

# Non-Life Insurers Start FY24 Strong as Motor and Health Drive Demand

May 18, 2023 | BFSI Research

## Overview

In April 2023, the non-life insurance industry reported a premium of Rs. 25,640.7 crore growing by 20.5%, compared to 23.3% growth for the same period last year. This growth has continued to be driven by health (especially the group segment), and motor insurance. Meanwhile, the fire segment underperformed with subdued y-o-y growth of 7.1%.

**Figure 1: Movement in Monthly Premium (Rs crore)**

Month	Premium FY21	Premium FY22	Premium FY23	Premium FY24	FY21 vs. FY20 (%)	FY22 vs. FY21 (%)	FY23 vs. FY22 (%)	FY24 vs. FY23 (%)
April	14,134.8	17,251.2	21,276.3	25,640.7	-11.1	22.0	23.3	20.5
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	22,246.3	22,838.6		-5.2	-2.7	2.7	
October	15,906.7	17,681.4	20,423.4		-0.1	11.2	15.5	
November	14,919.5	15,735.3	19,209.2		2.3	5.5	22.1	
December	17,662.3	19,099.3	21,871.6		10.1	8.1	14.5	
January	18,457.6	21,382.9	25,541.8		6.5	15.8	19.5	
February	15,747.0	16,558.9	19,876.4		14.1	5.2	20.0	
March	19,478.0	21,767.8	24,271.4		24.6	11.8	11.5	

Source: General Insurance Council, IRDAI

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

Insurers	Apr-21	Apr-22	Apr-23	Apr-22 Growth	Apr-23 Growth
General Insurers	15,946.9	19,655.5	23,371.5	23.3	18.9
SAHI	1,200.3	1,551.6	2,084.2	29.3	34.3
Specialized PSU Insurers	103.9	70.6	185.0	-32.1	162.1
<b>Total</b>	<b>17,251.1</b>	<b>21,277.7</b>	<b>25,640.7</b>	<b>23.3</b>	<b>20.5</b>

Source: General Insurance Council, IRDAI

- General Insurers' April 2023 numbers were up by 18.9%, compared to an increase of 23.3% in April 2022. The growth can primarily be attributed to health and motor insurance. The growth was also slower as the fire segment grew at half the rate witnessed in April 2022.
- Standalone Private Health Insurers (SAHI) continued to move on their growth curve as April 2023 numbers touched Rs 2,084.2 crore declining sequentially from the March 2023 numbers of Rs 3,428.4 crore although up from Rs 1,551.6 crore in April 2022. This monthly growth of 34.3% was higher than the 29.3% reported in April 2022. Meanwhile, both Retail and Group Health segments posted growth of 20.5% and 23.5%, respectively.
- Specialised insurers posted an increase of 162.1% in April 2023 compared to a drop of 32.1% in April 2022.

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

Insurers	Apr-21	Apr-22	Apr-23	Apr-22 Growth	Apr-23 Growth
Public Sector	7,572.1	8,746.5	9,811.5	15.5	12.2
Private Sector	9,679.0	12,531.2	15,829.2	29.5	26.3

Source: General Insurance Council, IRDAI

- Observing the April 2023 numbers, private players grew by 2.2x of their public counterparts given their strong market presence and relatively better solvency levels.
- The market share of private non-life insurance companies has witnessed a sustained increase to 62% in April 2023 from 59% in April 2022 and 56% in April 2021.

