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Sector update

INDIA

General insurance

Private non-life insurers maintain growth momentum

Nov'20 / FY21-TD Gross Domestic Premium Income (GDPI) for non-life insurers grew 3% / 1.4% YoY of which private non-life insurers grew 9% / 3.8% YoY while PSU insurers witnessed a decline of 4.4% / 1.7% YoY. We observe four trends in non-life insurance premium trends: 1) Strong FY21-TD growth in health premiums led by standalone health insurers (SAHI); (2) high but decelerating trend in Covid-related claims; (3) slowly improving auto registrations; and (4) declining market share of PSU insurers. We reiterate our overweight stance on non-life insurance companies.

Table 1: Non-life GDPI growth trend

	Apr'20	May'20	Jun'20	Jul'20	Aug'20	Sep'20	Oct'20	Nov'20	YTD
SAHI	7.2%	-1.0%	42.5%	40.9%	36.4%	38.1%	32.2%	13.5%	26.6%
Lombard	-9.0%	-19.6%	19.6%	5.4%	11.8%	7.3%	10.2%	7.0%	3.1%
BAGIC	-21.1%	-21.9%	-16.1%	113.3	-9.1%	-53.2%	-5.6%	13.6%	-7.0%
Bharti AXA	-16.3%	-20.0%	3.0%	9.4%	1.6%	6.2%	8.7%	18.4%	2.7%
PSU	-6.3%	-0.5%	5.5%	9.2%	7.7%	-5.4%	-15.2%	-4.4%	-1.7%
Ex-PSU	-14.0%	-14.6%	9.9%	25.7%	12.6%	-5.0%	10.2%	9.0%	3.8%
Overall	-10.6%	-8.8%	8.0%	18.3%	10.4%	-5.2%	-0.4%	3%	1.4%

Source: IRDAI. Note: SAHI – standalone health insurers, ICICIGI – ICICI Lombard; BAGIC – Bajaj General Insurance

Note: For SAHI FY-21TD GDPI we have considered HDFC Ergo Health Insurance GDPI in the calculation and have adjusted HDFC Ergo General insurance GDPI accordingly

Covid claim amount rose by US$209mn in Aug'20, US$374mn in Sep'20, US$305mn in Oct'20 and US$249mn in Nov'20 – signalling a sign of moderation

Chart 1: Pace of incremental Covid claims has moderated…

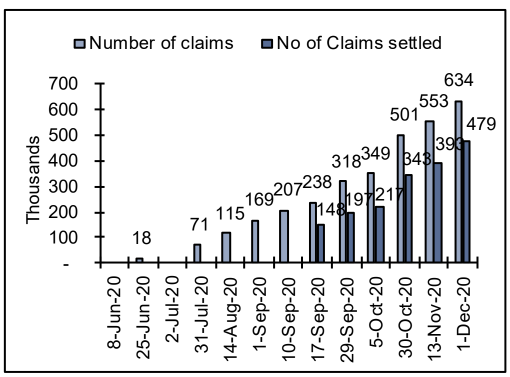
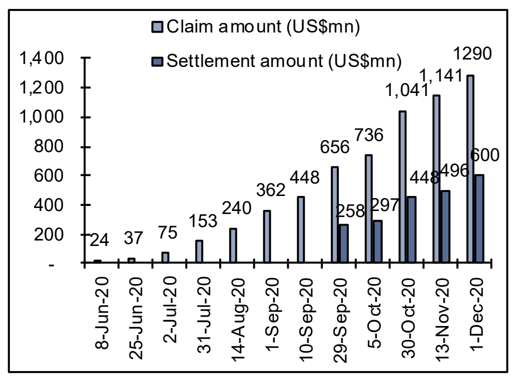


Chart 2: ...so has Covid claim amount



Source: Media reports

Table 2: Motor vehicle retail registration data shows PV growth turned positive in Nov'20 while 2Ws continue to exhibit negative trend. However, on MoM basis, PV and 2W have grown 13.5% and 33%, respectively, in Nov'20

