

# Non-Life Insurance Remains on Growth Path: Motor and Group Health Lead the Way

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## Overview

The non-life insurance industry continued its growth momentum in FY23, reporting a 20.7% growth in June 2022, to reach Rs 17,810.6 crore compared to Rs 14,761.0 crore in June 2021. In Q1FY23, the industry saw more than 1.5x growth than in Q1FY22. This continued to be driven by the health and the motor segments. Apart from growth in vehicle sales, Motor segment has also been driven by the Motor TP rate hike which came into force at the beginning of 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	14,761.0	17,810.6	6.9	6.6	20.7
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	June 2020	June 2021	June 2022	June 2021 Growth (%)	June 2022 Growth (%)	Q1 FY21	Q1 FY22	Q1 FY23	Q1 FY22 Growth (%)	Q1 FY23 Growth (%)
General Insurers	12,435.7	13,042.5	15,638.8	4.9	19.9	35,839.9	39,811.4	48,860.5	11.1	22.7
SAHI	1,061.9	1,509.1	2,004.8	42.1	32.8	2,715.0	4,092.1	5,263.8	50.7	28.6
Specialized PSU Ins.	344.6	209.5	167.0	-39.2	-20.3	500.0	400.4	367.0	-19.9	-8.3
<b>Total</b>	<b>13,842.3</b>	<b>14,761.0</b>	<b>17,810.6</b>	<b>6.6</b>	<b>20.7</b>	<b>39,054.8</b>	<b>44,303.9</b>	<b>54,491.3</b>	<b>13.4</b>	<b>23.0</b>

Source: General Insurance Council, IRDAI

- General Insurers’ June 2022 numbers were up at 19.9% vs 4.9% a year ago, while for Q1FY23, the growth has been twice than that seen last year. The continued growth can primarily be attributed to health insurance, followed by the motor segment.
- Standalone Pvt Health Insurers (SAHI) have continued their growth trajectory as June 2022 numbers reached Rs 2,004.8 crore, up from Rs 1,509.1 crore in June 2021. However, the jump of 28.6% was lower than the 50.7% growth reported in June 2021 (pandemic impact as a better part of June 2020 was spent under lockdown).
- Specialised insurers reported a decline of 20.3% in June 2022 after reporting a drop in June 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	June 2020	June 2021	June 2022	June 2021 Growth (%)	June 2022 Growth (%)	Q1 FY21	Q1 FY22	Q1 FY23	Q1 FY22 Growth (%)	Q1 FY23 Growth (%)
Public	5,929.6	6,305.5	6,585.4	6.3	4.4	17,518.2	19,109.5	20,993.3	9.1	9.9
Private	7,912.6	8,455.5	11,225.2	6.9	32.8	21,536.6	25,194.4	33,498.0	17.0	33.0

Source: General Insurance Council, IRDAI

- June 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 witnessed a sustained increase to 61% in Q1FY23 from 57% in Q1FY22 and 55% in Q1FY21.

**Figure 4: Movement in Segment Premiums (Rs crore)**

Segment	Total Premium Rs crore			% Share			YoY Growth	
	Q1 FY21	Q1 FY22	Q1 FY23	Q1 FY21	Q1 FY22	Q1 FY23	Q1 FY22	Q1 FY23
Health	13,364.4	17,367.5	21,281.6	34.2	39.2	39.1	30.0	22.5
Motor	11,995.2	12,365.8	15,766.0	30.7	27.9	28.9	3.1	27.5
Fire	7,257.6	7,551.8	8,515.8	18.6	17.0	15.6	4.1	12.8
Crop Insurance	1,479.3	711.5	1,299.2	3.8	1.6	2.4	-51.9	82.6
Other Segments	4,958.4	6,307.3	7,628.7	12.7	14.2	14.0	27.2	21.0
<b>Grand Total</b>	<b>39,054.8</b>	<b>44,303.9</b>	<b>54,491.3</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>13.4</b>	<b>23.0</b>

Source: General Insurance Council, IRDAI

For Q1FY23, all segments, barring the personal accident segment, have shown y-o-y growth, while in Q1FY22, 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 22.5% for Q1FY23, which is lower than the growth of 30% witnessed in Q1FY22. This has resulted in the segment increasing its market share from 34.2% in Q1FY21 to 39.1% in Q1FY23.
  - If we observe the various segments within health, the group segment continues to hold the largest share at 57% (vs. 55.1% last year), followed by retail at 33.7% (vs. 37.2% last year), government at 8.1% (vs. 7.4% last year), and overseas medical at 1.3% (vs. 0.3% last year). The Group Health Insurance segment is witnessing significant growth as rates have increased due to medical inflation, adverse claims ratio in the prior period and enhanced coverage, and, corporates renew their health cover in the first quarter of the financial year. The Retail Health segment growth has continued but looks to be normalising post the pandemic as the growth rate in Q1FY23 has slowed vs. Q1FY22.

