

In H1 FY27 Group Business Drives 21% Growth in Life Insurance New Premiums



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Synopsis

India's life insurance industry sustained healthy growth in September 2026, with New Business Premium (NBP) rising 21.3% year-on-year (y-o-y) to Rs 48,780.6 crore, although growth moderated from 33.1% in August. Private insurers grew faster than LIC this month, with growth of 23.2% versus LIC's 19.9%. Group business remained the main driver: group single premiums rose 23.3%. Individual premiums grew at a moderate pace of 13.2%. Individual non-single premiums rose 8.5% while policy volumes were broadly flat (down 0.5%).

"In September 2026, LIC's policy volumes declined by 4.6%, while its average premium per policy increased by around 19%. Private life insurers recorded 5.9% growth in individual non-single policy volumes. Annualised Premium Equivalent (APE) increased by 17.3%, led by private insurers at 20.3%, compared with 12.2% for LIC. Going forward, the industry is expected to sustain moderate growth over the medium-term. IRDAI has placed its proposed changes to expenses of management, including commissions, for public comments; the final shape of these changes will be a key monitorable for insurers' profitability and distribution strategy," said Vineet Jain, Senior Director, CareEdge Ratings.

Key Highlights

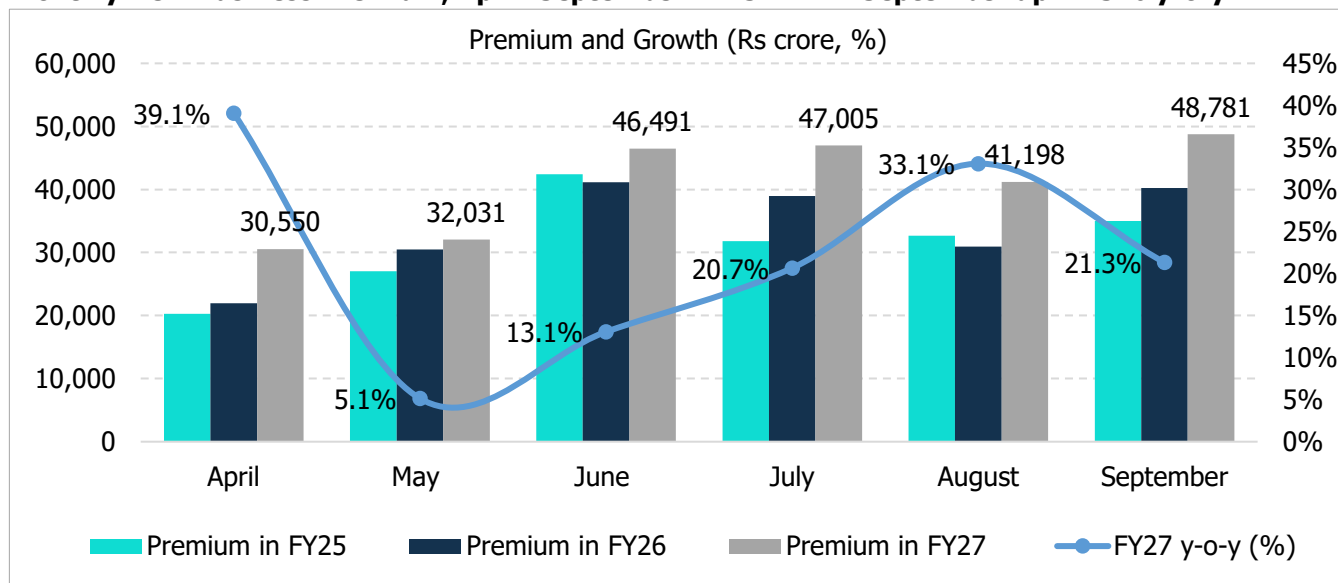
Industry NBP (Sep 2026): Rs 48,781 Cr (↑ 21.3% y-o-y)	Industry NBP (H1 FY27): Rs 245,604 Cr (↑ 20.6% y-o-y)	Industry APE (Sep 2026): Rs 18,655 Cr (↑ 17.9% y-o-y)	Industry APE (H1 FY27): Rs 89,603 Cr (↑ 17.3% y-o-y)	LIC Share in Group Business (H1 FY27): 70.5% (vs 72.7% in H1 FY26)
Private Insurers Outpace LIC Private NBP rose 23.2% y-o-y vs 19.9% for LIC; LIC's monthly share eased to 56.4%		Group Single Premium Leads Group single premiums rose 23.3%, contributing ~61% of the overall incremental NBP		APE Growth Picks Up from Last Month APE rose 17.9% in September; private insurers' H1 APE share rose to 64.2%

