

Non-Life Insurance Premium Growth Rebounds in Sep 25

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Overview

In September 2025, the non-life insurance sector experienced a rebound, with a 13.2% year-on-year growth compared to a 6.5% decline in September 2024 and 1.6% growth in August 2025. Premium collections reached Rs 31,117.6 crore. The overall growth was supported by stronger renewals in core segments like motor, crop, fire, and engineering, coupled with rising demand in specialised lines and personal accident insurance.

Figure 1: Movement in Monthly Premium (Rs crore)

Month	Premium in FY23	Premium in FY24	Premium in FY25	Premium in FY26	FY23 vs FY22 (%)	FY24 vs FY23 (%)	FY25 vs FY24 (%)	FY26 vs FY25 (%)
April	21,276.3	25,616.1	29,679.0	33,688.5	23.3	20.4	15.9	13.5
May	15,404.5	18,196.0	20,907.5	22,257.4	25.3	18.1	14.9	6.5
June	17,808.8	20,451.9	22,272.9	23,422.5	20.6	14.8	8.4	5.2
July	23,395.3	26,567.3	29,032.3	29,729.8	16.1	13.6	9.3	2.4
August	24,474.5	23,558.3	24,554.3	24,953.0	11.9	-3.7	4.2	1.6
September	22,838.7	29,476.3	27,550.9	31,177.6	2.7	29.1	-6.5	13.2
October	20,954.9	23,821.1	30,378.0		18.5	13.7	27.5	
November	19,207.4	20,756.8	21,671.4		22.1	8.1	4.4	
December	21,874.6	25,101.9	25,018.7		14.5	14.8	-0.3	
January	25,541.6	27,229.0	29,021.3		19.4	6.6	6.6	
February	19,873.6	22,378.4	21,747.6		20.0	12.6	-2.8	
March	24,244.5	26,647.5	26,698.9		11.4	9.9	0.2	

Source: General Insurance Council, IRDAI. Note: IRDAI has recently revised the reporting formats to exclude premiums from long-term policies, effective October 1, 2024. It is assumed that all companies have deducted the long-term premiums accordingly for the current year using the IRDAI formats. Therefore, the growth rates reported for the current year cannot be compared with those of the previous year.

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

Insurers	Sep-23	Sep-24	Sep-25	Sep-24 Growth (%)	Sep-25 Growth (%)	YTD FY24	YTD FY25	YTD FY26	YTD FY25 Growth (%)	YTD FY26 Growth (%)
Public General Insurers	8,896.1	8,125.7	8,320.3	-8.7%	2.4%	45,997.0	47,374.9	52,392.1	3.0%	10.6%
Specialised PSU Insurers	3,078.1	1,176.7	4,253.9	-61.8%	261.5%	6,147.9	4,433.2	7,378.2	-27.9%	66.4%
Private General Insurers	14,810.1	14,859.5	15,110.7	0.3%	1.7%	77,049.9	83,868.8	85,767.7	8.9%	2.3%
SAHI	2,691.8	3,387.9	3,492.7	25.9%	3.1%	14,606.7	18,217.4	19,624.0	24.7%	7.7%
Total	29,476.1	27,549.8	31,177.6	-6.5%	13.2%	1,43,801.6	1,53,894.4	1,65,161.9	7.0%	7.3%

Source: General Insurance Council, IRDAI

- In September 2025, public sector general insurers sustained their growth trajectory for over a year, supported by steady renewals across fire, engineering, health, and motor third-party (TP) segments. However, the transition to the 1/n rule has moderated overall headline growth. Private non-life insurers, including standalone health insurers (SAHIs), continued to dominate with a 60% market share in September 2025, which is lower than the 66% in September 2024 but broadly similar to the levels in September 2023. On a year-to-date (YTD) basis, private insurers retained a majority share of 63.8% as of September 2025, slightly below 66.3% a year earlier, while public sector insurers' share improved to 31.7% from 30.8% in September 2024, indicating a gradual strengthening of their market position.
- Specialised insurers witnessed a significant rebound in September 2025, with premiums surging 261.5% y-o-y, a strong reversal from the steep 61.8% contraction recorded in September 2024. This increase was primarily driven by a low base effect, coupled with higher renewals and increased uptake in credit guarantee insurance. On a YTD basis, the segment has returned to positive growth, rising by 66.4% compared to a 27.9% decline in the corresponding period of FY25, reflecting renewed momentum and business recovery across specialised lines.
- SAHIs saw a marked slowdown in growth, with premiums rising just 3.1% y-o-y in September 2025, significantly lower than the 25.9% growth recorded in the same month last year. This moderation is likely attributable to higher premiums, impacting affordability and new business inflows. Despite this, SAHIs continue to gain market share, mainly at the expense of private general insurers.

