Retail Health and Motor Anchor Non-life Premium Growth in August 2026

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CareEdge RATINGS

Synopsis

Non-life insurance premiums grew 10.0% y-o-y in August 2026 to Rs 27,455 crore, taking April–August FY27 growth to 9.6% from 6.0% a year earlier, as the drag from fire and crop shrank. Crop premium tripled from July to Rs 3,274 crore, as states extended the Kharif enrolment deadline beyond 31 July and shifted business into August. Excluding fire and crop, growth eased to 14.3% from nearly 17% in July, as motor slowed in line with vehicle sales while government health scheme premium was booked unevenly. Retail lines continued to drive industry growth, with health up 32.5% for a fifth straight month above 30% and motor recording its fifth straight month of double-digit growth; together, health and motor accounted for the entire premium increase. Commercial lines remained weak, although fire's decline eased for the first time this year. Private insurers and standalone health insurers wrote 73.3% of August premium, the highest share this year, and portfolio mix drove growth: insurers weighted toward retail health and motor grew at double digits, while those with large fire and crop books lagged.

Key Highlights

10.0%	14.3%	32.5%	10.4%	30.4%
PREMIUM GROWTH	**GROWTH EX-FIRE & CROP**	**RETAIL HEALTH GROWTH**	**MOTOR G ROWTH**	**SAHI PREMIUM GROWTH**
from 5.7% in Jul 26	from 16.8% in Jul 26	fifth month above 30%	from 14.0% in Jul 26	from 28.8%in Jul 26

Crop Timing Drove the Headline

Crop premium tripled from July to Rs 3,274 crore after enrolment deadlines moved, cutting the fire-and-crop drag from 11.1 pp to 4.2 pp.

Retail Health drives the Growth

Retail health grew 32.5%, accounting for most of the month's premium increase, with growth coming from new customers rather than higher prices.

Two Base Effects Expire Together

The GST exemption on individual health and the GST cut on small vehicles both complete a year on 22nd September, which could moderate the growth.

August 2026: Important Numbers (Rs Crore)

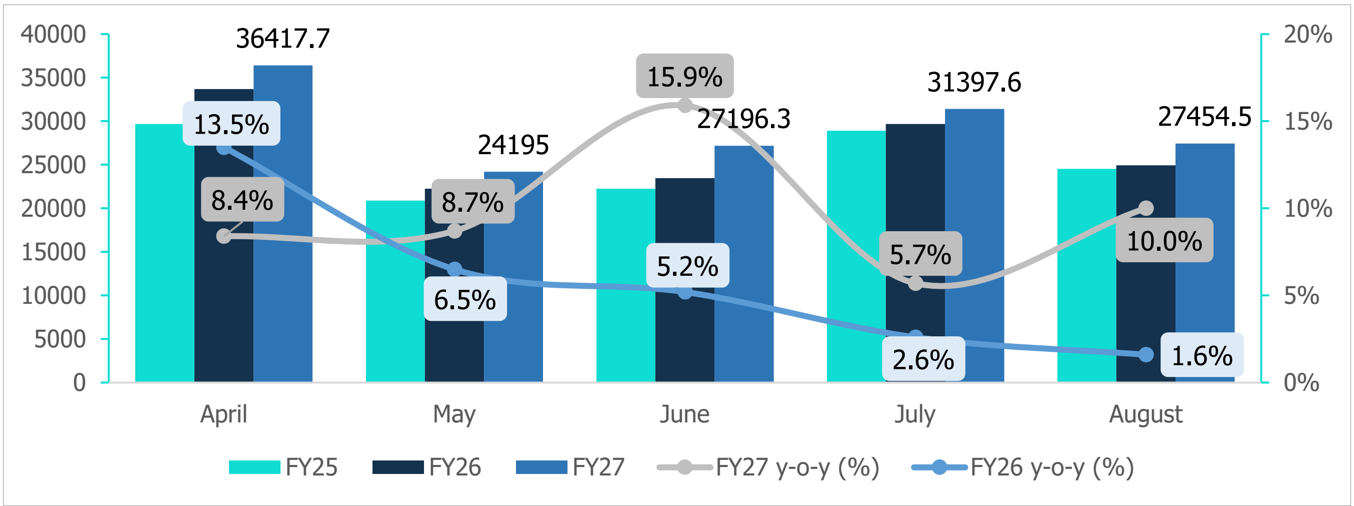
Premium	Aug-25	Aug-26	y-o-y	Jul-26 y-o-y	Comment
Industry	**24,948.3**	**27,454.5**	**10.0%**	**5.7%**	**SAHI-driven**
Health	9,182.7	10,834.0	18.0%	26.0%	Two-thirds of the month's rise
Retail health	4,220.1	5,589.7	32.5%	31.6%	Fifth consecutive month above 30%
Group health	4,000.2	4,623.2	15.6%	17.9%	Steady corporate demand
Motor	8,217.1	9,073.0	10.4%	14.0%	TP rates unchanged; growth from volume
Crop	3,237.9	3,273.9	1.1%	-58.5%	Timing, not recovery
Fire	1,612.0	1,212.2	-24.8%	-30.9%	Decline eases

