

Non-Life Industry Reports Near Flat Numbers for Sept, Health and Motor Continue to Drive Growth

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Overview

After over 20% growth in Q1FY23, the non-life insurance industry registered a growth of 10% in Q2FY23. Meanwhile, the industry has reported near flat growth for September 2022, given that the General Insurers declined marginally by 0.1% as public players dropped 10% in September 2022 after reducing by 15% in September 2021. In H1FY23, the industry has grown 15.3%, compared to 12.6% in the same period last year. This growth was driven by health (especially the group segment), motor, and crop 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	17,680.0		-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	Sep 2020	Sep 2021	Sep 2022	Sep 2021 Growth (%)	Sep 2022 Growth (%)	H1 FY21	H1 FY22	H1 FY23	H1 FY22 Growth (%)	H1 FY23 Growth (%)
General Insurers	18,904.0	19,021.8	18,999.9	0.6	-0.1	82,025.2	90,951.1	1,04,622.4	10.9	15.0
SAHI	1,325.0	1,762.9	2,191.6	33.0	24.3	6,694.6	9,202.0	11,662.0	37.5	26.7
Specialized PSU Ins.	2,641.9	1,461.6	1,647.1	-44.7	12.7	7,671.3	8,422.3	8,911.5	9.8	5.8
Total	22,870.8	22,246.3	22,838.6	-2.7	2.7	96,391.1	1,08,575.3	1,25,195.9	12.6	15.3

Source: General Insurance Council, IRDAI

- General Insurers' September 2022 numbers were down marginally by 0.1% compared to a marginal increase of 0.6%, while for H1FY23, 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 September 2022 numbers reached Rs 2,191.6 crores, up from Rs 1,762.9 crore in September 2021. This monthly growth of 24.3% was slower than the 33% growth reported in September 2021. Meanwhile, the H1FY23 growth rate was slower in the current year vs. last year. This slowing growth was on account of the normalized growth in the government health schemes in the current year, while last year, the same had posted significant growth.
- Specialized insurers posted a significantly slower increase of 12.7% in September 2022 after reporting a decrease of 44.7% in September 2021. The growth can primarily be attributed to a rise in crop insurance and ECGC premiums.

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

Premium Type	Sep 2020	Sep 2021	Sep 2022	Sep 2021 Growth (%)	Sep 2022 Growth (%)	H1 FY21	H1 FY22	H1 FY23	H1 FY22 Growth (%)	H1 FY23 Growth (%)
Public	11,106.6	9,411.4	8,456.6	-15.3	-10.1	43,319.8	46,947.7	49,924.4	8.4	6.3
Private	11,764.2	12,834.9	14,382.0	9.1	12.1	53,071.3	61,627.7	75,271.5	16.1	22.1

Source: General Insurance Council, IRDAI

- The trend of private players outpacing their public peers has continued, with private companies growing faster than their public counterparts. The market share of private non-life insurance companies has witnessed a sustained increase to 60% in H1 FY23 from 57% in H1 FY22 and 55% in H1 FY21.

Figure 4: Movement in Segment Premiums (Rs crore)

Segment	Total Premium Rs crore			% Share			YoY Growth	
	H1 FY21	H1 FY22	H1 FY23	H1 FY21	H1 FY22	H1 FY23	H1 FY22	H1 FY23
Health	28,716.2	36,980.7	43,980.2	29.8	34.1	35.1	28.8	18.9
Motor	27,964.5	29,339.8	34,879.9	29.0	27.0	27.9	4.9	18.9
Fire	11,345.2	12,211.9	13,570.9	11.8	11.2	10.8	7.6	11.1
Crop Insurance	18,351.5	17,455.1	17,698.6	19.0	16.1	14.1	-4.9	1.4
Other Segments	10,013.8	12,587.9	15,066.3	10.4	11.6	12.0	25.7	19.7
Grand Total	96,391.1	1,08,575.3	1,25,195.9	100.0	100.0	100.0	12.6	15.3

