

General Insurance

Public players lead June growth followed by SAHIs

The general insurance industry reported a weak 5.2% YoY growth in premiums in Jun'25, reporting INR 234bn on an unadjusted (reported) basis. This follows a growth of 6.5% YoY in May'25. April growth was higher at 13.5% YoY due to the higher proportion of fire business, which has minimal impact of 1/n guidelines. Private multi-line players reported flat (-0.3% YoY) premiums in Jun'25, PSUs grew 15.4% YoY and SAHIs reported a growth of 10.5% YoY in Jun'25 – in line with 10.0% YoY in May'25. However, these growth numbers are not understated as long term policy premiums are in the base and would be comparable only post Oct'25.

Within private multi-line players, Bajaj Allianz outperformed its listed peers with 17.1% YoY growth in Jun'25 (and 21.0% YoY growth in May'25) while Go Digit also returned to growth path with 11.6% YoY (vs -2.2% YoY in May'25). ICICI Lombard, however, saw premiums contract 10.4% YoY following tepid growth of 2.4% and 6.7% YoY in Apr'25 and May'25, respectively. This may be due to lower crop business – which accounted for 7% of ICICI's premiums in Jun'24.

Amongst SAHIs, Star Health posted a 2.9% YoY growth (vs 3.3% YoY in May'25). For 4Q25, Star's growth, adjusted for 1/n accounting, came in at a respectable 12.8%, despite cutting down on group business. Niva Bupa reported strong growth of 15.5% YoY (vs 9.7% in May'25) while Aditya Birla Health continued its strong growth momentum with 26.5% YoY growth (36.1% YoY in May'25 and 27.5% FYTD'25).

While general insurance sector has seen pressure in terms of growth, lower growth numbers include the impact of higher share long term policies post 1/n regulation by IRDAI in Oct'24. We are focused on revival in growth and pricing in commercial lines, especially the high-RoE fire segment, and group health. These segments have seen pricing pressure with insurers' focus on complying with IRDAI's EOM guidelines on a blended basis.

Despite weak growth, we prefer ICICI Lombard in general insurance, valuing the insurer at 32x FY27e EPS of INR 67 for a Target Price of INR 2,150. We have a HOLD rating on Star Health, valuing it at 20x FY27e EPS of INR 20 to get a Target Price of INR 400.



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Exhibit 1. May'25 - GDPI and GDPI growth

INR mn	Jun-25	YoY growth	YTD FY26	YoY growth	FY25 growth
HDFC ERGO	8,708	(17.4%)	34,207	(8.8%)	(14.8%)
Reliance	10,255	(7.1%)	33,671	1.6%	7.4%
ICICI-Lombard	19,874	(10.4%)	77,348	0.6%	8.3%
SBI	9,844	8.3%	31,631	21.5%	10.6%
Bajaj Allianz	14,452	17.1%	51,705	9.6%	4.6%
Tata-AIG	139,610	4.7%	488,646	12.6%	17.4%
IFFCO-Tokio	5,830	4.8%	20,231	9.5%	(15.5%)
Universal Sampo	4,023	18.0%	13,115	16.7%	9.9%
Future Generali	2,825	(20.1%)	12,304	(15.6%)	10.1%
Cholamandalam	5,448	(8.1%)	18,122	(5.6%)	7.9%
Go Digit	7,406	11.6%	25,073	7.3%	6.7%
Royal Sundaram	3,276	9.1%	11,605	15.5%	3.5%
Shriram	3,468	30.5%	9,604	31.0%	23.6%
Magma HDI	2,682	12.7%	8,962	7.6%	9.5%
Liberty	19,176	9.2%	62,041	12.3%	4.2%
Acko	1,562	(2.6%)	5,270	4.4%	10.5%
Kotak Mahindra	1,435	0.6%	5,741	31.5%	20.7%
Raheja QBE	138	(65.1%)	439	(61.8%)	19.4%
NAVI	59	36.7%	339	170.5%	40.9%
Total Private	117,337	(0.3%)	419,730	5.4%	5.0%
New India	33,282	10.7%	122,995	15.3%	4.3%
Oriental	17,214	21.6%	58,241	24.0%	8.4%
National	13,874	25.9%	40,035	15.1%	9.9%
United India	17,454	11.4%	56,657	7.2%	1.1%
Total Public	81,823	15.4%	277,928	15.2%	5.4%
Star Health & Allied	13,381	2.9%	35,973	3.5%	9.6%
Care	6,837	5.0%	20,494	6.2%	20.9%
Niva BUPA	5,943	15.5%	16,319	11.5%	20.6%
Aditya Birla Health	5,420	26.5%	13,267	27.5%	30.3%
Cigna TTK	1,776	37.3%	5,320	29.7%	6.3%
Standalone Health	33,409	10.5%	91,513	10.0%	16.0%
AIC	401	(76.4%)	679	(62.6%)	(1.8%)
ECGC	1,254	6.4%	3,217	4.2%	7.5%
Specialised PSU	1,655	(42.5%)	3,896	(20.5%)	(0.7%)
Industry	234,225	5.2%	793,067	9.0%	6.2%*

Source: Industry, JM Financial

*8.6% adjusted for 1/n

APPENDIX I

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