

# Non-Life Insurance Sustains Double-Digit Growth in May with Health as Key Driver

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## Overview

In May 2024, the non-life insurance industry reported a premium of Rs. 20,907.5 crore growing at 14.9% compared to the 18.1% growth reported in May 2023. The industry's growth has continued to be underpinned primarily by the health and motor insurance segments. Meanwhile, the fire segment reported a subdued y-o-y growth of 4.2%.

**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	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		6.6	20.6	14.8	
July	20,157.3	23,395.3	26,629.4		19.4	16.1	13.8	
August	21,867.9	24,474.5	23,558.3		24.4	11.9	-3.7	
September	22,246.3	22,838.7	29,476.3		-2.7	2.7	29.1	
October	17,681.4	20,954.9	23,814.6		11.2	18.5	13.6	
November	15,735.2	19,207.4	20,897.6		5.5	22.1	8.8	
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	12.6	
March	21,767.8	24,244.5	26,647.5		11.8	11.4	9.9	

Source: General Insurance Council, IRDAI

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

Insurers	May-22	May-23	May-24	May-23 Growth	May-24 Growth	YTD FY23	YTD FY24	YTD FY25	YTD FY24 Growth	YTD FY25 Growth
Public General Insurers	5,532.0	6,241.4	6,696.2	12.8%	7.3%	14,207.9	15,843.2	17,041.3	11.5%	7.6%
Specialized PSU Insurers	129.4	164.5	85.2	27.1%	-48.2%	200.0	349.4	202.4	74.7%	-42.1%
Private General Insurers	8,034.2	9,691.2	11,474.4	20.6%	18.4%	19,013.7	23,436.2	28,048.4	23.3%	19.7%
SAHI	1,706.6	2,100.5	2,651.7	23.1%	26.2%	3,258.2	4,184.9	5,294.6	28.4%	26.5%
<b>Total</b>	<b>15,402.2</b>	<b>18,197.6</b>	<b>20,907.5</b>	<b>18.1%</b>	<b>14.9%</b>	<b>36,679.9</b>	<b>43,666.7</b>	<b>50,733.8</b>	<b>19.0%</b>	<b>16.2%</b>

Source: General Insurance Council, IRDAI

- Public Sector General Insurers' May 2024 numbers rose by 7.3%, less than the 12.8% reported in May 2023. On the other hand, the private sector general insurers reported a growth of 18.4% for May 2024 vs. 20.6% in May 2023. The May 2024 numbers have demonstrated substantial growth which can be primarily attributed to, group health and motor insurance. However, motor insurance underperformed relative to their May 2023 growth rates hence May 2024 growth numbers came lower than May 2023 growth rate.
- Meanwhile, specialised insurers posted a drop of 48.2% in May 2024 compared to a rise of 27.1% in May 2023. However, for YTD FY25 specialised insurers reported a decline in growth rate by 42.1% compared to a rise from 74.7% in YTD FY24.
- Standalone Private Health Insurers (SAHI) continued their y-o-y growth momentum at 26.5% in May 2024 compared to the 23.1% growth reported in May 2023. SAHIs continue to gain a share in retail health from Public General Insurers. Further two additional SAHIs are slated to commence operations, and competition is expected to accelerate even further in FY25.
- 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.

For YTD FY25, all segments barring credit guarantee, and liability which have declined, have shown y-o-y growth.

**Figure 3: Movement in Health Premiums (Rs crore)**

Segment	Total Premium Rs crore			YoY Growth		Total Premium Rs crore			YTD Growth	
	May-22	May-23	May-24	May-23 Growth	May-24 Growth	YTD FY23	YTD FY24	YTD FY25	FY24	FY25
<b>Health</b>	<b>5,872.8</b>	<b>7,118.0</b>	<b>8,344.2</b>	<b>21.2%</b>	<b>17.2%</b>	<b>14,569.6</b>	<b>17,865.7</b>	<b>20,880.9</b>	<b>22.6%</b>	<b>16.9%</b>
Group	3,119.2	4,135.4	4,597.9	32.6%	11.2%	8,597.1	10,825.7	12,915.8	25.9%	19.3%
Retail	2,388.1	2,809.1	3,345.5	17.6%	19.1%	4,542.0	5,366.8	6,437.4	18.2%	19.9%
Others	365.6	173.5	400.8	-52.5%	131.0%	1,430.4	1,673.2	1,527.7	17.0%	-8.7%

