

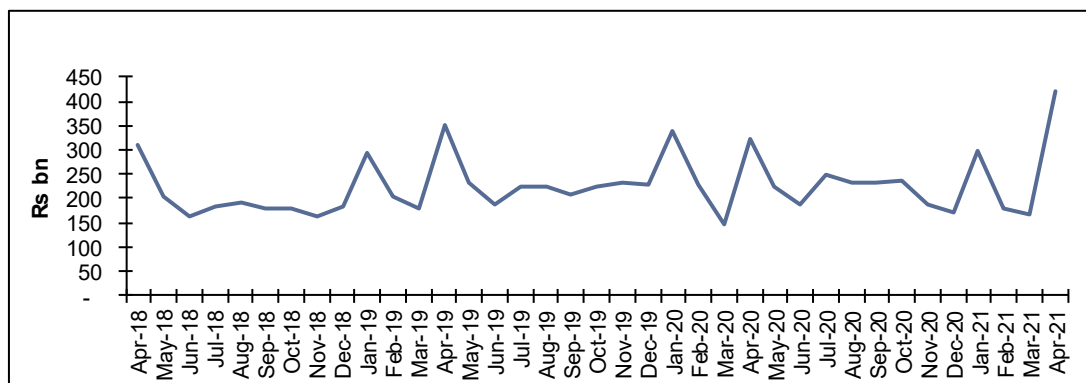
General insurance

Health premium show robust growth for industry and ICICIGI

As we mentioned in our earlier report ([link](#)), ICICIGI reported robust premium income in Apr'21 (Rs17.7bn). However, segment-wise data revealed further positive surprises including: a) ICICIGI's Apr'21 health insurance GDPI of Rs4.2bn was highest in past 48 months, b) its segmental market share in Apr'21 was 6% vs 5.5%/4.6% in FY20/FY21, c) ICICIGI's market share in the fire segment was up to 15.5% from 9.8%/10.7% in FY20/FY21. For the industry too, Apr'21 saw health GDPI of Rs68bn which, if annualised, could be Rs826bn for FY22E vs Rs516bn/586bn for FY20/FY21. Industry Loss ratios can be higher in Q1FY22 given the rise in covid claims, but overall growth in health insurance is to be viewed as a long-term opportunity.

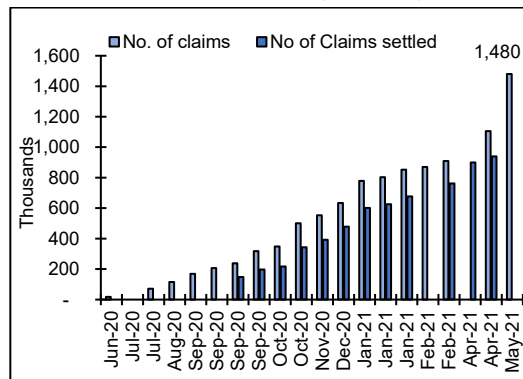
- ▶ **Health insurance – Industrywide covid claims** till 14th May FY21 was 1.5mn in terms of number and US\$3.1bn in value compared to 11.1mn/US\$2.1bn in FY21. Our channel checks indicate that industry losses are higher on covid-specific policies (*Corona Kavach* and *Corona Rakshak*). While the losses could also be higher for ICICIGI, we like the fact that the company is seeing traction in retail health segment (assuming the growth is not driven by corona-specific policies for ICICIGI). This becomes critical for growth ahead, especially after the dip in bancassurance attachment sales from H2FY21 levels. Higher growth for ICICIGI would also partly be due to higher premium prices.
- ▶ **Motor premiums affected due to covid in Apr'21 (similar to May'20).** Industry motor segment GDPI declined sharply to Rs38bn vs average monthly run rate of Rs66bn witnessed between Oct'20 and Mar'21. ICICIGI's motor market share stood to 10.2% in Apr'21 compared to 9.8%/10.4% in FY20/FY21.

