

# Non-Life Insurance Continues to Grow in May, Share of Motor Segment Rises



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## Overview

The non-life insurance industry continued to grow in FY23, reporting a 25.3% growth in May 2022 (higher than the April 2022 growth), to reach Rs 15,404.5 crore compared to Rs 12,294.9 crore in May 2021. The growth continued to be driven by the health segment even as motor contributed to the expansion for the month.

**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	14,810.2		6.9	7.0	
July	16,884.8	20,171.2		17.5	19.5	
August	17,580.6	21,871.7		10.1	24.4	
September	22,870.8	22,226.4		-5.2	-2.8	
October	15,906.7	17,680.0		-0.1	11.1	
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)**

Insurer	May 2020	May 2021	May 2022	May 2021 Growth (%)	May 2022 Growth (%)	YTD FY21	YTD FY22	YTD FY23	YTD FY22 Growth (%)	YTD FY23 Growth (%)
General Insurers	10,098.3	10,825.1	13,566.2	7.2	25.3	23,404.2	26,772.0	33,221.7	14.4	24.1
SAHI	844.1	1,382.7	1,708.9	63.8	23.6	1,653.1	2,583.0	3,259.0	56.3	26.2
Specialized PSU Ins.	118.6	87.1	129.4	-26.6	48.6	155.3	191.0	200.0	22.9	4.7
<b>Total</b>	<b>11,061.0</b>	<b>12,294.9</b>	<b>15,404.5</b>	<b>11.2</b>	<b>25.3</b>	<b>25,212.6</b>	<b>29,546.0</b>	<b>36,680.7</b>	<b>17.2</b>	<b>24.1</b>

Source: General Insurance Council

- General Insurers' May 2022 numbers grew at 25.3% vs 7.2% a year ago, while for the two months ended May 2022, the growth has been nearly twice the growth seen last year. The continued growth can primarily be attributed to health insurance, followed by motor and fire segments.
- Standalone Pvt Health Insurers (SAHI) have continued their growth trajectory as May 2022 numbers reached Rs 1,708.9 crore, up from Rs 1,382.7 crore in May 2021. However, the jump of 23.6% was lower than the 63.8% growth reported in May 2021 (pandemic impact as a better part of April 2020 was spent under lockdown).
- Specialized insurers reported a growth of 48.6% in May 2022 after reporting a drop in May 2021 (fall in crop insurance). This increase can be attributed to a growth in ECGC premiums.

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

Premium Type	May 2020	May 2021	May 2022	May 2021 Growth (%)	May 2022 Growth (%)	YTD FY21	YTD FY22	YTD FY23	YTD FY22 Growth (%)	YTD FY23 Growth (%)
Public	4,992.9	5,231.9	5,661.4	4.8	8.2	11,588.5	12,804.0	14,407.9	10.5	12.5
Private	6,068.2	7,063.0	9,743.0	16.4	37.9	13,624.0	16,742.1	22,272.8	22.9	33.0

Source: General Insurance Council

- May 2022 numbers have continued the trend of private players outpacing their public peers, with the private companies growing several times the rate of their public counterparts. The market share of private non-life insurance companies has increased to 61% in YTD May FY23 from 54% in YTD May 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	9,127.2	11,713.1	14,570.0	36.2	39.6	39.7	28.3	24.4
Motor	6,744.7	7,304.6	9,879.4	26.8	24.7	26.9	8.3	35.2
Fire	5,652.1	5,854.8	6,654.5	22.4	19.8	18.1	3.6	13.7
Crop Insurance	409.1	312.4	360.3	1.6	1.1	1.0	-23.6	15.3
Other Segments	3,279.5	4,361.1	5,216.6	13.0	14.8	14.2	33.0	19.6
<b>Grand Total</b>	<b>25,212.6</b>	<b>29,546.0</b>	<b>36,680.7</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>17.2</b>	<b>24.1</b>

Source: General Insurance Council

For the two months of FY23, all segments, barring the personal accident and aviation segment, have shown growth compared to the similar period last year when only the crop insurance segment had reported a drop in its 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 24.4% for the two of April and May 2022, which is slightly lower than the growth of 28.3% witnessed for the same period last year. This has resulted in the segment increasing its market share from 36.2% in YTD May FY21 to 39.7% in YTD May FY23.
  - If we observe the various segments within health, the group segment continues to hold the largest share at 59%, followed by retail at 31.2%, government at 8.6% and overseas medical at 1.2%.
  - The YTD May FY23 premium growth of the SAHI continues to be higher than the industry average. This has led to SAHI holding 22.4% of the health insurance market (increasing their share from 18.1% in YTD May FY21), while general insurance companies hold the balance 77.6%%, which is lower than the 81.9% share in YTD May FY21.
  - The Group Health Insurance segment is witnessing some increase in rates due to medical inflation, adverse claims ratio in the prior period and enhanced coverage.