Source: General Insurance Council, IRDAI

For H1FY23, 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 29.8% for H1 FY21 to 35.1% for H1FY23. The health segment has grown by 18.9% for H1 FY23, which is lower than the growth of 28.8% witnessed for H1 FY22.
 - If we observe the various segments within health, the group segment continues to hold the largest share at 53.1% (51.7% last year), followed by retail at 36.1% (37.6% last year), government at 9.5% (10.3% last year), and overseas medical at 1.3% (0.4% last year).
 - Group Health segment has been witnessing growth due to 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 H1 FY23 has moderated vs. H1 FY22.
 - The government schemes have increased their share in H1 FY22 and H1 FY23 after a smaller share of 6.4% in H1 FY21 due to the Ayushman Bharat scheme, and enhanced coverage/ medical options being made available primarily due to pandemic-induced spending. Moreover, 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 H1 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 23.3%

in H1 FY21), while general insurance companies hold the balance 73.5%, compared to 76.7% share in H1 FY21. Within the general insurance companies, private players have nearly kept pace with SAHI, while public companies have grown at a much slower pace.

- Motor insurance has continued to grow neck to neck with health for H1 FY23 reporting a growth rate of 18.9% and reaching Rs. 34,879.9 crore. This growth rate is significantly better than last year's 4.9%. In H1 FY23, Motor OD grew by 19.7% (vs. 7.9% for H1FY22) and Motor TP rose by 18.3% (vs. 3.1% for H1FY22). For September 2022, Motor OD and Motor TP premiums grew by 18.2% and 10.5%, respectively. The growth can be attributed to last year's low base, the repricing of Motor TP rates and higher vehicle sales. According to SIAM, overall domestic sales grew by over 20% and stood at 20.93 lakh units in September 2022 versus 17.27 lakh in September 2021.
- Crop insurance segment reported a total premium of Rs. 17,698.6 crore, up 1.4% y-o-y in H1FY23. Agriculture Insurance Co of India Ltd. has increased its share from 45.6% of the crop segment in H1FY22 to 47.3% in H1FY23.

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 maintained its strong FY23 journey. Despite a higher base, the health segment is anticipated to witness continued demand amid increased awareness post-Covid. 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. Digital solutions complemented by offline channels would continue to contribute to the growth momentum.

Annexure

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

Segment	Total Premium Rs crore			% Share			YoY Growth	
	H1 FY21	H1 FY22	H1 FY23	H1 FY21	H1 FY22	H1 FY23	H1 FY22	H1 FY23
Health-Retail	11,831.8	13,892.0	15,872.1	41.2	37.6	36.1	17.4	14.3
Health-Group	14,937.1	19,128.3	23,360.5	52.0	51.7	53.1	28.1	22.1
Health-Government	1,841.5	3,803.9	4,188.2	6.4	10.3	9.5	106.6	10.1
Overseas Medical	105.8	156.5	559.4	0.4	0.4	1.3	47.9	257.5
Health Total	28,716.2	36,980.7	43,980.2	100.0	100.0	100.0	28.8	18.9

Source: General Insurance Council

Figure A2: Movement in Segment Premiums (Rs crore)

Segment	Total Premium			% Share			YoY Growth (%)	
	H1 FY21	H1 FY22	H1 FY23	H1 FY21	H1 FY22	H1 FY23	H1 FY22	H1 FY23
Health	28,716.2	36,980.7	43,980.2	29.8	34.1	35.1	28.8	18.9
Motor	27,964.5	29,339.8	34,879.9	29.0	27.0	27.9	4.9	18.9
Fire	11,345.2	12,211.9	13,570.9	11.8	11.2	10.8	7.6	11.1
Crop Insurance	18,351.5	17,455.1	17,698.6	19.0	16.1	14.1	-4.9	1.4
P.A.	2,328.0	3,487.7	3,645.5	2.4	3.2	2.9	49.8	4.5
Marine	1,611.0	2,077.3	2,659.1	1.7	1.9	2.1	28.9	28.0
Liability	1,681.7	2,032.3	2,831.3	1.7	1.9	2.3	20.8	39.3
Engineering	1,396.7	1,774.2	2,119.5	1.4	1.6	1.7	27.0	19.5
Credit Guarantee	608.4	639.5	775.1	0.6	0.6	0.6	5.1	21.2
Aviation	314.1	397.0	388.7	0.3	0.4	0.3	26.4	-2.1
All Other Misc.	2,074.1	2,180.0	2,647.1	2.2	2.0	2.1	5.1	21.4
Grand Total	96,391.1	1,08,575.3	1,25,195.9	100.0	100.0	100.0	12.6	15.3

