Niva Bupa Health Insurance Company Limited

June 26, 2026

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Subordinate debt@	150.00	CARE AA; Stable	Reaffirmed
Subordinate debt@	100.00	CARE AA; Stable	Reaffirmed

Details of instruments/facilities in Annexure-1.

@CARE Ratings Limited (CareEdge Ratings) has rated the aforesaid subordinate debt considering the regulatory conditions and in view of their sensitiveness to the company's solvency ratio and profitability due to the regulatory covenants in the long tenure of the instrument. Interest payable on subordinate debt will be subject to the following:

- The solvency of the issuer remains per regulatory stipulation.
- Where the impact of such payment may result in net loss or increase the net loss, prior approval of the authority for such payment will be obtained.

Any delay in payment of interest / principal (as the case may be) following the invocation of covenants, would constitute an event of default per CareEdge Ratings' definition of default and as such these instruments may exhibit sharper migration of the rating.

The list of facilities / instruments falling under the purview of various financial sector regulators (FSRs), along with the names of respective FSRs has been disclosed under Annexure-7.

Rationale and key rating drivers

Reaffirmation of ratings for Niva Bupa Health Insurance Company Limited's (NBHI's) subordinated debt is driven by its strong parentage, with NBHI being a subsidiary of Bupa Singapore Holdings Pte. Limited, in which Bupa holds a 55% stake. The rating also reflects the benefits of brand and operational synergies, and continued capital and managerial support. NBHI's board includes Bupa representatives who participate in committees, ensuring strategic and managerial oversight. CARE Ratings Limited (CareEdge Ratings) anticipates that Bupa will maintain its controlling stake in NBHI over the medium-to-long term and continue to extend financial and operational support as needed.

Ratings also factor in NBHI's strong business momentum, reflected in a 26.97% growth in gross written premium (GWP) in FY26, compared to 20.59% in FY25, significantly outpacing the industry growth rate of 16.71%. While the company's market share in the health insurance industry (incl. Personal Accident) improved to 5.77% from 5.31% in the previous year, it remains relatively modest. Going forward, CareEdge Ratings expects NBHI to sustain its healthy business growth trajectory in FY27, supported by its strong capital position with adequate capital buffers.

These strengths are partially offset by the company's rising claims ratio and its concentration in a single line of business, which increases its susceptibility to sector-specific challenges and exposes its profitability to event-driven risks.

Going forward, the continued support from Bupa, and NBHI's ability to sustain its growth momentum will be key monitorable.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors: Factors that could individually or collectively lead to positive rating action/upgrade:

- Sustained growth and significant increase in market share in the overall health sector.
- Sustained improvement in combined insurance service ratio (CISR) and overall return metrics.

Negative factors: Factors that could individually or collectively lead to negative rating action/downgrade:

- Any material changes in the shareholding pattern, leading to expectation of diminished support from Bupa.
- Deterioration in CISR and/or decline in profitability metrics on a sustained basis.
- Decline in solvency margin below 1.8x on a sustained basis.

Analytical approach: Standalone

[1]Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Standalone; factoring in majority shareholding and continued support from Bupa, given the shared brand name and representation on board.

Outlook: Stable

The stable outlook on the long-term ratings reflects CareEdge Ratings' expectation of ongoing capital support from the Bupa Group, and continued operational and managerial oversight, to support NBHI's long-term growth strategy. The outlook also factors in the anticipated steady and profitable business growth while maintaining comfortable solvency margins.

Detailed description of key rating drivers:

Key strengths

Strong shareholder support and experienced management team

NBHI derives significant benefits from being a subsidiary of the Bupa Group, including access to a shared brand and logo, capital support, managerial expertise, and strong governance practices. The company's Board includes Bupa representatives who participate in key committees such as Audit, Risk Management, Nomination and Remuneration, and Stakeholder Relationship, ensuring effective managerial and strategic oversight. The Board comprises 11 members, including four independent directors, four non-executive directors representing Bupa, and three executive directors. NBHI is led by a seasoned management team with extensive experience in the insurance sector.

Going forward, CareEdge Ratings expects Bupa to retain its controlling stake in NBHI over the long term and continue providing capital and operational support as required.

