January 2026 Sees Continued Upswing in Non-Life Premiums

February 23, 2026 | BFSI Research

Overview

Non-life insurance premiums grew by 14.9% year-on-year in January 2026, sustaining the double-digit growth streak for the third consecutive month and accelerating sequentially from December, with premium collections rising to Rs 33,346.3 crore. This growth momentum was driven by traction across the health, motor, and crop insurance segments. Further, the January 2026 growth appears elevated on a y-o-y basis due to a regulatory base effect, as premium growth in January 2025 was impacted by the implementation of the 1/n rule.

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	29,597.5	29,617.6	18.5	13.7	27.5	0.1
November	19,207.4	20,756.8	21,671.4	26,897.4	22.1	8.1	4.4	24.2
December	21,874.6	25,101.9	25,018.7	28,446.8	14.5	14.8	-0.3	13.7
January	25,541.6	27,229.0	29,021.3	33,346.3	19.4	6.6	6.6	14.9
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 for the current year in accordance with 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	Jan-24	Jan-25	Jan-26	Jan-25 Growth (%)	Jan-26 Growth (%)	YTD FY24	YTD FY25	YTD FY26	YTD FY25 Growth (%)	YTD FY26 Growth (%)
Public General Insurers	8,277.7	9,256.1	9,128.1	11.8	-1.4	76,063.4	80,850.6	88,004.6	6.3	8.8
Specialised PSU Insurers	970.4	1,225.1	2,283.6	26.3	86.4	9,187.9	9,413.4	11,284.7	2.5	19.9
Private General Insurers	14,684.3	14,881.3	17,406.9	1.3	17.0	1,29,655.9	1,38,564.9	1,48,268.5	6.9	7.0
SAHIs	3,296.6	3,664.3	4,527.6	11.2	23.6	25,798.3	30,378.9	35,814.6	17.8	17.9
Total	**27,229.0**	**29,026.7**	**33,346.3**	**6.6**	**14.9**	**2,40,705.6**	**2,59,207.7**	**2,83,372.4**	**7.7**	**9.3**

Source: General Insurance Council, IRDAI

- January 2026 witnessed divergent trends in premium growth between public and private general insurers. Public sector insurers reported a 1.4% y-o-y decline in premiums, reflecting a high base in certain government-backed segments. In contrast, private insurers posted a healthy 17.0% y-o-y growth, driven by stronger traction in health, motor, and commercial lines. Private non-life insurers, including standalone health insurers (SAHIs), continued to dominate the market, holding 80% share in January 2026, up from 77% in January 2025 and 78% in January 2024.
- Specialised insurers witnessed a sharp rebound in January 2026, with premiums rising 86.4% y-o-y, a significant acceleration over the year-ago period (~3.3x of last year's January growth). This significant growth reflects the base effect and the seasonal pick-up in crop insurance premium recognition, as insurers booked premiums linked to the Rabi season implementation and to claim-settlement cycles. The recovery also indicates partial normalisation of premium flows following the sharp contraction seen in December, when collections were muted outside peak Kharif and Rabi execution windows. Meanwhile, cumulative premiums for specialised insurers were supported by the seasonality-driven rebound in January.
- SAHIs continued their strong double-digit growth in premiums, with premiums rising by 23.6% y-o-y in January 2026; this was double the growth seen in the same period last year. While growth was supported by strong demand in the retail health segment, improved affordability following the GST exemption, and customers opting for higher sum insured, the sharp y-o-y expansion was also accentuated by a base effect, as premium growth in January 2025 was impacted by regulatory changes, including the implementation of the 1/n rule. Additionally, SAHIs maintained their upward momentum, with their market share in health premiums rising to 32% from 30% y-o-y, mainly at the expense of private general insurers. (It is possible to show this data somewhere, as the reader cannot make out the market share movement from this table.)

Figure 3: Movement in Health Premiums (Rs crore)

Segment	Jan-24	Jan-25	Jan-26	Jan-25 Growth (%)	Jan-26 Growth (%)	YTD FY24	YTD FY25	YTD FY26	YTD FY25 Growth (%)	YTD FY26 Growth (%)
Health	**11,227.7**	**12,014.1**	**14,467.8**	**7.0**	**20.4**	**90,785.0**	**1,00,257.6**	**1,14,702.0**	**10.4**	**14.4**
Group	5,210.1	5,876.7	6,459.3	12.8	9.9	47,312.2	53,192.8	59,718.2	12.4	12.3
Retail	3,942.9	4,258.9	5,414.5	8.0	27.1	32,656.5	37,068.8	43,633.8	13.5	17.7
Others	2,074.8	1,878.5	2,593.9	-9.5	38.1	10,816.4	9,995.9	11,350.0	-7.6	13.5