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

Segment	Total Premium Rs crore			% Share			YoY Growth	
	Apr-21	Apr-22	Apr-23	Apr-21	Apr-22	Apr-23	Apr-22	Apr-23
Health	6,824.0	8,696.8	10,747.5	39.6	40.9	41.9	27.4	23.6
Group	4,118.6	5,192.2	6,410.7	23.9	24.4	25.0	26.1	23.5
Others incl. Retail	2,705.4	3,504.7	4,336.8	15.7	16.5	16.9	29.5	23.7
Motor	3,762.6	4,866.2	5,985.0	21.8	22.9	23.3	29.3	23.0
Own Damage	1,560.5	2,008.1	2,483.0	9.0	9.4	9.7	28.7	23.6
Third Party	2,202.1	2,858.1	3,502.0	12.8	13.4	13.7	29.8	22.5
Fire	4,045.0	4,645.5	4,975.7	23.4	21.8	19.4	14.8	7.1
Crop Insurance	85.2	52.3	232.8	0.5	0.2	0.9	-38.6	344.9
Other Segments	2,534.3	3,016.9	3,699.7	14.7	14.2	14.4	19.0	22.6
<b>Grand Total</b>	<b>17,251.1</b>	<b>21,277.7</b>	<b>25,640.7</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>23.3</b>	<b>20.5</b>

Source: General Insurance Council, IRDAI

For April 2023, all segments have shown y-o-y growth.

- Health insurance premiums continue to be the primary growth lever of the non-life insurance industry. This has resulted in the segment increasing its market share from 39.6% in April 2021 to 41.9% for April 2023. The health segment has grown by 23.6% for April 2023, which is lower than the growth of 27.4% witnessed for April 2022.
  - Group Health segment has witnessed growth primarily due to the rationalization of discounts in premiums. Further, Retail Health segment growth looks to be normalising post the pandemic.
  - Government schemes have continued to increase their share in April 2023 due to the Ayushman Bharat scheme, and other medical options made available due to pandemic-induced awareness. Further government schemes are being concentrated with the public sector general insurance companies compared to the last year.
  - SAHI's focus is on Retail, while general insurers account for a dominant share of Group. The April 2023 premium growth of the SAHI continues to be higher than the industry average. This has led to SAHIs increasing their share of the health insurance market. Interestingly, private players reported a 50% y-o-y growth in the health segment, higher than the overall segmental growth as well as the SAHI growth., while public peers grew at a significantly muted pace. However, the public sector companies cumulatively had the largest share of the premium for April 2023.

- In April 2023, Motor insurance reached Rs 5,985.0 crore growing at 23% vs 29.3% in April 2022. Motor OD grew by 23.6% (vs. 28.7% for April 2022) and Motor TP rose by 22.5% (vs. 29.8% for April 2022). Public sector companies grew faster than their private peers in the OD segment, albeit on a smaller base, while underperforming in the TP segment.

### CareEdge View

CareEdge estimates that the Indian non-life insurance market would grow by approximately 13-15% over the medium term. The health insurance segment is on track to breach the Rs 1 lakh crore mark, while Motor insurance premiums are expected to cross Rs 85,000 crore mark in FY24. The growth would be driven by supportive regulations, popularity of health insurance products/schemes, growing demand for motor insurance (Third party & Owner damage) products, and an expected rise in per capita / disposable income levels. Further, improving profitability, stabilisation of loss ratios which had increased during the pandemic, expenses of management would be controlled given the regulations around the same, enabling regulatory environment, strengthening of distribution networks, and higher investment yields due to a rising interest rate environment. Overall, the outlook is expected to be stable in the medium term. However, intensification of competition and an uncertain geopolitical environment and high inflation, can negatively impact economic growth and subsequently the non-life insurance sector.

### Annexure

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

Segment	Total Premium			% Share			YoY Growth (%)	
	Apr-21	Apr-22	Apr-23	Apr-21	Apr-22	Apr-23	Apr-22	Apr-23
Health	6,824.0	8,696.8	10,747.5	39.6	40.9	41.9	27.4	23.6
Motor	3,762.6	4,866.2	5,985.0	21.8	22.9	23.3	29.3	23.0
Fire	4,045.0	4,645.5	4,975.7	23.4	21.8	19.4	14.8	7.1
Crop Insurance	85.2	52.3	232.8	0.5	0.2	0.9	-38.6	344.9
P.A.	494.9	532.9	704.7	2.9	2.5	2.7	7.7	32.3
Marine	559.8	700.5	741.6	3.2	3.3	2.9	25.2	5.9
Liability	421.7	601.3	622.5	2.4	2.8	2.4	42.6	3.5
Engineering	346.3	402.8	690.7	2.0	1.9	2.7	16.3	71.5
Credit Guarantee	79.4	121.9	126.4	0.5	0.6	0.5	53.6	3.7
Aviation	135.4	117.1	127.6	0.8	0.6	0.5	-13.5	9.01
All Other Misc.	496.9	540.4	686.1	2.9	2.5	2.7	8.7	27.0
<b>Grand Total</b>	<b>17,251.1</b>	<b>21,277.7</b>	<b>25,640.7</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>23.3</b>	<b>20.5</b>

