Life Insurance New Business Premium Growth Hits a Nine Month Low in May 2026

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CareEdge RATINGS

Overview

India's life insurance industry, after starting FY27 on a high, recorded a moderation in New Business Premium growth in May 2026, with premiums rising 5.1% year-on-year (y-o-y) to Rs 32,030.9 crore. The slowdown was largely due to normalisation in group single premiums and base effects, particularly as LIC's growth eased to 3.5% y-o-y, pulling down overall momentum. Despite this monthly moderation, underlying demand conditions remained resilient, supported by strong growth in individual non-single premiums (13.5% y-o-y) and continued traction from private insurers, which grew faster at 7.7% y-o-y, further strengthening their market position. On a YTDFY27 basis, industry performance remained strong, with overall premium growth at 19.4%.

Industry APE growth moderated to 7.5% y-o-y in May 2026, driven by strong growth among private insurers (14.5%), while LIC's APE declined by 2.1%. Despite this moderation, YTDFY27 APE remained healthy at 14.6% y-o-y, supported by robust growth in private insurers' business.

Figure 1: Movement in New Business Premium (Rs crore)

Month	Premium in FY24	Premium in FY25	Premium in FY26	Premium in FY27	FY24 vs FY23 (%)	FY25 vs FY24 (%)	FY26 vs FY25 (%)	FY27 vs FY26 (%)
April	12,565.3	20,258.9	21,965.7	30,550.4	-30.0	61.2	8.4	39.1
May	**23,477.8**	**27,034.2**	**30,463.2**	**32,030.9**	**-4.1**	**15.1**	**12.7**	**5.1**
June	36,961.8	42,433.7	41,117.1		18.3	14.8	-3.1	
July	27,867.1	31,822.7	38,958.1		-28.7	14.2	22.4	
August	26,788.6	32,644.1	30,958.8		-18.5	21.9	-5.2	
September	30,716.3	35,020.3	40,206.7		-15.5	14.0	14.8	
October	26,819.0	30,347.6	34,007.0		7.6	13.2	12.1	
November	26,494.8	25,306.6	31,119.6		-25.3	-4.5	23.0	
December	38,581.1	30,218.7	42,150.8		43.8	-21.7	39.5	
January	33,559.8	30,825.2	37,478.4		27.0	-8.1	21.6	
February	33,913.2	29,985.6	35,417.3		48.4	-11.6	18.1	
March	60,213.6	61,439.1	75,872.3		15.6	2.0	23.5	

Source: Life Insurance Council, IRDAI

Figure 2: New Business Premium Growth of Life Insurance Companies (Rs crore)

Insurer	May 2024	May 2025	May 2026	May 2025 Growth (%)	May 2026 Growth (%)	YTDFY25	YTDFY26	YTDFY27	YTD FY26 Growth (%)	YTD FY27 Growth (%)
Private Total	**10,343.8**	**12,058.2**	**12,988.7**	**16.6**	**7.7**	**18,219.0**	**20,411.7**	**24,757.0**	**12.0**	**21.3**
Individual Single	1,528.2	1,555.6	1,641.1	1.8	5.5	2,704.1	2,783.3	2,997.8	2.9	7.7
Individual non-single	4,681.1	5,025.6	5,653.4	7.4	12.5	8,152.6	8,561.9	9,972.0	5.0	16.5
Group Single	3,497.3	4,713.4	4,629.0	34.8	-1.8	6,252.3	7,485.6	8,804.1	19.7	17.6
Group non-single	11.7	30.2	18.9	158.3	-37.4	21.9	36.7	24.1	67.8	-34.5
Group Yearly Renewal	625.4	733.4	1,046.3	17.3	42.7	1,088.2	1,544.2	2,959.0	41.9	91.6
LIC	**16,690.4**	**18,405.0**	**19,042.2**	**10.3**	**3.5**	**29,074.0**	**32,015.7**	**37,824.3**	**10.1**	**18.1**
Individual Single	1,822.5	1,969.7	2,196.6	8.1	11.5	3,222.0	3,432.5	3,958.7	6.5	15.3
Individual non-single	2,235.6	2,060.5	2,387.5	-7.8	15.9	4,011.6	3,758.6	4,408.5	-6.3	17.3
Group Single	12,478.8	13,354.7	13,944.9	7.0	4.4	21,499.0	23,719.7	28,732.7	10.3	21.1
Group non-single	90.5	227.9	2.4	151.9	-98.9	211.6	265.4	119.0	25.4	-55.2
Group Yearly Renewal	63.0	792.3	510.8	1157.4	-35.5	129.8	839.5	605.4	546.6	-27.9
Grand Total	**27,034.1**	**30,463.2**	**32,030.9**	**12.7**	**5.1**	**47,293.0**	**52,427.4**	**62,581.2**	**10.9**	**19.4**
Individual Single	3,350.8	3,525.3	3,837.7	5.2	8.9	5,926.1	6,215.8	6,956.5	4.9	11.9
Individual non-single	6,916.7	7,086.1	8,040.9	2.4	13.5	12,164.2	12,320.4	14,380.6	1.3	16.7
Group Single	15,976.1	18,068.0	18,573.9	13.1	2.8	27,751.2	31,205.4	37,536.8	12.4	20.3
Group non-single	102.2	258.1	21.3	152.6	-91.7	233.5	302.2	143.0	29.4	-52.7
Group Yearly Renewal	688.5	1,525.7	1,557.1	121.6	2.1	1,218.0	2,383.7	3,564.4	95.7	49.5

