New Business Premiums to Cross Rs 4 Lakh Crore Mark in FY26

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CareEdge RATINGS

Overview

The new business premiums sustained strong momentum in February 2026, recording the sixth consecutive month of double-digit growth. They rose 18.1% year-on-year (y-o-y) to Rs 35,417.3 crore, marking a significant turnaround from the 11.6% decline seen in February 2025. The growth was driven by broad-based expansion across both individual and group segments, supported by a favourable base, gradual normalisation after regulatory changes in late 2024, and improved traction in individual policies. The revised labour codes, which reflect enhanced gratuity provisions, also support the group premiums. Meanwhile, Annual Premium Equivalent (APE) increased 20.2% y-o-y in February 2026, led by a strong rebound in Life Insurance Corporation of India (LIC), whose APE grew 34.1%, while private insurers continued to report steady growth of 14.3%. On a YTDFY26 basis, overall APE rose 13.5% y-o-y, slightly higher than the 10.3% growth recorded in YTDFY25.

Figure 1: Movement in Monthly First-year 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	17,939.6	12,565.3	20,258.9	21,965.7	84.2	-30.0	61.2	8.4
May	24,480.4	23,477.8	27,034.2	30,463.2	88.6	-4.1	15.1	12.7
June	31,254.6	36,961.8	42,433.7	41,117.1	4.1	18.3	14.8	-3.1
July	39,078.9	27,867.1	31,822.7	38,958.1	91.2	-28.7	14.2	22.4
August	32,856.4	26,788.6	32,644.1	30,958.8	18.1	-18.5	21.9	-5.2
September	36,366.5	30,716.3	35,020.3	40,206.7	17.3	-15.5	14.0	14.8
October	24,916.6	26,819.0	30,347.6	34,007.0	15.3	7.6	13.2	12.1
November	35,458.8	26,494.8	25,306.6	31,119.6	30.5	-25.3	-4.5	23.0
December	26,838.3	38,581.1	30,218.7	42,150.8	9.7	43.8	-21.7	39.5
January	26,423.7	33,559.8	30,825.2	37,478.4	20.3	27.0	-8.1	21.6
February	**22,847.7**	**33,913.2**	**29,985.6**	**35,417.3**	**-16.8**	**48.4**	**-11.6**	**18.1**
March	52,081.1	60,213.6	61,439.1		-12.6	15.6	2.0	

Source: Life Insurance Council, IRDAI

Figure 2: First-year Premium Growth of Life Insurance Companies (Rs crore)

Insurer	Feb 2024	Feb 2025	Feb 2026	Feb 2025 Growth (%)	Feb 2026 Growth (%)	YTDFY24	YTDFY25	YTDFY26	YTD FY25 Growth (%)	YTD FY26 Growth (%)
Private Total	**14,017.2**	**14,471.6**	**16,150.3**	**3.2**	**11.6**	**1,31,524.3**	**1,46,135.1**	**1,66,687.3**	**11.1**	**14.1**
Individual Single	1889.45	1,694.1	2,092.2	-10.3	23.5	17,749.8	18,963.5	21,033.9	6.8	10.9
Individual non-single	6574.59	6,703.0	8,048.1	2.0	20.1	59,899.0	70,533.2	79,803.2	17.8	13.1
Group Single	4658.96	4,619.9	4,689.5	-0.8	1.5	45,853.5	45,730.7	53,838.2	-0.3	17.7
Group non-single	22.96	19.8	18.7	-13.7	-5.6	130.8	272.6	203.2	108.4	-25.4
Group Yearly Renewal	871.21	1,434.9	1,301.8	64.7	-9.3	7,891.3	10,635.1	11,808.9	34.8	11.0
LIC Total	**19,896.0**	**15,514.0**	**19,267.0**	**-22.0**	**24.2**	**1,86,222.4**	**1,89,762.6**	**2,17,153.8**	**1.9**	**14.4**
Individual Single	2,081.9	2,606.8	2,844.7	25.2	9.1	21,004.2	24,969.7	28,273.5	18.9	13.2
Individual non-single	2,808.6	2,231.0	2,776.2	-20.6	24.4	27,544.0	27,412.9	28,382.7	-0.5	3.5
Group Single	14,661.3	10,510.7	13,039.6	-28.3	24.1	1,32,278.5	1,33,365.2	1,52,867.4	0.8	14.6
Group non-single	253.7	94.2	265.3	-62.9	181.6	3,818.3	1,991.2	3,652.4	-47.9	83.4
Group Yearly Renewal	90.6	71.2	341.3	-21.4	379.3	1,577.4	2,023.6	3,977.9	28.3	96.6
Grand Total	**33,913.2**	**29,985.6**	**35,417.3**	**-11.6**	**18.1**	**3,17,746.7**	**3,35,897.7**	**3,83,841.2**	**5.7**	**14.3**
Individual Single	3,971.3	4,300.9	4,936.9	8.3	14.8	38,754.0	43,933.2	49,307.4	13.4	12.2
Individual non-single	9,383.2	8,934.0	10,824.3	-4.8	21.2	87,443.0	97,946.1	1,08,185.9	12.0	10.5
Group Single	19,320.3	15,130.5	17,729.0	-21.7	17.2	1,78,132.0	1,79,096.0	2,06,705.5	0.5	15.4
Group non-single	276.6	114.0	284.0	-58.8	149.1	3,949.1	2,263.8	3,855.6	-42.7	70.3
Group Yearly Renewal	961.8	1,506.1	1,643.1	56.6	9.1	9,468.7	12,658.7	15,786.8	33.7	24.7

