

# Health and Motor Continue to Drive Growth in Non-Life Insurance in Aug

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## Overview

After over 20% growth in Q1 FY23, the non-life insurance industry registered a growth of 16% and 11.9% in July and August, respectively. In the year-to-date period, the industry has grown 18.6%, compared to 17.4% in the same period last year. This growth is 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	22,226.4		-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	Aug 2020	Aug 2021	Aug 2022	Aug 2021 Growth (%)	Aug 2022 Growth (%)	YTD FY21	YTD FY22	YTD FY23	YTD FY22 Growth (%)	YTD FY23 Growth (%)
General Insurers	13,277.5	15,648.6	17,101.7	17.9	9.3	63,121.2	71,929.3	85,622.5	14.0	19.0
SAHI	1,279.7	1,609.8	2,059.4	25.8	27.9	5,369.5	7,439.1	9,470.4	38.5	27.3
Specialized PSU Ins.	3,023.3	4,609.6	5,310.8	52.5	15.2	5,029.5	6,960.7	7,264.4	38.4	4.4
<b>Total</b>	<b>17,580.6</b>	<b>21,867.9</b>	<b>24,471.9</b>	<b>24.4</b>	<b>11.9</b>	<b>73,520.2</b>	<b>86,329.1</b>	<b>1,02,357.3</b>	<b>17.4</b>	<b>18.6</b>

Source: General Insurance Council, IRDAI

- General Insurers' August 2022 numbers were up at a slower 9.3% vs 17.9% a year ago, while for the first five months of FY23, the growth has been more than 1.3x that was witnessed last year driven by the health and motor segments.
- Standalone Private Health Insurers (SAHI) have continued their growth trajectory as August 2022 numbers reached Rs 2,059.4 crore, up from Rs 1,609.8 crore in August 2021, moreover this monthly growth was higher than the 25.8% growth reported in August 2021. On the other hand, the year-to-date 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 15.2% in August 2022 after reporting an increase of 52.5% in August 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	Aug 2020	Aug 2021	Aug 2022	Aug 2021 Growth (%)	Aug 2022 Growth (%)	YTD FY21	YTD FY22	YTD FY23	YTD FY22 Growth (%)	YTD FY23 Growth (%)
Public	7,714.2	10,039.7	10,838.0	30.1	8.0	32,213.2	37,536.3	41,467.8	16.5	10.5
Private	9,866.4	11,828.2	13,633.9	19.9	15.3	41,307.0	48,792.8	60,889.5	18.1	24.8

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 59% 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	22,830.2	30,043.9	36,189.7	31.1	34.8	35.4	31.6	20.5
Motor	22,162.2	23,459.3	28,215.2	30.1	27.2	27.6	5.9	20.3
Fire	10,096.1	10,779.7	12,078.5	13.7	12.5	11.8	6.8	12.0
Crop Insurance	10,124.2	11,671.2	13,132.6	13.8	13.5	12.8	15.3	12.5
Other Segments	8,307.4	10,374.9	12,741.4	11.3	12.0	12.4	24.9	22.8
<b>Grand Total</b>	<b>73,520.1</b>	<b>86,329.0</b>	<b>1,02,357.3</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>17.4</b>	<b>18.6</b>

Source: General Insurance Council, IRDAI

For the first five months of both FY22 and FY23, all segments 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 31.1% for YTD FY21 to 35.4% for YTD FY23. The health segment has grown by 20.5% for year-to-date FY23, which is lower than the growth of 31.6% 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 53.2% (vs. 50.4% last year), followed by retail at 35.8% (vs. 37.9% last year), government at 9.7% (vs. 11.3% last year), and overseas medical at 1.3% (vs. 0.4% last year). The Group Health Insurance segment is continuing to witness 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 YTD FY23 has moderated vs. YTD FY22. Another factor is the government schemes which have increased their share in YTD FY22 and YTD FY23 after a smaller share of 5.6% in YTD FY21 due to 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.
  - The YTD FY23 premium growth of the SAHI continues to be higher than the industry average. This has led to SAHI holding 26.2% of the health insurance market (increasing their share from 23.5% in YTD FY21), while general insurance companies hold the balance 73.8%, compared to 76.5% share in YTD FY21.

- The Motor insurance segment has continued to grow neck to neck with health for year-to-date FY23 reporting a growth rate of 20.3% and reached Rs. 28,215.2 crore. This growth rate is significantly better than last year's 5.9%. In year-to-date FY23, Motor OD grew by 20.1% (vs. 9.3% for the same period last year) and Motor TP rose by 20.4% (vs. 3.6% for the same period last year). For August 2022, Motor OD and Motor TP premiums grew by 11.1% and 12.8%, respectively. The growth can be attributed to a low base of last year, repricing of Motor TP rates and higher vehicle sales. According to FADA, the automobile industry's domestic sales increased by 8.3% y-o-y for the month of August 2022 kicking off the festive season.
- Crop insurance segment reported a total premium of Rs. 13,132.6 crore, up 12.6% y-o-y in YTFY23. Agriculture Insurance Co Of India Ltd. has increased its share from 46% of the crop segment in YTFY21 to 52% in YTFY23.

