

# Non-life Insurance Ends FY22 on a High Note, Health Drives Growth



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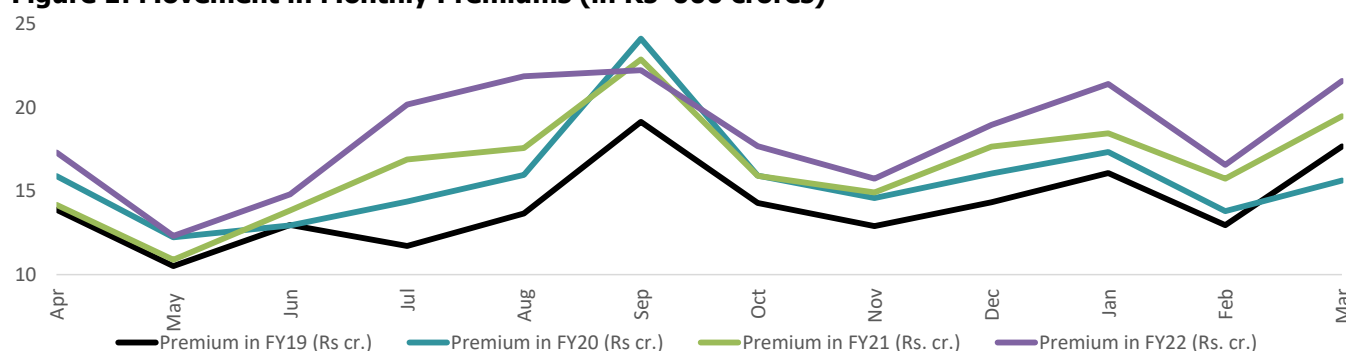
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## Overview

The non-life insurance industry ended FY22 by reaching Rs 220,634.7 crores at an 11% growth rate which was more than double the rate reported in FY21 (5.2%). The sector's aggregate growth has returned to pre-Covid levels as the industry had posted a growth of 11.7% in FY20.

Meanwhile, the industry reported a growth rate of 10.9% in March 2022 which was more than double the rate reported in February 2022 (5.2%) and was nearly half of the rate reported in March 2021. Non-life insurance premium reached Rs. 21,591.5 crores for March 2022 compared to Rs. 19,478.0 crores in March 2021. The growth has continued to be driven by the health segment; motor too contributed to the growth for the month.

**Figure 1: Movement in Monthly Premiums (in Rs '000 crores)**



Source: IRDAI, General Insurance Council

**Figure 2: Movement in Gross Direct Premium Underwritten (Rs crore)**

Insurers	For Mar 2020	For Mar 2021	For Mar 2022	Mar 2021 Growth	Mar 2022 Growth	FY20	FY21	FY22	FY21 Growth	FY22 Growth
General Insurers	13,883.0	15,660.0	17,707.8	12.8%	13.1%	1,66,528.7	1,69,844.7	1,84,775.2	2.0%	8.8%
SAHI	1,549.4	2,447.3	2,831.6	58.0%	15.7%	11,951.2	15,755.2	20,880.1	31.8%	32.5%
Specialized PSU Insurers	403.7	1,370.7	1,052.1	239.5%	-23.2%	10,436.7	13,114.9	14,979.5	25.7%	14.2%
<b>Total</b>	<b>15,836.1</b>	<b>19,478.0</b>	<b>21,591.5</b>	<b>23.0%</b>	<b>10.9%</b>	<b>1,88,916.6</b>	<b>1,98,714.7</b>	<b>2,20,634.7</b>	<b>5.2%</b>	<b>11.0%</b>

Note: HDFC Ergo Health merged into HDFC Ergo in FY21, hence FY20 numbers have been regrouped to reflect the same and align with FY21 and FY22 numbers; Source: IRDAI, General Insurance Council

