Non-Life Insurance: Industry continues its growth momentum in February albeit at a slower pace

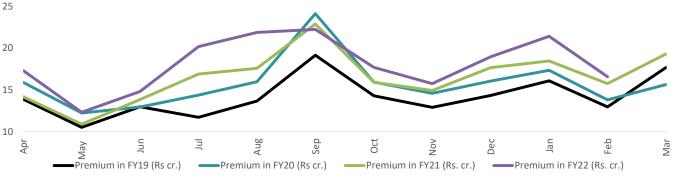


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Overview

The non-life insurance industry reported a growth rate of 5.2% in February 2022 and was nearly one-third of the rate reported in February 2021. Non-life insurance premium reached Rs. 16,561.0 crores for February 2022 compared to Rs. 15,747.0 crores in February 2021. The growth has continued to be driven by the health segment; motor too contributed to the growth for the month.

Figure 1: Movement in Monthly Premiums (in Rs '000 crores)



Source: IRDAI

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

Insurers	For Feb 2020	For Feb 2021	For Feb 2022	Feb 2021 Growth in %	Feb 2022 Growth in %	11M FY20	11M FY21	11M FY22	11M FY21 Growth in %	11M FY22 Growth in %
General Insurers	12,303.8	13,158.9	14,173.6	6.9%	7.7%	1,52,646.2	1,54,184.7	1,67,066.9	1.0%	8.4%
Stand-alone Pvt Health Insurers	1,180.0	1,406.3	1,831.6	19.2%	30.2%	10,402.3	13,309.0	18,048.5	27.9%	35.6%
Specialized PSU Insurers	322.0	1,181.8	555.8	267.0%	-53.0%	10,032.7	11,744.2	13,927.6	17.1%	18.6%
Total	13,805.8	15,747.0	16,561.0	14.1%	5.2%	1,73,081.1	1,79,237.8	1,99,043.1	3.6%	11.0%
Note: UDEC Ergo Haalth margad into UDEC Ergo in EV21, hance EV20 numbers have been regrouped to reflect the same and										

Note: HDFC Ergo Health merged into HDFC Ergo in FY21, hence FY20 numbers have been regrouped to reflect the same and align with FY21 and FY22 numbers; Source: IRDAI

- General Insurers grew at 7.7% in February 2022 (higher than the rate reported in February 2021) which was around 3x the growth rate reported in January 2022. The YTD numbers grew at 8.4% for 11M FY22 vs a marginal growth of 1% in 11M FY21. The General Insurers' continued growth can primarily be attributed to health insurance, with motor and fire also accounting for a significant share of the growth.
- Standalone Pvt Health Insurers (SAHI) have reported a sustained premium y-o-y growth of 30.2% in February 2022 (significantly higher than last February's growth rate of 19.2%) to Rs. 1,831.6 crores which was however sequentially lower than the January numbers. Similarly, 11M FY22 numbers which reached Rs 18,048.5 crore from Rs 13,309.0 crores in 11M FY21, a jump of 35.6% vs. a growth of 27.9% in 10M FY21.
- Specialized insurers reported a decline in February 2022 due to a fall in the monthly premiums in the crop insurance segment as the Agriculture Insurance Company of India Limited received lower premiums in February 2022.

Figure 3: Movement in Premiums

Insurers	For Feb 2020	For Feb 2021	For Feb 2022	Feb 2021 Growth in %	Feb 2022 Growth in %	11M FY20	11M FY21	11M FY22	11M FY21 Growth in %	11M FY22 Growth in %
Public Sector	5,790.3	6,706.8	5,948.8	15.8%	-11.3%	76,369.7	76,920.9	82,180.1	0.7%	6.8%
Private Sector	8,015.5	9,040.2	10,612.2	12.8%	17.4%	96,711.4	1,02,317.0	1,16,862.9	5.8%	14.2%
Source: IRDAI										

Source: IRDAI

Both public (barring Agricultural Insurance Company of India Limited) as well as private insurers reported an increase in February 2022 and 11MFY22. Agricultural Insurance Company of India Limited reported a decline for the month of February but continued to report growth for the 11MFY22 period. The 11MFY22 numbers have continued the previous trend of private players outpacing their public peers, with the private companies growing at more than double the rate of their public counterparts. On a YTD basis, the market share of private non-life insurance companies has increased by to 59% in 11MFY22 from 56% in 11FY20.

