

FY26 Sees Strong Recovery in Life Insurance New Business Premiums



April 22, 2026 | BFSI Research

Overview

In FY26, life insurers witnessed a steady expansion in new business premiums, which grew 15.7% y-o-y (vs 5.1% in FY25), supported by normalisation following regulatory changes and broad-based growth. The momentum strengthened further in March 2026, with new business premiums rising 23.5% y-o-y, driven by a favourable base, year-end seasonality, and higher closure of group single policies. Annual premium equivalent (APE) increased 14.5% y-o-y in FY26, with private insurers (14.9%) marginally outpacing Life Insurance Corporation (13.9%), reflecting steady momentum across the industry.

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	75,872.3	-12.6	15.6	2.0	23.5

Source: Life Insurance Council, IRDAI

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

Insurer	March 2024	March 2025	March 2026	March 2025 Growth (%)	March 2026 Growth (%)	FY24	FY25	FY26	FY25 Growth (%)	FY26 Growth (%)
Private Total	23,913.0	24,531.8	32,562.0	2.6	32.7	1,55,437.4	1,70,666.8	1,99,249.3	9.8	16.7
Individual Single	2,676.3	2,332.1	2,894.4	-12.9	24.1	20,426.1	21,295.6	23,928.3	4.3	12.4
Individual non-single	11,929.5	12,357.5	13,281.6	3.6	7.5	71,828.5	82,890.7	93,084.8	15.4	12.3
Group Single	7,865.6	7,288.7	11,097.1	-7.3	52.3	53,719.1	52,989.0	64,935.3	-1.4	22.5
Group non-single	41.4	123.0	84.1	197.1	-31.6	172.2	395.5	287.3	129.7	-27.3
Group Yearly Renewal	1,400.2	2,430.6	5,204.8	73.6	114.1	9,291.5	13,096.1	17,013.7	40.9	29.9
LIC Total	36,300.6	36,907.3	43,310.2	1.7	17.3	2,22,523.0	2,26,669.9	2,60,464.1	1.9	14.9
Individual Single	3,988.1	5,088.3	5,462.5	27.6	7.4	24,992.3	30,058.0	33,735.9	20.3	12.2
Individual non-single	5,060.8	4,933.7	5,432.6	-2.5	10.1	32,604.8	32,346.6	33,815.3	-0.8	4.5
Group Single	26,250.1	26,254.5	31,963.2	0.0	21.7	1,58,528.6	1,59,619.8	1,84,830.5	0.7	15.8
Group non-single	549.1	432.7	156.4	-21.2	-63.9	4,367.4	2,423.9	3,808.8	-44.5	57.1
Group Yearly Renewal	452.5	198.1	295.7	-56.2	49.3	2,029.9	2,221.7	4,273.6	9.4	92.4
Grand Total	60,213.6	61,439.1	75,872.3	2.0	23.5	3,77,960.4	3,97,336.8	4,59,713.4	5.1	15.7
Individual Single	6,664.4	7,420.4	8,356.9	11.3	12.6	45,418.4	51,353.5	57,664.2	13.1	12.3
Individual non-single	16,990.3	17,291.2	18,714.1	1.8	8.2	1,04,433.3	1,15,237.3	1,26,900.0	10.3	10.1
Group Single	34,115.7	33,543.2	43,060.3	-1.7	28.4	2,12,247.7	2,12,608.8	2,49,765.8	0.2	17.5
Group non-single	590.5	555.7	240.5	-5.9	-56.7	4,539.6	2,819.4	4,096.1	-37.9	45.3
Group Yearly Renewal	1,852.7	2,628.7	5,500.4	41.9	109.2	11,321.4	15,317.8	21,287.2	35.3	39.0

Source: IRDAI, Life Insurance Council

In FY26, new business premiums registered a healthy growth of 15.7% y-o-y, marking a significant improvement from the modest 5.1% growth recorded in FY25. Private insurers grew faster at 16.7%, and outpaced LIC, which grew at 14.9%. Meanwhile, LIC retained its overall market leadership with a 56.7% share of new business premiums in FY26, marginally lower than 57.0% in FY25. The growth momentum was supported by a recovery in group single premiums, which increased by 15.8% for LIC and 22.5% for private insurers, alongside steady traction in individual non-single premiums and year-end seasonality. Overall expansion was further aided by the normalisation of business volumes following the implementation of revised surrender value guidelines effective October 1, 2024. Growth in group premiums was also supported by increased demand for employer-linked products such as gratuity and protection schemes, partly driven

by evolving labour code-related provisioning requirements. LIC withdrew Nav Jeevan Shree -Single Premium plan in April 2026, with March 2026 being the last month in which the plan was active.

