

Non-Life Premiums Hit Rs 3.4 Lakh Crore as Health Leads FY26 Growth



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Overview

Non-life insurance premiums stood at Rs 28,922 crore in March 2026, despite growth moderating to 8.8% y-o-y from 9.7% in February, indicating a gradual normalisation in growth momentum. For FY26, overall non-life premium growth came in at 9.3% y-o-y compared to 6.2% for FY25. Growth in March continued to be supported by strong traction in the retail health segment, while other segments (except for crop insurance) also contributed positively. March 2026 growth trend should be viewed in the context of a favourable base effect, as premium growth in March 2025 was impacted by 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	23,853.8	20.0	12.6	-2.8	9.7
March	24,244.5	26,647.5	26,698.9	28,921.9	11.4	9.9	0.2	8.8

Source: General Insurance Council, IRDAI. Note: IRDAI has recently revised the reporting formats to exclude premiums from long-term policies, effective October 01, 2024. It is assumed that all companies have deducted long-term premiums for the current year in accordance with the IRDAI formats. Therefore, growth rates reported for the current year cannot be compared to those of the previous year.

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

Insurers	Mar-24	Mar-25	Mar-26	Mar-25 Growth (%)	Mar-26 Growth (%)	FY24	FY25	FY26	FY25 Growth (%)	FY26 Growth (%)
Public General Insurers	7,771.3	8,126.0	8,305.0	4.6	2.2	90,252.6	95,146.1	1,02,690.9	5.4	7.9
Specialised PSU Insurers	908.5	579.5	155.6	-36.2	-73.2	11,190.5	11,105.8	11,676.2	-0.8	5.1
Private General Insurers	13,568.4	13,080.9	14,608.9	-3.6	11.7	1,55,089.2	1,62,905.7	1,75,917.2	5.0	8.0
SAHIs	4,320.4	4,800.0	5,852.4	11.1	21.9	33,120.0	38,413.6	45,865.8	16.0	19.4
Total	26,568.6	26,586.4	28,921.9	0.1	8.8	2,89,652.3	3,07,571.1	3,36,150.1	6.2	9.3

Source: General Insurance Council, IRDAI

- FY26 performance highlights a marginal divergence between public and private sector insurers, with private players continuing to outpace public insurers on growth front. Public general insurers reported a relatively moderate 7.9% y-o-y growth (against 5.4% in FY25), indicating gradual improvement, while private general insurers grew slightly higher at 8.0% (against 5.0% in FY25), supported by traction across retail and commercial segments. Standalone health insurers (SAHIs) remained key growth drivers, registering a robust 19.4% growth (against 16.0% in FY25). Consequently, private insurers, including SAHIs, increased their market share to 70.7% in FY26 from 67.3% in FY25, reflecting a continued structural shift towards private players, driven by stronger positioning in high-growth segments such as retail health.
- Specialised insurers witnessed a contraction of 73.2% y-o-y in March 2026, extending weakness seen in previous month, and a 36.2% decline in the same period last year. Contraction is largely attributable to seasonality in crop insurance premium recognition, where January captures peak Rabi-related bookings, followed by a sharp tapering in subsequent months. Absence of significant seasonal pickup, lower incremental enrolments and slower policy renewals, weighed on premium collections in the month. Higher base in the previous year further accentuated the decline.
- SAHIs continued their strong double-digit growth in premiums, with premiums rising by 21.9% y-o-y in March 2026; this was ~2x 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, including implementation of the 1/n rule. SAHIs maintained their upward momentum, with their market share in health premiums rising to 32.7% from 31.6% y-o-y (Refer to Figure 3).

Figure 3: Market Share for Standalone Health Insurers (SAHIs)

Market Share (In %)	Mar-24	Mar-25	Mar-26
Total Health premiums (Rs. Crore)	1,08,911.3	1,18,687.9	1,37,144.4
SAHI premiums (Rs. Crore)	32,354.2	37,528.9	44,863.7
Market share of SAHIs (%)	27.3	31.6	32.7

Source: General Insurance Council, IRDAI

Figure 4: Movement in Health Premiums (Rs crore)

Segment	Mar-24	Mar-25	Mar-26	Mar-25 Growth (%)	Mar-26 Growth (%)	FY24	FY25	FY26	FY25 Growth (%)	FY26 Growth (%)
Health	10,197.2	10,788.6	12,717.7	5.8	17.9	1,08,911.3	1,18,687.9	1,37,144.5	9.0	15.6
Group	4,176.0	4,194.1	4,847.4	0.4	15.6	55,020.0	60,809.0	68,641.5	10.5	12.9
Retail	5,587.6	6,116.2	7,743.8	9.5	26.6	42,169.0	47,288.3	56,695.8	12.1	19.9
Others	433.6	478.3	126.5	10.3	-73.6	11,722.3	10,590.7	11,807.2	-9.7	11.5