Source: IRDAI, Life Insurance Council

The new business premiums rose 18.1% y-o-y in February 2026, supported by a low base in February 2025, broad-based segmental growth, and normalisation following the implementation of the revised surrender value guidelines on October 1, 2024. The revised labour codes, which reflect enhanced gratuity provisions, also support the group premiums. LIC maintained its market dominance, posting a 24.2% increase in premiums, compared with 11.6% growth for private insurers. Group single premiums recovered, rising 24.1% for LIC and 1.5% for private insurers. Meanwhile, individual non-single premiums continued to show steady recurring inflows. On a YTDFY26 basis, new business premiums grew 14.3% y-o-y, with LIC (14.4%) marginally outpacing private insurers (14.1%).

Figure 3: Movement in Premium Type of Life Insurance Companies (Rs crore)

Premium Type	Feb 2024	Feb 2025	Feb 2026	Feb 2025 Growth (%)	Feb 2026 Growth (%)	YTDFY24	YTDFY25	YTDFY26	YTD FY25 Growth (%)	YTD FY26 Growth (%)
Single	23,291.6	19,431.5	22,665.9	-16.6	16.6	2,16,886.0	2,23,029.1	2,56,012.9	2.8	14.8
Non-Single	10,621.6	10,554.1	12,751.3	-0.6	20.8	1,00,860.8	1,12,868.5	1,27,828.3	11.9	13.3

Source: IRDAI, Life Insurance Council

In February 2026, the new business premium in single-premium business grew 16.6% y-o-y, reversing the significant 16.6% decline recorded in February 2025, though the absolute size remains below February 2024 levels. The rebound reflects normalisation post the revised surrender-value regulations, along with improved traction in individual single-premium products. Non-single premiums also recorded healthy growth of 20.8% y-o-y, compared with a marginal 0.6% contraction in February 2025, indicating steady momentum in recurring premium flows. On a YTDFY26 basis, single premiums grew 14.8%, slightly outpacing the 13.3% growth in non-single premiums. Private insurers continued to maintain a leading position in the individual non-single segment, while LIC retained its dominance in the single-premium segment, supported by its strong presence in group business offerings.

Figure 4: Movement in Premium Type of Life Insurance Companies (Rs crore)

Premium Type	Feb 2024	Feb 2025	Feb 2026	Feb 2025 Growth (%)	Feb 2026 Growth (%)	YTDFY24	YTDFY25	YTDFY26	YTD FY25 Growth (%)	YTD FY26 Growth (%)
Individual	13,354.5	13,234.9	15,761.2	-0.9	19.1	1,26,197.0	1,41,879.3	1,57,493.2	12.4	11.0
Group	20,558.7	16,750.7	19,656.1	-18.5	17.3	1,91,549.8	1,94,018.4	2,26,347.9	1.3	16.7

Source: IRDAI, Life Insurance Council

In February 2026, new business premium growth was supported by a rebound in the group segment, which increased 17.3% y-o-y, reversing the 18.5% decline recorded a year earlier, though remaining below February 2024 levels. Individual premiums also posted strong growth of 19.1% y-o-y, compared with a marginal 0.9% contraction in February 2025, supported by improved traction in individual single-premium products. On a YTDFY26 basis, group premiums grew 16.7%, outpacing the 11.0% growth in individual premiums. Meanwhile, the share of single-premium policies in total premiums edged up to 66.7% in YTDFY26 from 66.4% in YTDFY25, indicating a tilt towards single-premium products.

