

Non-Life Insurance Premiums Maintain their Uptrend in May 2023; Motor and Health Continue to Dominate

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Overview

In May 2023, the non-life insurance industry reported a premium of Rs 18,196.0 crore growing by 18.1% y-o-y, compared to 25.3% in the same period last year. Meanwhile, for the first two months of FY24, the industry has continued to report double-digit growth. This growth has continued to be driven by health (especially the group segment), and motor insurance. Meanwhile, the fire segment continued its underperformance with subdued y-o-y growth of 6.7%.

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	18,196.0	-11.0	12.9	25.3	18.1
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	May-21	May-22	May-23	May-22 Growth	May-23 Growth	YTD FY22	YTD FY23	YTD FY24	YTD FY23 Growth	YTD FY24 Growth
General Insurers	10,825.1	13,566.2	15,933.3	25.3	17.4	26,772.0	33,221.7	39,280.1	24.1	18.2
SAHI	1,382.7	1,706.6	2,098.2	23.4	22.9	2,583.0	3,258.2	4,182.4	26.1	28.4
Specialized PSU Insurers	87.1	129.4	164.5	48.6	27.1	190.9	200.0	349.5	4.7	74.7
Total	12,294.9	15,402.2	18,196.0	25.3	18.1	29,546.0	36,679.9	43,812.0	24.1	19.4

Source: General Insurance Council, IRDAI

- General Insurers’ May 2023 numbers were up by 17.4%, compared to an increase of 25.3% in May 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 May 2022.
- Standalone Private Health Insurers (SAHI) continued to move on their growth curve as May 2023 numbers touched Rs 2098.2 crore increasing from the April 2023 numbers of Rs 2,084.2 crore and Rs 1,706.6 crore in May 2022. This monthly growth of 22.9% was lower than the 23.4% reported in May 2022. On the other hand, the first two months of FY24 reported a faster growth rate of 28.4% compared to the same period last year (growth rate of 26.1%). Meanwhile, both Retail and Group Health segments posted growth of 18.2% and 26%, respectively.
- Specialised insurers posted an increase of 27.1% in May 2023 compared to 48.6% in May 2022, meanwhile, YTD FY23 numbers grew sharply by 74.7% vs. a subdued 4.7% for the comparable period in FY23.

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

Insurers	May-21	May-22	May-23	May-22 Growth	May-23 Growth	YTD FY22	YTD FY23	YTD FY24	YTD FY23 Growth	YTD FY24 Growth
Public Sector	5,231.9	5,661.4	6,406.6	8.2	13.2	12,803.9	14,407.9	16,193.4	12.5	12.4
Private Sector	7,063.0	9,740.8	11,789.4	37.9	21.0	16,742.1	22,272.0	27,618.6	33.0	24.0

Source: General Insurance Council, IRDAI

- For the month of May 2023, private companies reported higher growth of 21% while public sector non-life insurance companies posted a growth of 13.2%. In May 2023, private players grew by 1.6x 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 63% for the YTD FY24 from 62% in FY23 and 49% in FY22.

Figure 4: Movement in Segment Premiums (Rs crore)

Segment	Total Premium Rs crore			% Share			YoY Growth	
	YTD FY22	YTD FY23	YTD FY24	YTD FY22	YTD FY23	YTD FY24	YTD FY23	YTD FY24
Health	11,713.3	14,569.6	17,863.2	39.6	39.7	40.8	24.4	22.6
Group	6,526.5	8,597.1	10,832.0	22.1	23.4	24.7	31.7	26.0
Others incl. Retail	5,186.8	5,972.5	7,031.2	17.6	16.3	16.0	15.1	17.7
Motor	7,304.6	9,879.4	12,161.8	24.7	26.9	27.8	35.2	23.1
Own Damage	2,945.5	4,013.9	5,033.8	10.0	10.9	11.5	36.3	25.4
Third Party	4,359.1	5,865.5	7,127.9	14.8	16.0	16.3	34.6	21.5
Fire	5,854.8	6,654.5	7,103.6	19.8	18.1	16.2	13.7	6.7
Crop Insurance	312.4	360.3	647.0	1.1	1.0	1.5	15.3	79.6
Other Segments	4,360.9	5,216.1	6,036.5	14.8	14.2	13.8	19.6	15.7
Grand Total	29,546.0	36,679.9	43,812.0	100.0	100.0	100.0	24.1	19.4