Source: General Insurance Council

Figure A3: Company-wise Premiums

Insurer	Premium (Rs crore)			Market Share (%)		
	H1 FY21	H1FY22	H1FY23	H1FY21	H1 FY22	H1 FY23
Acko General Insurance Ltd	149.6	414.7	706.1	0.2	0.4	0.6
Bajaj Allianz General Insurance Co Ltd	6,408.9	7,483.1	7,831.2	6.6	6.9	6.3
Cholamandalam MS General Insurance Co Ltd	1,950.9	2,122.2	2,764.1	2.0	2.0	2.2
Edelweiss General Insurance Co Ltd	94.0	154.0	269.0	0.1	0.1	0.2
Future Generali India Insurance Co Ltd	1,597.4	1,817.6	1,921.0	1.7	1.7	1.5
Go Digit General Insurance Ltd	973.0	1,780.1	2,966.1	1.0	1.6	2.4
HDFC Ergo General Insurance Co Ltd	5,916.7	6,525.2	8,002.1	6.1	6.0	6.4
ICICI Lombard General Insurance Co Ltd	8,047.4	8,612.6	10,555.1	8.3	7.9	8.4
IFFCO-Tokio General Insurance Co Ltd	4,227.9	4,365.2	4,547.7	4.4	4.0	3.6
Kotak Mahindra General Insurance Co Ltd	233.6	277.7	500.0	0.2	0.3	0.4
Liberty General Insurance Co. Ltd	650.7	689.6	908.8	0.7	0.6	0.7
Magma HDI General Insurance Co Ltd	513.6	689.7	1,132.1	0.5	0.6	0.9
Navi General Insurance Co. Ltd	38.7	36.6	37.3	0.04	0.03	0.03
Raheja QBE General Insurance Co Ltd	90.4	186.0	247.8	0.1	0.2	0.2
Reliance General Insurance Co Ltd	4,500.6	5,072.5	5,658.6	4.7	4.7	4.5
Royal Sundaram General Insurance Co Ltd	1,219.9	1,352.8	1,550.4	1.3	1.2	1.2
SBI General Insurance Co Ltd	3,619.7	4,129.0	4,987.1	3.8	3.8	4.0
Shriram General Insurance Co Ltd	1,008.9	780.6	991.3	1.0	0.7	0.8
Tata AIG General Insurance Co Ltd	3,781.0	4,366.6	5,953.0	3.9	4.0	4.8
National Insurance Co Ltd	7,021.0	6,888.6	6,852.2	7.3	6.3	5.5
The New India Assurance Co Ltd	14,100.0	16,887.8	17,373.4	14.6	15.6	13.9
The Oriental Insurance Co Ltd	6,261.4	7,122.5	8,002.3	6.5	6.6	6.4
United India Insurance Co Ltd	8,266.2	7,626.5	8,785.0	8.6	7.0	7.0
Universal Sampo General Insurance Co Ltd	1,353.7	1,570.0	2,080.9	1.4	1.4	1.7
General Insurers Sub Total	82,025.2	90,951.1	1,04,622.4	85.1	83.8	83.6
Niva Bupa Health Insurance Co Ltd	719.3	1,249.0	1,745.8	0.7	1.2	1.4
Aditya Birla Health Insurance Co Ltd	550.0	763.7	1,270.6	0.6	0.7	1.0
Care Health Insurance Ltd	1,140.2	1,678.0	2,395.3	1.2	1.5	1.9
ManipalCigna Health Insurance Co Ltd	329.2	441.6	595.1	0.3	0.4	0.5
Star Health & Allied Insurance Co Ltd	3,956.0	5,069.8	5,655.2	4.1	4.7	4.5
Stand Alone Health Insurers Sub Total	6,694.6	9,202.0	11,662.0	6.9	8.5	9.3
Agriculture Insurance Co of India Ltd	7,219.5	7,961.2	8,378.7	7.5	7.3	6.7
ECGC Ltd	451.8	461.1	532.8	0.5	0.4	0.4
Specialised Insurers Sub Total	7,671.3	8,422.3	8,911.5	8.0	7.8	7.1
Grand Total	96,391.1	1,08,575.3	1,25,195.9	100.0	100.0	100.0

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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