Figure 4: Movement in Segment Premiums

Segment	То	tal Pemium Rs	cr		% Share	YoY Growth			
	11M FY22	11M FY21	11M FY22	11M FY22	11M FY21	11M FY22	11M FY21	11M FY22	
Health	46,777.2	52,689.7	66,167.6	27.0%	29.4%	33.2%	12.6%	25.6%	
Motor	63,268.3	60,851.5	63,052.1	36.6%	34.0%	31.7%	-3.8%	3.6%	
Crop Insurance	29,706.3	28,005.5	26,653.8	17.2%	15.6%	13.4%	-5.7%	-4.8%	
Fire	14,569.9	18,714.7	20,142.8	8.4%	10.4%	10.1%	28.4%	7.6%	
Other Segments	18,759.5	18,976.5	23,026.7	10.8%	10.6%	11.6%	1.2%	21.3%	
Grand Total	1,73,081.1	1,79,237.8	1,99,043.1	100.0%	100.0%	100.0%	3.6%	11.0%	

Source: General Insurance Council

In 11M FY22, all segments barring the crop insurance segment, have showed a growth compared to the last year, when many of the segments had reported a drop in their premium numbers.

- Health insurance premiums have been the main drivers of the non-life insurance industry since the commencement of the Covid-19 pandemic. The health segment has grown by 25.6% in 11M FY22 which is double the growth of 12.6% witnessed in 11M FY21. This increase has also been aided by the fact that the early part of FY21 was spent under a nationwide lockdown and companies have strengthened their standards. This has resulted in health segment increasing its market share from 27% in 11M FY20 to 33.2% in 11M FY22. If we observe the various segments within health, for 11MFY22, group continues to hold the largest share at 50.4%, followed by retail at 40.2%, government at 8.8% and overseas medical at 0.6%.
- YTD premium growth of standalone health insurers continues to be significantly higher than industry average. This has led to SAHI players holding 27.3% of the health insurance market (increasing their share), while general insurance companies hold 72.7%, which is lower than 74.7% share in the previous year.
- The Motor insurance segment has continued its growth momentum; and the growth has improved marginally to 3.6% in 11FY22, compared to 3.5% in 10MFY22 but is lower than the 3.7% in 9M FY22, versus a 3.8% drop in 11M FY21. However, despite this modest rise, the segment has seen its market share fall from 36.6% in 11M FY20 to 31.7% in 11M FY22, declining by approximately 500 bps over the two years in absolute terms.
- According to FADA, total vehicle sales reached 13.7 lakhs for the month of February 2022, a decrease of 9.2% compared to February 2021 and a fall of 20.6% compared to February 2020. In February 2022, CVs and 3Ws reported positive growth, while 2W and PV continues their decline. The short-term auto sentiment continues to be hampered by the chip shortage, and the Ukraine-Russia conflict causing an increase in fuel.
- Crop insurance premiums reached Rs 26,653.8 crores and have continued to decrease by 4.8% in 11MFY22. Last year too, the segment had recorded a drop of 5.7% in 11M FY21. Issues such as delay in claims settlement, delay in the release of subsidy, and voluntary nature of the scheme have continued to hamper the scheme. Pradhan Mantri Fasal Bima Yojana (PMFBY), which has also been hampered by some states opting out of the scheme.

• The 11M FY22 Fire segment returned a steady growth rate of 7.6% but significantly lower than 28.4% growth (attributable to an increase in reinsurance rates) witnessed in 11M FY21. Further the share too has eroded by around 32 bps in 11M FY22 after jumping by over 200 bps in 11M FY21.

The non-life industry is poised to close FY22 journey on a strong note 11M FY22 growth has continued to be driven by the health segment and by the private sector which grew at a significantly faster pace (growth of 14.1% in 11M FY22) compared to the public sector (growth of 6.8% in 11M FY22).