Source: General Insurance Council, IRDAI

For YTD FY24, 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% for YTD FY22 to 40.8% for YTD FY24. The health segment has grown by 22.6% for YTD FY24, which is lower than the growth of 24.4% witnessed for YTD FY23.
 - Amongst the various health segments, the Group Health segment has witnessed fast 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 maintained their share 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.
 - Overseas medical segment has returned to pre-pandemic levels as international travel has increased.
 - SAHI's focus is on Retail, while general insurers account for a dominant share of Group. The premium growth of the SAHI continues to be higher than the industry average. Interestingly, private players have grown faster than SAHIs, while public peers have grown at a slower pace.
- In YTD FY24, Motor insurance reached Rs 12,161.8 crore growing at 23.1% vs 35.2% in YTD FY23. Motor OD grew by 25.4% (vs. 36.3% for YTD FY23) and Motor TP rose by 21.5% (vs. 34.6% for YTD FY23). 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 to cross Rs 85,000 crore in FY24 given the fact that they have already crossed Rs 90,000 crore and Rs 80,000 crore mark respectively during the last year.

The growth would be driven by the health and motors segments, expected rise in per capita / disposable income levels, and a greater volume of transactions under segments such as fire, marine, export credit, customised and/or new products. 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 (increase in the number of partners, digital issuance and online channels are expected to witness continued growth) higher investment yields due to an elevated interest rate environment and adequate availability of growth capital will support growth. 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 A1: Movement in Health Segment Premiums (Rs crore)

Segment	Total Premium Rs crore			% Share			YoY Growth	
	YTD FY22	YTD FY23	YTD FY24	YTD FY22	YTD FY23	YTD FY24	YTD FY23	YTD FY24
Health-Retail	4,146.7	4,542.0	5,366.6	35.4	31.2	30.0	9.5	18.2
Health-Group	6,526.5	8,597.1	10,832.0	55.7	59.0	60.6	31.7	26.0
Health-Government	996.9	1,247.8	1,443.8	8.5	8.6	8.1	25.2	15.7
Overseas Medical	43.3	182.6	220.8	0.4	1.3	1.2	322.1	20.9
Health Total	11,713.3	14,569.6	17,863.2	100.0	100.0	100.0	24.4	22.6

Source: General Insurance Council, IRDAI

Figure A2: Movement in Segment Premiums (Rs crore)

Segment	Total Premium			% Share			YoY Growth (%)	
	YTD FY22	YTD FY23	YTD FY24	YTD FY22	YTD FY23	YTD FY24	YTD FY23	YTD FY24
Health	11,713.3	14,569.6	17,863.2	39.6	39.7	40.8	24.4	22.6
Motor	7,304.6	9,879.4	12,161.8	24.7	26.9	27.8	35.2	23.1
Fire	5,854.8	6,654.5	7,103.6	19.8	18.1	16.2	13.7	6.7
Crop Insurance	312.4	360.3	647.0	1.1	1.0	1.5	15.3	79.6
P.A.	1,020.9	1,008.3	1,292.8	3.5	2.7	3.0	-1.2	28.2
Marine	884.2	1,080.0	1,111.8	3.0	2.9	2.5	22.2	2.9
Liability	740.4	1,100.3	1,004.8	2.5	3.0	2.3	48.6	-8.7
Engineering	602.1	690.5	1,055.1	2.0	1.9	2.4	14.7	52.8
Credit Guarantee	150.5	234.6	244.3	0.5	0.6	0.6	55.9	4.1
Aviation	208.2	160.2	180.7	0.7	0.4	0.4	-23.0	12.8
All Other Misc.	754.7	942.1	1,147.0	2.6	2.6	2.6	24.8	21.7
Grand Total	29,546.0	36,679.9	43,812.0	100.0	100.0	100.0	24.1	19.4