- General Insurers' FY22 numbers grew at 8.8% vs a significantly slower growth of 2% in FY21. Further, the segment grew at 13.1% in March 2022 (higher than the rate reported in March 2021) which was more than 1.5x the growth rate reported in February 2022. The General Insurers' continued growth can primarily be attributed to health insurance, followed by motor and fire segments.
- FY22 numbers of Standalone Pvt Health Insurers (SAHI) reached Rs 20,880.1 crore from Rs 15,755.2 crore in FY21, a jump of 32.5% vs. growth of 31.8% in FY21 indicative of the sustained rise of health insurance in FY22. SAHI has reported a premium y-o-y growth of 15.7% in March 2022 (significantly lower than last March's growth rate of 58%) to Rs. 2,831.6 crores which were sequentially higher than the February numbers.
- Specialized insurers reported a decline in March 2022 due to a fall in the monthly premiums in the crop insurance segment as the Agriculture Insurance Company of India Limited received lower premiums in March 2022.

**Figure 3: Movement in Premiums (Rs crore)**

Insurers	For Mar 2020	For Mar 2021	For Mar 2022	Mar 2021 Growth	Mar 2022 Growth	FY20	FY21	FY22	FY21 Growth	FY22 Growth
Public Sector	7,330.0	8,037.7	7,916.9	9.7%	-1.5%	83,699.8	84,958.6	90,097.1	1.5%	6.0%
Private Sector	8,506.1	11,440.3	13,674.6	34.5%	19.5%	1,05,216.8	1,13,756.1	1,30,537.7	8.1%	14.8%

Source: IRDAI, General Insurance Council

- The FY22 numbers have continued the previous trend of private players outpacing their public peers, with the private companies growing at more than double the rate of their public counterparts. The market share of private non-life insurance companies has increased to 59% in FY22 from 56% in FY20. On the other hand, the private sector and public sector reported diverging trends for March 2022 as the private grew by 19.5%, even as the public sector fell marginally by 1.5%. Agricultural Insurance Company of India Limited reported a decline for March but continued to report growth for FY22.

**Figure 4: Movement in Segment Premiums**

Segment	Total Premium Rs crore			% Share			YoY Growth	
	FY20	FY21	FY22	FY20	FY21	FY22	FY21	FY22
Health	51,674.5	58,684.2	73,582.1	27.4%	29.5%	33.4%	13.6%	25.4%
Motor	68,950.9	67,735.3	70,432.6	36.5%	34.1%	31.9%	-1.8%	4.0%
Crop Insurance	32,272.6	31,119.9	29,529.5	17.1%	15.7%	13.4%	-3.6%	-5.1%
Fire	15,726.5	20,132.8	21,545.3	8.3%	10.1%	9.8%	28.0%	7.0%
Other Segments	20,292.1	21,042.5	25,545.2	10.7%	10.6%	11.6%	3.7%	21.4%
<b>Grand Total</b>	<b>1,88,916.6</b>	<b>1,98,714.7</b>	<b>2,20,634.7</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>5.2%</b>	<b>11.0%</b>

Source: IRDAI, General Insurance Council

In FY22, all segments barring the crop insurance segment, have showed growth compared to the last year, when many of the segments had reported a drop in their 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 25.4% in FY22 which is nearly double the growth of 13.6% witnessed in FY21. This increase has also been aided by the fact that the early part of FY21 was spent under a nationwide lockdown and companies have strengthened their standards. This has resulted in the health segment increasing its market share from 27.4% in FY20 to 33.4% in FY22. If we observe the various segments within health, for FY22, the group continues to hold the largest share at 49.5%, followed by retail at 41.7%, government at 8.2% and overseas medical at 0.6%.
- The FY22 premium growth of the SAHI continues to be significantly higher than the industry average. This has led to SAHI holding 28.4% of the health insurance market (increasing their share), while general insurance companies hold the balance 71.6%, which is lower than the 73.2% share in the previous year.
- The Motor insurance segment has continued its growth momentum, and the growth has improved marginally to 4% in FY22 compared to 3.6% in 11FY22, and 3.5% in 10MFY22, versus a 1.8% drop in FY21. However, despite this modest rise, the segment has seen its market share fall from 36.5% in FY20 to 31.9% in FY22, declining by approximately 450 bps over the two years in absolute terms.
- According to FADA, total vehicle sales reached 16.2 lakhs for March 2022, a decrease of 2.9% compared to March 2021 and a fall of 29.9% compared to March 2020. In March 2022, CVs and 3Ws reported an increase, while 2W and PV continued their decline. For FY22, PV and 3Ws reported growth. The short-term auto sentiment continues to be hampered by the chip shortage, lockdown in China due to the resurgence of the Covid virus, the Ukraine-Russia conflict, and increased fuel prices.
- Crop insurance premiums reached Rs 29,529.5 crores and have continued to decrease by 5.1% in FY22. Last year too, the segment had recorded a drop of 3.6%. Issues such as delay in claims settlement, delay in the release of subsidy, and voluntary nature of the Pradhan Mantri Fasal Bima Yojana (PMFBY) scheme (some states opting out of the scheme) have continued to hamper the scheme.