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

Premium Type	March 2024	March 2025	March 2026	March 2025 Growth (%)	March 2026 Growth (%)	FY24	FY25	FY26	FY25 Growth (%)	FY26 Growth (%)
Single	40,780.1	40,963.6	51,417.2	0.4	25.5	2,57,666.1	2,63,962.3	3,07,430.1	2.4	16.5
Non-Single	19,433.5	20,475.5	24,455.1	5.4	19.4	1,20,294.3	1,33,374.5	1,52,283.3	10.9	14.2

Source: IRDAI, Life Insurance Council

In FY26, the new business premium for life insurers witnessed a broad-based recovery, with single-premium business growing 16.5% y-o-y, a significant acceleration from the modest 2.4% growth seen in FY25. Non-single premiums also maintained healthy momentum, rising 14.2% y-o-y in FY26 compared to 10.9% in FY25. On a monthly basis, March 2026 reported a significant uptick, with single premiums rising 25.5% y-o-y, outpacing non-single premiums, which grew by 19.4% y-o-y, driven by favourable base effect and year-end seasonality. Private insurers continued to lead in the individual non-single segment, while LIC retained its dominance in the single-premium segment, enabled by its strong franchise in group business.

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

Premium Type	March 2024	March 2025	March 2026	March 2025 Growth (%)	March 2026 Growth (%)	FY24	FY25	FY26	FY25 Growth (%)	FY26 Growth (%)
Individual	23,654.7	24,711.6	27,071.0	4.5	9.5	1,49,851.7	1,66,590.8	1,84,564.2	11.2	10.8
Group	36,558.9	36,727.5	48,801.3	0.5	32.9	2,28,108.7	2,30,745.9	2,75,149.2	1.2	19.2

Source: IRDAI, Life Insurance Council

In FY26, growth in new business premiums was primarily driven by a strong rebound in the group segment, which expanded by 19.2% y-o-y, a significant acceleration from the muted 1.2% growth recorded in FY25. This recovery was led by improved traction in employer-linked products such as gratuity and group protection schemes. The individual segment, in comparison, remained relatively stable, growing 10.8% y-o-y, marginally lower than 11.2% in FY25. The stronger expansion in group business also led to a marginal increase in the share of single-premium products to 66.9% in FY26 from 66.4% in FY25. On a monthly basis, March 2026 witnessed a surge in premiums, with group premiums rising 32.9% y-o-y, significantly outpacing the 9.5% growth in individual premiums.

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

Premium Type	March 2024	March 2025	March 2026	March 2025 Growth (%)	March 2026 Growth (%)	FY24	FY25	FY26	FY25 Growth (%)	FY26 Growth (%)
Private	13.2	12.5	13.1	-5.1	5.1	87.9	92.5	98.7	5.2	6.7
LIC	41.0	31.4	33.6	-23.4	7.0	204.3	178.1	184.6	-12.8	3.6
Total	54.2	43.9	46.7	-19.0	6.4	292.2	270.6	283.3	-7.4	4.7

Source: IRDAI, Life Insurance Council

In FY26, individual non-single policy volumes recorded a moderate recovery, increasing 4.7% y-o-y after contracting 7.4% in FY25, reflecting a gradual normalisation in the retail protection and savings segment. The recovery was primarily led by private insurers, which registered a 6.7% growth, supported by stronger distribution. In contrast, LIC witnessed a relatively subdued rebound with a 3.6% increase, and its overall policy volumes remained below FY24 levels, indicating a slower pace of recovery in its individual agency-driven business. On a monthly basis, March 2026 showed a continued improvement, with total policy volumes rising 6.4% y-o-y, aided by a favourable base and incremental pickup in retail demand. Private insurers maintained steady momentum (up 5.1%), while LIC recorded a slightly higher growth of 7.0%. However, overall policy issuance remained below March 2024 levels.