The non-life premiums are expected to be driven by continued uptick in the health segment even on the higher base (given that covid has generated significant awareness amongst the public and companies are looking to grow in the smaller cities), digital solutions complemented by offline offerings and the planned increase in motor TP premium in FY23. However, growth could be limited by any unanticipated adverse impact of any new covid variants and rise in reinsurance rates.

Annexure Figure A1: Segment wise Premiums

Segment	Τσ	tal Pemium Rs	cr		% Share	YoY Growth		
	11M FY20	11M FY21	11M FY22	11M FY20	11M FY21	11M FY22	11M FY21	11M FY22
Health	46,777.2	52,689.7	66,167.6	27.0%	29.4%	33.2%	12.6%	25.6%
Motor	63,268.3	60,851.5	63,052.1	36.6%	34.0%	31.7%	-3.8%	3.6%
Crop Insurance	29,706.3	28,005.5	26,653.8	17.2%	15.6%	13.4%	-5.7%	-4.8%
Fire	14,569.9	18,714.7	20,142.8	8.4%	10.4%	10.1%	28.4%	7.6%
Personal Accident	4,786.1	4,649.1	6,081.9	2.8%	2.6%	3.1%	-2.9%	30.8%
Marine	3,300.3	3,216.7	3,842.8	1.9%	1.8%	1.9%	-2.5%	19.5%
Liability	2,535.2	2,925.8	3,881.2	1.5%	1.6%	1.9%	15.4%	32.7%
Engineering	2,379.2	2,629.8	3,182.8	1.4%	1.5%	1.6%	10.5%	21.0%
Credit Insurance	1,294.1	1,209.2	1,289.9	0.7%	0.7%	0.6%	-6.6%	6.7%
Aviation	640.7	698.1	806.0	0.4%	0.4%	0.4%	8.9%	15.5%
All Other Misc.	3,823.9	3,647.9	3,942.1	2.2%	2.0%	2.0%	-4.6%	8.1%
Grand Total	1,73,081.1	1,79,237.8	1,99,043.1	100.0%	100.0%	100.0%	3.6%	11.0%