Source: General Insurance Council, IRDAI, CareEdge Calculations

Overall Growth Improves to 10% as the Fire and Crop Drag Halve

Non-life insurance premiums stood at Rs 27,455 crore in August 2026, up 10.0% y-o-y compared with 1.6% in August 2025 and 5.7% in July 2026. Health and motor generated almost all of the month's premium growth, as they have through FY27. What changed between July and August was the drag from fire and crop. In July, the two segments together wrote Rs 2,387 crore less than a year earlier, which kept industry growth lower at 5.7%. In August, that shortfall narrowed to Rs 364 crore, as crop premium returned to roughly last year's level while fire continued to fall. The headline improved because the drag halved, not because health and motor grew faster. Crop accounted for 11.9% of August premium but only 3.0% year-to-date.

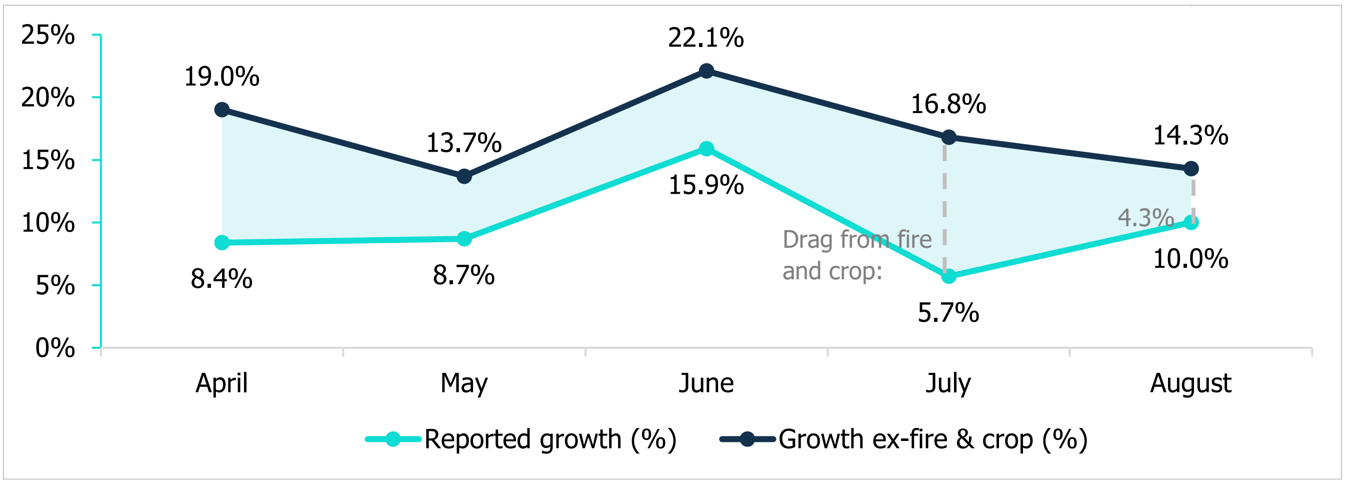
Figure 1: Monthly Premium and Growth (Rs crore, %)



Source: General Insurance Council, IRDAI.