Strong solvency levels

The company has demonstrated a strong ability to raise capital, having secured ~₹1,921 crore in fresh equity across FY24 and FY25. As a result, its solvency ratio improved to 3.03x as on March 31, 2025, and remained robust at ~2.49x as on March 31, 2026, well above the regulatory requirement of 1.5x. CareEdge Ratings expects the company to maintain healthy business growth over the near-to-medium term, supported by these comfortable capital buffers.

Given its association with the Bupa Group, the company is likely to receive timely capital support as needed to sustain its future growth trajectory.

Steady growth with gradual gain in market share

NBHI's GWP increased to ₹8,585.92 crore in FY26 (including the 1/n impact[2]), registering a growth of 26.97%, significantly higher than the overall health insurance industry (incl. Personal Accident) growth of 16.71% during the year. This led to an improvement in its market share within the health insurance segment (incl. Personal Accident) to 5.77% in FY26, up from 5.31% in the previous year. Among standalone health insurers (SAHIs), NBHI's market share rose to 18.72% in FY26 from 17.60% in FY25. The growth was largely driven by stronger performance in the second half of FY26, particularly in the retail segment, supported by the GST waiver. As a result, the share of retail health policies increased to 68.30% (PY: 67.70%) [including travel & personal accidents], while the group segment marginally declined to 31.60% (PY: 32.30%). Going forward, the company expects the segment mix to remain broadly stable.

NBHI's business sourcing channels remain well diversified, with individual agents contributing 30.22% of GWP (PY: 29.67%), followed by brokers at 29.53% (PY: 30.63%), corporate agents at 29.90% (PY: 27.60%), direct business at 9.74% (PY: 11.54%), and others at 0.61% (PY: 0.57%).

Geographically, NBHI also maintains a balanced presence, with Maharashtra contributing 14% of GWP (PY: 15%), followed by Uttar Pradesh at 12% (PY: 12%), Karnataka at 11% (PY: 12%), Delhi at 9% (PY: 9%), and Haryana at 7% (PY: 7%). The top five states together account for ~53% of GWP (PY: 54%), reflecting a reasonably diversified portfolio.

CareEdge Ratings expects the company to achieve healthy growth across regions, supported by its well-diversified distribution network and geographic spread.

[2] From October 01, 2024, the regulator implemented 1/n method of accounting with respect to gross written premiums on long term-insurance policies where premiums and commission which were charged to P&L will have to be booked over the entire policy duration.

Improving profitability metrics

In line with Insurance Regulatory and Development Authority of India's (IRDAI's) regulatory mandate, the company has transitioned to Ind AS 117 (Insurance Contracts) effective April 1, 2026, enhancing transparency. Following this migration, the company's profit after tax (PAT) increased by 80% in FY26 to ₹366.14 crore, compared to ₹202.90 crore due to higher investment income and reduction in the operating expenses, although insurance service result was moderate considering higher claims. NBHI's investment book expanded to ₹9,607.29 crore as on March 31, 2026, up from ₹8,269.67 crore as on March 31, 2025. This translated into an improvement in return on net worth (RONW[3]) to 10.78% in FY26 from 7.55% in FY25. While CareEdge Ratings takes note of the improvement in the profitability, the company's ability to sustain it remains a key rating sensitivity.

Despite strong premium growth during the year, overall loss ratio[4] rose to 64.91%, up from 63.81% in the previous year, while on other hand expense ratio[5] improved to 36.53% from 39.23% previous year. considering this, the Combined insurance service ratio[6] improved to 101.44% for FY26 against 103.04% for FY25.

The company has reported an improvement in expense of management (EOM) ratio of 33.7% (PY: 39.2%), which is below the regulatory threshold of 35% considering operation efficiencies. The company intends to maintain EOM within this prescribed limit going forward, with management committed to keeping it consistently below the regulatory cap.

Key weaknesses

Single line of business

As a standalone health insurer, NBHI remains largely reliant on the health insurance segment, making its profitability more susceptible to event risks compared to multi-line insurers. In FY26, health insurance accounted for ~99% of the company's GWP [previous year: 98%], with the personal accident segment contributing the remaining 1% [previous year: 2%]. Although NBHI has recently forayed into travel insurance, its share in the overall premium mix remains negligible.