September 2026: Important Numbers (In Rs crore)

Metric	Sep-25	Sep-26	y-o-y	Comment
Industry NBP	40,206.7	48,780.6	+21.3%	Slower than Aug (33.1%)
Private Insurers	17,249.6	21,251.9	+23.2%	Faster than LIC
LIC	22,957.1	27,528.7	+19.9%	Steady growth
Group Single	22,574.8	27,843.4	+23.3%	Largest growth driver
Individual non-single	10,837.1	11,754.9	+8.5%	Moderate growth

Source: Life Insurance Council, IRDAI

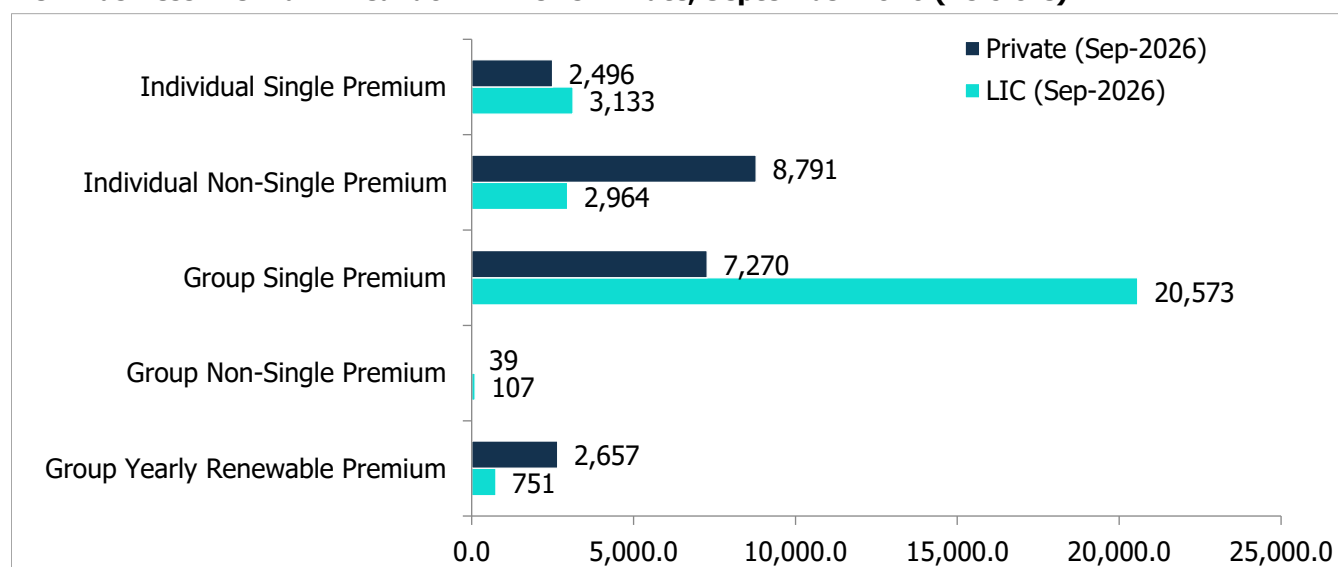
Industry NBP growth was led by group single premiums, which rose 23.3% and contributed about 61% of the overall incremental premium for September. Individual single and non-single premiums rose 24.7% and 8.5%, respectively, together contributing about 24% of the increase. However, group non-single premiums declined 76.7% y-o-y.

Monthly New Business Premium, April–September FY25–FY27: September up 21.3% y-o-y