Chart 1: ICICIGI health GDPI trend



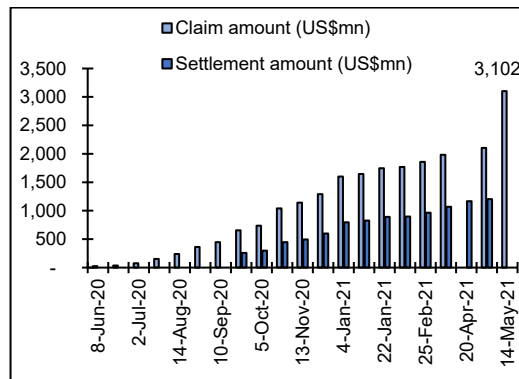
Source: IRDAI, GI Council, I-Sec Research

Chart 2: Pace of incremental covid claims has risen sharply in May'14...



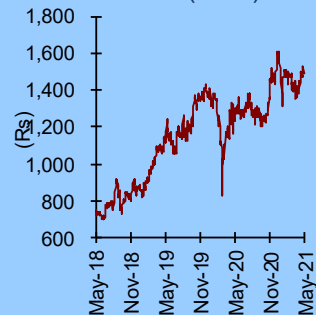
Source: Media reports

Chart 3: ...so has covid claim amount



Sector update

ICICI Lombard (ADD)



Research Analysts:

Ansuman Deb

ansuman.deb@icicisecurities.com
+91 22 6637 7312

Ravin Kurwa

ravin.kurwa@icicisecurities.com
+91 22 2277 7653

Chart 4: Overall GDP growth (ex-crop)

