

Non-Life Insurance Continues to Chug Along with Motor and Group Health as its Twin Engines of Growth

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Overview

After over 20% growth in the first three months of FY23, the non-life insurance industry has moderated a tad and reported 16% growth in July 2022 to reach Rs. 23,392.4 crore compared to Rs. 20,157.3 crore in July 2021. In the year-to-date period, the industry reported a growth rate of 20.8%, compared to the 15.2% for the same period last year. This growth has continued to be driven by health (especially the group segment), motor; and crop insurance (which reversed the drop witnessed last year for the same period).

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	21,871.7		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	Jul 2020	Jul 2021	Jul 2022	Jul 2021 Growth (%)	Jul 2022 Growth (%)	YTD FY21	YTD FY22	YTD FY23	YTD FY22 Growth (%)	YTD FY23 Growth (%)
General Insurers	14,003.8	16,469.3	19,659.4	17.6	19.4	49,843.7	56,280.7	68,520.8	12.9	21.7
SAHI	1,374.8	1,737.2	2,146.5	26.4	23.6	4,089.8	5,829.3	7,411.0	42.5	27.1
Specialized PSU Ins.	1,506.2	1,950.8	1,586.6	29.5	-18.7	2,006.1	2,351.2	1,953.6	17.2	-16.9
Total	16,884.8	20,157.2	23,392.4	19.4	16.0	55,939.6	64,461.1	77,885.4	15.2	20.8

Source: General Insurance Council, IRDAI

- General Insurers’ July 2022 numbers were up at 19.4% vs 17.6% a year ago, while for the first four months of FY23, the growth has been more than 1.5x that was witnessed last year. The continued growth can primarily be attributed to health insurance, followed by the motor segment. Crop insurance too contributed to this growth showing a growth rate of 50.5% reaching Rs. 3,239.97 crore vs. Rs 2,158.22 for the same period last year. This growth is due to a couple of private players increasing their participation in the segment.
- Standalone Pvt Health Insurers (SAHI) have continued their growth trajectory as July 2022 numbers reached Rs 2,146.5 crore, up from Rs 1,737.2 crore in July 2021. However, the jump of 23.6% was lower than the 26.4% growth reported in July 2021.
- Specialised insurers posted a decline of 18.7% in July 2022 after reporting an increase in July 2021. This decline can be attributed to a fall in crop insurance, which was partially offset by growth in ECGC premiums.

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

Premium Type	Jul 2020	Jul 2021	Jul 2022	Jul 2021 Growth (%)	Jul 2022 Growth (%)	YTD FY21	YTD FY22	YTD FY23	YTD FY22 Growth (%)	YTD FY23 Growth (%)
Public	6,980.8	8,387.1	9,636.6	20.1	14.9	24,499.0	27,496.6	30,629.8	12.2	11.4
Private	9,904.0	11,770.1	13,755.9	18.8	16.9	31,440.6	36,964.6	47,255.5	17.6	27.8

Source: General Insurance Council, IRDAI

- July 2022 numbers have continued the trend of private players outpacing their public peers, with the private companies growing faster than their public counterparts. The market share of private non-life insurance companies has witnessed a sustained increase to 61% in YTD FY23 from 57% 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	18,333.8	24,461.6	29,816.9	32.8	37.9	38.3	33.4	21.9
Motor	16,997.4	17,810.6	21,884.5	30.4	27.6	28.1	4.8	22.9
Fire	8,924.5	9,548.7	10,680.8	16.0	14.8	13.7	7.0	11.9
Crop Insurance	4,817.3	4,221.3	4,847.1	8.6	6.5	6.2	-12.4	14.8
Other Segments	6,866.6	8,418.8	10,656.1	12.3	13.1	13.7	22.6	26.6
Grand Total	55,939.6	64,461.1	77,885.4	100.0	100.0	100.0	15.2%	20.8

Source: General Insurance Council, IRDAI

For the first four months of FY23, all segments have shown y-o-y growth, while for the similar period in FY22, only the crop insurance segment had reported a drop in its premium numbers.