Source: Life Insurance Council, IRDAI

Private Insurers' NBP Rises 23.2% vs LIC's 19.9%, Lifted by Group Renewables

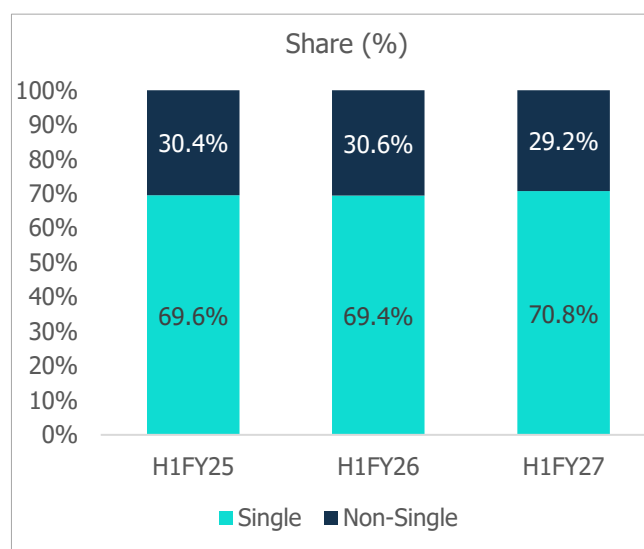
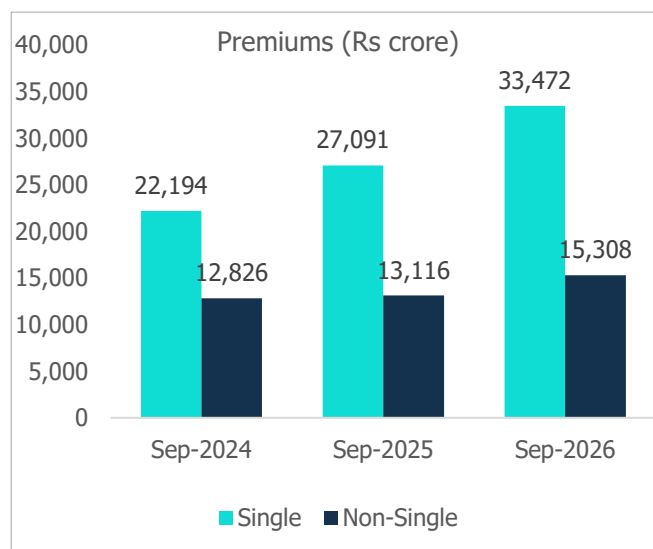
Private insurers grew faster than LIC during the month. Private insurers' NBP increased 23.2% y-o-y to Rs 21,251.9 crore, while LIC's NBP rose 19.9% to Rs 27,528.7 crore. LIC's share of monthly industry NBP consequently eased to 56.4% from 57.1% in September 2025, although LIC remained the largest player with a 73.9% share of industry group single premiums for the month. In H1 FY27, private insurers grew 22.5% against 19.3% for LIC, lifting private insurers' share of industry NBP to 41.2% from 40.6% in H1 FY26.

New Business Premium Breakdown: LIC vs Private, September 2026 (Rs crore)


Source: Life Insurance Council, IRDAI

Single Premiums Rise 23.6%, Taking 68.6% of September NBP

Single-premium business continued to drive growth in September 2026, with industry single premiums rising 23.6% y-o-y to Rs 33,472.3 crore, led by group single premiums at both LIC and private insurers. As a result, single premiums accounted for 68.6% of September NBP, up from 67.4% a year earlier. In H1 FY27, the share of single premiums rose to 70.8% from 69.4% in H1 FY26, indicating that growth remains skewed towards single-premium, largely institutional, business.

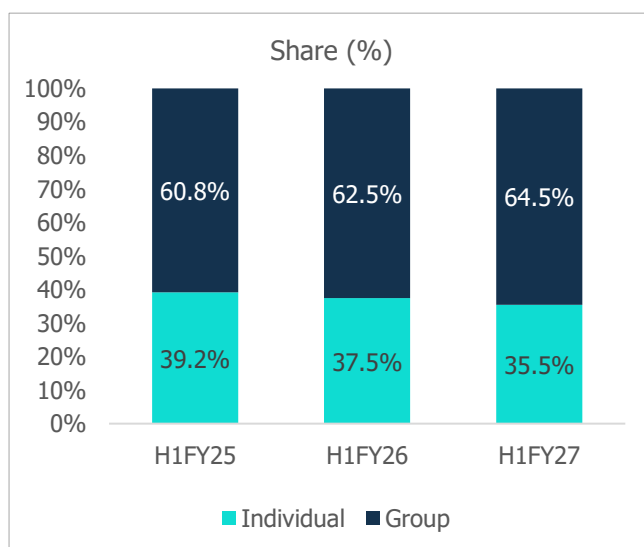
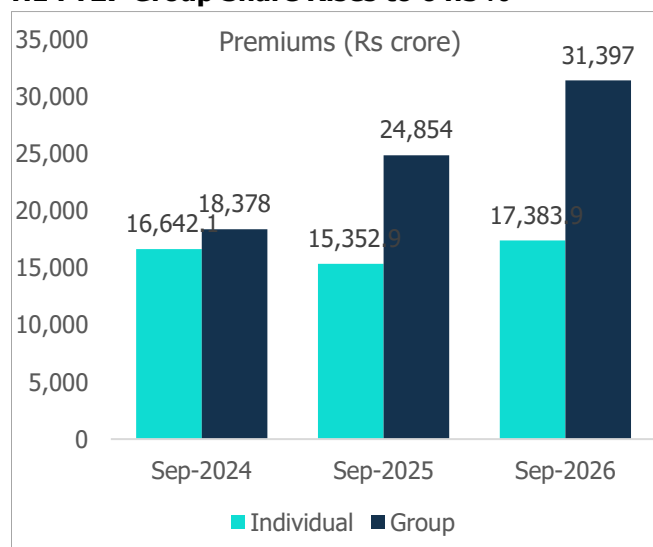