Excluding fire and crop gives a cleaner reading of the rest of the industry, whereby growth eased to 14.3% in August from 16.8% in July. Premium increased by Rs 2,506 crore this month. Almost all of this growth came from just two areas: health insurance added Rs 1,651 crore and motor insurance added Rs 856 crore. Fire insurance, however, fell by Rs 400 crore compared with last year. This heavy reliance on health is also clear over the April–August period: premium excluding health grew by just 2.0%, while the industry excluding fire and crop insurance grew by 17.5%.

Figure 2: Reported Growth versus Growth Excluding Fire and Crop (%)



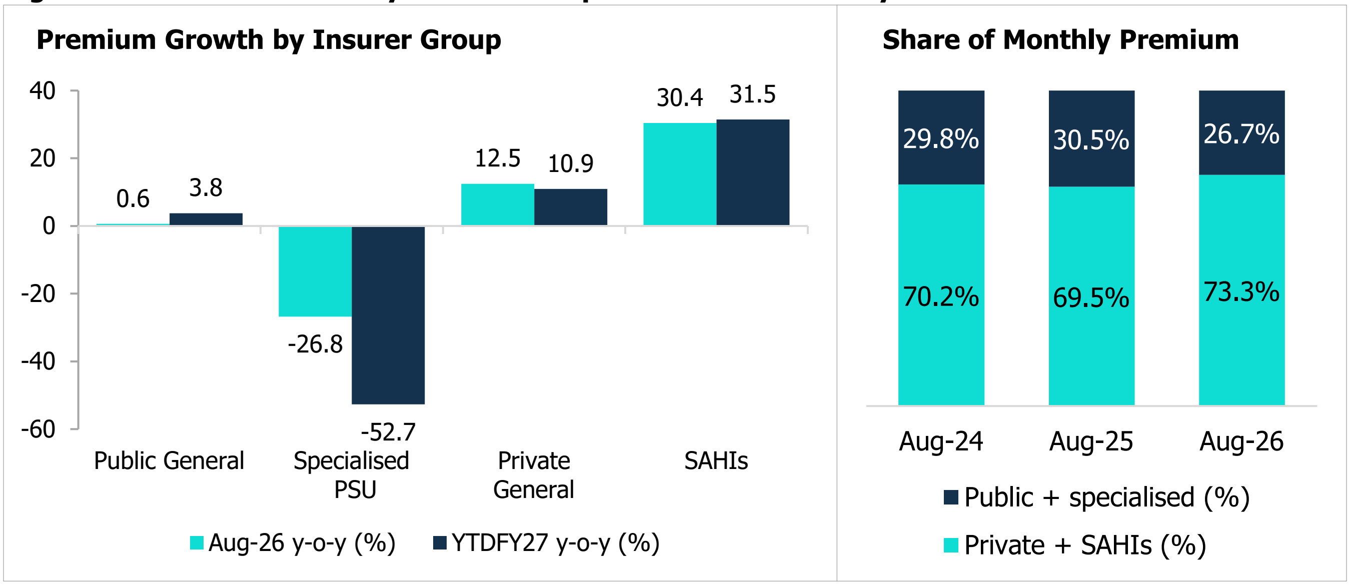
Source: General Insurance Council, IRDAI

Private Insurers and SAHIs Take 73% of August Premium

Private insurers and standalone health insurers (SAHIs) wrote 73.3% of August premium, up from 69.5% a year earlier and the highest this year, taking their combined share for April–August FY27 to 67.9% from 64.8%. Excluding crop, their share rose to 72.5% from 69.7%, a gain of 2.8 percentage points against the 3.8 points reported.

Public sector general insurers grew 0.6% in August after 6.6% in July. The slowdown is mostly a base effect, as the four public sector general insurers grew close to 15% in August 2025. Performance among them was mixed, with two of the four insurers growing between 4% and 7% and the other two declining by 5% to 7%. Their retail health premium grew 6.0% year-to-date, compared with 31.8% for the industry.

