

Non-Life Premiums Report Muted Growth in Nov-24 due to Changes in Reporting Requirements, Retail Health and Motor TP Support Growth



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Overview

In November 2024, the non-life insurance industry reported a premium of Rs 21,671.4 crore rising by a modest 4.4% after breaching the Rs 30,000 crore mark in October 2024 and compared to an increase of 8.1% in November 2023. The industry's performance has been impacted by a revision in the reporting format, which now excludes premiums from long-term policies. As a result, the growth rates reported for the current year cannot be compared with the previous year's figures. The increase can be attributed to Retail Health and Motor TP which has offset a drop in fire and near flat numbers in Motor OD segments.

Figure 1: Movement in Monthly Premium (Rs crore)

Month	Premium in FY22	Premium in FY23	Premium in FY24	Premium in FY25	FY22 vs FY21 (%)	FY23 vs FY22 (%)	FY24 vs FY23 (%)	FY25 vs FY24 (%)
April	17,251.2	21,276.3	25,616.1	29,679.0	22.0	23.3	20.4	15.9
May	12,294.9	15,404.5	18,196.0	20,907.5	12.9	25.3	18.1	14.9
June	14,761.0	17,808.8	20,451.9	22,170.9	6.6	20.6	14.8	8.4
July	20,157.3	23,395.3	26,567.3	29,032.3	19.4	16.1	13.6	9.3
August	21,867.9	24,474.5	23,558.3	24,554.3	24.4	11.9	-3.7	4.2
September	22,246.3	22,838.7	29,476.3	27,550.9	-2.7	2.7	29.1	-6.5
October	17,681.4	20,954.9	23,821.1	30,378.0	11.2	18.5	13.7	27.5
November	15,735.2	19,207.4	20,756.8	21,671.4	5.5	22.1	8.1	4.4
December	19,099.3	21,874.6	25,098.2		8.1	14.5	14.7	
January	21,382.9	25,541.6	27,220.6		15.8	19.4	6.6	
February	16,558.9	19,873.6	22,378.4		5.2	20.0	12.6	
March	21,767.8	24,244.5	26,647.5		11.8	11.4	9.9	

Source: General Insurance Council, IRDAI; Note: IRDAI has recently revised the formats for reporting, and they have excluded premium from long term policies from reporting of premiums with effect from October 1, 2024. It is assumed that all companies have deducted the long-term premiums accordingly for the current year only following IRDAI formats. Therefore, the growth rates reported for the current year cannot be compared with the previous year's figures.

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

Insurers	Nov-22	Nov-23	Nov-24	Nov-23 Growth	Nov-24 Growth	YTD FY23	YTD FY24	YTD FY25	YTD FY24 Growth	YTD FY25 Growth
Public General Insurers	6,494.1	6,505.7	6,689.4	0.2	2.8	54,741.1	59,480.5	62,766.7	8.7	5.5
Specialized PSU Insurers	135.9	210.2	622.2	54.6	196.0	9,675.2	7,043.0	6,917.5	-27.2	-1.8
Private General Insurers	10,551.5	11,558.0	11,628.5	9.5	0.6	85,317.8	1,02,269.5	1,11,824.1	19.9	9.3
SAHI	2,026.2	2,483.0	2,731.3	22.5	10.0	15,625.8	19,584.3	23,650.1	25.3	20.8
Total	19,207.8	20,756.8	21,671.4	8.1	4.4	1,65,359.9	1,88,377.3	2,05,158.4	13.9	8.9

Source: General Insurance Council, IRDAI

- Public Sector General Insurers' November 2024 numbers growing at 2.8% outpaced their private peers for the second month in a row, which grew by 0.6% for the month primarily due to changes in the reporting requirements. However, for the YTD period, private insurers' growth has consistently outpaced their public peers. This growth can be primarily attributed to retail health, and motor offsetting the decline in the fire.
- Meanwhile, specialised insurers' monthly growth numbers have been volatile growing nearly 3x in November 2024 after a 150% for October 2024 after reducing by 61.7% in September 2024. For the YTD period, the degrowth has continued with a fall of 1.8% compared to a fall of 27.2% in YTD FY24 as crop insurance premiums have witnessed a shift to the general insurers from Agriculture Insurance Co of India Ltd.
- Standalone Private Health Insurers (SAHI) continued their y-o-y growth momentum at 10.0% in November 2024, which was roughly half the rate reported last November. SAHIs continue to gain a share in retail health from Public General Insurers.
- The overall market share of private non-life insurance companies has witnessed a sustained increase to 66% for YTD FY25 from 63% in FY24 and 61% in FY23, highlighting the persistent growth differential between the public and private sectors.