Source: IRDAI, Life Insurance Council

New business premiums of life insurers grew by 5.1% y-o-y to Rs 32,030.9 crore in May 2026, moderating from 12.7% growth seen in May 2025 and the robust expansion witnessed in April 2026. The slower growth largely reflects base effects and normalisation in group business, particularly the group single segment, which accounts for the largest share of industry premiums and recorded a modest 2.8% y-o-y growth. Overall growth was supported by the individual non-single premium segment, which expanded by 13.5% y-o-y. However, this growth was partly driven by higher ticket sizes and a shift in product mix, indicating a tilt towards higher-value policies. Private insurers continued to outperform, reporting 7.7% growth compared with 3.5% growth for LIC, resulting in a marginal increase in the private sector's market share to 39.6% as of May 2026. However, LIC remained the dominant player with nearly 60% of industry new business premiums, supported by the launch of two new products, i.e. LIC's New Jeevan Sathi (Single Premium) and LIC's New Jeevan Sathi (Limited Premium), effective 1st June 2026. However, LIC's relatively slower growth partially offset the stronger performance of private insurers. Though on a YTD basis, industry new business premiums remained robust, increasing by 19.4% y-o-y in YTDFY27.

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

Premium Type	May 2024	May 2025	May 2026	May 2025 Growth (%)	May 2026 Growth (%)	YTDFY25	YTDFY26	YTDFY27	YTD FY26 Growth (%)	YTD FY27 Growth (%)
Single	19,326.8	21,593.3	22,411.6	11.7	3.8	33,677.3	37,421.1	44,493.2	11.1	18.9
Non-Single	7,707.3	8,869.9	9,619.3	15.1	8.4	13,615.7	15,006.3	18,088.0	10.2	20.5

Source: IRDAI, Life Insurance Council

Single-premium business grew by 3.8% y-o-y in May 2026, moderating from 11.7% growth in the corresponding period last year, reflecting a slowdown in group single-premium collections following the strong rebound in April. Meanwhile, non-single premiums recorded a relatively stronger growth of 8.4% y-o-y, supported by sustained demand. On a YTDFY27 basis, both segments remained healthy, with single premiums and non-single premiums rising by 18.9% and 20.5% y-o-y, respectively. Additionally, 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	May 2024	May 2025	May 2026	May 2025 Growth (%)	May 2026 Growth (%)	YTDFY25	YTDFY26	YTDFY27	YTD FY26 Growth (%)	YTD FY27 Growth (%)
Individual	10,267.4	10,611.4	11,878.5	3.3	11.9	18,090.3	18,536.2	21,337.0	2.5	15.1
Group	16,766.7	19,851.8	20,152.3	18.4	1.5	29,202.8	33,891.2	41,244.2	16.1	21.7

Source: IRDAI, Life Insurance Council

Growth in new business premiums was primarily driven by the individual segment, which expanded by 11.9% y-o-y in May 2026, largely driven by strong growth in LIC's individual business. In contrast, the group segment recorded a modest 1.5% y-o-y growth, as growth in large-ticket group policies normalised following the strong expansion seen in recent months. While monthly growth in the group segment moderated due to this normalisation effect, cumulative momentum remained strong, with group premiums expanding by 21.7% y-o-y in YTDFY27. Despite the moderation, the group segment remained the largest contributor, accounting for around two-thirds of total new business premiums. On a cumulative basis, both segments maintained healthy growth, with individual premiums rising by 15.1% y-o-y in YTDFY27, highlighting continued support from both institutional and retail insurance demand.