Figure 3: Premium Growth by Insurer Group and Share of Monthly Premium



Source: General Insurance Council, IRDAI

Gross Direct Premium by Insurer Group (Rs crore)

Insurer group	Aug-25	Aug-26	y-o-y	YTDFY26	YTDFY27	YTD y-o-y
Public General Insurers	6,491.9	6,530.4	0.6%	44,024.0	45,696.8	3.8%
Specialised PSU Insurers	1,106.2	809.9	-26.8%	3,124.2	1,476.5	-52.7%
Private General Insurers	13,993.0	15,737.1	12.5%	70,657.1	78,383.4	10.9%
SAHIs	3,357.2	4,377.1	30.4%	16,130.5	21,204.3	31.5%
Total	**24,948.3**	**27,454.5**	**10.0%**	**1,33,935.8**	**1,46,760.9**	**9.6%**

Source: General Insurance Council, IRDAI

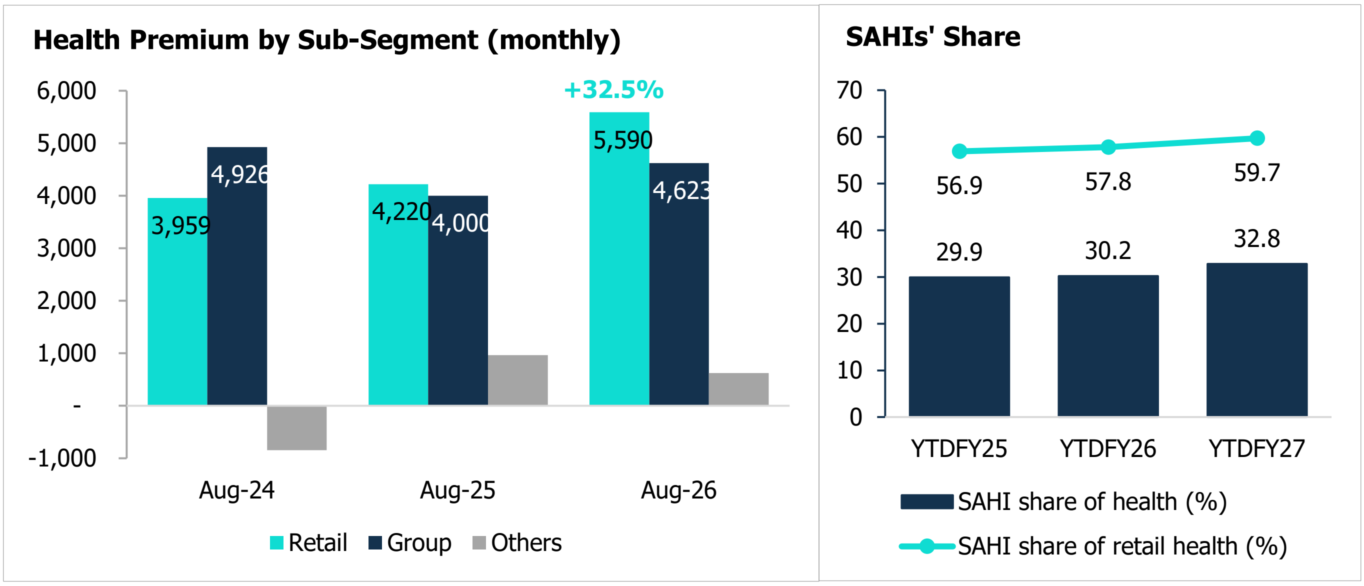
Premiums of Specialised PSU insurers declined by 26.8% in August and 52.7% year-to-date. Almost all of this came from the group's crop insurer, whose premium fell 32.6% during the month and 66.3% year-to-date, while the export credit insurer grew 12.2% year-to-date. The broader pattern remains consistent where portfolio mix rather than ownership is driving performance: insurers focused on retail health and motor are growing at double-digit rates, while those with greater exposure to fire and crop are not.

Retail Health grew over 30% for the Fifth Month; Slowdown Is in Government Schemes

Health accounted for 39.5% of August premium and 44.0% of premium for April–August FY27, up from 39.9% a year earlier. Health premiums grew 18.0% year-on-year in August to Rs 10,834 crore, compared with 26.0% in

July and 20.9% year-to-date. The reported deceleration does not indicate weaker underlying growth. Health premium includes an "others" category covering government schemes and overseas medical cover, both of which are booked in bulk rather than evenly through the year. That category swung from 46% growth in July to a 36% decline in August, and it accounts for the entire difference between the two headline figures. Excluding it, health premium grew 24.2% in August, up from 23.7% in July. Government scheme premium remains up 12.7% year-to-date.

