

Non-Life Insurance Opens FY23 on a High, Health Retains Top Spot

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Overview

The non-life insurance industry has begun FY23 with 23.3% growth in April 2022, the highest in the past seven months, to reach Rs 21,276.3 crore. The sector's aggregate growth, which fell 11.1% in April 2020, has come back to pre-Covid levels driven by the health segment. Crop insurance, however, continued to report a decline in premium numbers.

Figure 1: Movement in Monthly Premiums (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	12,316.5		-11.0	13.1	
June	13,842.2	14,810.2		6.9	7.0	
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)

Premium Type	Apr-20	Apr-21	Apr-22	Apr-21 Growth (%)	Apr-22 Growth (%)
General Insurers	13,308.0	15,947.0	19,655.5	19.8	23.3
SAHI	808.9	1,200.3	1,550.2	48.4	29.1
Specialized PSU Insurers	17.8	103.9	70.6	482.8	-32.0
Total	14,134.8	17,251.2	21,276.3	22.0	23.3

Source: General Insurance Council

- General Insurers' April 2022 numbers grew at 23.3% vs 19.8% a year ago. This was more than 1.5x reported in March 2022. The continued growth can primarily be attributed to health insurance, followed by motor and fire segments.
- Standalone Pvt Health Insurers (SAHI) have continued their growth trajectory as April 2022 numbers reached Rs 1,550.2 crore from Rs 1,200.3 crore in April 2021, a jump of 29.1% which was lower than the 48.4% growth reported in April 2021 (pandemic impact as a better part of April 2020 was spent under lockdown).
- Specialised insurers reported a decline in April 2022 due to a fall in the monthly premiums in the crop insurance segment as the Agriculture Insurance Company of India Limited received significantly lower premiums in April 2022 that offset the growth in ECGC premiums.

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

Premium Type	Apr-20	Apr-21	Apr-22	Apr-21 Growth (%)	Apr-22 Growth (%)
Public	6,558.9	7,468.2	8,675.9	13.9%	16.2%
Private	7,575.8	9,783.0	12,600.4	29.1%	28.8%

Source: General Insurance Council

- April 2022 numbers have continued the trend of private players outpacing their public peers, with the private companies growing at more than 1.5 times the rate of their public counterparts. The market share of private non-life insurance companies has increased to 59% in April 2022 from 54% in April 2020. Meanwhile, it should be noted that public sector insurance companies grew at a faster rate in April 2022 (16.2%) vs. their April 2021 numbers (13.9%) even as private players grew at a marginally slower pace in April 2022 (28.8%) vs April 2021 (29.1%).

Figure 4: Movement in Segment Premiums (Rs crore)

Segment	Total Premium			% Share			YoY Growth (%)	
	Apr-20	Apr-21	Apr-22	Apr-20	Apr-21	Apr-22	Apr-21	Apr-22
Health	5,423.6	6,824.0	8,695.2	38.4	39.6	40.9	25.8	27.4
Motor	2,625.2	3,762.6	4,866.2	18.6	21.8	22.9	43.3	29.3
Fire	3,926.5	4,045.0	4,645.5	27.8	23.4	21.8	3.0	14.8
Crop	214.9	85.2	52.3	1.5	0.5	0.2	-60.4	-38.6
Other Segments	1,944.7	2,534.5	3,017.0	13.8	14.7	14.2	30.3	19.0
Grand Total	14,134.8	17,251.2	21,276.3	100.0	100.0	100.0	22.0	23.3

Source: General Insurance Council

In April 2022, all segments, barring the crop insurance and aviation segment, have shown growth compared to April 2021 when 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 27.4% in April 2022, which is higher than the growth of 25.8% witnessed in April 2021. This has resulted in the segment increasing its market share from 38.4% in April 2020 to 40.9% in April 2022. If we observe the various segments within health, for April 2022, the group continues to hold the largest share at 63%, followed by retail at 24.8%, government at 11.3% and overseas medical at 0.9%. The April 2022 premium growth of the SAHI continues to be higher than the industry average. This has led to SAHI holding 17.8% of the health insurance market (increasing their share from 14.9% in April 2020), while general insurance companies hold the balance 82.2%, which is lower than the 85.1% share in April 2021.
- The Motor insurance segment has grown faster than health in April 2022 at 29.3% and reached Rs 4,866.2 crore. The Motor TP rate has been increased after two years and is expected to account for some growth in the premiums. According to FADA, total vehicle sales reached 16.3 lakhs for April 2022, an increase of 37.1% compared to April 2021. In April 2022, all categories reported a rise. The short-term auto sentiment continues to be hampered by the chip shortage, lockdown in China, the Ukraine-Russia conflict, high fuel prices and increased interest rates by RBI.
- Crop insurance premiums declined to Rs 52 crore in April 2022, falling by 38.6% vs a 60.4% decline in April 2021. Issues such as delay in claims settlement, release of subsidy, and voluntary nature of the Pradhan Mantri Fasal Bima Yojana (PMFBY) scheme (some states opting out of the scheme) continue to hamper the scheme.