- The Q1FY23 premium growth of the SAHI continues to be higher than the industry average. This has led to SAHI holding 24.7% of the health insurance market (increasing their share by 20.3% in Q1 FY21), while general insurance companies hold the balance 75.3%, compared to 79.7% share in Q1FY21.
- The Motor insurance segment has grown faster than health for Q1FY23 at 27.5% and reached Rs 15,766.0 crore. This growth rate is significantly better than Q1FY22's 3.1%. In Q1FY23, Motor OD grew by 29.8% (vs. 7.3% in Q1FY22) and Motor TP rose by 26% (vs. 0.5% in Q1FY22). The growth can be attributed to a low base of last year and an increase in auto sales. The automobile industry's domestic sales grew 27.2% y-o-y in June 2022. 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. Further, the growth, barring the two-wheeler segment, has nearly returned to per-Covid levels. Hence, motor insurance growth would likely be in consonance with the pick-up in automotive sales. However, concerns regarding inflation and supply chain constraints due to the ongoing geopolitical tensions also persist.
- The Fire segment saw a growth rate of 12.8%, 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 587.7 crore for Q1FY23, rising by 82.6% vs a 51.9% decline for the same period last year. The rise is also on account of the Kharif season plantation. Meanwhile, 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. On the other hand, states such as Andhra Pradesh have joined the scheme could boost the scheme. The reduced solvency margin requirements by IRDAI in June 2022, have increased the companies' underwriting capacity.

### **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 robustly. 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 a limited impact. The increase in vehicle (excluding two-wheelers) sales and motor TP premium has also aided growth. IRDAI circular to launch add-ons such as pay as/how you drive; and floater option could boost Motor OD adoption (as per the Insurance Information Bureau of India, uninsured vehicles as a percentage of vehicles on road in India for FY19 remained at a high of 57% with the bulk of the uninsured vehicles being two-wheelers). 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	
	Q1 FY21	Q1 FY22	Q1 FY23	Q1 FY21	Q1 FY22	Q1 FY23	Q1 FY22	Q1 FY23
Health-Retail	4,917.7	6,453.8	7,169.6	36.8	37.2	33.7	31.2	11.1
Health-Group	7,777.2	9,566.5	12,120.9	58.2	55.1	57.0	23.0	26.7
Health-Government	629.7	1,290.6	1,714.3	4.7	7.4	8.1	104.9	32.8
Overseas Medical	39.8	56.6	276.7	0.3	0.3	1.3	42.5	n.m.
<b>Health Total</b>	<b>13,364.4</b>	<b>17,367.5</b>	<b>21,281.6</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>30.0</b>	<b>22.5</b>

Source: General Insurance Council

**Figure A2: Movement in Segment Premiums (Rs crore)**

Segment	Total Premium			% Share			YoY Growth (%)	
	Q1 FY21	Q1 FY22	Q1 FY23	Q1 FY21	Q1 FY22	Q1 FY23	Q1 FY22	Q1 FY23
Health	13,364.4	17,367.5	21,281.6	34.2	39.2	39.1	30.0	22.5
Motor	11,995.2	12,365.8	15,766.0	30.7	27.9	28.9	3.1	27.5
Fire	7,257.6	7,551.8	8,515.8	18.6	17.0	15.6	4.1	12.8
Crop Insurance	1,479.3	711.5	1,299.2	3.8	1.6	2.4	-51.9	82.6
P.A.	1,084.5	1,568.3	1,551.2	2.8	3.5	2.8	44.6	-1.1
Marine	920.3	1,168.3	1,448.3	2.4	2.6	2.7	26.9	24.0
Liability	895.4	1,099.8	1,611.3	2.3	2.5	3.0	22.8	46.5
Engineering	680.1	901.8	1,062.3	1.7	2.0	1.9	32.6	17.8
Credit Guarantee	249.1	273.3	371.8	0.6	0.6	0.7	9.7	36.0
Aviation	119.4	234.9	240.1	0.3	0.5	0.4	96.7	2.2
All Other Misc.	1,009.5	1,061.0	1,343.8	2.6	2.4	2.5	5.1	26.7
<b>Grand Total</b>	<b>39,054.8</b>	<b>44,303.9</b>	<b>54,491.3</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>13.4</b>	<b>23.0</b>

