

Non-Life Insurance Premiums End FY23 on a High, Motor and Health Continue to Dominate

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Overview

In FY23, the non-life insurance industry has grown by 16.4%, compared to 11.1% in the same period last year. This growth has continued to be driven by health (especially the group segment), and motor insurance. Meanwhile, the industry continued to report double-digit growth for the month of March 2023, continuing the FY23 trend except for a blip in September 2022. The industry reported a premium of Rs 24,271.4 crore for March 2023, an 11.5% growth y-o-y.

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	21,382.9	25,541.8	6.5	15.8	19.5
February	15,747.0	16,558.9	19,876.4	14.1	5.2	20.0
March	19,478.0	21,767.8	24,271.4	24.6	11.8	11.5

Source: General Insurance Council, IRDAI

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

Insurers	Mar-21	Mar-22	Mar-23	Mar-22 Growth	Mar-23 Growth	FY21	FY22	FY23	FY22 Growth	FY23 Growth
General Insurers	15,660.0	17,818.4	19,542.1	13.8	9.7	1,69,844.7	1,84,886.0	2,14,836.7	8.9	16.2
SAHI	2,447.3	2,829.9	3,428.4	15.6	21.2	15,755.2	20,867.2	26,242.3	32.4	25.8
Specialized PSU Insurers	1,370.7	1,119.5	1,300.9	-18.3	16.2	13,114.9	15,046.9	15,841.2	14.7	5.3
Total	19,478.0	21,767.8	24,271.4	11.8	11.5	1,98,714.7	2,20,800.0	2,56,920.2	11.1	16.4

Source: General Insurance Council, IRDAI

- General Insurers' March 2023 numbers were up by 9.7%, compared to an increase of 13.8% in March 2022, while for FY23, the growth which has been driven by the group health and motor segments, has been 2.0x of what was witnessed last year.
- Standalone Private Health Insurers (SAHI) continued to move on their growth curve as March 2023 numbers touched Rs 3,428.4 crore up from Rs 2,829.9 crore in March 2022 and Rs 2,319.8 crore in February 2023. This monthly growth of 21.2% was higher than the 15.6% reported in March 2022 albeit the growth rate declined sequentially from 26.8% in February 2023. Meanwhile, the 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 16.2% in March 2023 compared to a drop of 18.3% in March 2022, meanwhile, FY23 numbers have remained subdued, growing at 5.3% vs. 14.7% in FY22.

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

Insurers	Mar-21	Mar-22	Mar-23	Mar-22 Growth	Mar-23 Growth	FY21	FY22	FY23	FY22 Growth	FY23 Growth
Public Sector	8,037.7	7,999.3	8,460.7	-0.5	5.8	84,958.6	90,179.5	98,737.0	6.1	9.5
Private Sector	11,440.3	13,768.5	15,810.6	20.4	14.8	1,13,756.1	1,30,620.5	1,58,183.2	14.8	21.1

Source: General Insurance Council, IRDAI

- Observing the FY23 numbers, private players grew by 2.2x of their public counterparts given their strong market presence and relatively better solvency levels. The market share of private non-life insurance companies has witnessed a sustained increase to 62% in FY23 from 59% in FY22 and 57% in FY21. For the month of March 2023, the trend continued with private companies reporting higher growth of 14.8% while public sector non-life insurance companies posted a growth of 5.8%.

Figure 4: Movement in Segment Premiums (Rs crore)

Segment	Total Premium Rs crore			% Share			YoY Growth	
	FY21	FY22	FY23	FY21	FY22	FY23	FY22	FY23
Health	58,684.2	73,598.1	90,667.7	29.5	33.3	35.3	25.4	23.2
Group	27,757.6	36,356.8	45,764.0	14.0	16.5	17.8	31.0	25.9
Others incl. Retail	30,926.7	37,241.4	44,903.7	15.6	16.9	17.5	20.4	20.6
Motor	67,735.3	70,433.5	81,291.7	34.1	31.9	31.6	4.0	15.4
Own Damage	26,712.0	27,172.7	31,783.5	13.4	12.3	12.4	1.7	17.0
Third Party	41,023.3	43,260.7	49,508.2	20.6	19.6	19.3	5.5	14.4
Fire	20,132.8	21,547.9	23,933.5	10.1	9.8	9.3	7.0	11.1
Crop Insurance	31,119.9	29,465.3	32,015.6	15.7	13.3	12.5	-5.3	8.7
Other Segments	21,042.5	25,755.2	29,011.7	10.6	11.7	11.3	22.4	12.6
Grand Total	1,98,714.7	2,20,800.0	2,56,920.2	100.0	100.0	100.0	11.1	16.4