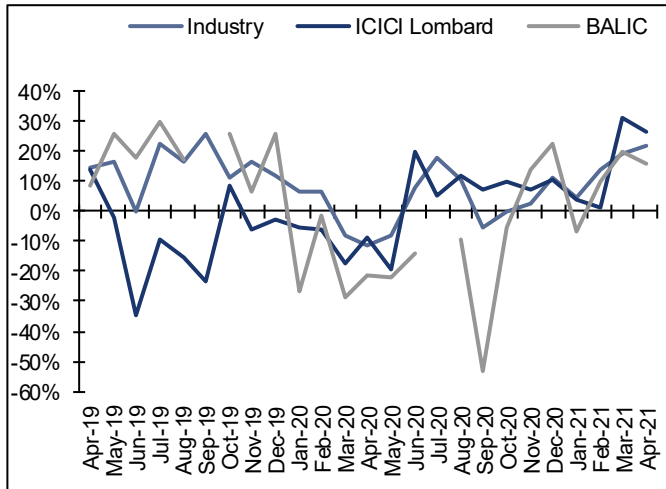


Chart 5: Motor premium growth sees improving trend

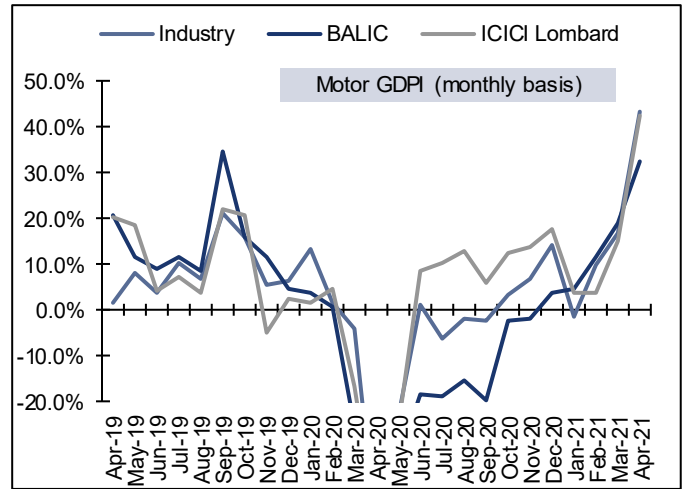


Chart 6: Health segment premium growth

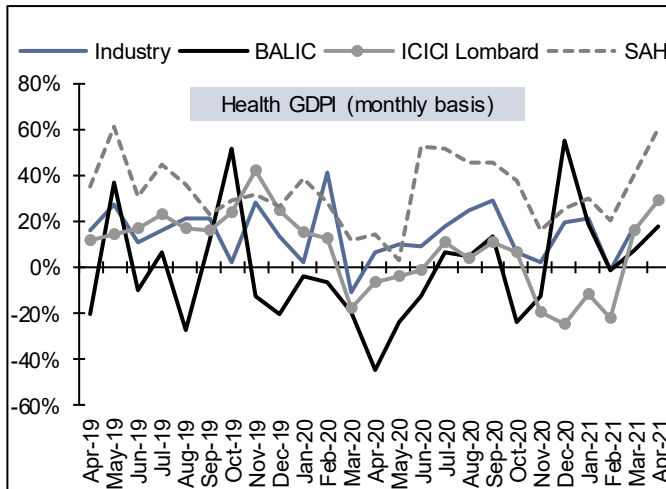
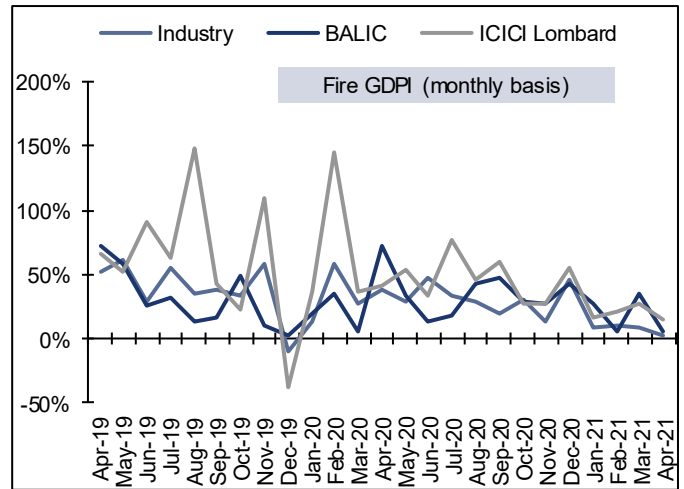


Chart 7: Fire segment premium growth



Source: IRDAI

Table 1: YTD premium growth by segment

Segment	Industry		ICICIGI		BAGIC		Market share (Apr'21)	
	Apr-21	%chg	Apr-21	%chg	Apr-21	%chg	ICICIGI	BAGIC
Fire	39.26	3.0%	5.43	15.3%	3.36	6.2%	13.8%	8.6%
Motor	26.24	43.4%	2.70	42.3%	2.04	32.2%	10.3%	7.8%
Healthcare	53.80	28.0%	3.24	29.2%	1.97	17.8%	6.0%	3.7%
Marine	4.37	28.2%	0.81	26.0%	0.32	-8.0%	18.6%	7.3%
Engineering	2.59	33.8%	0.45	42.8%	0.15	-1.1%	17.4%	5.7%
Aviation	0.77	77.0%	0.12	33.8%	0.02	3.5%	15.7%	2.7%
Liability	3.24	30.3%	0.65	29.2%	0.44	21.6%	20.0%	13.6%
PA	3.65	35.4%	0.21	96.9%	0.16	6.6%	5.8%	4.4%
Crop	2.15	-60.3%	0.02	-98.9%	0.01	-142.1%	1.0%	0.3%
Misc	4.96	-4.8%	0.33	-7.9%	0.40	0.0%	6.6%	8.0%
Total	141.02	22.0%	13.96	26.6%	8.86	14.5%	9.9%	6.3%
Ex crop	138.87	23.3%	13.93	26.8%	8.85	14.6%	10.0%	6.4%