Source: General Insurance Council

**Figure A3: Company-wise Premiums**

Insurer	Premium (Rs crore)			Market Share (%)		
	Q1 FY21	Q1 FY22	Q1 FY23	Q1 FY21	Q1 FY22	Q1 FY23
Acko General Insurance Limited	56.2	170.3	318.2	0.1%	0.4%	0.6%
Bajaj Allianz General Insurance Company Limited	2,266.5	2,471.7	3,100.2	5.8%	5.6%	5.7%
Cholamandalam MS General Insurance Company Limited	859.8	900.5	1,290.3	2.2%	2.0%	2.4%
NAVI General Insurance Limited	10.6	7.7	21.4	0.03%	0.02%	0.04%
Edelweiss General Insurance Company Limited	36.5	60.8	110.6	0.1%	0.1%	0.2%
Future Generali India Insurance Company Limited	672.5	699.5	866.0	1.7%	1.6%	1.6%
Go Digit General Insurance Limited	406.4	788.1	1,529.3	1.0%	1.8%	2.8%
HDFC Ergo General Insurance Company Limited	1,984.4	2,386.3	3,073.3	5.1%	5.4%	5.6%
ICICI Lombard General Insurance Company Limited	3,811.1	4,188.5	5,370.3	9.8%	9.5%	9.9%
IFFCO Tokio General Insurance Company Limited	1,734.5	1,832.5	2,129.3	4.4%	4.1%	3.9%
Kotak Mahindra General Insurance Company Limited	97.4	119.0	217.5	0.2%	0.3%	0.4%
Liberty General Insurance Limited	319.5	337.0	456.5	0.8%	0.8%	0.8%
Magma HDI General Insurance Company Limited	213.8	296.4	540.5	0.5%	0.7%	1.0%
National Insurance Company Limited	2,686.1	3,091.3	3,127.5	6.9%	7.0%	5.7%
Raheja QBE General Insurance Company Limited	36.1	87.2	111.7	0.1%	0.2%	0.2%
Reliance General Insurance Company Limited	1,851.9	2,054.5	2,474.4	4.7%	4.6%	4.5%
Royal Sundaram General Insurance Company Limited	584.4	619.3	729.2	1.5%	1.4%	1.3%
SBI General Insurance Company Limited	1,205.2	1,164.4	1,750.4	3.1%	2.6%	3.2%
Shriram General Insurance Company Limited	457.2	344.3	401.5	1.2%	0.8%	0.7%
Tata AIG General Insurance Company Limited	1,799.0	2,074.0	2,915.3	4.6%	4.7%	5.4%
The New India Assurance Company Limited	7,516.7	8,831.9	9,550.2	19.2%	19.9%	17.5%
The Oriental Insurance Company Limited	2,822.4	3,144.4	3,639.8	7.2%	7.1%	6.7%
United India Insurance Company Limited	3,993.1	3,641.6	4,308.9	10.2%	8.2%	7.9%
Universal Sompo General Insurance Company Limited	418.6	500.6	828.2	1.1%	1.1%	1.5%
<b>General Insurers Total</b>	<b>35,839.9</b>	<b>39,811.4</b>	<b>48,860.5</b>	<b>91.8%</b>	<b>89.9%</b>	<b>89.7%</b>
Aditya Birla Health Insurance Company Limited	245.6	367.5	630.4	0.6%	0.8%	1.2%
ManipalCigna Health Insurance Company Limited	143.1	211.2	286.5	0.4%	0.5%	0.5%
Niva Bupa Health Insurance Company Limited	306.0	584.8	784.4	0.8%	1.3%	1.4%
Care Health Insurance Limited	481.6	743.5	1,096.3	1.2%	1.7%	2.0%
Star Health & Allied Insurance Company Limited	1,538.7	2,185.1	2,466.2	3.9%	4.9%	4.5%
<b>Stand-alone Pvt Health Insurers Total</b>	<b>2,715.0</b>	<b>4,092.1</b>	<b>5,263.8</b>	<b>7.0%</b>	<b>9.2%</b>	<b>9.7%</b>
Agricultural Insurance Company of India Limited	329.6	207.0	113.4	0.8%	0.5%	0.2%
ECGC Limited	170.3	193.4	253.6	0.4%	0.4%	0.5%
<b>Specialized PSU Insurers Total</b>	<b>500.0</b>	<b>400.4</b>	<b>367.0</b>	<b>1.3%</b>	<b>0.9%</b>	<b>0.7%</b>
<b>Industry Total</b>	<b>39,054.8</b>	<b>44,303.9</b>	<b>54,491.3</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

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