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

Premium Type	May 2024	May 2025	May 2026	May 2025 Growth (%)	May 2026 Growth (%)	YTDFY25	YTDFY26	YTDFY27	YTD FY26 Growth (%)	YTD FY27 Growth (%)
Private	6.2	6.0	6.4	-2.1	5.1	10.8	10.2	11.6	-5.3	13.7%
LIC	12.5	10.7	10.4	-14.6	-3.1	21.1	17.9	18.0	-14.9	0.1%
Total	**18.7**	**16.7**	**16.7**	**-10.4**	**-0.1**	**31.9**	**28.2**	**29.6**	**-11.6**	**5.0%**

Source: IRDAI, Life Insurance Council

Individual non-single policy volumes remained broadly stable with a modest decline of 0.1% y-o-y in May 2026, compared with May 2025—the overall trend, however, masked divergent performance across insurers. Private insurers recorded a 5.1% y-o-y increase in policy volumes, while LIC's policy count declined by 3.1% y-o-y. The decline in policies, however, was likely accompanied by a rise in average premium per policy. On a cumulative basis, policy volumes grew by 5.0% y-o-y in YTDFY27, driven primarily by private insurers, whose policy count increased by 13.7%. In contrast, LIC's volumes remained broadly flat (a 0.1% increase), indicating that private insurers continue to gain traction in the retail protection and savings market, thereby supporting overall industry policy growth.

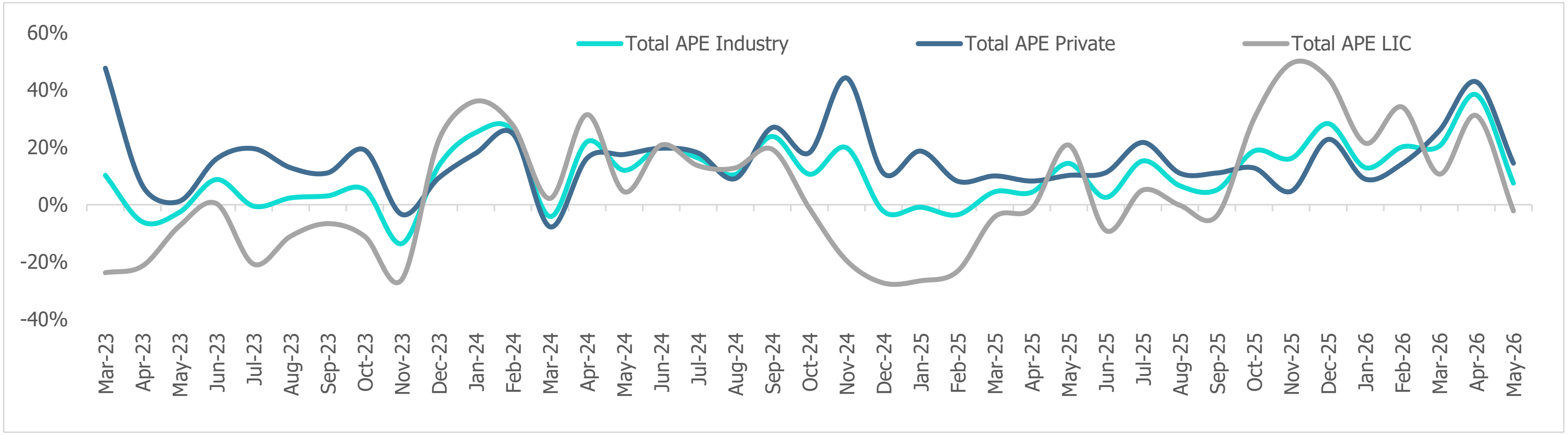
Figure 6: Movement in APE of Life insurance companies (₹ crore)