Figure 3: Movement in Health Premiums (Rs crore)

Segment	Total Premium Rs crore			YoY Growth (%)		Total Premium Rs crore			YTD Growth (%)	
	Nov-22	Nov-23	Nov-24	Nov-23	Nov-24	YTD FY23	YTD FY24	YTD FY25	FY24	FY25
Health	6,814.2	7,670.0	7,607.3	12.6	-0.8	58,175.9	70,476.1	79,144.6	21.1	12.3
Group	3,691.2	4,061.4	4,209.4	10.0	3.6	30,943.8	37,241.6	42,424.8	20.4	13.9
Retail	2,613.2	3,036.9	3,274.7	16.2	7.8	21,012.8	24,937.9	28,849.8	18.7	15.7
Others	509.8	571.7	123.2	12.1	-78.4	6,219.4	8,296.7	7,870.0	33.4	-5.1

Source: General Insurance Council, IRDAI

- Health insurance premiums continue to be the largest segment of the non-life insurance industry. Despite a marginal dip in the current month for the aggregate health segment, SAHIs have grown at 10.0% indicating their outperformance. The segment's YTD growth has increased its market share from 35.2% for YTD FY23 to 38.6% for YTD FY25. The public sector health insurance business has continued to lag its private peers.
 - The Retail segment despite growth reducing compared to the previous periods has continued to be the fastest growing segment in November 2024, as well as for YTD FY25 indicative of sustained demand.
 - The Group Health segment remains the largest segment due to enhanced coverage and premium rationalisation. The segment witnessed a lower growth for YTD FY25 compared to YTD FY24.
 - Government schemes fell in November 2024 after rising sharply last month, however, the YTD numbers continue to remain tepid.
 - SAHI focuses on retail, while general insurers account for a dominant share of the group business. The premium growth of the SAHI continues to be higher than the industry average. Further, with IRDAI having already approved two new SAHIs, competition is likely to intensify in the medium term.

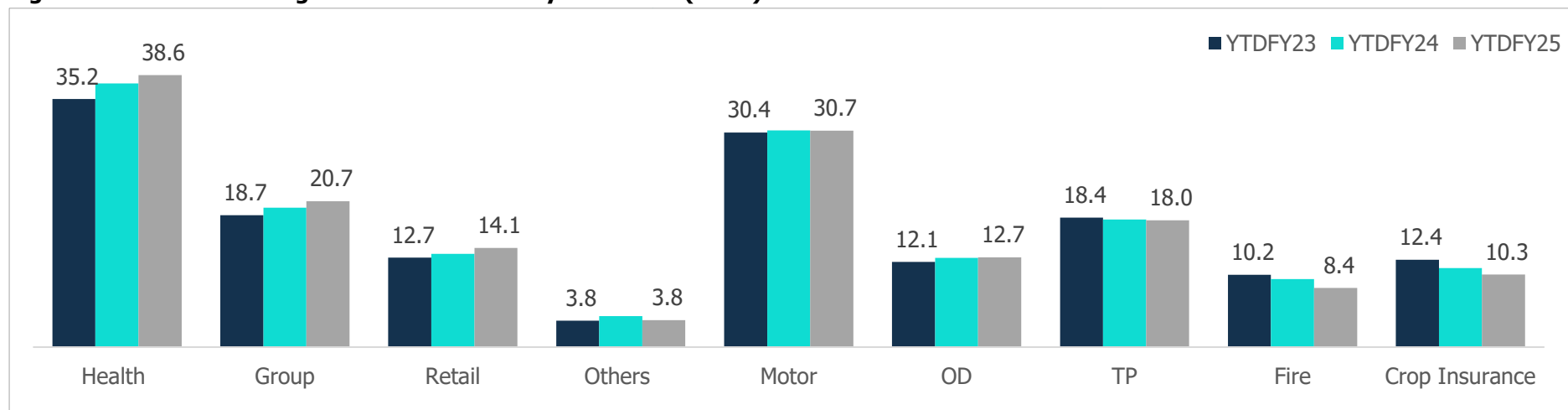
Figure 4: Movement in Non-Life Premiums excluding Health Premiums (Rs crore)