Source: Life Insurance Council, IRDAI

Group Premiums Rise 26.3% in September 2026, Double Individual Growth of 13.2%

Group premiums rose 26.3% y-o-y to Rs 31,396.7 crore in September 2026, nearly twice the 13.2% growth recorded in individual premiums, which stood at Rs 17,383.9 crore. In H1 FY27, group premiums grew 24.5%, outpacing 14.0% growth in individual premiums, and the share of group business rose to 64.5% from 62.5% in H1 FY26. LIC remained the dominant group player with a 70.5% share of H1 FY27 group premiums, down from 72.7% in H1 FY26, as private insurers expanded their group business faster.

H1 FY27 Group Share Rises to 64.5%

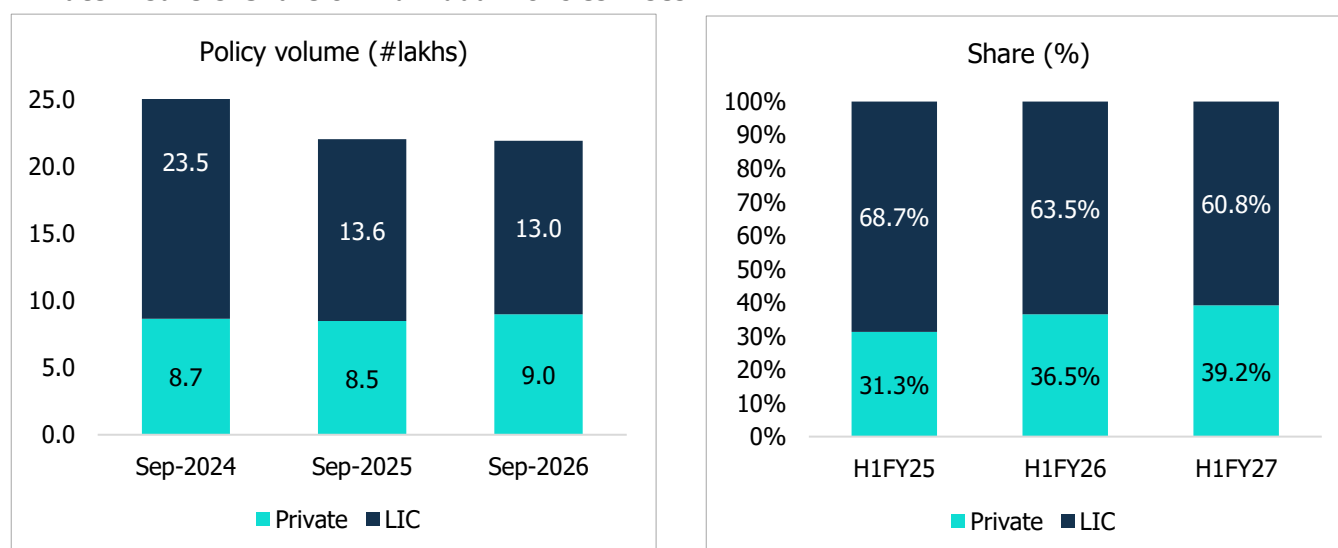


Source: IRDAI, Life Insurance Council

Individual Policy Sales Dip 0.5% to 21.9 lakh

Individual non-single policy volumes declined marginally by 0.5% y-o-y to 21.9 lakh in September 2026. LIC's policy volumes fell 4.6% to 13.0 lakh, while private insurers' volumes rose 5.9% to 9.0 lakh, lifting their monthly share to 40.9% from 38.5% in September 2025. In H1 FY27, individual non-single policy volumes increased 2.0% to 116.8 lakh- a 9.4% rise for private insurers more than offset a 2.2% decline at LIC. Private insurers' H1 share of individual non-single policy volumes consequently, rose to 39.2% from 36.5% in H1 FY26, while LIC's share moderated to 60.8% from 63.5%. Premium growth continued to outpace policy growth: the average individual non-single premium per policy rose about 9% y-o-y to around Rs 53,600 in September. The trend differed between insurers. At LIC, average premium per policy rose about 19% to around Rs 22,900 even as policy volumes fell 4.6%, so its growth came from larger ticket sizes. Private insurers' average premium per policy was broadly unchanged at around Rs 97,900 (up 0.9%), and their growth came from higher volumes (policies up 5.9%). The premium was also lifted by a shift in mix towards private insurers, whose average ticket size is about four times LIC's.