- The FY22 Fire segment returned a steady growth rate of 7% but significantly lower than the 28% growth (attributable to an increase in reinsurance rates) witnessed in FY21. Further, the share too has eroded by around 30 bps in FY22 after jumping by approximately 180 bps in FY21.

The non-life industry has closed its FY22 journey on a strong note. The annual FY22 growth has continued to be driven by the health segment and by the private sector which grew at a significantly faster pace (growth of 14.8% in FY22) compared to the public sector (growth of 6% in FY22, which has been hampered by a lack of capital and the government planning to infuse around Rs 5,000 crores in three companies to shore up their solvency ratios).

The non-life premiums are expected to be driven by a continued uptick in the health segment even on the higher base (given that covid has generated significant awareness amongst the public and companies are looking to grow in the smaller cities), digital solutions complemented by offline offerings and the planned increase in motor TP premium in FY23. However, growth could be limited by any unanticipated adverse impact of any new covid variants and a rise in reinsurance rates.

## Annexure

**Figure A1: Segment-wise Premiums**

Segment	Total Premium Rs crore			% Share			YoY Growth	
	FY20	FY21	FY22	FY20	FY21	FY22	FY21	FY22
Health	51,674.5	58,684.2	73,582.1	27.4%	29.5%	33.4%	13.6%	25.4%
Motor	68,950.9	67,735.3	70,432.6	36.5%	34.1%	31.9%	-1.8%	4.0%
Crop Insurance	32,272.6	31,119.9	29,529.5	17.1%	15.7%	13.4%	-3.6%	-5.1%
Fire	15,726.5	20,132.8	21,545.3	8.3%	10.1%	9.8%	28.0%	7.0%
Personal Accident	5,192.3	5,100.5	6,888.7	2.7%	2.6%	3.1%	-1.8%	35.1%
Marine	3,532.5	3,496.9	4,190.1	1.9%	1.8%	1.9%	-1.0%	19.8%
Liability	2,722.3	3,156.3	4,202.1	1.4%	1.6%	1.9%	15.9%	33.1%
Engineering	2,629.3	2,969.8	3,562.8	1.4%	1.5%	1.6%	12.9%	20.0%
Credit Insurance	1,387.8	1,395.3	1,492.3	0.7%	0.7%	0.7%	0.5%	7.0%
Aviation	691.6	749.2	852.4	0.4%	0.4%	0.4%	8.3%	13.8%
All Other Misc.	4,136.3	4,174.6	4,356.8	2.2%	2.1%	2.0%	0.9%	4.4%
<b>Grand Total</b>	<b>1,88,916.6</b>	<b>1,98,714.7</b>	<b>2,20,634.7</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>5.2%</b>	<b>11.0%</b>