Evolving regulatory environment and competitive industry landscape

The long-term outlook for the Indian general insurance sector, particularly health insurance, remains strong due to low penetration levels and robust socio-economic growth drivers. As the industry continues to evolve, it has been experiencing a series of regulatory changes. A key development is the IRDAI mandate requiring migration to the IND AS framework effective April 1, 2026, which the company has successfully implemented. This globally recognised accounting framework enhances financial reporting with greater transparency.

Such regulatory measures are expected to strengthen product offerings and drive the industry toward improved efficiency and effectiveness, in line with the vision of "Insurance for All by 2047." However, they are also likely to intensify competition and lead to significant changes in operating models and technology adoption over the medium term.

Liquidity: Strong

NBHI's liquidity profile remained strong as on March 31, 2026. NBHI's liquid investments, comprising government securities and AAA-rated instruments, stood at ₹8403.58 crore as on March 31, 2026 (86% of investments portfolio), compared to ₹7,195.33 crore in the previous year (88% of total investments).

Based on the FY26 cash flow statement, the company reported positive operating cash flow, with cash inflows—comprising premium collections and investment income— of ₹11,191.42 crore remaining sufficiently higher than the claim payouts of ₹4,751.82 crore and total expenses (including commissions and operating expenses) of ₹3,379.88 crore for FY26.

Assumptions/Covenants

Not applicable

[3] Calculated as [PAT/ Average of opening and closing (Net worth – Intangible assets)]

[4] Calculated as [(Incurred claims and other insurance service expenses + Losses on onerous contracts and reversal of those contracts)/ Insurance Revenue]

[5] Calculated as [(Amortisation of insurance acquisition cashflow + Losses on onerous contracts and reversal of those contracts + Other operating expenses)/Insurance Revenue]

[6] Calculated as [Loss ratio + Expense ratio]

Environment, social, and governance (ESG) risks

Although NBHI is a service-oriented business model, it limits its direct exposure to environmental risks, credit risk may arise, if operations of any asset class of the portfolio are adversely impacted by environmental factors.

Social risks in the form of a cybersecurity threat or customer data breach or mis-selling practices can affect Niva Bupa's regulatory compliance and reputation and hence remain a key monitorable.

Niva Bupa's Board comprises eleven Directors, with four Independent Directors and also includes two female Directors.

Applicable criteria

Policy on Default Recognition
Non – Life Insurance Sector
Assigning 'Outlook' or 'Rating Watch' to Credit Ratings
Notching by Factoring Linkages in Ratings

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Financial services	Financial services	Insurance	General insurance

Incorporated on September 5, 2008, NBHI is a one of the players among private standalone health insurers in India. The company has received its license from the IRDAI on February 15, 2010, and commenced operations in March 2010. As of FY26, the company held a gross direct premium income (GDPI) market share of ~5.77% (incl. personal accident) in the overall health insurance segment and 18.72% (incl. personal accident) among standalone health insurers.

NBHI was originally established as a joint venture between Max India Limited and Bupa, a UK-based international healthcare services group operating through its subsidiary, Bupa Singapore Holdings Pte Ltd. In February 2019, Max India exited the health insurance business, selling its entire 51% stake to Fettle Tone LLP—an affiliate of private equity firm True North—for ~₹510 crore in an all-cash transaction. The IRDAI approved the divestment on December 02, 2019, making Fettle Tone LLP the largest shareholder in NBHI.

The company went public in November 2024. Although Bupa's stake was diluted to 56% post-IPO, it remained the majority shareholder and continued as the promoter of NBHI. As on March 31, 2026, Bupa Singapore Holdings Pte Ltd. holds ~55.36% in NBHI.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	March 31, 2026 (A)
Gross written premium	5,607.57	6,762.23	8,585.92
Net earned premium	3,811.25	4,894.46	6,067.57
PAT	81.85	213.52	130.78
PAT (per Ind AS)	106.35	202.90	366.14
Claims outstanding	415.75	527.54	851.05
Net worth	2,049.59	3,058.32	3,218.97
Total Investments	5,458.23	8,175.08	9,669.65
Combined ratio (%)[7]	105.15	105.10	107.69
Combined ratio (%) (per Ind AS)	103.03	103.04	101.44
Solvency (x)	2.55	3.03	2.49
RONW (%)	5.68	8.36	4.17

