,984.5            | 2,404.8           | 2,272.8           | 1.8%             | 1.9%          | 1.6%          |
| Go Digit General Insurance Ltd            | 1,227.1            | 2,275.9           | 3,553.9           | 1.1%             | 1.8%          | 2.4%          |
| HDFC Ergo General Insurance Co Ltd        | 6,974.6            | 7,761.3           | 9,300.2           | 6.2%             | 6.1%          | 6.4%          |
| ICICI Lombard General Insurance Co Ltd    | 9,947.0            | 10,287.9          | 12,602.2          | 8.9%             | 8.1%          | 8.7%          |
| IFFCO-Tokio General Insurance Co Ltd      | 5,023.6            | 5,030.0           | 5,355.0           | 4.5%             | 4.0%          | 3.7%          |
| Kotak Mahindra General Insurance Co Ltd   | 283.3              | 349.8             | 598.3             | 0.3%             | 0.3%          | 0.4%          |
| Liberty General Insurance Co. Ltd         | 806.5              | 839.1             | 1,107.6           | 0.7%             | 0.7%          | 0.8%          |
| Magma HDI General Insurance Co Ltd        | 646.6              | 865.4             | 1,390.0           | 0.6%             | 0.7%          | 1.0%          |
| National Insurance Co Ltd                 | 7,987.9            | 7,790.6           | 8,810.5           | 7.1%             | 6.17%         | 6.05%         |
| Navi General Insurance Co. Ltd            | 51.5               | 44.8              | 43.4              | 0.0%             | 0.0%          | 0.0%          |
| Raheja QBE General Insurance Co Ltd       | 112.1              | 215.2             | 294.2             | 0.1%             | 0.2%          | 0.2%          |
| Reliance General Insurance Co Ltd         | 5,144.0            | 5,812.6           | 6,477.6           | 4.6%             | 4.6%          | 4.4%          |
| Royal Sundaram General Insurance Co Ltd   | 1,502.0            | 1,604.7           | 1,868.5           | 1.3%             | 1.3%          | 1.3%          |
| SBI General Insurance Co Ltd              | 4,139.3            | 4,784.9           | 5,599.4           | 3.7%             | 3.8%          | 3.8%          |
| Shriram General Insurance Co Ltd          | 1,207.6            | 960.0             | 1,203.0           | 1.1%             | 0.8%          | 0.8%          |
| Tata AIG General Insurance Co Ltd         | 4,580.6            | 5,285.5           | 7,153.4           | 4.1%             | 4.2%          | 4.9%          |
| The New India Assurance Co Ltd            | 16,102.4           | 19,593.7          | 20,157.0          | 14.3%            | 15.5%         | 13.8%         |
| The Oriental Insurance Co Ltd             | 7,320.4            | 8,255.5           | 9,098.8           | 6.5%             | 6.5%          | 6.2%          |
| United India Insurance Co Ltd             | 9,613.4            | 8,792.8           | 10,180.7          | 8.6%             | 7.0%          | 7.0%          |
| Universal Sompo General Insurance Co Ltd  | 1,619.9            | 1,876.8           | 2,422.7           | 1.4%             | 1.5%          | 1.7%          |
| <b>General Insurers Sub Total</b>         | <b>96,297.9</b>    | <b>1,06,602.9</b> | <b>1,23,013.3</b> | <b>85.8%</b>     | <b>84.4%</b>  | <b>84.5%</b>  |
| Niva Bupa Health Insurance Co Ltd         | 850.7              | 1,454.9           | 2,036.3           | 0.8%             | 1.2%          | 1.4%          |
| Aditya Birla Health Insurance Co Ltd      | 655.5              | 908.0             | 1,457.4           | 0.6%             | 0.7%          | 1.0%          |
| Care Health Insurance Ltd                 | 1,358.9            | 1,994.8           | 2,774.9           | 1.2%             | 1.6%          | 1.9%          |
| ManipalCigna Health Insurance Co Ltd      | 392.9              | 526.9             | 719.1             | 0.3%             | 0.4%          | 0.5%          |
| Star Health & Allied Insurance Co Ltd     | 4,669.9            | 5,927.8           | 6,612.2           | 4.2%             | 4.7%          | 4.5%          |
| <b>Health Insurers sub-Total</b>          | <b>7,927.8</b>     | <b>10,812.5</b>   | <b>13,599.9</b>   | <b>7.1%</b>      | <b>8.6%</b>   | <b>9.3%</b>   |
| Agriculture Insurance Co Of India Ltd     | 7,531.0            | 8,299.9           | 8,391.0           | 6.7%             | 6.6%          | 5.8%          |
| ECCG Ltd                                  | 541.0              | 541.4             | 615.1             | 0.5%             | 0.4%          | 0.4%          |
| <b>Specialised Insurers Sub Total</b>     | <b>8,072.0</b>     | <b>8,841.3</b>    | <b>9,006.1</b>    | <b>7.2%</b>      | <b>7.0%</b>   | <b>6.2%</b>   |
| <b>Grand Total</b>                        | <b>1,12,297.7</b>  | <b>1,26,256.7</b> | <b>1,45,619.2</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

## Contact

|                  |                                    |                              |  |
|------------------|------------------------------------|------------------------------|--|
| Sanjay Agarwal   | Senior Director                    | sanjay.agarwal@careedge.in   | +91 - 22 - 6754 3582 / +91-81080 07676 |
| Saurabh Bhalerao | Associate Director – BFSI Research | saurabh.bhalerao@careedge.in | +91 - 22 - 6754 3519 / +91-90049 52514 |
| Mradul Mishra    | Media Relations                    | mradul.mishra@careedge.in    | +91 - 22 - 6754 3596                   |

## CARE Ratings Limited

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

Connect :     

Locations: Ahmedabad | Andheri-Mumbai | Bengaluru | Chennai | Coimbatore | Hyderabad | Kolkata | New Delhi | Pune

## About:

CareEdge is a knowledge-based analytical group that aims to provide superior insights based on technology, data analytics and detailed research. CARE Ratings Ltd, the parent company in the group, is one of the leading credit rating agencies in India. Established in 1993, it has a credible track record of rating companies across multiple sectors and has played a pivotal role in developing the corporate debt market in India. The wholly-owned subsidiaries of CARE Ratings are (I) CARE Advisory, Research & Training Ltd, which offers customised advisory services, credible business research and analytical services (II) CARE Risk Solutions Private Ltd, which provides risk management solutions.

## Disclaimer:

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