Segment	Total Premium Rs crore			YoY Growth (%)		Total Premium Rs crore			YTD Growth (%)	
	Nov-22	Nov-23	Nov-24	Nov-23	Nov-24	YTD FY23	YTD FY24	YTD FY25	FY24	FY25
Motor	7,396.5	8,290.8	8,604.4	12.1	3.8	50,337.0	57,927.6	63,023.1	15.1	8.8
OD	2,792.5	3,386.6	3,376.2	21.3	-0.3	19,970.5	23,826.5	26,146.3	19.3	9.7
TP	4,603.9	4,904.3	5,228.2	6.5	6.6	30,366.5	34,101.2	36,876.8	12.3	8.1
Fire	1,411.3	1,550.3	1,136.4	9.8	-26.7	16,942.0	18,154.9	17,226.4	7.2	-5.1
Crop Ins.	1,551.1	1,165.2	1,985.9	-24.9	70.4	20,469.1	20,275.1	21,147.4	-0.9	4.3
Others	2,034.6	2,080.6	2,337.5	2.3	12.4	19,436.0	21,543.8	24,617.0	10.8	14.3
Total	12,393.6	13,086.9	14,064.1	5.6	7.5	1,07,184.0	1,17,901.3	1,26,013.8	10.0	6.9

Source: General Insurance Council, IRDAI

- If we observe the growth of the non-life insurance industry excluding health, it stands at 6.9% in YTD FY25 compared to the 8.9% level if health is included in the analysis. Further, a sizeable proportion of this 6.9% growth is on account of the motor insurance segment, which accounts for approximately 50% of the non-life insurance excluding health. In YTD FY25, Motor insurance reached Rs 63,023.1 crore growing at 8.8% vs 15.1% in YTD FY24.
 - Motor OD grew by 9.7% (vs. 19.3% for YTD FY24) and motor TP rose by 8.1% (vs. 12.3% for YTD FY24). Passenger vehicle domestic sales in November fell and resulted in tepid Motor OD growth, while flat TP tariffs have slowed the growth in motor TP. The motor OD segment has continued to grow faster than the motor TP segment.
 - Fire premiums declined by 26.7% for November and by 5.1% for YTD FY25. Meanwhile, crop insurance grew by 4.3% for YTD FY25 despite substantial growth for November 2024.

Figure 5: Movement in Segment Market Share by Premiums (In %)



Source: General Insurance Council, IRDAI

CareEdge Ratings View

“In November 2024, the non-life insurance industry reported a premium of Rs 21,671.4 crore rising by a modest 4.4% after breaching the Rs 30,000-crore mark in October 2024 and compared to an increase of 8.1% in November 2023. The increase can be attributed to Retail Health and Motor TP which has offset a drop in fire and near flat numbers in Motor OD segments. The industry’s performance has been impacted by the revision in a reporting format that excludes premiums from long term policies from reporting of premiums and hence the growth rates reported for the current year cannot be compared with the previous year’s figures. This differential is likely to persist till the base effect is mitigated.” said Saurabh Bhalerao, Associate Director, CareEdge Ratings.

“The growth story of the health insurance sector is expected to continue, with SAHIs continuing to dominate the retail insurance space. Meanwhile, the growth of the motor segment remains concomitant with the vehicle sales and revision in TP tariffs. Overall growth would be supported by a favourable regulatory environment and the Bima Trinity. The proposed Insurance Amendment Act, 2024 around the composite license, 100% FDI in insurance companies and capital requirements have been designed to enhance market penetration. CareEdge Ratings estimates that the Indian non-life insurance market will grow at a rate of approximately 13-15% in the medium term. However, intensified competition, and an uncertain international geopolitical environment, could impact the non-life insurance sector,” said Sanjay Agarwal, Senior Director, CareEdge Ratings.

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