Figure 5: Movement in Individual Non-Single Policies of Life Insurance Companies (in Lakhs)

Premium Type	Feb 2024	Feb 2025	Feb 2026	Feb 2025 Growth (%)	Feb 2026 Growth (%)	YTDFY24	YTDFY25	YTDFY26	YTD FY25 Growth (%)	YTD FY26 Growth (%)
Private	7.4	7.1	8.3	-4.0	16.1	72.2	77.2	82.1	6.9	6.4
LIC	16.4	11.2	14.4	-31.7	28.4	155.1	137.7	142.1	-11.2	3.2
Total	**23.8**	**18.3**	**22.7**	**-23.1**	**23.6**	**227.3**	**214.8**	**224.1**	**-5.5**	**4.3**

Source: IRDAI, Life Insurance Council

In February 2026, individual non-single policies increased 23.6% y-o-y, reversing the 23.1% decline recorded in February 2025. The recovery was driven by growth across both private insurers and LIC, supported largely by a favourable base effect. Private insurers reported a 16.1% y-o-y increase, while LIC recorded a stronger rebound of 28.4%. However, LIC's absolute policy volumes remain below February 2024 levels, indicating a gradual normalisation. On a YTDFY26 basis, total individual non-single policies rose 4.3% y-o-y, remaining above last year's level but still slightly below YTDFY24. Private insurers continued to add policies steadily (up 6.4% y-o-y), while LIC recorded moderate growth of 3.2%. The steady improvement in volumes, particularly in February, indicates strengthening policy uptake, aided by improved affordability following GST rate reductions.

Figure 6: Movement in APE of Life insurance companies (Rs crore)

Premium Type	Feb 2024	Feb 2025	Feb 2026	Feb 2025 Growth (%)	Feb 2026 Growth (%)	YTDFY24	YTDFY25	YTDFY26	YTD FY25 Growth (%)	YTD FY26 Growth (%)
Private	8,124	8,789	10,047	8.2	14.3	74,337	87,964	99,303	18.3	12.9
LIC	4,827	3,708	4,971	-23.2	34.1	48,268	47,261	54,127	-2.1	14.5
Industry	**12,951**	**12,497**	**15,018**	**-3.5**	**20.2**	**1,22,605**	**1,35,225**	**1,53,430**	**10.3**	**13.5**

Source: Life Insurance Council, IRDAI, CareEdge Calculations, Note: Group Yearly Renewable Premium (GYRP) is considered a recurring premium in APE calculations.