Source: General Insurance Council, IRDAI

Figure A3: Company-wise Premiums

Insurer	Premium (Rs crore)			Market Share (%)		
	YTD FY22	YTD FY23	YTD FY24	YTD FY22	YTD FY23	YTD FY24
Acko General Insurance Ltd	109.4	194.8	286.8	0.4	0.5	0.7
Bajaj Allianz General Insurance Co Ltd	1,648.7	2,165.8	2,643.1	5.6	5.9	6.0
Cholamandalam MS General Insurance Co Ltd	559.7	849.3	1,159.2	1.9	2.3	2.6
Zuno General Insurance Limited	43.6	62.8	98.5	0.1	0.2	0.2
Future Generali India Insurance Co Ltd	476.9	606.9	840.7	1.6	1.7	1.9
Go Digit General Insurance Ltd	506.3	1,075.3	1,400.7	1.7	2.9	3.2
HDFC Ergo General Insurance Co Ltd	1,628.3	2,129.7	2,454.9	5.5	5.8	5.6
ICICI Lombard General Insurance Co Ltd	3,021.7	3,781.6	4,474.5	10.2	10.3	10.2
IFFCO-Tokio General Insurance Co Ltd	1,139.6	1,242.6	1,724.4	3.9	3.4	3.9
Kotak Mahindra General Insurance Co Ltd	73.8	137.3	213.6	0.2	0.4	0.5
Liberty General Insurance Co. Ltd	242.8	330.2	401.7	0.8	0.9	0.9
Magma HDI General Insurance Co Ltd	167.6	340.4	388.0	0.6	0.9	0.9
National Insurance Co Ltd	1,865.4	1,948.5	2,160.6	6.3	5.3	4.9
Navi General Insurance Co. Ltd	5.3	15.9	9.8	0.02	0.04	0.02
Raheja QBE General Insurance Co Ltd	55.7	70.1	23.4	0.2	0.2	0.1
Reliance General Insurance Co Ltd	1,334.4	1,603.1	1,840.5	4.5	4.4	4.2
Royal Sundaram General Insurance Co Ltd	413.0	484.7	555.9	1.4	1.3	1.3
SBI General Insurance Co Ltd	744.2	1,132.1	1,222.3	2.5	3.1	2.8
Shriram General Insurance Co Ltd	210.6	232.8	338.0	0.7	0.6	0.8
Tata AIG General Insurance Co Ltd	1,418.5	2,024.8	2,682.6	4.8	5.5	6.1
The New India Assurance Co Ltd	6,079.7	6,790.7	7,480.7	20.6	18.5	17.1
The Oriental Insurance Co Ltd	2,111.6	2,416.0	2,915.0	7.1	6.6	6.7
United India Insurance Co Ltd	2,556.4	3,052.7	3,287.6	8.7	8.3	7.5
Universal Sompo General Insurance Co Ltd	359.2	533.5	677.6	1.2	1.5	1.5
General Insurers Sub Total	26,772.0	33,221.7	39,280.1	90.6	90.6	89.7
Niva bupa health insurance company limited	373.5	495.1	729.4	1.3	1.3	1.7
Aditya Birla Health Insurance Co Ltd	247.7	347.9	433.9	0.8	0.9	1.0
Care Health Insurance Ltd	494.3	707.3	951.2	1.7	1.9	2.2
ManipalCigna Health Insurance Co Ltd	143.3	192.4	247.0	0.5	0.5	0.6
Star Health & Allied Insurance Co Ltd	1,324.3	1,515.7	1,821.0	4.5	4.1	4.2
Health Insurers sub-Total	2,583.0	3,258.2	4,182.4	8.7	8.9	9.5
Agriculture Insurance Co Of India Ltd	94.4	48.8	191.2	0.3	0.13	0.4
ECGC Ltd	96.5	151.2	158.3	0.3	0.4	0.4
Specialised Insurers Sub Total	190.9	200.0	349.5	0.6	0.5	0.8
Grand Total	29,546.0	36,679.9	43,812.0	100.0	100.0	100.0

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

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