Source: General Insurance Council, IRDAI

**Figure A1: Movement in Health Segment Premiums (Rs crore)**

Segment	Total Premium Rs crore			% Share			YoY Growth	
	Apr-21	Apr-22	Apr-23	Apr-21	Apr-22	Apr-23	Apr-22	Apr-23
Health-Retail	1,956.2	1,983.0	2,390.4	28.7	24.3	23.2	1.4	20.5
Health-Group	4,118.6	5,192.2	6,410.7	60.4	63.7	62.3	26.1	23.5
Health-Government	722.3	890.4	1,397.4	10.6	10.9	13.6	23.3	56.9
Overseas Medical	26.9	79.2	95.9	0.4	1.0	0.9	194.4	21.1
<b>Health Total</b>	<b>6,824.0</b>	<b>8,144.7</b>	<b>10,294.4</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>19.4</b>	<b>26.4</b>

Source: General Insurance Council, IRDAI

**Figure A3: Company-wise Premiums**

Insurer	Premium (Rs crore)			Market Share (%)		
	Apr-21	Apr-22	Apr-23	Apr-21	Apr-22	Apr-23
Acko General Insurance Ltd	53.2	98.9	128.0	0.3	0.5	0.5
Bajaj Allianz General Insurance Co Ltd	1,014.5	1,271.0	1,642.5	5.9	6.0	6.4
Cholamandalam MS General Insurance Co Ltd	322.4	468.5	636.3	1.9	2.2	2.5
Zuno General Insurance Ltd \$	27.5	37.6	58.6	0.2	0.2	0.2
Future Generali India Insurance Co Ltd	281.6	347.9	518.4	1.6	1.6	2.0
Go Digit General Insurance Ltd	245.9	590.9	824.8	1.4	2.8	3.2
HDFC Ergo General Insurance Co Ltd	997.5	1,269.0	1,436.5	5.8	6.0	5.6
ICICI Lombard General Insurance Co Ltd	1,958.6	2,353.1	2,744.4	11.4	11.1	10.7
IFFCO-Tokio General Insurance Co Ltd	659.8	669.1	999.8	3.8	3.1	3.9
Kotak Mahindra General Insurance Co Ltd	37.7	68.3	106.2	0.2	0.3	0.4
Liberty General Insurance Co. Ltd	166.0	211.6	250.9	1.0	1.0	1.0
Magma HDI General Insurance Co Ltd	99.3	188.3	230.3	0.6	0.9	0.9
National Insurance Co Ltd	1,022.4	1,173.4	1,208.4	5.9	5.5	4.7
Navi General Insurance Co. Ltd	3.1	9.0	4.4	0.02	0.04	0.02
Raheja QBE General Insurance Co Ltd	29.0	33.7	12.0	0.2	0.2	0.0
Reliance General Insurance Co Ltd	806.4	968.0	1,124.7	4.7	4.5	4.4
Royal Sundaram General Insurance Co Ltd	231.6	271.1	333.9	1.3	1.3	1.3
SBI General Insurance Co Ltd	411.6	597.1	622.8	2.4	2.8	2.4
Shriram General Insurance Co Ltd	97.1	108.0	156.4	0.6	0.5	0.6
Tata AIG General Insurance Co Ltd	812.5	1,153.7	1,562.9	4.7	5.4	6.1
The New India Assurance Co Ltd	3,871.9	4,583.6	5,060.2	22.4	21.5	19.7
The Oriental Insurance Co Ltd	1,182.3	1,292.2	1,535.5	6.9	6.1	6.0
United India Insurance Co Ltd	1,391.6	1,626.8	1,822.4	8.1	7.6	7.1
Universal Sompo General Insurance Co Ltd	223.5	265.0	351.2	1.3	1.2	1.4
<b>General Insurers Sub Total</b>	<b>15,946.9</b>	<b>19,655.5</b>	<b>23,371.5</b>	<b>92.4</b>	<b>92.4</b>	<b>91.2</b>
Niva bupa health insurance company limited	165.5	234.8	356.1	1.0	1.1	1.4
Aditya Birla Health Insurance Co Ltd	130.0	179.7	261.4	0.8	0.8	1.0
Care Health Insurance Ltd	266.7	368.7	507.1	1.5	1.7	2.0
ManipalCigna Health Insurance Co Ltd	80.5	110.0	136.4	0.5	0.5	0.5
Star Health & Allied Insurance Co Ltd	557.7	658.5	823.3	3.2	3.1	3.2
<b>Health Insurers Sub Total</b>	<b>1,200.3</b>	<b>1,551.6</b>	<b>2,084.2</b>	<b>7.0</b>	<b>7.3</b>	<b>8.1</b>
Agriculture Insurance Co Of India Ltd	59.1	2.0	116.3	0.3	0.01	0.5
ECGC Ltd	44.7	68.6	68.6	0.3	0.3	0.3
<b>Specialised Insurers Sub Total</b>	<b>103.9</b>	<b>70.6</b>	<b>185.0</b>	<b>0.6</b>	<b>0.3</b>	<b>0.7</b>
<b>Grand Total</b>	<b>17,251.1</b>	<b>21,277.7</b>	<b>25,640.7</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Note: BhartiAXA General Insurance Co.Ltd has been merged with ICICI Lombard General Insurance Co.Ltd, Zuno General Insurance Limited formerly known as Edelweiss General Insurance Company Limited. Source: General Insurance Council, IRDAI

