

Subdued Growth in Non-Life Premiums for May 2025

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Overview

In May 2025, the non-life insurance industry reported a moderation in premium growth, reaching Rs 22,257.4 crore, reflecting a 6.5% y-o-y (year-on-year) increase, significantly lower than the 14.9% growth recorded in May 2024. The transition to the 1/n rule has impacted the industry's performance, resulting in a slowdown in health insurance growth to single digits, and muted growth in the passenger vehicles (PV) segment, which was partially offset by the renewals in the commercial lines.

Figure 1: Movement in Monthly Premium (Rs crore)

Month	Premium in FY23	Premium in FY24	Premium in FY25	Premium in FY26	FY23 vs FY22 (%)	FY24 vs FY23 (%)	FY25 vs FY24 (%)	FY26 vs FY25 (%)
April	21,276.3	25,616.1	29,679.0	33,688.5	23.3	20.4	15.9	13.5
May	15,404.5	18,196.0	20,907.5	22,257.4	25.3	18.1	14.9	6.5
June	17,808.8	20,451.9	22,170.9		20.6	14.8	8.4	
July	23,395.3	26,567.3	29,032.3		16.1	13.6	9.3	
August	24,474.5	23,558.3	24,554.3		11.9	-3.7	4.2	
September	22,838.7	29,476.3	27,550.9		2.7	29.1	-6.5	
October	20,954.9	23,821.1	30,378.0		18.5	13.7	27.5	
November	19,207.4	20,756.8	21,671.4		22.1	8.1	4.4	
December	21,874.6	25,101.9	25,018.7		14.5	14.8	-0.3	
January	25,541.6	27,229.0	29,021.3		19.4	6.6	6.6	
February	19,873.6	22,378.4	21,747.6		20.0	12.6	-2.8	
March	24,244.5	26,647.5	26,698.9		11.4	9.9	0.2	

Source: General Insurance Council, IRDAI. Note: IRDAI has recently revised the formats for reporting, excluding premiums from long-term policies from the reporting of premiums, effective October 1, 2024. It is assumed that all companies have deducted the long-term premiums accordingly for the current year using the IRDAI formats. Therefore, the growth rates reported for the current year cannot be compared with those of the previous year.

Figure 2: Movement in Gross Direct Premium Underwritten (Rs crore)

Insurers	May-23	May-24	May-25	May-24 Growth	May-25 Growth	YTD FY24	YTD FY25	YTD FY26	YTD FY25 Growth	YTD FY26 Growth
Public General Insurers	6,241.4	6,696.2	7,297.5	7.3	9.0	15,843.2	17,041.3	19,580.7	7.6	14.9
Specialised PSU Insurers	164.52	85.22	130.69	-48.2	53.4	349.44	202.4	224.13	-42.1	10.7
Private General Insurers	9,691.2	11,473.9	11,912.5	18.4	3.8	23,436.2	28,048.4	30,239.2	19.7	7.8
SAHI	2,100.48	2,652.08	2,916.75	26.3	10.0	4,184.86	5,294.64	5,810.41	26.5	9.7
Total	18,197.6	20,907.41	22,257.41	14.9	6.5	43,813.74	50,586.74	55,854.45	15.5	10.4

Source: General Insurance Council, IRDAI

- Public sector general insurers' growth for May 2025 outpaced their private counterparts. The growth can primarily be attributed to renewals in fire and engineering, along with Health and Motor TP, while the transition to the 1/n rule has slowed the headline growth. Meanwhile, the private non-life insurance companies (including SAHI) maintain over two-thirds of the market share.
- Specialised insurers reported a robust monthly growth of 53.4% in May 2025, reversing the 48.2% decline in May 2024. The segment appears to be stabilising, though it remains below May 2023 levels, with crop insurance premiums transitioning from Agriculture Insurance Co. of India Ltd. to general insurers, while ECGC reported subdued growth.
- Standalone Private Health Insurers (SAHI) saw their year-on-year (y-o-y) growth momentum slow to 10.0% in May 2025, less than half the rate reported last May. SAHIs continue to gain share, at the expense of private general insurers.