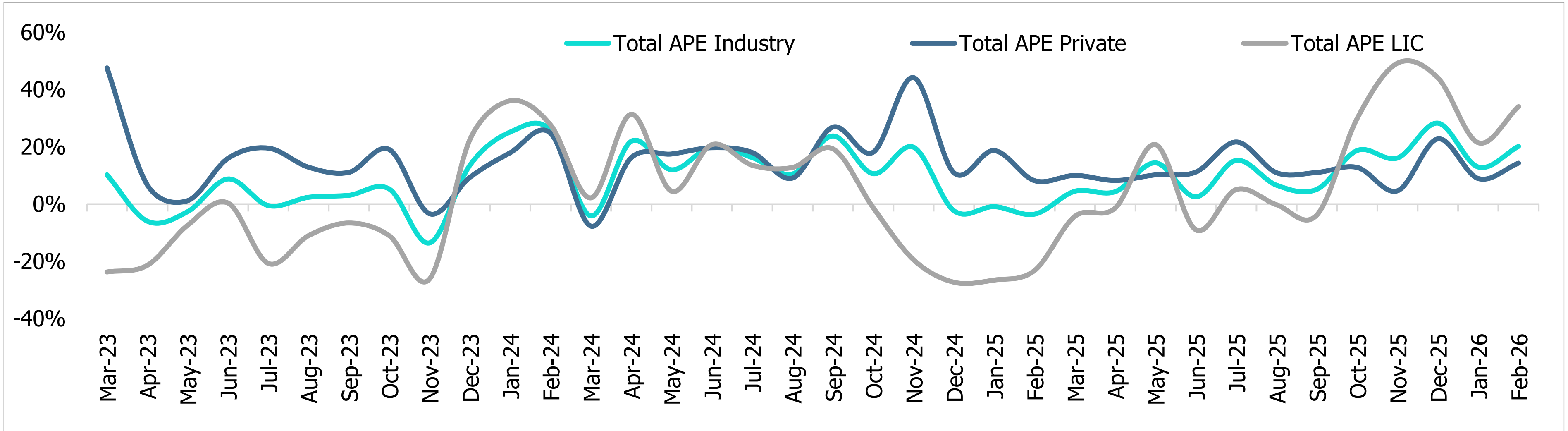
The life insurance industry's APE rose 20.2% y-o-y in February 2026, reversing the decline of 3.5% seen a year earlier. The improvement was driven by a strong recovery in LIC's APE, which rose 34.1% y-o-y, while private insurers continued to grow at a steady 14.3% y-o-y. For YTDFY26, industry APE grew 13.5% y-o-y, with similar growth across private insurers (12.9% y-o-y) and LIC (14.5% y-o-y), supported by improved demand and the GST waiver's impact on individual insurance products.

Figure 7: Movement in Sum Assured of Life Insurance Companies (Rs Lakh crore)

Premium Type	Feb 2024	Feb 2025	Feb 2026	Feb 2025 Growth (%)	Feb 2026 Growth (%)	YTDFY24	YTDFY25	YTDFY26	YTD FY25 Growth (%)	YTD FY26 Growth (%)
Private	6.1	6.2	7.4	2.1	18.1	63.9	74.8	92.1	17.2	23.0
LIC	1.0	0.9	1.9	-7.1	115.6	14.4	16.2	19.7	12.0	21.7
Industry	**7.1**	**7.1**	**9.3**	**0.9**	**30.1**	**78.3**	**91.0**	**111.8**	**16.2**	**22.8**

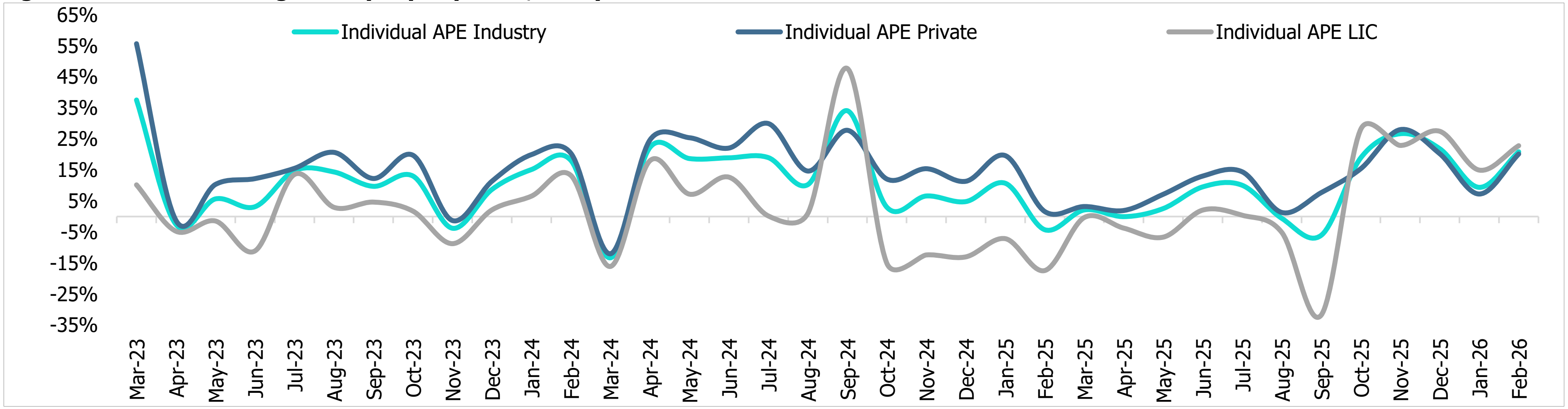
Source: IRDAI, Life Insurance Council

Figure 8: Total APE growth (on a y-o-y basis, in %)