- The Motor insurance segment has grown faster than health for the two months of FY23 at 35.2% and reached Rs 9,879.4 crore. The automobile industry's domestic sales grew 6.9% sequentially in May 2022 as the reduction in excise duty on fuels improved demand sentiment. On a year-on-year (y-o-y) basis, the growth was largely on account of the low base effect as the year-ago period was hit by the second wave of Covid-19. However, concerns regarding supply chain constraints due to the ongoing geopolitical tensions also persist. In addition, the second hike in repo rates by RBI might hurt the demand sentiments in the near term. The Motor TP rate has increased after two years and is expected to account for some growth in the premiums beginning June 2022.
- The Fire segment returned a growth rate of 13.7%, which is significantly higher than the 3.6% witnessed in the similar period last year, primarily due to renewals by corporates.
- Crop insurance premiums increased by Rs 47.9 crore for the two months ended May 2022, rising by 15.3% vs a 23.6% decline for the same period last year. Issues such as delay in claims settlement, the release of subsidy, and the voluntary nature of the Pradhan Mantri Fasal Bima Yojana (PMFBY) scheme (some states opting out of the scheme) continue to hamper the scheme. Meanwhile, in June 2022, IRDAI has reduced the solvency margin requirement for companies which undertake crop insurance to increase their underwriting capacity. As per IRDAI estimates, this move would unlock approximately Rs.1,400 crores in the capital, which will increase the capacity of insurers to underwrite additional business.

### CareEdge View

Driven by the health segment and the private sector, which has grown at a faster rate than the public sector, the non-life insurance industry has continued its FY23 journey in a robust manner. Despite a higher base, the health segment is set to see more demand amid increased awareness post-Covid and digital solutions being complemented by offline offerings. Meanwhile, any rise in premium rates could witness limited impact. The increase in motor TP premium, effective from June 2022, would also aid the growth. However, the growth could be limited by any unanticipated adverse impact of a new Covid wave and a rise in reinsurance rates.

### Annexure

**Figure A1: 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	9,127.2	11,713.1	14,570.0	36.2	39.6	39.7	28.3	24.4
Motor	6,744.7	7,304.6	9,879.4	26.8	24.7	26.9	8.3	35.2

Fire	5,652.1	5,854.8	6,654.5	22.4	19.8	18.1	3.6	13.7
Crop Insurance	409.1	312.4	360.3	1.6	1.1	1.0	-23.6	15.3
P.A.	619.3	1,021.1	1,008.7	2.5	3.5	2.7	64.9	-1.2
Marine Total	695.1	884.2	1,080.0	2.8	3.0	2.9	27.2	22.2
Liability	602.2	740.4	1,100.3	2.4	2.5	3.0	22.9	48.6
Engineering	437.6	602.1	690.5	1.7	2.0	1.9	37.6	14.7
Credit Guarantee	67.9	150.5	234.6	0.3	0.5	0.6	121.7	55.9
Aviation	100.1	208.2	160.2	0.4	0.7	0.4	108.0	-23.0
All Other Misc.	757.4	754.7	942.2	3.0	2.6	2.6	-0.4	24.8
<b>Grand Total</b>	<b>25,212.6</b>	<b>29,546.0</b>	<b>36,680.7</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>17.2</b>	<b>24.1</b>