Source: General Insurance Council, IRDAI

- Health insurance remains the largest segment within the non-life insurance industry, posting a strong 20.4% growth in January 2026. The increase was largely attributable to stronger performance in the others and retail segments, as well as to the effect of the GST rate cut on individual health policies. Additionally, overall growth was driven by renewals. Within this segment, continued growth in SAHIs has made them consistently outperform, underscoring their growing influence in the market.
  - The retail health segment continued its growth trajectory in January 2026, supported by GST rate cuts, policy renewals and improved penetration amid rising medical inflation. Additionally, growth increased to 27.1% from 8.0% in the same period last year, driven by the base effect.
  - Group health insurance growth witnessed a marginal downtick to 12.3% in YTDFY26, down from 12.4% seen in YTDFY25. This deceleration can be partly linked to the normalisation of post-year-end policy renewals.
  - 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 recovery in y-o-y premium growth in January 2026. This increase was mainly due to a seasonal surge in overseas medical demand, overseas leisure travel, and premium bookings under government schemes.
  - The 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 greater penetration, particularly in retail segments. The reduced tax burden also enhances customer retention, as renewal premiums have become relatively more affordable, contributing to sustained growth in the health insurance segment.

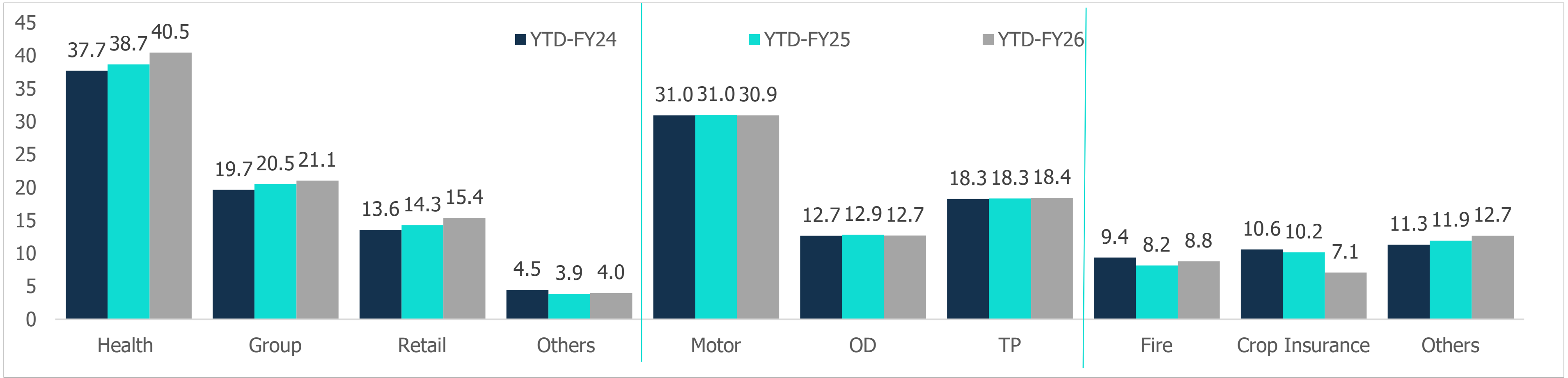
Figure 4: Movement in Non-Life Premiums excluding Health Premiums (Rs crore)

Segment	Jan-24	Jan-25	Jan-26	Jan-25 Growth (%)	Jan-26 Growth (%)	YTD FY24	YTD FY25	YTD FY26	YTD FY25 Growth (%)	YTD FY26 Growth (%)
Motor	**8,359.8**	**8,734.1**	**9,637.5**	**4.5**	**10.3**	**74,499.0**	**80,415.4**	**87,686.4**	**7.9**	**9.0**
OD	3,315.4	3,631.0	4,027.5	9.5	10.9	30,524.0	33,324.5	36,017.6	9.2	8.1
TP	5,044.4	5,569.5	6,176.2	10.4	10.9	43,975.0	47,557.4	52,235.1	8.1	9.8
Fire	2,339.3	2,292.6	2,176.5	-2.0	-5.1	22,564.5	21,248.7	24,945.7	-5.8	17.4
Crop Ins.	2,253.3	2,239.8	3,018.2	-0.6	34.8	25,548.8	26,340.1	20,083.3	3.1	-23.8
Others	3,048.8	3,746.1	4,046.3	22.9	8.0	27,308.2	30,963.1	35,964.1	13.4	16.2
Total	**16,001.2**	**17,012.6**	**18,878.5**	**6.3**	**11.0**	**1,49,920.5**	**1,58,967.3**	**1,68,679.5**	**6.0**	**6.1**