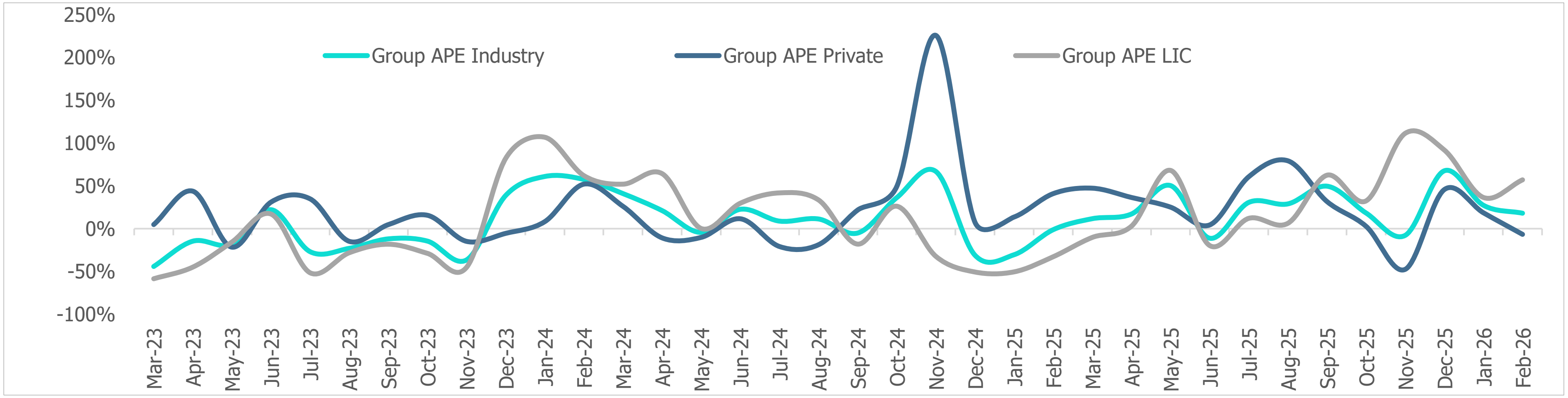
Source: Life Insurance Council, IRDAI, CareEdge Calculations

Figure 9: Individual APE growth (on y-o-y basis, in %)



Source: Life Insurance Council, IRDAI, CareEdge Calculation

Figure 10: Group APE growth (on a y-o-y basis, in %)



Source: Life Insurance Council, IRDAI, CareEdge Calculations

CareEdge Ratings' View

Sanjay Agarwal, Senior Director, CareEdge Ratings, said, "India's life insurance new business premium sustained strong momentum in February 2026, with APE growth accelerating to 20.2% y-o-y, compared with a decline recorded in the previous year. The improvement reflects a gradual normalisation. Growth was supported by traction across both individual and group segments, with recurring premium products continuing to show steady momentum. Broader participation across customer segments indicates that the industry has largely adjusted to last year's revision to surrender value norms. CareEdge expects life insurance growth to remain stable at 8%–11% over the next two years, supported by a favourable regulatory environment, continued product expansion, and wider adoption of digital distribution channels."

According to Saurabh Bhalerao, Associate Director, CareEdge Ratings, "Life insurers reported a steady increase in new business premiums in February 2026, which rose 18.1% y-o-y to Rs 35,417.3 crore, supported by improved traction in individual non-single and group single segments. The revised labour codes, which reflect enhanced gratuity provisions, also support the group premiums. Private insurers primarily contributed through growth in individual non-single premiums, while LIC's expansion was largely led by group single business. Meanwhile, private insurers continue to expand their regional presence while maintaining strong traction in the individual segment, where ULIPs remain a key component of the savings portfolio. With distribution networks strengthening and digital initiatives such as Bima Sugam under the broader Bima Trinity framework gaining momentum, the industry appears well positioned to sustain stable growth over the medium term."

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