## Contact

Gaurav Dixit	Director – BFSI Ratings	gaurav.dixit@careedge.in	+91 - 11 - 4533 3237/ +91 - 97170 70079
Saurabh Bhalerao	Associate Director – BFSI Research	saurabh.bhalerao@careedge.in	+91 - 22 - 6754 3519 / +91 - 90049 52514
Mradul Mishra	Media Relations	mradul.mishra@careedge.in	+91 - 22 - 6754 3596

## CARE Ratings Limited

Corporate Office: 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East),  
Mumbai - 400 022  
Phone : +91 - 22 - 6754 3456 | CIN: L67190MH1993PLC071691

Connect :     

Locations: Ahmedabad | Andheri-Mumbai | Bengaluru | Chennai | Coimbatore | Hyderabad | Kolkata | New Delhi | Pune

## About:

CareEdge is a knowledge-based analytical group that aims to provide superior insights based on technology, data analytics and detailed research. CARE Ratings Ltd, the parent company in the group, is one of the leading credit rating agencies in India. Established in 1993, it has a credible track record of rating companies across multiple sectors and has played a pivotal role in developing the corporate debt market in India. The wholly-owned subsidiaries of CARE Ratings are (I) CARE Advisory, Research & Training Ltd, which offers customised advisory services, credible business research and analytical services (II) CARE Risk Solutions Private Ltd, which provides risk management solutions.

## Disclaimer:

This report has been prepared by CareEdge (CARE Ratings Limited). CareEdge has taken utmost care to ensure accuracy and objectivity based on information available in the public domain. However, neither the accuracy nor completeness of the information contained in this report is guaranteed. CareEdge is not responsible for any errors or omissions in analysis/inferences/views or for results obtained from the use of the information contained in this report and especially states that CareEdge has no financial liability whatsoever to the user of this report.