A: Audited; Note: these are latest available financial results

[7] Calculated as [(Net Claims incurred + Net commission paid + expenses) / (Net earned premium)]

Status of non-cooperation with previous CRA:
Not applicable

Any other information:
Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Debt-Subordinate Debt	INE995S08028	15-Mar-2022	10.70%	15-Mar-2032	100.00	CARE AA; Stable
Debt-Subordinate Debt	INE995S08010	15-Nov-2021	10.70%	15-Nov-2031	150.00	CARE AA; Stable

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2026-2027	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024
1	Debt-Subordinate Debt	LT	150.00	CARE AA; Stable	-	1)CARE AA; Stable (27-Jun-25)	1)CARE AA; Stable (02-Jul-24)	1)CARE A+; Stable (03-Jan-24)
2	Debt-Subordinate Debt	LT	100.00	CARE AA; Stable	-	1)CARE AA; Stable (27-Jun-25)	1)CARE AA; Stable (02-Jul-24)	1)CARE A+; Stable (03-Jan-24)

LT: Long term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Debt-Subordinate Debt	Complex

Annexure-5: Lender details: Not applicable

Annexure-6: List of entities consolidated: Not applicable

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

Annexure-7: List of Facilities/Instruments and FSRs

As required by SEBI Circular dated February 10, 2026, to Credit Rating Agencies (CRAs), the list of activities or instruments falling under the purview of various FSRs, along with the names of respective FSRs, is being disclosed below:

Sr. No.	Facilities/Instruments Name	Regulator of the Instruments[8]
1.	Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities)	SEBI
2.	Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities)	MCA
3.	Listed PTCs / Securitisation Notes (Originated by Entities Regulated by RBI) *	SEBI
4.	Listed PTCs / Securitisation Notes (Originated by Entities Not Regulated by RBI) *	SEBI
5.	Unlisted PTCs / Securitisation Notes (Originated by Entities Regulated by RBI) *	RBI
6.	Listed Commercial Paper and NCDs with Original Maturity Less Than 1 Year	RBI
7.	Unlisted Commercial Paper and NCDs with Original Maturity Less Than 1 Year	RBI
8.	Loan Facilities (Fund / Non-Fund Based) From Banks / NBFCs / NHB / FIs ^	RBI
9.	External Commercial Borrowings and Other Similar Borrowings	RBI
10.	Certificates of Deposit	RBI
11.	Fixed Deposits Raised by Banks, NBFCs, HFCs, FIs	RBI
12.	Fixed Deposits Raised by Corporates Other Than Banks, NBFCs, HFCs, FIs	MCA
13.	Inter Corporate Deposits / Loans Extended by Corporates	MCA
14.	Borrowing Programme ~	-
15.	Issuer Ratings #	-
16.	Credit Ratings for Capital Protection Oriented Schemes (By Mutal Funds and AIFs)	SEBI
17.	Credit Quality Ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18.	Listed Security Receipts	SEBI
19.	Unlisted Security Receipts	RBI
20.	Independent Credit Evaluation (ICE)	RBI
21.	Expected Loss Ratings (For Loan Facilities (Fund / Non-Fund Based) from Banks / NBFCs / NHB / FIs)	RBI
22.	Expected Loss Ratings (Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities))	SEBI
23.	Expected Loss Ratings (Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities))	MCA
24.	Unlisted PTCs / Securitisation Notes (Originated by Entities Not Regulated by RBI) *	Investor-side regulator such as IRDAI, PFRDA @

* Includes securitisation transactions involving assignee payout, acquirer's payout.

~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), among others The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In the rating notes subsequent to issuance(s), CARE Ratings Limited shall separately capture the rated quantum details and names of respective regulators.

^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

@ These ratings were assigned in regulatory regime prior to introduction of SEBI CRA Circular dated February 10, 2026 and the investor side regulators have accordingly been included.

Note: For facilities / instruments falling under the purview of FSRs other than SEBI, the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

[8]SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority

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About us:
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