Source: General Insurance Council, IRDAI

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

- Health insurance premiums have been the primary growth lever of the non-life insurance industry. This has resulted in the segment increasing its market share from 29.5% for FY21 to 35.3% for FY23. The health segment has grown by 23.2% for FY23, which is lower than the growth of 25.4% witnessed for FY22.
 - Group Health segment has witnessed growth primarily due to the rationalization of discounts in premiums. Further, Retail Health segment growth looks to be normalising post the pandemic.
 - Government schemes have increased their share in FY22 and FY23 compared to FY21 due to the Ayushman Bharat scheme, and other medical options made available due to pandemic-induced awareness. Further government schemes are being concentrated with the public sector general insurance companies compared to the last year.
 - Overseas medical segment has returned to pre-pandemic levels as international travel has increased.
 - SAHI's focus is on Retail, while general insurers account for a dominant share of Group. The FY23 premium growth of the SAHI continues to be higher than the industry average. This has led to SAHI holding 28.9% of the health insurance market (increasing their share from 26.8% in FY21). Interestingly, private players and SAHI have a similar share in FY23, while public peers have grown at a slower pace.

- In FY23, Motor insurance reached Rs 81,291.7 crore and has continued to grow at around 3.8 times the rate reported for FY22. In FY23, Motor OD grew by 17.0% (vs. 1.7% for FY22) and Motor TP rose by 14.4% (vs. 5.5% for FY22). The growth can be attributed to last year's low base, the increase in 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 is on track to breach the Rs 1 lakh crore mark, while Motor insurance premiums to cross Rs 85,000 crore in FY24 given the fact that they have already crossed Rs 90,000 crore and Rs 80,000 crore mark respectively during the last year.

The growth would be driven by the popularity of health insurance products/schemes, growing demand for motor insurance (Third party & Owner damage) products, 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 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	
	FY21	FY22	FY23	FY21	FY22	FY23	FY22	FY23
Health-Retail	26,335.7	30,737.5	35,434.9	44.9	41.8	39.1	16.7	15.3
Health-Group	27,757.6	36,356.8	45,764.0	47.3	49.4	50.5	31.0	25.9
Health-Government	4,347.0	6,044.9	8,497.4	7.4	8.2	9.4	39.1	40.6
Overseas Medical	244.0	459.0	971.3	0.4	0.6	1.1	88.1	111.6
Health Total	58,684.2	73,598.1	90,667.7	100.0	100.0	100.0	25.4	23.2

Source: General Insurance Council, IRDAI

Figure A2: Movement in Segment Premiums (Rs crore)

Segment	Total Premium			% Share			YoY Growth (%)	
	FY21	FY22	FY23	FY21	FY22	FY23	FY22	FY23
Health	58,684.2	73,598.1	90,667.7	29.5	33.3	35.3	25.4	23.2
Motor	67,735.3	70,433.5	81,291.7	34.1	31.9	31.6	4.0	15.4
Fire	20,132.8	21,547.9	23,933.5	10.1	9.8	9.3	7.0	11.1
Crop Insurance	31,119.9	29,465.3	32,015.6	15.7	13.3	12.5	-5.3	8.7
P.A.	5,100.5	6,904.2	7,013.5	2.6	3.1	2.7	35.4	1.6
Marine	3,496.9	4,167.6	5,057.8	1.8	1.9	2.0	19.2	21.4
Liability	3,156.3	4,190.5	4,862.9	1.6	1.9	1.9	32.8	16.0
Engineering	2,969.8	3,563.3	4,281.4	1.5	1.6	1.7	20.0	20.2
Credit Guarantee	1,395.3	1,492.3	1,687.4	0.7	0.7	0.7	7.0	13.1
Aviation	749.2	852.2	889.4	0.4	0.4	0.3	13.7	4.36
All Other Misc.	4,174.6	4,585.1	5,219.4	2.1	2.1	2.0	9.8	13.8
Grand Total	1,98,714.7	2,20,800.0	2,56,920.2	100.0	100.0	100.0	11.1	16.4