Source: General Insurance Council, IRDAI

- The growth of the non-life insurance industry, excluding health, increased and stood at 11.0% in January 2026. Furthermore, a sizable proportion of this growth was attributed to the crop and motor segments.
    - In YTDFY26, Motor OD premiums grew by 8.7%, lower than the 9.2% recorded in YTDFY25. In contrast, Motor TP premiums rose by 9.8%, an uptick from 8.1% growth in the previous year. The Ministry of Road Transport and Highways (MoRTH) is considering an upward revision to motor TP premiums, following IRDAI's recommendation, which could further support segment growth. Furthermore, the GST reduction on vehicles has bolstered festive-season demand. Three-wheeler sales jumped 18.8% y-o-y to 1.27 lakh units in January 2026 (from 1.07 lakh last year), while commercial vehicle sales rose 8.0% y-o-y to 1.46 lakh units. Passenger vehicles grew by 11.0% y-o-y to 5.94 lakh units. This strong momentum is likely to support Motor OD premium growth in the near- to medium-term.
    - The fire insurance segment continued to grow, recovering significantly from 5.8% decline seen in YTDFY26 despite a hiccup for January 2026. Meanwhile, the engineering segment grew by 13.9%, up from 13.0% in YTDFY25. However, despite a significant rise in January 2026 premiums, crop insurance decreased by 23.8% from 3.1% growth seen in the previous year, YTDFY25. This decline is attributed to reduced state-level participation and limited premium recognition outside the peak kharif and rabi seasons, which affect premium inflows.

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 crossed Rs 2.80 lakh crore in YTDFY26, underpinned by structural tailwinds such as regulatory push, accelerating digitalisation, and the expanding customer base. Platform-led initiatives, including the Bima Trinity platform, are improving last-mile reach and distribution productivity, which could structurally lift penetration. SAHIs continue to gain traction in retail-heavy lines, further deepening competitive intensity and supporting incremental volume growth. The GST rationalisation is also expected to improve affordability and compliance, thereby expanding policy adoption."

According to Saurabh Bhalerao, Associate Director, CareEdge Ratings, "Non-life insurance premiums expanded by 14.9% y-o-y in January 2026, marking the third consecutive month of double-digit growth and a sequential acceleration over December, with collections rising to Rs 33,346 crore. The headline growth was supported by broad-based traction across health, motor, and crop segments, as well as continued momentum for standalone health insurers. However, the y-o-y growth print was partly supported by a favourable regulatory base, as January 2025 growth was impacted by the implementation of the 1/n rule. While near-term premium momentum appears favourable, the sustainability of growth will hinge on insurers' pricing discipline, the stability of distributor incentives amid potential margin pressures from lower availability of input tax credits, and the pace of normalisation in government-supported insurance schemes. Any sharp recalibration of distributor commissions to offset cost pressures could weaken distribution intensity and temper premium growth going forward."

Contact

Priyesh Ruparelia	Director	priyesh.ruparelial@careedge.in	+91 - 22 - 6754 3456 / +91 - 98335 58385
Saurabh Bhalerao	Associate Director – BFSI Research	saurabh.bhalerao@careedge.in	+91 - 22 - 6754 3519 / +91 - 90049 52514
Sarthak Hirekhan	Analyst – BFSI Research	Sarthak.hirekhan@careedge.in	+91 - 22 - 6754 3630 / +91 – 8956 753551
Mradul Mishra	Media Relations	mradul.mishra@careedge.in	+91 - 22 - 6754 3596

CARE Ratings Limited
Corporate Office: 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai - 400 022
Phone : +91 - 22 - 6754 3456 l CIN: L67190MH1993PLC071691

Connect:

Locations: Ahmedabad l Andheri-Mumbai l Bengaluru l Chennai l Coimbatore l Hyderabad l Kolkata l Noida l Pune

About Us:
CareEdge is a knowledge-based analytical group offering services in Credit Ratings, Analytics, Consulting and Sustainability. Established in 1993, the parent company CARE Ratings Ltd (CareEdgeRatings) is India's second-largest rating agency, with a credible track record of rating companiesacross diverse sectors and strong position across the segments. The wholly-owned subsidiaries ofCareEdge Ratings are (I) CARE Analytics & Advisory Private Ltd, (II) CARE ESG Ratings Ltd, and (III) CareEdge Global IFSC Ltd. CareEdge Ratings' other international subsidiary entities include CARE Ratings (Africa) Private Ltd in Mauritius, CARE Ratings South Africa (Pty) Ltd, and CARE Ratings Nepal Ltd. For more information: www.careedge.in