Source: General Insurance Council

**Figure A2: 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	3,018.9	4,143.4	4,542.5	33.1	35.4	31.2	37.2	9.6
Health-Group	5,505.8	6,529.6	8,601.3	60.3	55.7	59.0	18.6	31.7
Health-Government	575.1	996.9	1,247.8	6.3	8.5	8.6	73.3	25.2
Overseas Medical	27.4	43.3	178.3	0.3	0.4	1.2	58.0	312.1
<b>Health Total</b>	<b>9,127.2</b>	<b>11,713.1</b>	<b>14,570.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>28.3</b>	<b>24.4</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	30.3	109.4	194.8	0.1	0.4	0.5
Bajaj Allianz General Insurance Co Ltd	1,498.7	1,648.7	2,165.8	5.9	5.6	5.9
Cholamandalam MS General Insurance Co Ltd	521.4	559.7	849.3	2.1	1.9	2.3
Edelweiss General Insurance Co Ltd	26.3	43.6	62.8	0.1	0.1	0.2
Future Generali India Insurance Co Ltd	479.6	476.9	606.9	1.9	1.6	1.7
Go Digit General Insurance Ltd	224.6	506.3	1,075.3	0.9	1.7	2.9
HDFC Ergo General Insurance Co Ltd	1,269.0	1,628.3	2,129.7	5.0	5.5	5.8
ICICI Lombard General Insurance Co Ltd	2,618.1	3,021.7	3,781.6	10.4	10.2	10.3

IFFCO-Tokio General Insurance Co Ltd	960.5	1,139.6	1,242.6	3.8	3.9	3.4
Kotak Mahindra General Insurance Co Ltd	50.9	73.8	137.3	0.2	0.2	0.4
Liberty General Insurance Co. Ltd	220.7	242.8	330.2	0.9	0.8	0.9
Magma HDI General Insurance Co Ltd	111.2	167.6	340.4	0.4	0.6	0.9
National Insurance Co Ltd	1,788.7	1,865.4	1,948.5	7.1	6.3	5.3
Navi General Insurance Co. Ltd	3.9	5.3	15.9	0.02	0.02	0.04
Raheja QBE General Insurance Co Ltd	23.0	55.7	70.1	0.1	0.2	0.2
Reliance General Insurance Co Ltd	1,219.4	1,334.4	1,603.1	4.8	4.5	4.4
Royal Sundaram General Insurance Co Ltd	389.6	413.0	484.7	1.5	1.4	1.3
SBI General Insurance Co Ltd	569.2	744.2	1,132.1	2.3	2.5	3.1
Shriram General Insurance Co Ltd	278.0	210.6	232.8	1.1	0.7	0.6
Tata AIG General Insurance Co Ltd	1,180.5	1,418.5	2,024.8	4.7	4.8	5.5
The New India Assurance Co Ltd	4,982.7	6,079.7	6,790.7	19.8	20.6	18.5
The Oriental Insurance Co Ltd	1,922.4	2,111.6	2,416.0	7.6	7.1	6.6
United India Insurance Co Ltd	2,739.4	2,556.4	3,052.7	10.9	8.7	8.3
Universal Sompo General Insurance Co Ltd	295.9	359.2	533.5	1.2	1.2	1.5
<b>General Insurers Total</b>	<b>23,404.2</b>	<b>26,772.0</b>	<b>33,221.7</b>	<b>92.8</b>	<b>90.6</b>	<b>90.6</b>
Niva Bupa health insurance company limited	188.2	373.5	495.1	0.7	1.3	1.3
Aditya Birla Health Insurance Co Ltd	156.3	247.7	347.9	0.6	0.8	0.9
Care Health Insurance Ltd	295.3	494.3	707.3	1.2	1.7	1.9
ManipalCigna Health Insurance Co Ltd	88.0	143.3	192.4	0.3	0.5	0.5
Star Health & Allied Insurance Co Ltd	925.2	1,324.3	1,516.4	3.7	4.5	4.1
<b>Standalone Health Insurers Total</b>	<b>1,653.0</b>	<b>2,583.0</b>	<b>3,259.0</b>	<b>6.6</b>	<b>8.7</b>	<b>8.9</b>
Agriculture Insurance Co of India Ltd	87.5	94.4	48.8	0.3	0.3	0.1
ECGC Ltd	67.9	96.5	151.2	0.3	0.3	0.4
<b>Specialised Total</b>	<b>155.3</b>	<b>190.9</b>	<b>200.0</b>	<b>0.6</b>	<b>0.6</b>	<b>0.5</b>
<b>Industry Total</b>	<b>25,212.6</b>	<b>29,546.0</b>	<b>36,680.7</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: General Insurance Council, IRDAI

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