- Health insurance premium 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 32.8% for YTD FY21 to 38.3% for YTD FY23. The health segment has grown by 21.9% for year-to-date FY23, which is lower than the growth of 33.4% witnessed for the same period in FY22.
 - If we observe the various segments within health, the group segment continues to hold the largest share at 53.6% (vs. 50.9% last year), followed by retail at 34% (vs. 36.8% last year), government at 11.2% (vs. 11.9% last year), and overseas medical at 1.2% (vs. 0.3% last year). The Group Health Insurance segment is witnessing significant growth as rates have increased 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 YTD FY23 slowed vs. YTD FY22. Another factor is the government schemes which have increased their share to more than 11% in YTD FY22 and YTD FY23 after a smaller share of 4.4% in YTD FY21. Overseas Medical has increased albeit on a smaller base indicating that it could be returning to pre-pandemic levels given that international air travel has increased in India.

- The YTD FY23 premium growth of the SAHI continues to be higher than the industry average. This has led to SAHI holding 24.9% of the health insurance market (increasing their share by 22.3% in YTD FY21), while general insurance companies hold the balance 75.1%, compared to 77.7% share in YTD FY21.
- The Motor insurance segment has continued to grow faster than health for the first four months of FY23 clocking a growth rate of 22.9% and reaching Rs 21,884.5 crore. This growth rate is significantly better than last year's 4.8%. In year-to-date FY23, Motor OD grew by 23% (vs. 8.6% for the same period last year) and Motor TP rose by 22.8% (vs. 2.8% for the same period last year). For July 2022, Motor OD and Motor TP premiums grew by 7.8% and 15.4%, respectively. The growth can be attributed to a low base of last year and an increase in Motor TP tariffs. According to FADA, the automobile industry's domestic sales dropped by 7.8% y-o-y in July 2022. If 2W sales are excluded, vehicle sales would have eked out a marginal 0.4% increase in July. Generally, July is considered a lean month prior to the beginning of the festival season in August. However, concerns regarding inflation and supply chain constraints due to the ongoing geopolitical tensions continue to persist.
- Crop insurance premiums increased by Rs 635.8 crore for the first four months of FY23, rising by 14.8% vs a 12.4% decline for the same period last year. The increase could be attributed to the fact that the deadline for insuring Kharif crops was till end of July. Private insurers have increased their participation, while Agriculture Insurance Co of India Ltd reported a drop, for the period under review. Further according to media reports, claims ratio till June 2022, has been quite low compared to earlier years.

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 more demand amid increased awareness post-Covid. Meanwhile, any rise in premium rates could witness a limited impact. 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. 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 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	7,345.5	9,009.5	10,134.8	40.1	36.8	34.0	22.7	12.5
Health-Group	10,128.1	12,457.8	15,971.7	55.2	50.9	53.6	23.0	28.2
Health-Government	805.5	2,916.5	3,346.0	4.4	11.9	11.2	262.1	14.7
Overseas Medical	54.8	77.9	364.4	0.3	0.3	1.2	42.2	367.9
Health Total	18,333.8	24,461.6	29,816.9	100.0	100.0	100.0	33.4	21.9

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	18,333.8	24,461.6	29,816.9	32.8	37.9	38.3	33.4	21.9
Motor	16,997.4	17,810.6	21,884.5	30.4	27.6	28.1	4.8	22.9
Fire	8,924.5	9,548.7	10,680.8	16.0	14.8	13.7	7.0	11.9
Crop Insurance	4,817.3	4,221.3	4,847.1	8.6	6.5	6.2	-12.4	14.8
P.A.	1,573.2	1,975.7	2,505.3	2.8	3.1	3.2	25.6	26.8
Marine	1,156.6	1,492.4	1,927.7	2.1	2.3	2.5	29.0	29.2
Liability	1,221.6	1,477.8	2,126.1	2.2	2.3	2.7	21.0	43.9
Engineering	936.9	1,238.6	1,416.9	1.7	1.9	1.8	32.2	14.4
Credit Guarantee	387.5	413.8	506.6	0.7	0.6	0.7	6.8	22.4
Aviation	164.2	284.6	317.0	0.3	0.4	0.4	73.4	11.4
All Other Misc.	1,426.7	1,536.0	1,856.5	2.6	2.4	2.4	7.7	20.9
Grand Total	55,939.6	64,461.1	77,885.4	100.0	100.0	100.0	15.2	20.8