**Figure A2: Company-wise Premiums**

Insurer	Rs Crore			FY20	FY21	FY22
	FY20	FY21	FY22			
Acko General Insurance Limited	373	422	979	0.2%	0.2%	0.4%
Bajaj Allianz General Insurance Company Limited	12,780	12,570	13,689	6.8%	6.3%	6.2%
Bharti AXA General Insurance Company Limited #	3,134	3,160	NA	1.7%	1.6%	NA
Cholamandalam MS General Insurance Company Limited	4,398	4,388	4,828	2.3%	2.2%	2.2%
NAVI General Insurance Limited	158	104	107	0.1%	0.1%	0.0%
Edelweiss General Insurance Company Limited	146	219	349	0.1%	0.1%	0.2%
Future Generali India Insurance Company Limited	3,417	3,835	4,138	1.8%	1.9%	1.9%
Go Digit General Insurance Limited	1,768	2,418	4,674	0.9%	1.2%	2.1%
HDFC Ergo General insurance Company Limited	11,830	12,295	13,498	6.3%	6.2%	6.1%
ICICI Lombard General Insurance Company Limited	13,313	14,003	17,977	7.0%	7.0%	8.1%
IFFCO Tokio General Insurance Company Limited	7,961	8,411	8,453	4.2%	4.2%	3.8%
Kotak Mahindra General Insurance Company Limited	433	544	742	0.2%	0.3%	0.3%
Liberty General Insurance Limited	1,531	1,446	1,506	0.8%	0.7%	0.7%
Magma HDI General Insurance Company Limited	1,225	1,284	1,757	0.6%	0.6%	0.8%
National Insurance Company Limited	15,262	14,141	13,126	8.1%	7.1%	5.9%
Raheja QBE General Insurance Company Limited	158	272	376	0.1%	0.1%	0.2%
Reliance General Insurance Company Limited	7,465	8,310	9,409	4.0%	4.2%	4.3%
Royal Sundaram General Insurance Company Limited	3,667	2,822	2,867	1.9%	1.4%	1.3%
SBI General Insurance Company Limited	6,797	8,265	9,166	3.6%	4.2%	4.2%
Shriram General Insurance Company Limited	2,466	2,139	1,753	1.3%	1.1%	0.8%
Tata AIG General Insurance Company Limited	7,385	8,042	9,923	3.9%	4.0%	4.5%
The New India Assurance Company Limited	26,813	28,548	32,569	14.2%	14.4%	14.8%
The Oriental Insurance Company Limited	13,673	12,450	13,701	7.2%	6.3%	6.2%
United India Insurance Company Limited	17,515	16,705	15,721	9.3%	8.4%	7.1%
Universal Sompco General Insurance Company Limited	2,859	3,052	3,468	1.5%	1.5%	1.6%
<b>General Insurers Total</b>	<b>1,66,529</b>	<b>1,69,845</b>	<b>1,84,775</b>	<b>88.1%</b>	<b>85.5%</b>	<b>83.7%</b>
Aditya Birla Health Insurance Company Limited	872	1,301	1,741	0.5%	0.7%	0.8%
ManipalCigna Health Insurance Company Limited	576	755	986	0.3%	0.4%	0.4%
Niva Bupa Health Insurance Company Limited	1,243	1,751	2,810	0.7%	0.9%	1.3%
Care Health Insurance Limited	2,389	2,560	3,881	1.3%	1.3%	1.8%
Star Health & Allied Insurance Company Limited	6,865	9,389	11,462	3.6%	4.7%	5.2%
Reliance Health Insurance Limited*	6	(0)	(0)	0.0%	0.0%	0.0%
<b>Stand-alone Pvt Health Insurers</b>	<b>11,951</b>	<b>15,755</b>	<b>20,880</b>	<b>6.3%</b>	<b>7.9%</b>	<b>9.5%</b>
Agricultural Insurance Company of India Limited	9,361	12,053	13,873	5.0%	6.1%	6.3%
ECCG Limited	1,075	1,062	1,107	0.6%	0.5%	0.5%
<b>Specialized PSU Insurers</b>	<b>10,437</b>	<b>13,115</b>	<b>14,979</b>	<b>5.5%</b>	<b>6.6%</b>	<b>6.8%</b>
<b>Grand Total</b>	<b>1,88,917</b>	<b>1,98,715</b>	<b>2,20,635</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

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