Source: General Insurance Council, IRDAI

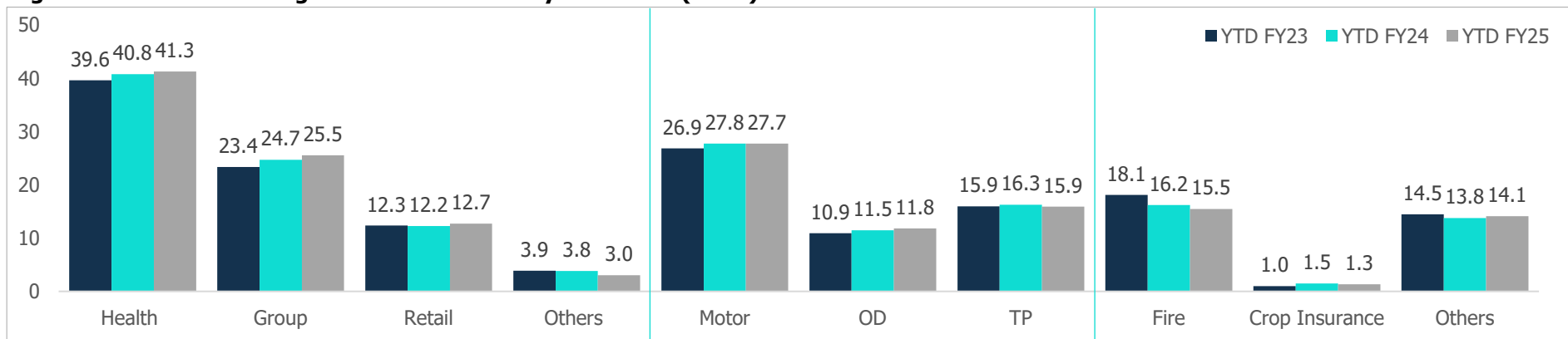
- Health insurance premiums continue to be the primary growth driver of the non-life insurance industry. This growth momentum has increased the segment's market share from 39.6% for YTD FY23 to 41.3% for YTD FY25. This share is likely to reduce a tad in the coming months as other sectors start their growth journey. The health segment has grown by 16.9% for YTD FY25, which is lower than the growth of 22.6% witnessed for YTD FY24.
  - The Retail segment has continued its growth momentum, the rate has increased in May 2024 as well as YTD FY25 compared to the respective prior periods.
  - The Group Health segment remains the largest segment due to enhanced coverage, and premium rationalisation. The segment witnessed lower growth for YTD FY25 compared to YTD FY24, meanwhile, similar trends were seen in the May 2024 growth rate which was lower compared to May 2023.
  - Government schemes fell in May 2024 which reduced their share to 6.0% (within health) in May 2024 from 8.6% in May 2022. Meanwhile in YTD FY25 government scheme declined by 12.6% compared to a rise of 15.7% in YTD FY24. This decrease could be attributed to lower spending amidst the recent general elections. Further premiums of the government schemes are generally concentrated with the public sector general insurance companies.
  - SAHI generally focuses on Retail, while general insurers account for a dominant share of the Group, the premium growth of the SAHI and private general insurers continue to be higher than the industry average. Further, with IRDAI approving two new SAHIs (Narayana Health Insurance and Galaxy Health & Allied Insurance) competition is expected to be intense in FY25.

**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	
	May-22	May-23	May-24	May-23 Growth	May-24 Growth	YTD FY23	YTD FY24	YTD FY25	FY24	FY25
Motor	5,013.2	6,176.8	6,953.1	23.2%	12.6%	9,879.4	12,161.8	14,035.2	23.1%	15.4%
OD	2,005.8	2,550.8	2,906.0	27.2%	13.9%	4,013.9	5,033.8	5,976.2	25.4%	18.7%
TP	3,007.4	3,626.0	4,047.1	20.6%	11.6%	5,865.5	7,127.9	8,059.0	21.5%	13.1%
Fire	2,009.1	2,128.0	2,218.2	5.9%	4.2%	6,654.5	7,103.6	7,828.8	6.7%	10.2%
Crop Ins.	308.0	414.2	571.4	34.5%	37.9%	360.3	647.0	682.7	79.6%	5.5%
Others	2,199.3	2,360.7	2,820.6	7.3%	19.5%	5,216.1	5,888.6	7,306.2	12.9%	24.1%
<b>Total</b>	<b>9,529.4</b>	<b>11,079.6</b>	<b>12,563.3</b>	<b>16.3%</b>	<b>13.4%</b>	<b>22,110.3</b>	<b>25,801.0</b>	<b>29,852.8</b>	<b>16.7%</b>	<b>15.7%</b>

Source: General Insurance Council, IRDAI

- If we observe the growth of the non-life insurance industry excluding health, it reduces to 15.7% in YTD FY25 from the 16.7% level if health is included in the analysis. Further, a large proportion of this 15.7% 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. 14,035.2 crore growing at 15.4% vs 23.1% in YTD FY24.
  - Motor OD grew by 18.7% (vs. 25.4% for YTD FY24) and Motor TP rose by 13.1% (vs. 21.5% for YTD FY24). Passenger vehicle domestic sales increased by 3.9% in May 2024 compared to 13.5% in May 2023 attributed to be one of the reasons for the decline in motor insurance premiums for May 2024. Motor TP premium rates remain unchanged.
  - The Motor OD segment has continued to grow faster than the Motor TP segment.
  - Additionally, the fire segment grew by 10.2% in YTD FY25 compared to YTD FY24, due to renewals, while crop insurance grew significantly compared to May 2022 numbers.

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

Source: General Insurance Council, IRDAI

**CareEdge Ratings View**

"FY25 has continued on a robust note with May 2024 growing at 14.9%. Broadly speaking, the first quarter of the financial year generally accounts for around 20% of the sector's premiums and this trend is likely to persist in FY25. The industry's demand will be sustained by robust growth in the health segment as well as in the motor segment. Additionally, competition is slated to rise especially in the health segments as new companies have commenced operations while others continue to be in line to enter the segment," said Saurabh Bhalerao, Associate Director, CareEdge Ratings.

"CareEdge Ratings estimates that the Indian non-life insurance market will grow at a rate of approximately 13-15% in the medium term. The overall business growth would be supported by macroeconomic factors, a favourable regulatory environment, and the Bima Trinity. Further, a focus on containing overall expenses and strengthening distribution networks is also anticipated to contribute to the sector's growth. Additionally, reports of composite licenses and M&A could alter sectoral dynamics. The overall outlook for the non-life insurance sector remains stable in the medium term. However, intensified competition, and an uncertain international geopolitical environment, could potentially affect economic growth and subsequently impact the non-life insurance sector," said Gaurav Dixit, Director, CareEdge Ratings.

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