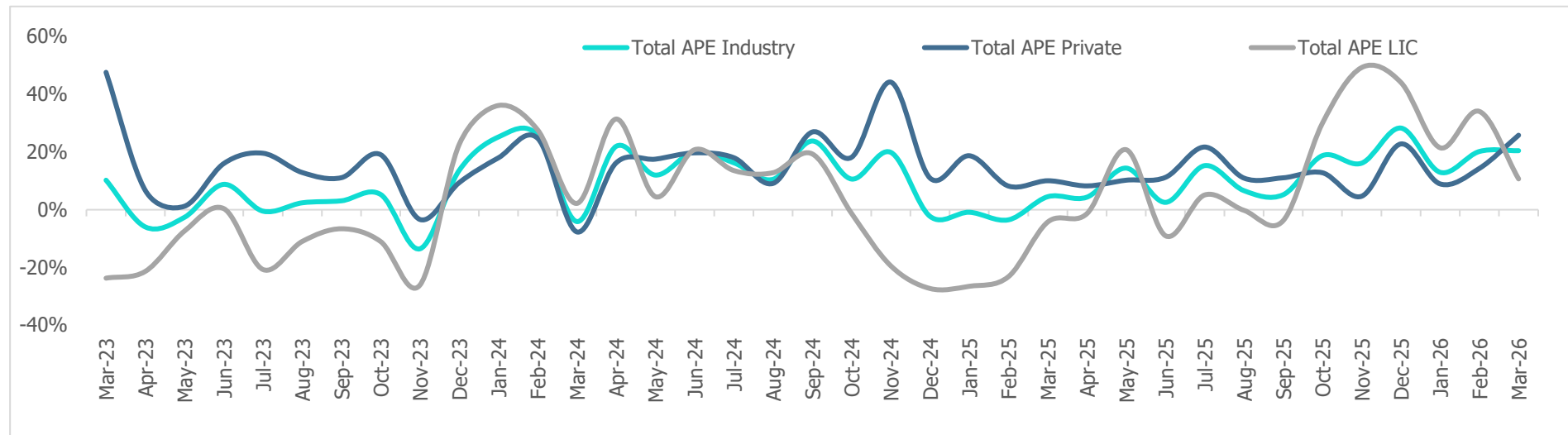
Figure 6: Movement in APE of Life insurance companies (₹ crore)

Premium Type	March 2024	March 2025	March 2026	March 2025 Growth (%)	March 2026 Growth (%)	FY24	FY25	FY26	FY25 Growth (%)	FY26 Growth (%)
Private	14,425.3	15,873.1	19,969.6	10.0	25.8	88,762.3	1,03,836.9	1,19,272.2	17.0	14.9
LIC	9,086.2	8,698.8	9,627.2	-4.3	10.7	57,354.0	55,960.0	63,754.3	-2.4	13.9
Industry	23,511.5	24,571.9	29,596.8	4.5	20.4	1,46,116.3	1,59,796.9	1,83,026.5	9.4	14.5

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

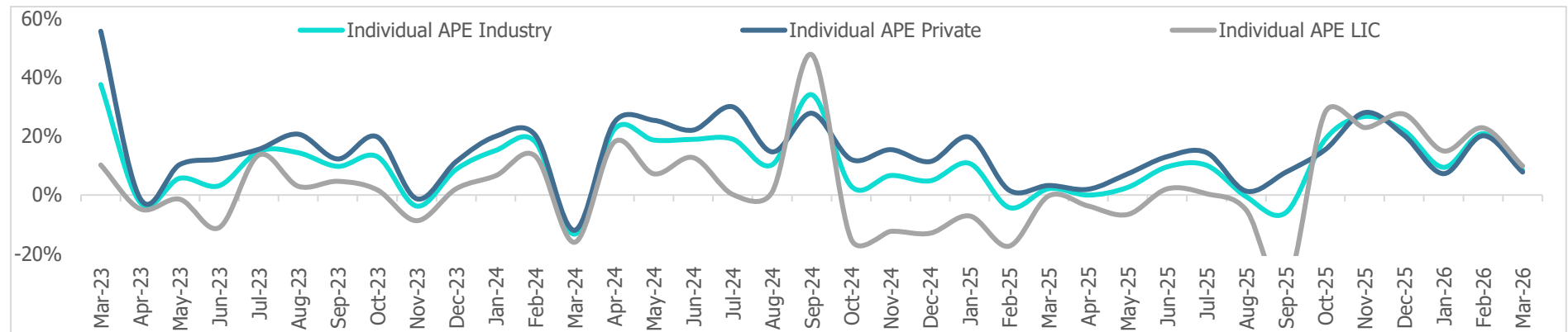
In FY26, the life insurance industry's APE grew by 14.5% y-o-y, reflecting a broad-based recovery across both private insurers and LIC. Private insurers recorded a 14.9% growth, marginally outpacing LIC's 13.9% increase, supported by continued strength in distribution, product innovation, and a higher share of protection and non-participating savings products. On a monthly basis, APE growth accelerated significantly to 20.4% y-o-y in March 2026, compared to 4.5% growth in March 2025. This uptick was driven by a favourable base effect and a pickup in policy closures across both individual and group segments. Private insurers maintained strong momentum with a 25.8% increase, while LIC recorded a 10.7% growth, indicating a gradual recovery in its business volumes.