### **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. 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	9,566.8	11,386.3	12,954.4	41.9	37.9	35.8	19.0	13.8
Health-Group	11,903.8	15,143.0	19,268.1	52.1	50.4	53.2	27.2	27.2
Health-Government	1,284.2	3,399.2	3,501.8	5.6	11.3	9.7	164.7	3.0
Overseas Medical	75.4	115.4	465.4	0.3	0.4	1.3	53.1	303.1
<b>Health Total</b>	<b>22,830.2</b>	<b>30,043.9</b>	<b>36,189.7</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>31.6</b>	<b>20.5</b>

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	22,830.2	30,043.9	36,189.7	31.1	34.8	35.4	31.6	20.5
Motor	22,162.2	23,459.3	28,215.2	30.1	27.2	27.6	5.9	20.3
Fire	10,096.1	10,779.7	12,078.5	13.7	12.5	11.8	6.8	12.0
Crop Insurance	10,124.2	11,671.2	13,132.6	13.8	13.5	12.8	15.3	12.5
P.A.	1,919.0	2,733.8	3,029.4	2.6	3.2	3.0	42.5	10.8
Marine	1,365.8	1,782.7	2,303.5	1.9	2.1	2.3	30.5	29.2
Liability	1,422.7	1,710.6	2,450.1	1.9	2.0	2.4	20.2	43.2
Engineering	1,148.6	1,467.2	1,742.3	1.6	1.7	1.7	27.7	18.7
Credit Guarantee	485.6	497.7	625.7	0.7	0.6	0.6	2.5	25.7
Aviation	270.9	334.7	345.0	0.4	0.4	0.3	23.5	3.1
All Other Misc.	1,694.8	1,848.2	2,245.4	2.3	2.1	2.2	9.1	21.5
<b>Grand Total</b>	<b>73,520.1</b>	<b>86,329.0</b>	<b>1,02,357.3</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>17.4</b>	<b>18.6</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	111.2	325.1	571.1	0.2	0.4	0.6
Bajaj Allianz General Insurance Co Ltd	5,471.0	6,468.4	6,616.9	7.4	7.5	6.5
Cholamandalam MS General Insurance Co Ltd	1,574.1	1,716.5	2,263.1	2.1	2.0	2.2
Edelweiss General Insurance Co Ltd	81.8	130.6	231.3	0.1	0.2	0.2
Future Generali India Insurance Co Ltd	1,248.8	1,399.1	1,474.7	1.7	1.6	1.4
Go Digit General Insurance Ltd	754.6	1,415.7	2,464.7	1.0	1.6	2.4
HDFC Ergo General Insurance Co Ltd	3,952.1	4,683.7	6,301.9	5.4	5.4	6.2
ICICI Lombard General Insurance Co Ltd	6,565.4	7,092.4	9,002.9	8.9	8.2	8.8
IFFCO-Tokio General Insurance Co Ltd	3,407.8	3,627.4	3,607.5	4.6	4.2	3.5
Kotak Mahindra General Insurance Co Ltd	189.2	221.0	407.8	0.3	0.3	0.4
Liberty General Insurance Co. Ltd	544.8	577.5	762.2	0.7	0.7	0.7
Magma HDI General Insurance Co Ltd	419.5	569.4	943.1	0.6	0.7	0.9
National Insurance Co Ltd	4,735.8	5,202.1	5,804.4	6.4	6.0	5.7
Navi General Insurance Co. Ltd	30.3	26.7	31.9	0.03	0.03	0.03
Raheja QBE General Insurance Co Ltd	70.7	160.2	205.4	0.1	0.2	0.2
Reliance General Insurance Co Ltd	3,108.6	3,486.3	4,068.5	4.2	4.0	4.0
Royal Sundaram General Insurance Co Ltd	1,001.4	1,133.0	1,288.0	1.4	1.3	1.3
SBI General Insurance Co Ltd	2,607.0	3,097.2	3,932.0	3.5	3.6	3.8
Shriram General Insurance Co Ltd	813.4	619.2	793.6	1.1	0.7	0.8
Tata AIG General Insurance Co Ltd	3,085.9	3,551.6	4,946.5	4.2	4.1	4.8
The New India Assurance Co Ltd	11,255.3	13,849.2	14,790.8	15.3	16.0	14.5
The Oriental Insurance Co Ltd	4,559.5	5,174.4	6,286.0	6.2	6.0	6.1
United India Insurance Co Ltd	6,633.2	6,350.0	7,322.3	9.0	7.4	7.2
Universal Sompo General Insurance Co Ltd	899.9	1,052.8	1,506.2	1.2	1.2	1.5
<b>General Insurers Sub Total</b>	<b>63,121.2</b>	<b>71,929.3</b>	<b>85,622.5</b>	<b>85.9</b>	<b>83.3</b>	<b>83.7</b>
Niva bupa health insurance company limited	578.0	1,017.9	1,410.4	0.8	1.2	1.4
Aditya Birla Health Insurance Co Ltd	440.2	608.1	1,041.7	0.6	0.7	1.0
Care Health Insurance Ltd	927.4	1,361.5	1,953.7	1.3	1.6	1.9
ManipalCigna Health Insurance Co Ltd	268.1	362.2	490.1	0.4	0.4	0.5
Star Health & Allied Insurance Co Ltd	3,155.9	4,089.6	4,574.5	4.3	4.7	4.5
<b>Health Insurers sub-Total</b>	<b>5,369.5</b>	<b>7,439.1</b>	<b>9,470.4</b>	<b>7.3</b>	<b>8.6</b>	<b>9.3</b>
Agriculture Insurance Co Of India Ltd	4,681.2	6,610.0	6,843.2	6.4	7.7	6.7
ECGC Ltd	348.3	350.7	421.2	0.5	0.4	0.4
<b>Specialised Insurers Sub Total</b>	<b>5,029.5</b>	<b>6,960.7</b>	<b>7,264.4</b>	<b>6.8</b>	<b>8.1</b>	<b>7.1</b>
<b>Grand Total</b>	<b>73,520.2</b>	<b>86,329.1</b>	<b>1,02,357.3</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

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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