General Insurance

SAHIs sustain growth; Multi-line players struggle

JM FINANCIAL

Raghvesh
raghvesh@jmfl.com | Tel: (91 22) 66303099
Shreyas Pimple
shreyas.pimple@jmfl.com | Tel: (91 22) 66301881

The general insurance industry reported a weak 2.8% YoY growth in premiums in Jul'25, reporting INR 297bn on an unadjusted (reported) basis. This follows a growth of 5%YoY in Jun'25 and 7% YTD FY26. Growth has tapered this year as we saw strong growth in fire (heavy in April month) following a 5% contraction in FY25. We suspect the weakness in this month to weak crop business, which does not materially move the bottom-line. Growth for SAHIs remained steady at 10.3% YoY vs 10.5% YoY in Jun'25. These growth numbers remain suppressed and we expect growth for the sector to be 3-4% higher on a like-to-like basis. Despite a 10% YoY contraction, we prefer ICICIGI in the general insurance space.

- **Key multi-line players report YoY contraction, we suspect crop and group health:** Private multi-line players reported a decline of 3.3% YoY premiums in Jul'25 vs flat Jun'25, growth in PSUs moderated to 3.4% YoY vs 15.4% YoY in Jun'25.

  Within private multi-line players, Bajaj Allianz reported a decline of 13.0% YoY on the back of strong 17.1% YoY growth in Jun'25 while ICICI Lombard saw premiums contract 10.2% YoY for the second straight month (-10.4% YoY in Jun'25). We suspect it to be due to lower crop business – which accounted for 23% of ICICIGI's premiums in Jun'24 vs 0.4% in Jun'25. Go Digit also continued strong growth momentum at 27% YoY vs 12% YoY in Jun'25.

- **SAHIs continue to outperform:** SAHIs grew at steady pace at 10.3% YoY vs 10.5% YoY in Jun'25. Amongst SAHIs, Star Health posted a 3.3% YoY growth (vs 2.9% YoY in Jun'25). For 1Q26, Star's growth, adjusted for 1/n accounting, came in at a respectable 13.2%, despite cutting down on group business. Niva Bupa reported healthy growth of 10.0% YoY (vs 15.5% in Jun'25) while Aditya Birla Health continued its strong growth momentum with 26.7% YoY growth (26.5% YoY in Jun'25 and 27.3% FYTD'26).

- **Valuations and view:** Despite weak growth, we prefer ICICI Lombard in the general insurance, valuing the insurer at 34x FY27e EPS of INR 67 for a Target Price of INR 2,250. For Star Health, we wait for stability in claims for a couple of quarters, especially as claims ratios have been quite erratic in monsoons. We have a HOLD rating on Star Health, valuing it at 21x FY27e EPS of INR 20 to get a Target Price of INR 420.

Exhibit 1. Jul'25 - GDPI and GDPI growth

INR mn	Jul-25	YoY growth	YTD FY26	YoY growth	FY25 growth
HDFC ERGO	12,162	(26.4%)	46,369	(14.2%)	(14.8%)
Reliance	9,444	(4.9%)	43,115	0.1%	7.4%
ICICI-Lombard	24,830	(10.2%)	102,178	(2.3%)	8.3%
SBI	13,492	8.2%	45,123	17.2%	10.6%
Bajaj Allianz	21,018	(13.0%)	72,724	2.0%	4.6%
Tata-AIG	155,623	5.9%	644,268	10.9%	17.4%
IFFCO-Tokio	8,424	11.8%	28,655	10.1%	(15.5%)
Universal Sompo	4,407	16.9%	17,521	16.8%	9.9%
Future Generali	5,106	(12.7%)	17,409	(14.8%)	10.1%
Cholamandalam	6,170	(11.1%)	24,291	(7.1%)	7.9%
Go Digit	8,806	26.7%	33,879	11.7%	6.7%
Royal Sundaram	3,885	21.9%	15,488	17.0%	3.5%
Shriram	3,635	33.5%	13,239	31.7%	23.6%
Magma HDI	2,966	10.6%	11,928	8.3%	9.5%
Liberty	24,760	21.9%	86,800	14.8%	4.2%
Acko	1,959	10.5%	7,229	6.0%	10.5%
Kotak Mahindra	1,466	(14.7%)	7,207	18.5%	20.7%
Raheja QBE	142	(69.2%)	581	(63.9%)	19.4%
NAVI	73	59.7%	412	141.0%	40.9%
Total Private	**146,913**	**(3.3%)**	**566,641**	**3.0%**	**5.0%**
New India	41,362	16.3%	164,357	15.5%	4.3%
Oriental	20,588	(5.7%)	78,830	14.6%	8.4%
National	13,721	(17.2%)	53,704	4.6%	9.9%
United India	22,217	7.4%	78,874	7.2%	1.1%
Total Public	**97,888**	**3.4%**	**375,764**	**11.8%**	**5.4%**
Star Health & Allied	15,185	3.3%	51,158	3.5%	9.6%
Care	8,362	14.3%	28,856	8.4%	20.9%
Niva BUPA	6,373	10.0%	22,692	11.1%	20.6%
Aditya Birla Health	4,624	26.7%	17,890	27.3%	30.3%
Cigna TTK	1,522	10.9%	6,842	25.0%	6.3%
Standalone Health	**36,220**	**10.3%**	**127,733**	**10.1%**	**16.0%**
AIC	15,059	55.0%	15,739	36.5%	(1.8%)
ECGC	1,217	1.8%	4,434	3.5%	7.5%
Specialised PSU	**16,277**	**49.2%**	**20,173**	**27.6%**	**(0.7%)**
Industry	**297,298**	**2.8%**	**1,090,311**	**7.1%**	**6.2%***

Source: Industry, JM Financial

*8.6% adjusted for 1/n

APPENDIX I

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SEBI Registration Nos.: Stock Broker - INZ000163434, Research Analyst - INH000000610
Registered Office: 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025, India.
Board: +91 22 6630 3030 | Fax: +91 22 6630 3488 | Email: jmfinancial.research@jmfl.com | www.jmfl.com
Compliance Officer: Mr. Sahil Salastekar | Tel: +91 22 6224 1743 | Email: sahil.salastekar@jmfl.com
Grievance officer: Mr. Sahil Salastekar | Tel: +91 22 6224 1743 | Email: instcompliance@jmfl.com

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