Premium Type	May 2024	May 2025	May 2026	May 2025 Growth (%)	May 2026 Growth (%)	YTDFY25	YTDFY26	YTDFY27	YTD FY26 Growth (%)	YTD FY27 Growth (%)
Private	5,820.8	6,416.1	7,345.6	10.2	14.5	8,731.2	10,212.0	14,135.3	17.0	38.4
LIC	3,819.2	4,613.1	4,514.9	20.8	-2.1	5,941.7	9,454.3	8,402.1	59.1	-11.1
Industry	9,640.0	11,029.2	11,860.4	14.4	7.5	14,672.9	19,666.3	22,537.3	34.0	14.6

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

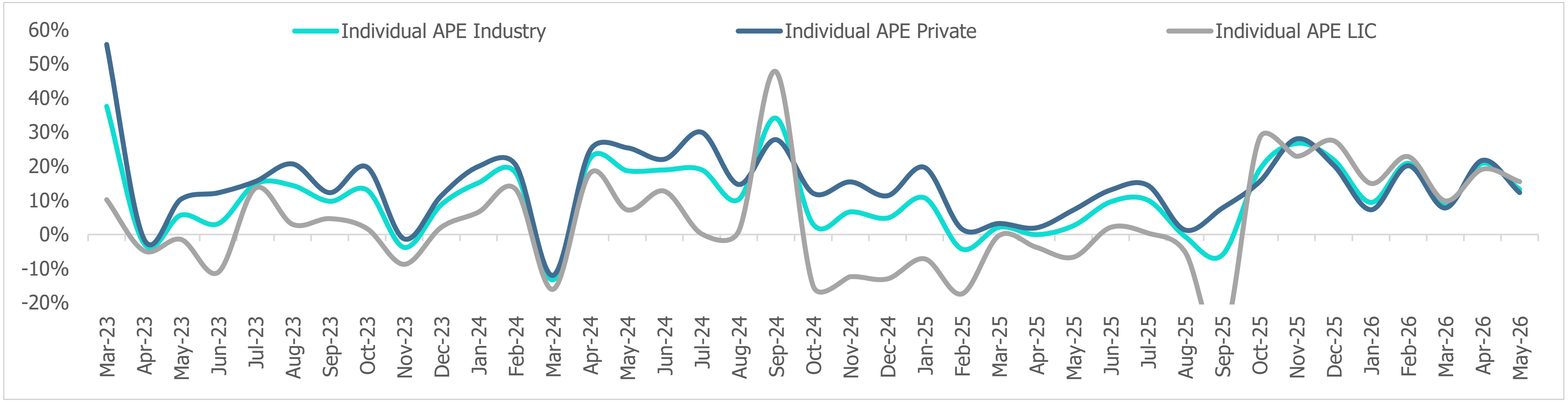
Industry APE grew by 7.5% y-o-y in May 2026, moderating from the strong 38.3% expansion recorded in April 2026 and lower than the 14.4% growth seen in the same period last year. Growth was led by private insurers, whose APE increased by 14.5% y-o-y, reflecting continued momentum in protection and non-par savings products. In contrast, LIC's APE declined by 2.1% y-o-y. Despite the moderation, industry APE remained robust on a cumulative basis, rising 14.6% y-o-y in YTDFY27. The strong 38.4% growth in private insurers' YTD APE offset the 11.1% decline in LIC's APE.