Source: General Insurance Council, IRDAI

- Health insurance remained the key growth engine for the non-life industry in FY26, registering a strong 15.6% y-o-y growth (against 9.0% in FY25). Expansion was primarily driven by robust traction in the retail segment, which grew by 19.9% (against 12.1% in FY25), reflecting increasing penetration and demand for individual health policies, supported by improved affordability following GST rationalisation. The group segment also remained steady, growing at 12.9% (against 10.5% in FY25), contributing meaningfully to overall growth. Within the segment, SAHIs continued to outperform, reinforcing their dominant position and highlighting their critical role in driving incremental premiums and shaping the growth trajectory of the health insurance segment.
 - The retail health segment continued its growth trajectory in March 2026, supported by GST rate cuts, policy renewals and improved penetration amid rising medical inflation. Growth increased by ~3x compared to the same period last year, driven by the base effect.
 - SAHIs remain concentrated in the retail segment, whereas general insurers continue to dominate the group business. With new SAHIs entering the market, competitive intensity is expected to rise in the medium term.
 - The 'Others' segment witnessed a contraction of 73.6% y-o-y in March 2026, reversing the recovery seen in February. This decline can be attributed to a high base in the previous year, which benefited from elevated overseas medical, and leisure travel demand and bulk premium bookings under government schemes. Normalisation in travel-related demand, weighed on premium growth. Ongoing geopolitical tensions in West Asia may have further dampened overseas travel sentiment, adding to the weakness in this segment.

- Reduction in GST on health insurance has improved affordability for policyholders, supporting stronger demand across segments. This translated to higher new business premiums and improved penetration, particularly in the retail segment. Lower tax burden made renewal premiums more attractive, aiding customer retention and policy persistency. Overall, the GST cut acted as a structural tailwind, reinforcing sustained growth momentum in the health insurance segment.

Figure 5: Movement in Non-Life Premiums excluding Health Premiums (Rs crore)

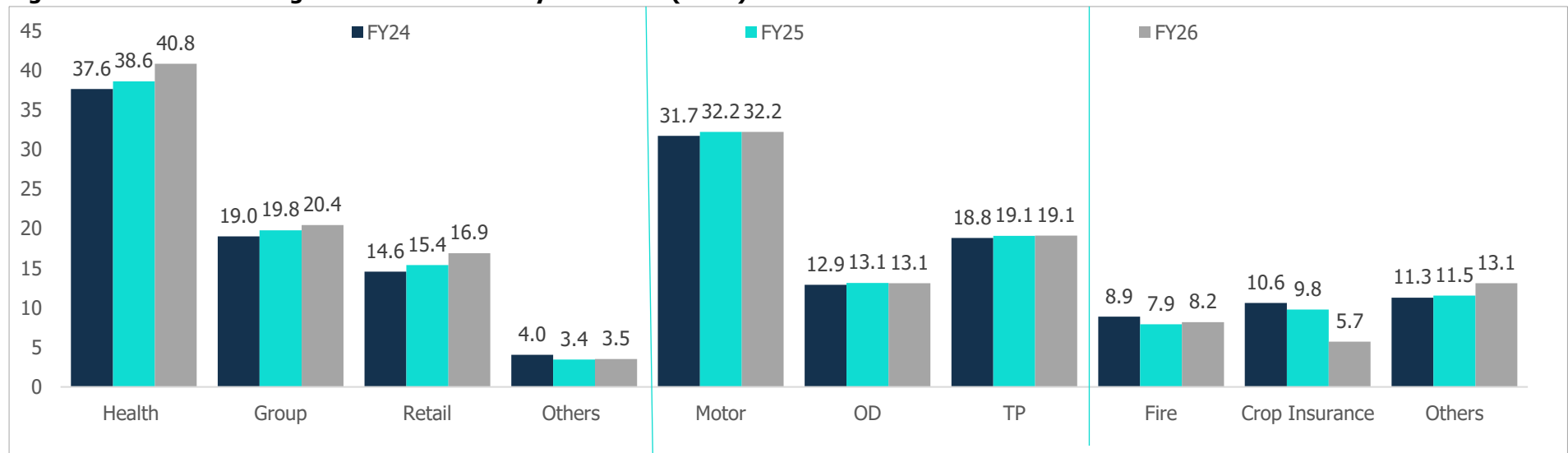
Segment	Mar-24	Mar-25	Mar-26	Mar-25 Growth (%)	Mar-26 Growth (%)	FY24	FY25	FY26	FY25 Growth (%)	FY26 Growth (%)
Motor	9,015.1	10,171.6	11,123.6	12.8	9.4	91,780.5	99,065.8	1,08,216.1	7.9	9.2
OD	3,518.6	3,767.4	4,235.5	7.1	12.4	37,324.5	40,354.8	43,988.2	8.1	9.0
TP	5,496.5	5,892.9	6,244.9	7.2	6.0	54,456.0	58,711.0	64,227.9	7.8	9.4
Fire	1,600.6	1,619.5	1,400.9	1.2	-13.5	25,656.4	24,286.4	27,523.8	-5.3	13.3
Crop Ins.	2,827.3	1,681.8	-1,734.5	-40.5	-203.1	30,703.5	30,095.2	19,216.5	-2.0	-36.1
Others	2,928.4	2,325.0	5,414.3	-20.6	132.9	32,621.7	35,523.8	44,027.3	8.9	23.9
Total	16,371.4	15,797.8	16,204.2	-3.5	2.6	1,80,762.0	1,88,971.2	1,98,983.7	4.5	5.3