Figure 3: Movement in Health Premiums (Rs crore)

Insurers	May-23	May-24	May-25	May-24 Growth	May-25 Growth	YTD FY24	YTD FY25	YTD FY26	YTD FY25 Growth	YTD FY26 Growth
Health	7,115.5	8,344.6	9,118.5	17.3	9.3	17,863.2	20,880.9	23,010.0	16.9	10.2
Group	4,141.6	4,597.9	5,103.9	11.0	11.0	10,832.0	12,915.8	14,641.9	19.2	13.4
Retail	2,808.9	3,345.9	3,619.3	19.1	8.2	5,366.6	6,437.4	7,031.8	20.0	9.2
Others	164.9	400.9	395.4	143.0	-1.4	1,664.6	1,527.7	1,336.3	-8.2	-12.5

Source: General Insurance Council, IRDAI

- Health insurance remains the largest segment within the non-life insurance industry. However, overall growth has slowed due to the 1/n rule. SAHIS has consistently outperformed the healthcare segment. The public sector health insurance business has continued to lag its private peers.
 - The Group Health segment remains the largest and fastest-growing segment in May 2025, driven by renewals and price escalations resulting from medical inflation. However, it registered an 11% growth, which aligns with last year's same month.
 - Growth in the retail segment halved in May 2025 compared to May 2024, with the 1/n rule likely contributing to the slowdown. The slowdown may also be attributed to rising medical inflation, which has made premiums expensive, impacting affordability.
 - SAHI has focused on retail, while general insurers account for a dominant share of the group business. Furthermore, with new SAHIs expected to enter the market, competition will likely intensify over the medium term.

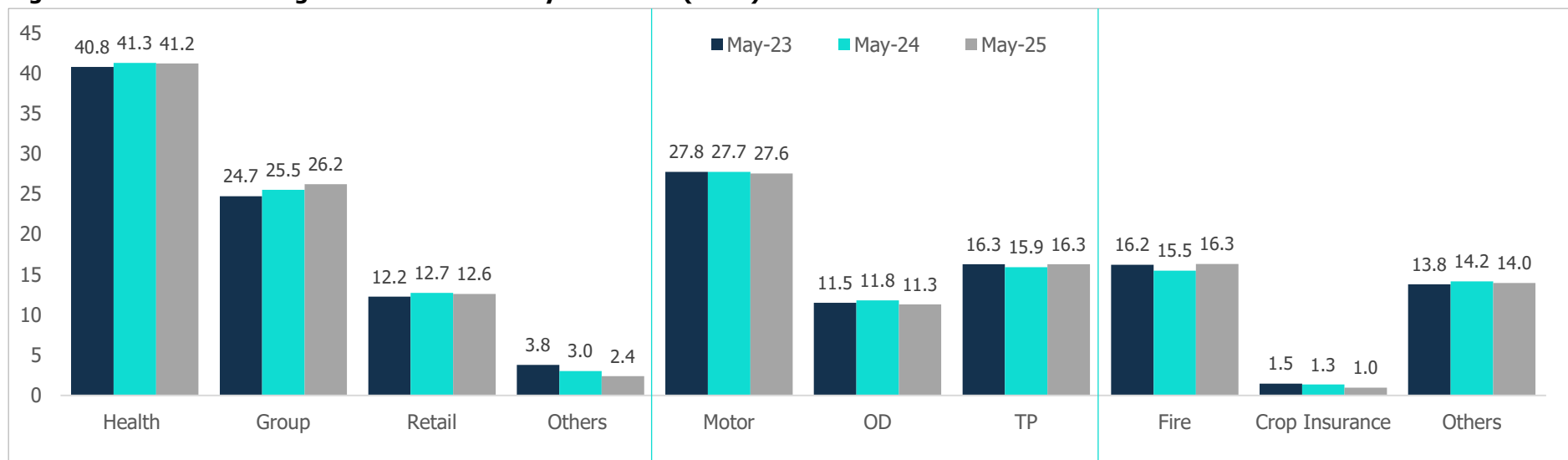
Figure 4: Movement in Non-Life Premiums excluding Health Premiums (Rs crore)