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



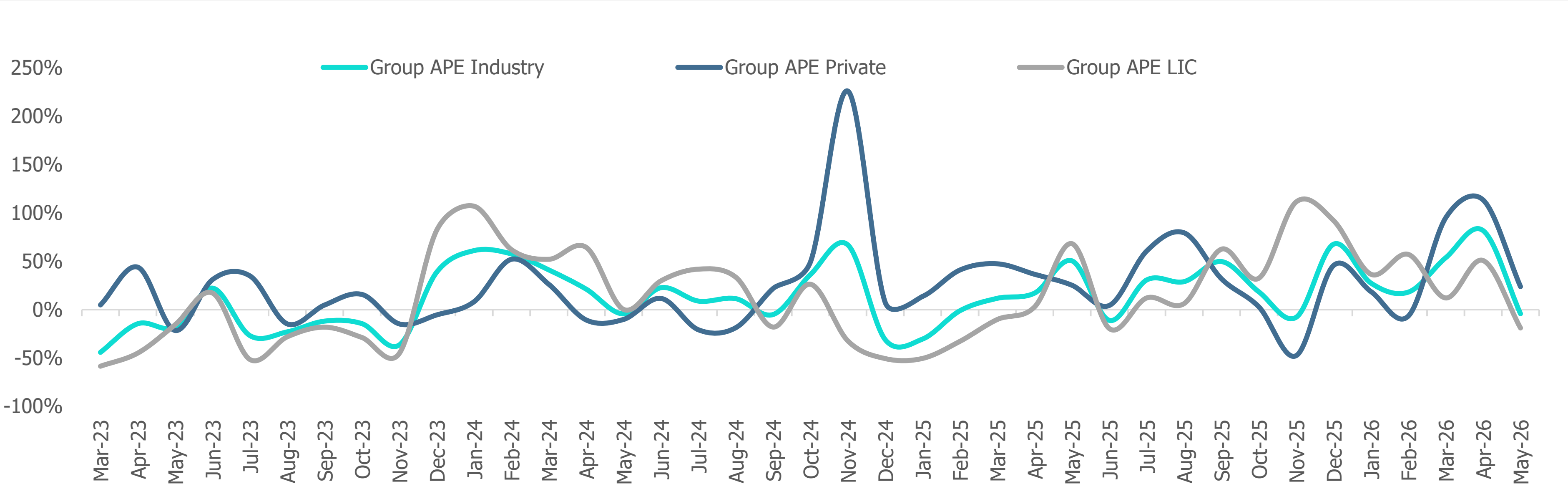
Source: Life Insurance Council, IRDAI, Care Ratings Calculations

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



Source: Life Insurance Council, IRDAI, Care Ratings Calculation

Figure 9: Group APE growth (y-o-y, in %)



Source: Life Insurance Council, IRDAI, Care Ratings Calculations

CareEdge Ratings' View

Sanjay Agarwal, Senior Director, CareEdge Ratings, said, "India's life insurance industry continued to expand in May 2026, although the pace of growth moderated from the strong momentum seen in previous months. New business premiums rose by 5.1% y-o-y to Rs 32,030.9 crore, reflecting a softening compared to the previous month and a mild base-effect-led deceleration. The moderation in growth may also partly reflect a cautious approach by customers amid heightened geopolitical uncertainties, including the ongoing West Asia crisis, which could have led to some postponement of insurance purchases during the month. Consequently, a portion of this business may materialise in the coming months. Despite these near-term headwinds and volatility in equity markets, the industry maintained strong momentum during the first two months of FY27, with new business premiums growing by 19.4% y-o-y as of YTDFY27. Growth was supported by continued traction in retail savings and protection products, particularly in the individual non-single-premium segment. Demand for non-par guaranteed products amid rising long-term yields also appears to have supported growth in individual new business premiums. Further, the steady growth in individual non-single policy volumes and APE also indicates that insurers have largely adjusted to the revised surrender value framework. Going forward, the industry is expected to maintain steady medium-term growth of 8%-11%, supported by product diversification, regulatory initiatives, and increasing insurance penetration."

According to Saurabh Bhalerao, Associate Director, CareEdge Ratings, "Private insurers continued to gain market share in May 2026, supported by stronger growth in new business premiums and APE, while LIC retained its dominant position with nearly 60% of industry new business premiums. The individual segment increasingly drove growth, while group business moderated following the strong expansion seen in recent months. The continued shift towards regular-premium, coupled with increasing digital adoption and distribution expansion, is expected to support sustainable growth and profitability. The industry's long-term outlook remains favourable, underpinned by rising financial awareness, supportive regulatory reforms, and progress under initiatives such as Bima Sugam and the broader Insurance for All 2047 agenda."

Contact

Sanjay Agarwal	Senior Director – BFSI Ratings	sanjay.agarwal@careedge.in	+91 - 22 - 6754 3582 / +91-81080 07676
Saurabh Bhalerao	Director – BFSI Research	saurabh.bhalerao@careedge.in	+91 - 22 - 6754 3519 / +91- 90049 52514
Ankush Pathrabe	Analyst – BFSI Research	ankush.pathrabe@careedge.in	+91 - 22 - 6754 1629 / +91 - 90399 84978
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 I CIN: L67190MH1993PLC071691

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