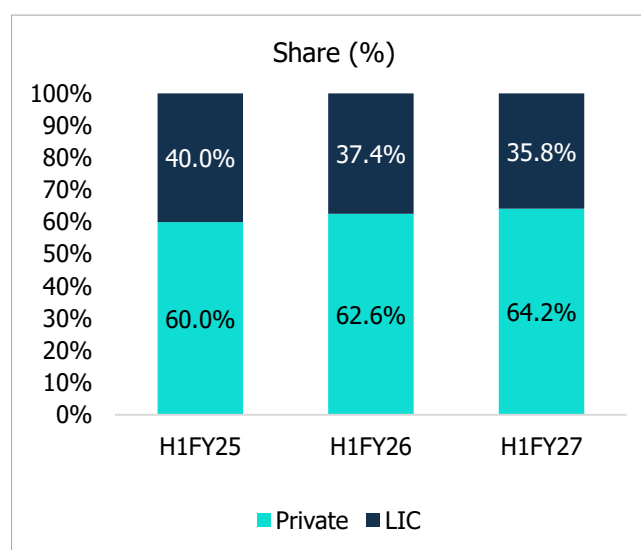
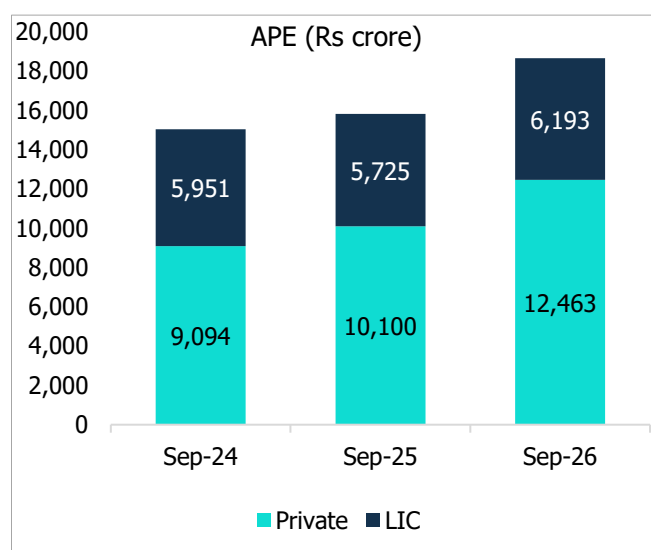
Private Insurers' Share of Individual Policies Rises



Source: IRDAI, Life Insurance Council

Private insurers' APE rises 23.4% vs LIC's 8.2%

Industry APE grew 17.9% y-o-y to Rs 18,655.5 crore in September 2026, driven by a 23.4% increase in private insurers' APE, while LIC's APE rose 8.2%. Group APE rose 39.7%, mainly because group yearly renewable premiums, which are counted in full in APE, more than doubled; this alone accounted for about 62% of the increase in industry APE. Individual APE grew a more modest 9.1%. In H1 FY27, industry APE increased 17.3%, led by 20.3% growth for private insurers and 12.2% for LIC. Private insurers' share of industry APE rose to 64.2% in H1 FY27 from 62.6% in H1 FY26 (and 60.0% in H1 FY25), while LIC's share declined to 35.8% from 37.4% and 40.0% in H1 FY26 and H1 FY25, respectively.



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

CareEdge Ratings View

According to Saurabh Bhalerao, Director, CareEdge Ratings, "Group business remained the key growth driver in September, with group single and group yearly renewable premiums together accounting for over 80% of the incremental NBP. Private insurers outpaced LIC in both the month and on an H1 basis, and their share of H1 FY27 APE rose to 64.2% from 62.6% in H1 FY26. Looking ahead, industry growth should benefit from wider distribution, rising awareness and sustained demand for protection, savings and annuity products, and the proposed cooperative life insurer may further improve penetration in rural and underserved markets. However, the heavy reliance on group and single-premium business is likely to keep monthly growth volatile, given the lumpy nature of institutional flows. From October, y-o-y comparisons will also be against a base that already reflects the GST exemption on individual policies (effective September 22, 2025), which could moderate growth in the individual segment. Potential changes in bancassurance and distribution regulations remain key to monitor, as they could affect insurers' access to bank-led distribution channels, customer acquisition costs and business growth, particularly for insurers with a greater dependence on bancassurance. Overall, the industry is likely to maintain healthy medium-term growth, although the pace could moderate as the base normalises."

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