Figure 7: Total APE growth (y-o-y, in %)

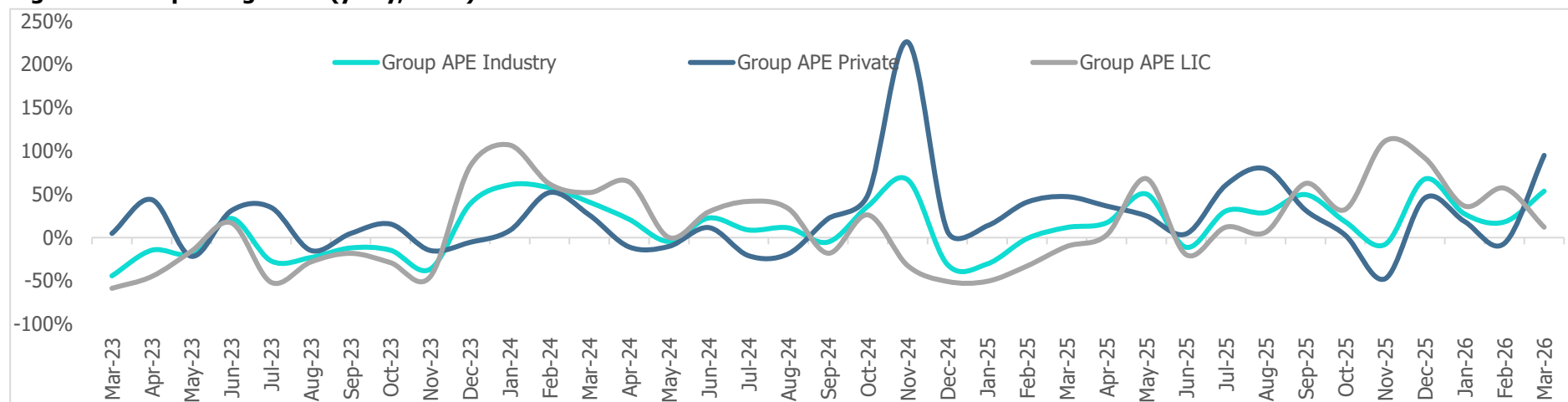


Source: Life Insurance Council, IRDAI, CareEdge Calculations

Figure 8: Individual APE growth (y-o-y, in %)



Source: Life Insurance Council, IRDAI, CareEdge Calculation

Figure 9: Group APE growth (y-o-y, 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 FY26, with APE growth improving to 14.5% y-o-y from 9.4% in the previous year, reflecting a normalisation in business volumes following regulatory changes. The recovery was broad-based, across both individual and group segments. In March 2026, growth accelerated significantly, aided by favourable base effects and typical year-end seasonality, including higher closure of group and corporate policies. The industry now appears to have largely adjusted to the revised surrender value framework, and growth is expected to remain stable at 8%-11% over the medium term, supported by product diversification, regulatory support, and continued expansion of digital distribution channels."

According to Saurabh Bhalerao, Associate Director, CareEdge Ratings, "Both LIC and private insurers delivered robust numbers, with LIC regaining momentum and private players posting even higher growth rates. Growth in the group segment was particularly strong, driven by increased demand for employer-linked products such as gratuity and protection schemes partly supported by evolving labour code-related provisioning requirements while the individual segment maintained stable momentum, led by private insurers. The performance is likely driven by new product launches, and favourable GST changes. The sharp increase in premiums in March 2026 reflects a combination of year-end seasonality, favourable base effect, and catch-up in group business, particularly in single-premium policies. With distribution networks strengthening and digital initiatives such as Bima Sugam under the broader Bima Trinity framework gaining traction, the industry is well positioned to sustain steady growth over the medium term."

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