Source: General Insurance Council, IRDAI

- The non-life insurance growth excluding health remained relatively moderate in FY26 at 5.3% y-o-y (against 4.5% in FY25), reflecting mixed trends across segments. Growth was primarily supported by the motor segment, which expanded by 9.2% (against 7.9% in FY25), with own damage (9.0%) and third-party (9.4%) segments contributing steadily. The 'Others' segment also saw strong traction, growing by 23.9% (against 8.9% in FY25), driven by segments such as personal accident and engineering. However, overall growth was constrained by continued weakness in crop insurance, which contracted sharply by 36.1% (against -2.0% in FY25). Fire insurance segment witnessed volatility in FY26 compared to FY25 but reported a 13.3% growth after a decline in the previous year. Overall, the FY26 trend reflects stable growth in core segments like motor, partially offset by structural and seasonal volatility in crop and select commercial lines.
 - In FY26, Motor OD premiums grew by 9.0%, higher than growth seen in FY25. Motor TP premiums rose by 9.2%, an uptick from the previous year. An upward revision to motor TP premiums is under consideration, which could further support segment growth. Two-wheeler sales and three-wheeler sales jumped 28.4% and 10.5% y-o-y to 19.5 and 1.09 lakh units in March 2026, while commercial vehicle sales rose 14.4% y-o-y to 97,752 units. Passenger vehicles grew by 20.1% y-o-y to 4.83 lakh units in FY26. This strong momentum is likely to support Motor OD premium growth in the near-to medium-term.

- The fire insurance segment witnessed a contraction, with growth declining from marginal 1.2% increase seen last year. Meanwhile, the engineering segment grew by 13.1%, up from 11.5% in FY25. However, crop insurance decreased by 36.1% in FY26 from 2.0% decline seen in the previous year. This decline is attributed to reduced state-level participation and limited premium recognition outside the peak kharif and rabi seasons, which affect premium inflows.
- Marine insurance premiums (1.73% market share) grew by a moderate 5.1% y-o-y in March 2026, down from 9.0% growth in the same period last year, reflecting the impact of ongoing disruptions in global trade flows. Slowdown can be attributed to the ongoing West Asia crisis, which affected key shipping routes, leading to delays, rerouting, and lower cargo movement. This resulted in deferred shipments and reduced transit volumes, weighing on overall premium growth.

Figure 6: Movement in Segment Market Share by Premiums (In %)



Source: General Insurance Council, IRDAI

CareEdge Ratings View

Priyesh Ruparelia, Director, CareEdge Ratings says, "Non-life insurance premiums touched Rs 3.4 lakh crore in FY26, broadly in line with CareEdge expectations, with growth supported by sustained traction in the retail health segments, alongside structural tailwinds such as regulatory push, digitalisation, and expanding distribution through platform-led initiatives like the Bima Trinity ecosystem. Continued outperformance of SAHIs and improving affordability post GST

rationalisation are expected to further deepen penetration and support steady premium growth in the near term. Competitive intensity in the general insurance space, particularly in corporate lines across domestic and international markets, increased, leading to softer pricing trends and some pressure on underwriting discipline. This environment could weigh on profitability, with the possibility of relatively weaker financial performance for insurers from Q1FY27 onwards, especially if claims experience becomes less favourable. Ongoing geopolitical tensions in West Asia remain a key overhang, with potential to disrupt marine trade flows, elevate risk exposures, and necessitate repricing in segments such as marine and fire. While pricing adjustments may offer some cushion, sustained disruption or adverse claims environment could trigger broader recalibration in underwriting practices and risk management across the sector”.

Saurabh Bhalerao, Associate Director, CareEdge Ratings says, “Non-life insurance premiums grew by 8.8% year-on-year in March 2026, moderating further from 9.7% in February, with premium collections reaching Rs 28,922 crore. Growth continued to be supported by sustained traction in the health segment, particularly retail health, and steady contribution from select other segments. Moderation in March 2026 also indicates that the favourable base effect from the implementation of the 1/n rule in the previous year is gradually fading, resulting in a more underlying view of sector growth. While premium momentum remains healthy, sustainability of growth will depend on insurers’ ability to maintain pricing discipline, manage distribution costs, and navigate competitive pressures across key business lines. Ongoing transition towards Ind AS-based accounting for insurers introduces a layer of near-term uncertainty, as companies adapt to changes in financial reporting, liability measurement, and profit recognition. Prolonged softness in underwriting discipline or pressure on margins could gradually temper premium growth in the coming quarters.”

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