Figure 4: Health Premium by Sub-segment and SAHI Share



Source: General Insurance Council, IRDAI. Note: The August 2024 'others' figure is negative on account of a reversal in overseas medical premium, which makes that month's health growth rates and shares non-comparable.

Retail health premiums grew 32.5% in August and 31.8% year-to-date. Part of that rate reflects a soft base, as retail health premiums grew only 8.5% over April–August FY26 while the move to 1/n accounting was working through. What insurers reported for the June quarter, however, points to something more than a base effect: one large standalone health insurer said 94% of its new retail business came from customers buying insurance for the first time, up from 90% a year earlier, while another reported its retail indemnity renewal rate improving to 95.8% from 92.5%. Rising renewals alongside higher new business point to market expansion. Standalone health insurers recorded lower claims ratios and improved combined ratios, with one insurer reporting a fourth consecutive quarter of margin expansion. This differs from earlier growth cycles, when rapid premium growth was often followed by weaker underwriting performance.

Group health grew 15.6% in August and 15.0% year-to-date, supported by corporate and employer-sponsored demand. It remains the larger part of the segment year-to-date, though retail has been larger in recent months, and Group health share continues to decline as retail grows faster. General insurers continue to write most group health business because of their established corporate relationships. Standalone health insurers accounted for 32.2% of total health premium for April–August FY27, up from 29.6% a year earlier, and their gains remain concentrated in retail. They still lead that segment with a 59.7% year-to-date share, up from 57.8%, and their retail premiums grew 36.3% against 25.6% for general insurers. Two large private multiline insurers grew their retail health premiums by 68% and 49%, respectively, narrowing the gap with standalone players. Public sector general insurers have largely remained outside this growth.

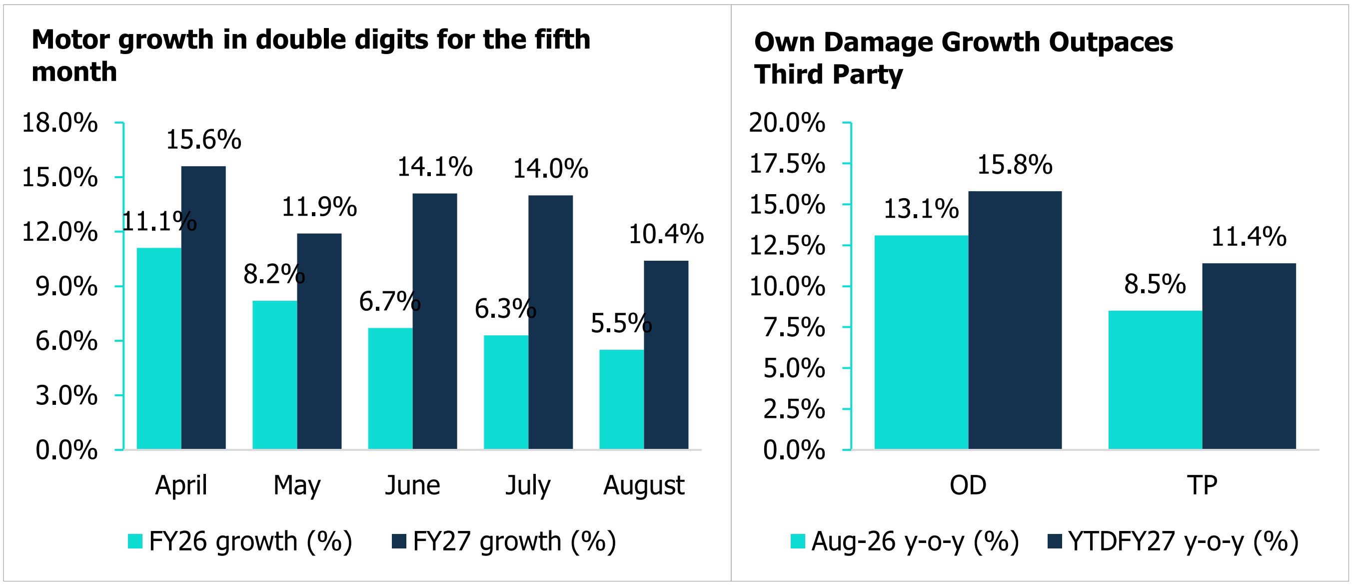
The "others" category, which includes government schemes and overseas medical cover, fell 36% in August. Because government scheme premiums are booked in bulk, the year-to-date figure is more meaningful; on that basis, the category grew 11.5%.