('000)	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20
Passenger cars	21	32	128	159	175	192	249	282
2W	319	161	795	886	888	1,012	1,043	1,383
CV	20	2	12	21	27	40	47	50

YoY growth	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	YTD
Passenger cars	-91%	-86%	-37%	-23%	-7%	10%	-8%	2.1%	-31%
2W	-76%	-89%	-41%	-37%	-30%	-13%	-27%	-23%	-50%
CV	-59%	-96%	-72%	-55%	-36%	-2%	14%	-33%	-63%

Source: Vahan

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Table 3: Non-life insurers GDPI

S.No.	Insurer	Rs mn		Rs mn		Market share
		Nov'20	YoY	FY21-TD	YoY	FY21-TD (%)
1	Acko General Insurance	390	22	2,346	-5.4	0.18
2	Bajaj Allianz General Insurance	8,972	14	82,529	-7.0	6.46
3	Bharti AXA General Insurance	2,637	18	22,164	2.7	1.74
4	Cholamandalam MS General Insurance	3,850	8	27,400	-6.7	2.14
5	DHFL General Insurance	106	29	621	-49.4	0.05
6	Edelweiss General Insurance	164	46	1,336	73.1	0.10
7	Future Generali India Insurance	3,328	-3	23,173	8.6	1.81
8	Go Digit General Insurance Limited	2,567	30	18,650	31.9	1.46
9	HDFC Ergo General insurance	6,706	21	64,438	2.8	6.11
10	ICICI Lombard General Insurance	13,103	7	93,046	3.1	7.28
11	IFFCO Tokio General Insurance	7,072	4	57,308	2.7	4.49
12	Kotak Mahindra General Insurance	456	15	3,289	24.1	0.26
13	Liberty General Insurance Limited	1,253	-5	9,318	-7.8	0.73
14	Magma HDI General Insurance	1,043	-4	7,509	-4.7	0.59
15	National Insurance	11,475	-6	91,340	-9.6	7.15
16	Raheja QBE General Insurance	176	61	1,298	57.1	0.10
17	Reliance General Insurance	5,743	12	57,183	3.8	4.48
18	Royal Sundaram General Insurance	2,258	-6	17,279	-28.6	1.35
19	SBI General Insurance	6,106	-11	47,499	6.8	3.72
20	Shriram General Insurance	1,741	-12	13,817	-13.6	1.08
21	Tata AIG General Insurance	7,128	25	52,934	3.0	4.14
22	The New India Assurance	20,480	7	1,81,500	1.0	14.21
23	The Oriental Insurance	9,149	-10	82,353	-8.7	6.45
24	United India Insurance	10,563	-25	1,06,697	-2.6	8.35
25	Universal Sompo General Insurance	2,773	11	18,972	12.9	1.49
	General Insurers Total	**1,29,239**	**2**	**10,83,997**	**-1.3**	**85.92**
26	Aditya Birla Health Insurance	937	27	7,491	64.2	0.59
27	HDFC Ergo Health Insurance	1,564	-7	13,578	-2.8	-
28	ManipalCigna Health Insurance	653	29	4,582	24.5	0.36
29	Max Bupa Health Insurance	1,265	31	9,772	35.8	0.76
30	Religare Health Insurance	1,737	-25	15,326	-1.0	1.20
31	Star Health & Allied Insurance	7,093	30	54,643	42.6	4.28
32	Reliance Health Insurance Limited*	-	-100	-0	-100.2	(0.00)
	Stand-alone Pvt Health Insurers	**13,248**	**13**	**1,05,391**	**26.6**	**7.19**
33	Agricultural Insurance Company of India Limited	6,572	12	81,882	14.3	6.41
34	ECGC Limited	752	-30	6,161	-13.5	0.48
	Specialised PSU Insurers	**7,323**	**5**	**88,043**	**11.8**	**6.89**
	GRAND TOTAL	**1,49,810**	**2.7**	**12,77,432**	**1.4**	**100.00**

Source: IRDAI
Note: For SAHI FY-21TD GDPI we have considered HDFC Ergo Health Insurance GDPI in the calculation and have adjusted HDFC Ergo General insurance GDPI accordingly.

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