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	422.4	988.2	1,508.8	0.2	0.4	0.6
Bajaj Allianz General Insurance Co Ltd	12,569.5	13,688.6	15,336.6	6.3	6.2	6.0
Cholamandalam MS General Insurance Co Ltd	4,388.2	4,824.1	6,156.0	2.2	2.2	2.4
Zuno General Insurance Ltd \$	218.6	348.9	533.5	0.1	0.2	0.2
Future Generali India Insurance Co Ltd	3,835.2	4,138.0	4,546.2	1.9	1.9	1.8
Go Digit General Insurance Ltd	2,417.6	4,673.9	6,160.1	1.2	2.1	2.4
HDFC Ergo General Insurance Co Ltd	12,295.1	13,497.6	16,635.8	6.2	6.1	6.5
ICICI Lombard General Insurance Co Ltd	17,163.0	17,976.9	21,025.1	8.6	8.1	8.2
IFFCO-Tokio General Insurance Co Ltd	8,410.9	8,452.9	9,871.0	4.2	3.8	3.8
Kotak Mahindra General Insurance Co Ltd	544.0	742.5	1,134.1	0.3	0.3	0.4
Liberty General Insurance Co. Ltd	1,445.7	1,506.5	1,957.3	0.7	0.7	0.8
Magma HDI General Insurance Co Ltd	1,283.6	1,757.2	2,534.1	0.6	0.8	1.0
National Insurance Co Ltd	14,140.8	13,125.5	15,155.8	7.1	5.9	5.9
Navi General Insurance Co. Ltd	104.4	106.6	70.6	0.05	0.05	0.03
Raheja QBE General Insurance Co Ltd	272.2	375.8	379.9	0.1	0.2	0.1
Reliance General Insurance Co Ltd	8,310.3	9,409.0	10,339.0	4.2	4.3	4.0
Royal Sundaram General Insurance Co Ltd	2,822.3	2,866.6	3,379.4	1.4	1.3	1.3
SBI General Insurance Co Ltd	8,264.9	9,166.2	10,828.4	4.2	4.2	4.2
Shriram General Insurance Co Ltd	2,138.9	1,753.0	2,265.8	1.1	0.8	0.9
Tata AIG General Insurance Co Ltd	8,042.1	10,025.0	13,176.0	4.0	4.5	5.1
The New India Assurance Co Ltd	28,548.5	32,573.9	34,487.2	14.4	14.8	13.4
The Oriental Insurance Co Ltd	12,449.7	13,711.0	15,609.6	6.3	6.2	6.1
United India Insurance Co Ltd	16,704.7	15,722.3	17,643.3	8.4	7.1	6.9
Universal Sompo General Insurance Co Ltd	3,052.2	3,456.1	4,103.1	1.5	1.6	1.6
General Insurers Sub Total	1,69,844.7	1,84,886.0	2,14,836.7	85.5	83.7	83.6
Niva bupa health insurance company limited	1,750.8	2,810.0	4,073.0	0.9	1.3	1.6
Aditya Birla Health Insurance Co Ltd	1,300.6	1,726.7	2,717.0	0.7	0.8	1.1
Care Health Insurance Ltd	2,559.8	3,880.9	5,141.5	1.3	1.8	2.0
ManipalCigna Health Insurance Co Ltd	755.5	986.2	1,359.8	0.4	0.4	0.5
Star Health & Allied Insurance Co Ltd	9,388.5	11,463.5	12,950.9	4.7	5.2	5.0
Health Insurers Sub Total	15,755.2	20,867.2	26,242.3	7.9	9.5	10.2
Agriculture Insurance Co Of India Ltd	12,052.6	13,940.2	14,643.7	6.1	6.3	5.7
ECCG Ltd	1,062.3	1,106.6	1,197.5	0.5	0.5	0.5
Specialised Insurers Sub Total	13,114.9	15,046.9	15,841.2	6.6	6.8	6.2
Grand Total	1,98,714.7	2,20,800.0	2,56,920.2	100.0	100.0	100.0

Note: BhartiAXA General Insurance Co.Ltd has been merged with ICICI Lombard General Insurance Co.Ltd, Zuno General Insurance Limited formerly known as Edelweiss General Insurance Company Limited. Source: General Insurance Council, IRDAI

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