The comparison base for the health category will begin changing from late September. The GST exemption on individual health policies took effect on 22 September 2025, so from the second half of September 2026 the comparison will become progressively comparable. Reported retail health growth should moderate as a result.

Motor Growth Tracks Vehicle Registrations as Third-Party Rates Stay Frozen

Motor premiums grew 10.4% in August, the fifth consecutive month of double-digit growth, though slower than the 14.0% recorded in July. The moderation followed the vehicle market rather than any change in insurance demand. Retail registration growth eased to 17.5% in August from about 26% in July, and motor premium followed suit. Two-wheelers grew 19.7%, passenger vehicles 16.1% and commercial vehicles 14.5%.

Figure 5: Motor Premium Growth and OD versus TP Growth (%)



Source: General Insurance Council, IRDAI

Premium growth remains below volume growth, although the gap narrowed in August. Two factors explain it. Third-party rates have not been revised for several years and remain unchanged in FY27. Third-party premium therefore grows only with the number of vehicles insured, new and renewing, and carries no price component at all. Separately, the GST reduction on small cars and smaller two-wheelers in September 2025 lowered vehicle prices and therefore the values on which own-damage cover is written, holding down premium per vehicle. From late September, that effect drops out of the comparison, which should lift reported OD growth in the third quarter even if pricing does not change. Own-damage premium continues to grow faster than third-party premium, gradually restoring its share in the motor book. Own damage accounted for 42.5% of motor premium in August, up from 41.5% a year earlier.

Electric vehicles are also becoming a more visible source of new business. Registrations rose 53% in August, taking EV penetration to about 12.3% from 9.5% a year earlier; electric commercial vehicles reached a record share. EVs generally carry higher insured values and therefore support own-damage premium, although their current penetration means the effect on total motor premium will build gradually.

Crop Returns in August, but the Market Is Half Its Size and Changing Hands

Crop insurance premiums stood at Rs 3,274 crore in August, three times the July figure and 1.1% higher than in August 2025. The increase reflects the timing of premium recognition rather than a recovery in the underlying business. The Kharif 2026 enrolment window, originally scheduled to close on 31 July, was extended into August and, in one large crop-insurance state, until 31 August. Premium that would normally have been booked in July was therefore recognised in August.

However, year-to-date crop premium has fallen by roughly a third for the second year running and is now around half its level two years ago. The causes are structural. Several states have moved to re-tender crop contracts more frequently, sharpening price competition. In Maharashtra, the largest crop insurance state, scheme premiums have fallen to around a third of their earlier level under the revised contracts. At these premium levels, the loss-sharing arrangements now used leave insurers carrying a narrower band of risk, so they charge less for comparable cover. Insurers managing expense-of-management ratios have also bid more aggressively, adding to the pressure.

The business is also moving between insurers. General insurers now write roughly 80% of crop premium, up from under two-thirds a year ago, as the specialised crop insurer's book has shrunk far faster than theirs.