- The April 2022 Fire segment returned a growth rate of 14.8%, significantly higher than the 3% growth witnessed in April 2021, primarily due to renewals by corporates.

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 begun FY23 on a robust note. 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. An increase in motor TP premium in FY23 is also likely to aid growth. However, the growth could be limited by any unanticipated adverse impact of a new Covid variant and a rise in reinsurance rates.

Annexure

Figure A1: Movement in Segment Premiums (Rs crore)

Segment	Total Premium			% Share			YoY Growth (%)	
	Apr-20	Apr-21	Apr-22	Apr-20	Apr-21	Apr-22	Apr-21	Apr-22
Health	5,423.6	6,824.0	8,695.2	38.4	39.6	40.9	25.8	27.4
Motor	2,625.2	3,762.6	4,866.2	18.6	21.8	22.9	43.3	29.3
Fire	3,926.5	4,045.0	4,645.5	27.8	23.4	21.8	3.0	14.8
Crop Insurance	214.9	85.2	52.3	1.5	0.5	0.2	-60.4	-38.6
Personal Accident	365.5	494.9	533.0	2.6	2.9	2.5	35.4	7.7
Marine	436.7	559.8	700.5	3.1	3.2	3.3	28.2	25.2
Liability	322.4	421.7	601.3	2.3	2.4	2.8	30.8	42.6
Engineering	258.4	346.3	402.8	1.8	2.0	1.9	34.0	16.3
Credit Insurance	28.2	79.4	121.9	0.2	0.5	0.6	181.6	53.6
Aviation	76.5	135.4	117.1	0.5	0.8	0.6	77.0	-13.5
All Other Misc.	457.1	497.0	540.4	3.2	2.9	2.5	8.7	8.7
Grand Total	14,134.8	17,251.2	21,276.3	100.0	100.0%	100.0	22.0	23.3

Source: General Insurance Council

Figure A2: Company-wise Premiums

Insurer	Premium (Rs crore)			Market Share (%)		
	Apr-20	Apr-21	Apr-22	Apr-20	Apr-21	Apr-22
Acko General Insurance	13	53	99	0.1	0.3	0.5
Bajaj Allianz General Insurance	886	1,014	1,271	6.3	5.9	6.0
Cholamandalam MS General Ins.	242	322	469	1.7	1.9	2.2
Edelweiss General Insurance	17	27	38	0.1	0.2	0.2
Future Generali India Insurance	330	282	348	2.3	1.6	1.6
Go Digit General Insurance	90	246	591	0.6	1.4	2.8
HDFC Ergo General Insurance	714	998	1,269	5.1	5.8	6.0
ICICI Lombard General Insurance	1,599	1,959	2,353	11.3	11.4	11.1
IFFCO-Tokio General Insurance	504	660	669	3.6	3.8	3.1
Kotak Mahindra General Insurance	19	38	68	0.1	0.2	0.3
Liberty General Insurance	133	166	212	0.9	1.0	1.0
Magma HDI General Insurance	49	99	188	0.3	0.6	0.9
National Insurance	897	1,022	1,173	6.3	5.9	5.5
Navi General Insurance	1	3	9	0.0	0.0	0.0
Raheja QBE General Insurance	12	29	34	0.1	0.2	0.2
Reliance General Insurance	725	806	968	5.1	4.7	4.5
Royal Sundaram General Insurance	211	232	271	1.5	1.3	1.3
SBI General Insurance	292	412	597	2.1	2.4	2.8
Shriram General Insurance	119	97	108	0.8	0.6	0.5
Tata AIG General Insurance	623	813	1,154	4.4	4.7	5.4

The New India Assurance	3,161	3,872	4,584	22.4	22.4	21.5
The Oriental Insurance	1,111	1,182	1,292	7.9	6.9	6.1
United India Insurance Co Ltd	1,389	1,392	1,627	9.8	8.1	7.6
Universal Sampo General Insurance	172	224	265	1.2	1.3	1.2
General Insurers Total	13,308	15,947	19,656	94.2	92.4	92.4
Niva Bupa Health Insurance	86	166	235	0.6	1.0	1.1
Aditya Birla Health Insurance	90	130	180	0.6	0.8	0.8
Care Health Insurance	156	267	369	1.1	1.5	1.7
ManipalCigna Health Insurance	46	80	110	0.3	0.5	0.5
Star Health & Allied Insurance	431	558	657	3.0	3.2	3.1
Standalone Health Insurer Total	809	1,200	1,550	5.7	7.0	7.3
Agriculture Ins. Co Of India	18	59	2	0.1	0.3	0.0
ECGC	-	45	69	0.0	0.3	0.3
Specialised Total	18	104	71	0.1	0.6	0.3
Industry Total	14,135	17,251	21,276	100.0	100.0	100.0

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