Figure 3: Movement in Health Premiums (Rs crore)

Segment	Sep-23	Sep-24	Sep-25	Sep-24 Growth (%)	Sep-25 Growth (%)	YTD FY24	YTD FY25	YTD FY26	YTD FY25 Growth (%)	YTD FY26 Growth (%)
Health	10,338.8	10,087.1	10,780.7	-2.4%	6.9%	54,711.1	59,607.2	64,240.4	8.9%	7.8%
Group	6,272.9	5,774.8	5,672.7	-7.9%	-1.8%	29,539.2	32,928.6	35,544.1	11.5%	7.9%
Retail	3,433.6	4,059.7	4,357.7	18.2%	7.3%	18,782.8	22,220.3	24,066.3	18.3%	8.3%
Others	632.3	252.6	750.2	-60.0%	197.0%	6,389.0	4,458.2	4,630.1	-30.2%	3.9%

Source: General Insurance Council, IRDAI

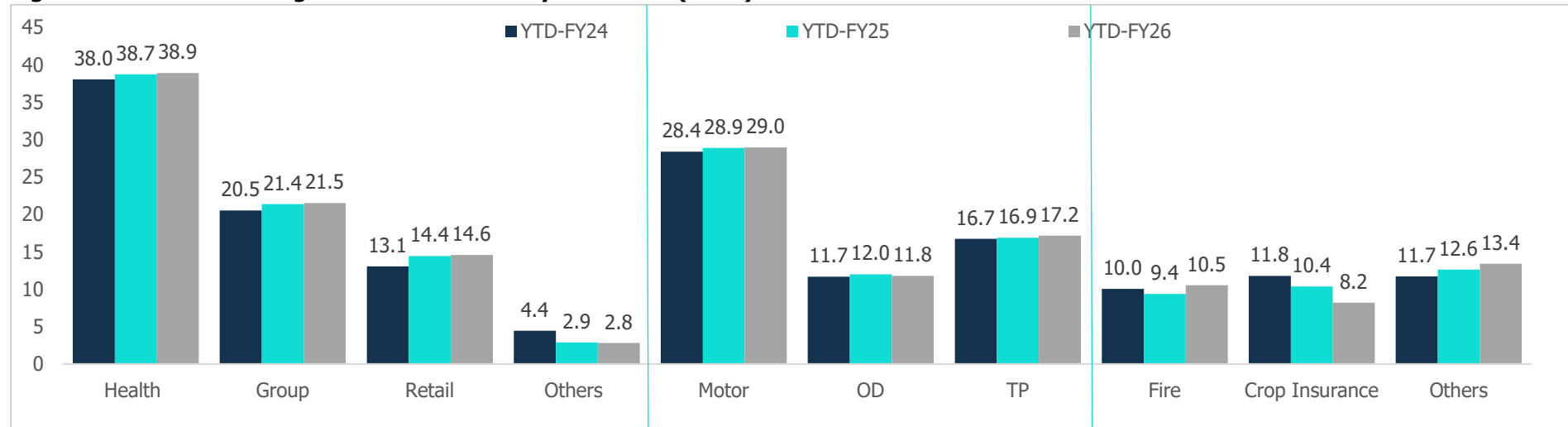
- Health insurance remains the largest segment within the non-life insurance industry, posting a 6.9% growth in September 2025. The increase was largely supported by stronger performance in the other category and the effect of the GST rate cut in individual health policies. However, overall growth momentum has moderated due to the impact of the 1/n rule and affordability pressures from rising premiums. Within this segment, SAHIs have consistently outperformed, underscoring their growing influence in the market.
 - The retail health segment grew the fastest in September 2025, driven by GST rate cuts, policy renewals and improved penetration amid rising medical inflation. However, growth moderated to 7.3%, down from 18.2% in the same period last year.
 - Group health insurance growth moderated to 7.9% in YTD FY26, down from the 11.5% pace seen in YTD FY25. The deceleration is partly linked to the 1/n rule and further exacerbated by rising medical inflation, which has pushed premiums higher and weighed on affordability.
 - SAHIs remain concentrated in the retail segment, whereas general insurers continue to dominate the group business. With new SAHIs set to enter the market, competitive intensity is expected to rise over the medium term.
 - The Others' segment reported a significant y-o-y growth of around 197.0% in September 2025. This rebound was driven by higher premiums under government health schemes, alongside stronger demand for overseas medical policies as international travel gained traction. A favourable base effect from the previous year further magnified this growth.
 - The recent reduction in GST on health insurance has lowered the overall cost for policyholders, making products more affordable and supporting stronger demand. Insurers are likely experiencing higher new business premiums and improved penetration, particularly in retail segments. The reduced tax burden also helps enhance customer retention, as renewal premiums have become relatively more economical, contributing to sustained growth in the health insurance segment.