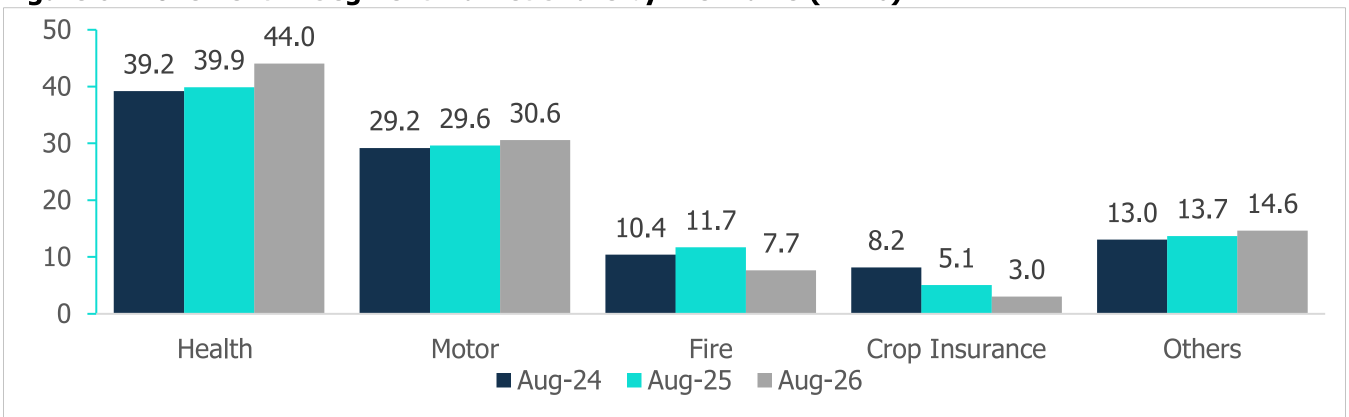
Fire's Decline Eases for the First Time This Year

Fire premiums fell 24.8% in August, a smaller decline than the 30.9% recorded in July. This was the first improvement in the rate of decline this year, but the segment remains down 28.1% year-to-date. Its share of industry premium has fallen to 7.7% from 11.7% a year earlier. The decline remains broad-based across insurers, with public and private companies recording similar falls. Every large insurer wrote less fire premium than a year ago, suggesting the weakness reflects competitive pricing rather than reduced insured exposure. Whether pricing discipline holds through the October and January renewal cycles is the segment's key monitorable.

Other Segments

Marine was again the strongest performer in this segment, growing 23.0% in August and 33.8% year-to-date, with cargo up 34.0% and hull up 33.1% year-to-date. The domestic maritime insurance pool launched in May 2026 has brought war-risk cover onshore, issuing over 1,600 cargo and hull policies by end-July, so premium previously placed outside India now appears in domestic figures. War-risk rates on affected routes have also risen sharply after international reinsurers withdrew or repriced cover. Personal accident premiums grew 20.2% in August and 19.6% year-to-date. Engineering grew 3.5% in the month and 10.8% year-to-date, aviation 2.0% and 28.9%, and liability 7.9% and 10.5%.

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



Source: General Insurance Council, IRDAI

CareEdge Ratings' View

As per Priyesh Ruparelia, Director, CareEdge Ratings, "August's 10.0% industry growth overstates the improvement in underlying momentum. The headline was helped by crop premium that shifted from July to August after the Kharif enrolment deadline was extended. If fire and crop are excluded, growth moderated to 14.3% from nearly 17% in July. That moderation does not signal weakening retail demand. It reflects a slower month for vehicle registrations and the uneven booking of government health scheme premiums. Health remains the principal growth driver, and the quality of that growth has improved, with rising renewal rates, falling claims ratio and volumes coming from customers new to insurance. Reported retail health growth is likely to moderate from the second half of September as the GST-related base becomes comparable"

Saurabh Bhalerao, Director, CareEdge Ratings, adds, "From an underwriting perspective, the composition of growth matters more than its level. Motor should continue to benefit from vehicle sales and rising electric-vehicle penetration. Still, third-party rates have been unchanged for several years while claims costs have risen, and a tariff revision remains the key variable for the segment's profitability. The expiry of the lower vehicle-price base should support reported own-damage growth from the third quarter without implying any change in pricing. Fire and other commercial lines continue to face challenges. Pricing in large commercial risks has been the industry's main constraint this year, and the October and January renewals will determine whether the decline has genuinely bottomed. Crop insurance is settling at a structurally smaller size and shifting toward multiline general insurers, leaving them carrying risk priced through an increasingly competitive tender process. Insurers with strong retail franchises, disciplined underwriting and diversified portfolios remain best placed."

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