Segment	May-23	May-24	May-25	May-24 Growth	May-25 Growth	YTD FY24	YTD FY25	YTD FY26	YTD FY25 Growth	YTD FY26 Growth
Motor	6,176.8	6,953.1	7,525.9	12.6	8.2	12,161.8	14,035.2	15,395.0	15.4	9.7
OD	2,550.8	2,906.0	3,081.2	13.9	6.0	5,033.8	5,976.2	6,306.4	18.7	5.5
TP	3,626.0	4,047.1	4,444.7	11.6	9.8	7,127.9	8,059.0	9,088.6	13.1	12.8
Fire	2,128.0	2,217.9	2,600.6	4.2	17.3	7,103.6	7,828.8	9,109.0	10.2	16.4
Crop Ins.	414.2	571.4	170.8	37.9	-70.1	647.0	682.7	535.9	5.5	-21.5
Others	2,363.2	2,820.4	2,841.6	19.4	0.8	6,038.2	7,159.2	7,804.5	18.6	9.0
Total	11,082.1	12,562.8	13,138.9	13.4%	4.6	25,950.5	29,705.8	32,844.4	14.5%	10.6

Source: General Insurance Council, IRDAI

- The growth of the non-life insurance industry, excluding health, stood at 4.6% on May 25, compared to the 6.5% level if health is included in the analysis. Furthermore, a sizable proportion of this 4.6% growth was attributed to the motor and fire segments, which accounted for over 77% of the non-life insurance excluding health.
 - Motor OD grew by 6.0% (vs. 13.9% for May 2024) and motor TP rose by 9.8% (vs. 11.6% for April 2024). Muted PV domestic sales and competition have contributed to lukewarm motor OD growth, whereas the motor TP segment has grown moderately. Additionally, the Ministry of Road Transport and Highways (MoRTH) is evaluating a proposed upward revision in motor TP insurance premiums, following a recommendation from IRDAI.

- Fire and engineering premiums grew by 17.3% and 34.7%, respectively, in May 2025 compared to an increase of 4.2% and 5.7% last May, as corporations renew their policies in the first quarter of the fiscal year. Meanwhile, crop insurance growth declined by 70.1% compared to the 37.9% growth observed in May 2024.

Figure 5: Movement in Segment Market Share by Premiums (In %)


Source: General Insurance Council, IRDAI

CareEdge Ratings View

"In May 2025, the non-life insurance industry reported a premium of Rs 22,257.4 crore, representing a 6.5% growth compared to the 14.9% growth reported in May 2024. The industry's transition to the 1/n rule, slowing health, and subdued PV growth have affected the industry's performance, partially offset by renewals in the fire and engineering segment," said Saurabh Bhalerao, Associate Director of CareEdge Ratings.

FY25 marked a significant milestone for India's non-life insurance industry, with premiums surpassing Rs 3 lakh crore, driven by supportive regulations, rising Insurtech adoption, accelerating digitalisation, and an expanding middle class. The government's Bima Trinity initiative is expected to bolster industry growth further. SAHIs will likely maintain their lead in the retail health segment, while motor insurance growth will hinge on vehicle sales momentum and the upcoming revision of third-party (TP) tariffs. Additionally, the anticipated introduction of composite licences could be a game changer, increasing competition over the

medium term. However, intensified competition and uncertainties in the international geopolitical environment would remain key monitorables for the non-life insurance sector,” concluded Priyesh Ruparelia, Director of CareEdge Ratings.

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