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

Segment	Sep-23	Sep-24	Sep-25	Sep-24 Growth (%)	Sep-25 Growth (%)	YTD FY24	YTD FY25	YTD FY26	YTD FY25 Growth (%)	YTD FY26 Growth (%)
Motor	7,392.6	7,572.1	8,196.1	2.4%	8.2%	40,837.6	44,459.8	47,850.8	8.9%	7.6%
OD	2,990.5	3,006.7	3,244.1	0.5%	7.9%	16,786.9	18,474.9	19,478.8	10.1%	5.4%
TP	4,402.1	4,565.4	4,952.0	3.7%	8.5%	24,050.7	25,984.9	28,372.0	8.0%	9.2%
Fire	1,579.5	1,314.1	1,736.0	-16.8%	32.1%	14,446.7	14,447.5	17,415.5	0.1%	20.5%
Crop Ins.	6,537.4	5,618.6	6,751.3	-14.1%	20.2%	16,957.9	15,939.3	13,532.7	-6.0%	-15.1%
Others	3,625.7	2,957.8	3,713.6	-18.4%	25.5%	16,845.2	19,456.3	22,122.8	15.5%	13.7%
Total	19,135.1	17,462.7	20,396.9	-8.7%	16.8%	89,087.3	94,302.9	1,00,921.8	5.9%	7.0%

Source: General Insurance Council, IRDAI

- The growth of the non-life insurance industry, excluding health, stood at 16.8% as of September 2025. Furthermore, a sizable proportion of this growth was attributed to the motor and fire segments, which accounted for around 50% of the non-life insurance excluding health.
 - In YTD FY26, Motor OD premiums grew by 5.4%, lower than the 10.1% recorded in YTD FY25, reflecting the impact of muted PV sales. In contrast, Motor TP premiums rose by 9.2%, slightly higher than the 8.0% growth in the previous year. The Ministry of Road Transport and Highways (MoRTH) is considering an upward revision in motor TP premiums, following IRDAI's recommendation, which could further support segment growth. Furthermore, the reduction in GST on vehicles, effective from September 22, 2025, is expected to stimulate demand, which could support higher Motor OD premiums over the medium term.
 - The fire insurance segment continued to grow, increasing by 20.5% in YTD FY26, a sharp rise from 0.1% in the same period last year. Meanwhile, the engineering segment grew by 13.7%, up from 8.9% in YTD FY25. Conversely, crop insurance saw a decline of 15.1%, compared with a 6.0% contraction previously in YTD FY25. This decline is attributed to lower enrolments under the Pradhan Mantri Fasal Bima Yojana (PMFBY), uneven monsoon patterns, and reduced state-level participation, all of which impact premium inflows.
 - The other segment grew by 7.0% in YTD FY26, driven by a strong 30.4% increase in personal accident premiums and a 35.2% rise in credit guarantee premiums, reflecting greater awareness of individual risk protection and higher issuance of group policies. The engineering segment also recorded steady growth, supported by ongoing infrastructure expansion.

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

Source: General Insurance Council, IRDAI

CareEdge Ratings View

According to Priyesh Ruparelia, Director, CareEdge Ratings, "Non-life insurance premiums surpassed Rs 1.65 lakh crore in 1HFY26, underpinned by regulatory support, increased digitalisation, and a growing middle-class customer base. Initiatives such as the Bima Trinity platform and greater Insurtech adoption are expected to drive sector growth further. SAHIs continue to perform strongly in retail segments, while vehicle sales and potential third-party premium revisions will influence motor insurance growth. The recent GST reductions are likely to enhance affordability, boost policy sales, improve compliance, and increase penetration. Overall, the sector's trajectory will be shaped by a combination of competition, regulatory developments, and global economic uncertainties."

According to Saurabh Bhalerao, Associate Director, CareEdge Ratings, "In September 2025, the non-life insurance industry reported premiums of Rs 31,117.6 crore, reflecting a 13.2% y-o-y growth, significantly higher than the 6.2% contraction in September 2024. This increase was primarily driven by multiple factors, including the reduction in GST on individual health insurance premiums, which improved affordability and spurred retail demand. Additionally, higher renewals across key segments such as motor, health, fire, and engineering, along with increased uptake in specialised lines and personal accident coverage, contributed to the overall growth. Meanwhile, a reduction in distributor commissions to mitigate the loss of input tax credits could create issues in the distribution channels, potentially impacting premiums."

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