Figure A2: Company wise Premiums

	Gross Premiums (Rs crore)							Market Share						
Insurer	For Feb 2020	For Feb 2021	For Feb 2022	11M FY20	11M FY21	11M FY22	For Feb 2020	For Feb 2021	For Feb 2022	11M FY20	11M FY21	11M FY22		
Acko General Insurance Limited	30	37	77	341	358	866	0.2%	0.2%	0.5%	0.2%	0.2%	0.4%		
Bajaj Allianz General Insurance Company Limited	699	770	813	12,052	11,699	12,679	5.1%	4.9%	4.9%	7.0%	6.5%	6.4%		
Bharti AXA General Insurance Company Limited	221	221	NA	2,905	2,913	NA	1.6%	1.4%	NA	1.7%	1.6%	NA		
Cholamandalam MS General Insurance Company Limited	375	405	437	4,029	3,946	4,328	2.7%	2.6%	2.6%	2.3%	2.2%	2.2%		
NAVI General Insurance Limited	9	8	13	150	95	91	0.1%	0.1%	0.1%	0.1%	0.1%	0.0%		
Edelweiss General Insurance Company Limited	17	18	24	134	194	322	0.1%	0.1%	0.1%	0.1%	0.1%	0.2%		
Future Generali India Insurance Company Limited	224	291	272	3,119	3,383	3,641	1.6%	1.8%	1.6%	1.8%	1.9%	1.8%		
Go Digit General Insurance Limited	50	321	496	1,601	2,089	4,179	0.4%	2.0%	3.0%	0.9%	1.2%	2.1%		
HDFC Ergo General insurance Company Limited	1,029	1,156	1,109	10,659	10,896	11,732	7.5%	7.3%	6.7%	6.2%	6.1%	5.9%		
ICICI Lombard General Insurance Company Limited	1,061	1,078	1,415	12,569	13,029	16,526	7.7%	6.8%	8.5%	7.3%	7.3%	8.3%		
IFFCO Tokio General Insurance Company Limited	543	615	660	7,342	7,709	7,638	3.9%	3.9%	4.0%	4.2%	4.3%	3.8%		
Kotak Mahindra General Insurance Company Limited	44	51	73	393	484	650	0.3%	0.3%	0.4%	0.2%	0.3%	0.3%		
Liberty General Insurance Limited	139	124	136	1,423	1,321	1,361	1.0%	0.8%	0.8%	0.8%	0.7%	0.7%		
Magma HDI General Insurance Company Limited	96	109	159	1,141	1,165	1,581	0.7%	0.7%	1.0%	0.7%	0.6%	0.8%		
National Insurance Company Limited	1,322	1,048	956	13,542	12,643	11,799	9.6%	6.7%	5.8%	7.8%	7.1%	5.9%		
Raheja QBE General Insurance Company Limited	18	29	34	131	237	338	0.1%	0.2%	0.2%	0.1%	0.1%	0.2%		
Reliance General Insurance Company Limited	431	561	633	6,990	7,515	8,562	3.1%	3.6%	3.8%	4.0%	4.2%	4.3%		
Royal Sundaram General Insurance Company Limited	320	239	235	3,426	2,555	2,568	2.3%	1.5%	1.4%	2.0%	1.4%	1.3%		
SBI General Insurance Company Limited	621	757	918	6,225	7,353	8,113	4.5%	4.8%	5.5%	3.6%	4.1%	4.1%		
Shriram General Insurance Company Limited	213	185	157	2,219	1,929	1,571	1.5%	1.2%	1.0%	1.3%	1.1%	0.8%		
Tata AIG General Insurance Company Limited	553	492	928	6,857	7,398	8,901	4.0%	3.1%	5.6%	4.0%	4.1%	4.5%		
The New India Assurance Company Limited	1,925	2,218	2,245	24,688	26,020	29,962	13.9%	14.1%	13.6%	14.3%	14.5%	15.1%		
The Oriental Insurance Company Limited	1,052	1,072	1,073	12,302	11,315	12,493	7.6%	6.8%	6.5%	7.1%	6.3%	6.3%		
United India Insurance Company Limited	1,169	1,188	1,120	15,806	15,199	13,999	8.5%	7.5%	6.8%	9.1%	8.5%	7.0%		
Universal Sompo General Insurance Company Limited	144	167	190	2,604	2,741	3,168	1.0%	1.1%	1.1%	1.5%	1.5%	1.6%		
General Insurers Total	12,304	13,159	14,174	1,52,646	1,54,185	1,67,067	89.1%	83.6%	85.6%	88.2%	86.0%	83.9%		
Aditya Birla Health Insurance Company Limited	104	110	140	767	1,123	1,517	0.8%	0.7%	0.8%	0.4%	0.6%	0.8%		
ManipalCigna Health Insurance Company Limited	49	64	83	514	654	862	0.4%	0.4%	0.5%	0.3%	0.4%	0.4%		
Niva Bupa Health Insurance Company Limited	118	173	246	1,085	1,497	2,431	0.9%	1.1%	1.5%	0.6%	0.8%	1.2%		
Care Health Insurance Limited	199	230	336	2,167	2,244	3,399	1.4%	1.5%	2.0%	1.3%	1.3%	1.7%		
Star Health & Allied Insurance Company Limited	709	830	1,026	5,864	7,790	9,840	5.1%	5.3%	6.2%	3.4%	4.3%	4.9%		
Reliance Health Insurance Limited*	(0)	-	-	6	(0)	(0)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		
Stand-alone Pvt Health Insurers	1,180	1,406	1,832	10,402	13,309	18,049	8.5%	8.9%	11.1%	6.0%	7.4%	9.1%		
Agricultural Insurance Company of India Limited	231	1,079	451	9,031	10,836	12,995	1.7%	6.9%	2.7%	5.2%	6.0%	6.5%		
ECGC Limited	91	103	105	1,001	908	932	0.7%	0.7%	0.6%	0.6%	0.5%	0.5%		
Specialized PSU Insurers	322	1,182	556	10,033	11,744	13,928	2.3%	7.5%	3.4%	5.8%	6.6%	7.0%		
GRAND TOTAL	13,806	15,747	16,561	1,73,081	1,79,238	1,99,043	100.0%	100.0%	<u>100.0</u> %	100.0%	100.0%	100.0%		

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