Source: IRDAI

Table 2: YTD premium growth by key insurers

Total GDPI	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	YoY	MoM
Industry	162.2	141.1	112.6	139.7	170.1	176.3	228.6	159.5	149.6	179.4	179.9	157.7	193.0	172.1	22%	-11%
ICICI	7.4	14.0	8.8	10.3	10.9	10.1	10.9	15.0	13.1	12.2	14.3	10.8	9.7	17.7	27%	81%
BAGIC	7.3	8.8	6.2	7.7	20.0	12.0	9.4	9.5	9.0	15.4	11.3	7.7	8.7	10.1	16%	17%
ICICI	4.6%	9.9%	7.8%	7.3%	6.4%	5.7%	4.8%	9.4%	8.8%	6.8%	7.9%	6.8%	5.0%	10.3%		
BAGIC	4.5%	6.2%	5.5%	5.5%	11.8%	6.8%	4.1%	5.9%	6.0%	8.6%	6.3%	4.9%	4.5%	5.9%		
Motor GDPI																
Industry	59.4	26.2	41.3	52.6	50.4	52.0	58.4	71.8	63.5	65.8	62.5	63.9	69.4	37.6	43%	-46%
ICICI	5.4	2.7	3.7	5.1	5.0	5.3	5.7	9.0	8.3	6.7	6.5	5.9	6.3	3.8	42%	-39%
BAGIC	4.0	2.0	2.7	3.4	3.4	3.6	4.2	5.2	4.5	4.6	4.7	4.3	4.7	2.7	32%	-43%
ICICI	9.1%	10.3%	9.0%	9.6%	10.0%	10.1%	9.8%	12.5%	13.0%	10.2%	10.5%	9.3%	9.0%	10.2%		
BAGIC	6.7%	7.8%	6.4%	6.5%	6.7%	6.9%	7.2%	7.2%	7.0%	7.1%	7.5%	6.8%	6.8%	7.2%		
Health GDPI																
Industry	48.6	53.8	37.4	43.1	49.8	44.9	59.0	40.7	40.4	53.7	62.1	43.9	57.0	68.8	28%	21%
ICICI	1.5	3.2	2.2	1.9	2.5	2.3	2.3	2.4	1.9	1.7	3.0	1.8	1.7	4.2	29%	148%
BAGIC	1.3	2.0	1.2	1.3	1.6	1.5	2.5	1.7	1.3	3.0	2.1	1.3	1.4	2.3	18%	66%
SAHI	14.9	7.6	8.6	11.0	13.4	12.4	12.9	11.8	11.2	13.5	14.4	13.6	21.0	12.2	60%	-42%
ICICI	3.0%	6.0%	6.0%	4.3%	5.0%	5.2%	3.9%	5.8%	4.6%	3.2%	4.8%	4.1%	3.0%	6.1%		
BAGIC	2.7%	3.7%	3.3%	3.0%	3.3%	3.4%	4.2%	4.3%	3.2%	5.7%	3.4%	2.9%	2.5%	3.4%		
Fire GDPI																
Industry	13.1	39.3	18.7	16.4	16.9	11.8	12.4	16.0	11.8	16.3	15.6	11.9	14.2	40.4	3%	184%
ICICI	0.4	5.4	1.5	1.5	1.7	1.2	1.2	1.8	1.1	2.0	2.3	1.3	0.5	6.3	15%	1055%
BAGIC	0.9	3.4	1.3	0.9	1.4	0.9	1.0	1.5	0.8	1.2	2.1	0.9	1.3	3.6	6%	183%
ICICI	3.2%	13.8%	8.1%	9.3%	10.3%	10.1%	9.5%	11.1%	9.0%	12.6%	14.7%	10.6%	3.8%	15.5%		
BAGIC	7.1%	8.6%	6.9%	5.4%	8.1%	7.4%	8.3%	9.3%	7.0%	7.1%	13.5%	7.8%	8.9%	8.8%		
Ex-Crop																
Industry	136.4	138.9	110.6	129.0	136.0	123.2	146.9	146.7	130.9	153.5	160.8	137.5	161.3	171.2	23%	6%
ICICI	8.1	13.9	8.8	10.0	10.9	10.1	10.8	15.0	13.1	12.2	14.3	10.8	9.7	17.7	27%	81%
BAGIC	7.3	8.8	6.2	7.5	8.1	6.9	8.8	9.6	7.6	10.1	10.3	7.7	8.6	10.1	16%	18%
ICICI	6.0%	10.0%	8.0%	7.7%	8.0%	8.2%	7.4%	10.2%	10.0%	7.9%	8.9%	7.8%	6.0%	10.3%		
BAGIC	5.3%	6.3%	5.6%	5.8%	6.0%	5.6%	6.0%	6.5%	5.8%	6.6%	6.4%	5.6%	5.3%	5.9%		

Source: IRDAI

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