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	81.9	241.1	432.2	0.1%	0.4%	0.6%
Bajaj Allianz General Insurance Co Ltd	4,270.4	5,131.0	5,595.5	7.6%	8.0%	7.2%
Cholamandalam MS General Insurance Co Ltd	1,216.7	1,302.7	1,778.8	2.2%	2.0%	2.3%
Edelweiss General Insurance Co Ltd	50.6	84.7	167.8	0.1%	0.1%	0.2%
Future Generali India Insurance Co Ltd	901.1	1,038.7	1,197.8	1.6%	1.6%	1.5%
Go Digit General Insurance Ltd	593.7	1,088.1	1,983.2	1.1%	1.7%	2.5%
HDFC Ergo General Insurance Co Ltd	2,829.4	3,342.5	4,233.8	5.1%	5.2%	5.4%
ICICI Lombard General Insurance Co Ltd	5,202.2	5,709.2	7,330.3	9.3%	8.9%	9.4%
IFFCO-Tokio General Insurance Co Ltd	2,384.9	2,629.2	2,834.1	4.3%	4.1%	3.6%
Kotak Mahindra General Insurance Co Ltd	146.8	169.3	308.1	0.3%	0.3%	0.4%
Liberty General Insurance Co. Ltd	437.1	459.0	612.6	0.8%	0.7%	0.8%
Magma HDI General Insurance Co Ltd	321.4	449.6	762.5	0.6%	0.7%	1.0%
National Insurance Co Ltd	3,823.2	4,218.7	4,615.0	6.8%	6.5%	5.9%
Navi General Insurance Co. Ltd	18.1	16.8	27.6	0.0%	0.0%	0.0%
Raheja QBE General Insurance Co Ltd	53.4	126.9	156.7	0.1%	0.2%	0.2%
Reliance General Insurance Co Ltd	2,483.3	2,754.9	3,258.7	4.4%	4.3%	4.2%
Royal Sundaram General Insurance Co Ltd	790.2	893.6	1,020.3	1.4%	1.4%	1.3%
SBI General Insurance Co Ltd	1,888.3	1,686.3	2,431.2	3.4%	2.6%	3.1%
Shriram General Insurance Co Ltd	633.2	480.6	591.8	1.1%	0.7%	0.8%
Tata AIG General Insurance Co Ltd	2,478.5	2,856.3	4,069.1	4.4%	4.4%	5.2%
The New India Assurance Co Ltd	9,510.3	11,569.4	12,539.5	17.0%	17.9%	16.1%
The Oriental Insurance Co Ltd	3,757.5	4,307.0	5,412.0	6.7%	6.7%	6.9%
United India Insurance Co Ltd	5,401.9	5,050.4	6,109.7	9.7%	7.8%	7.8%
Universal Sompo General Insurance Co Ltd	569.8	674.9	1,052.5	1.0%	1.0%	1.4%
General Insurers Sub Total	49,843.7	56,280.7	68,520.8	89.1%	87.3%	88.0%
Niva Bupa health insurance company limited	447.4	808.7	1,098.5	0.8%	1.3%	1.4%
Aditya Birla Health Insurance Co Ltd	346.0	493.0	847.3	0.6%	0.8%	1.1%
Care Health Insurance Ltd	713.1	1,050.2	1,519.7	1.3%	1.6%	2.0%
ManipalCigna Health Insurance Co Ltd	206.8	288.5	390.0	0.4%	0.4%	0.5%
Star Health & Allied Insurance Co Ltd	2,376.5	3,189.0	3,555.5	4.2%	4.9%	4.6%
Stand-alone Health Sub-Total	4,089.8	5,829.3	7,411.0	7.3%	9.0%	9.5%
Agriculture Insurance Co of India Ltd	1,728.4	2,063.1	1,607.1	3.1%	3.2%	2.1%
ECGC Ltd	277.7	288.1	346.4	0.5%	0.4%	0.4%
Specialised Sub-Total	2,006.1	2,351.2	1,953.6	3.6%	3.6%	2.5%
Industry Total	55,939.6	64,461.1	77,885.4	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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