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Clarity in Complexity

Health Insurance in India

Market dynamics – FY26

₹1.4tn	15%	34%	33%
Total Market GWP	**Overall Growth**	**PSU Market Share**	**SHI's Market Share**
Up from ₹1.2tn in FY25	vs 9.3% non-life industry avg. in FY25	vs 36% in FY25	vs 32% in FY25

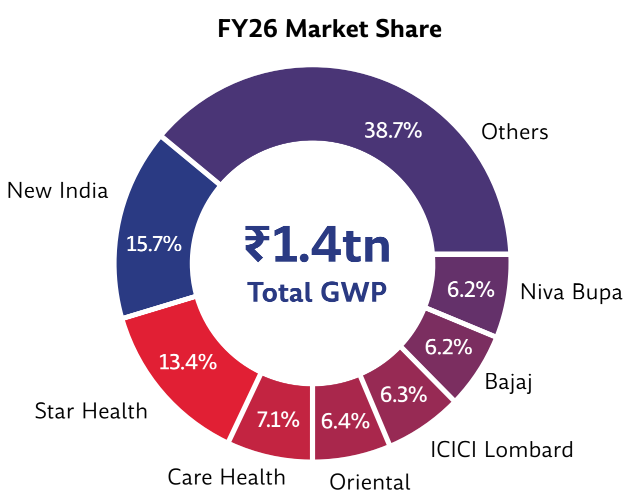
Rising Demand for Health Insurance

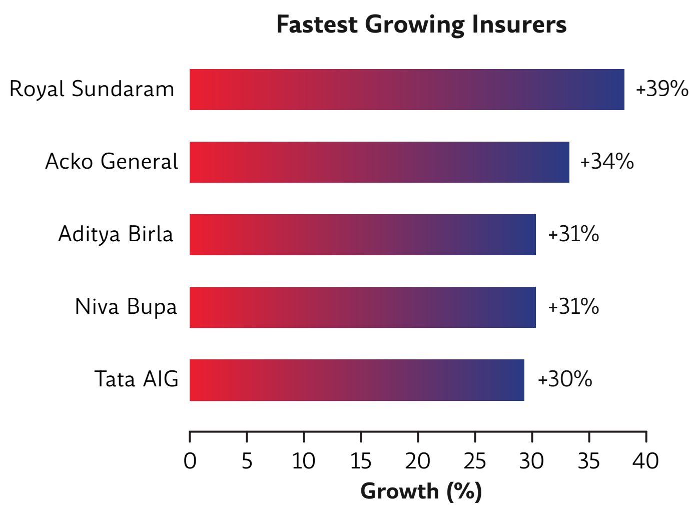
India's health insurance segment grew 12% to ₹1.4 trillion in FY26, outpacing the broader non-life industry's 9.3% expansion.

- **Retail health insurance** was the fastest growing segment increasing by 20% y-o-y, with premiums rising from ~₹47k Cr in FY25 to ~₹57k Cr in FY26 driven by GST rate cuts, policy renewals and improved penetration in non-metro regions amid rising medical inflation.
- **Group health segment** grew by ~13%, with premiums increasing from ~₹60k Cr in FY25 to ~₹69k Cr in FY26 driven by regulatory mandate, cost advantage over individual policies and attracting talent through competitive benefits.
- **Medical inflation** in India is hovering between 11% - 14%, above the global average of 9.8% and far outpacing the general inflation of 5% - 7%, making a robust health plan more critical than ever.
- Rising prevalence of **non-communicable diseases** such as diabetes and cardiovascular conditions which require long-term and expensive treatment, are becoming far more common in India's urbanising and sedentary population, pushing more people to seek coverage proactively.
- **Government-supported health schemes** remained a meaningful contributor to group health premiums in FY26, with gross written premium rising ~10% year on year from ~₹9.4k cr to ~₹10.3 cr
  - The government has set an ambitious target of universal health coverage by 2033, with a rural outreach plan covering 25,000 gram panchayats.
- This segment is witnessing a clear **shift from traditional, intermediary-led selling models to digital platforms.** This is improving customer accessibility, simplifying policy comparison and purchase journeys, and enabling insurers to reach a wider audience more efficiently.
- Corporates are increasingly **expanding EB offerings** as part of their employee welfare, retention, and engagement strategies. This has strengthened demand for group health insurance, with organizations viewing health coverage as a key component of their overall talent and workplace wellbeing proposition.

FY25 vs FY26: Market Dynamics

New India Assurance, Star Health, and Care Health have maintained their top positions, though leadership is gradually being challenged by faster-growing private insurers. Private insurers are gaining momentum with higher growth rates, particularly Royal Sundaram (~39%), Niva Bupa (~28%), Aditya Birla Health (~31%), SBI General (~27%). Mid-sized and emerging players are scaling rapidly, with companies like Manipal Cigna (~23%) and Go Digit (~21%) contributing to increasing market fragmentation.





Top 10 health insurers GWP (₹ Crore)

Insurer	FY25 ₹ Cr)	FY26 (₹ Cr)	Growth	Incurred Claims Ratio (FY25)	Market Share
The New India Assurance Co Ltd	19,195	21,532	+12%	101%	15.7%
Star Health & Allied Insurance	16,526	18,435	+12%	71%	13.4%
Care Health Insurance	8,114	9,768	+20%	65%	7.1%
The Oriental Insurance	8,243	8,794	+7%	104%	6.4%
ICICI Lombard General Insurance	7,188	8,617	+20%	86%	6.3%
Bajaj General Insurance	7,829	8,526	+9%	90%	6.2%
Niva Bupa Health Insurance	6,635	8,480	+28%	62%	6.2%
National Insurance	7,968	8,279	+4%	96%	6.0%
United India Insurance	7,035	7,836	+11%	100%	5.7%
HDFC Ergo General Insurance	5,733	6,673	+16%	87%	4.9%
Total – Top 10	94,484	1,06,939	+13.2%	-	77.98%
Total Market – 32 Insurers	1,18,858	1,37,144	+15.4%	-	100.0%

Top 5 Fastest growing insurers GWP (₹ Crore)

Insurer	FY26 (₹ Cr)	Growth
Royal Sundaram	980	+39%
Acko General	1,236	+34%
Aditya Birla Health	5,825	+31%
Tata AIG	4,367	+30%
Niva Bupa	8,480	+31%

Edme's Expert Opinion

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- Despite the y-o-y growth of the insurance industry, insurance penetration in India remains at around 3.7%–3.8% of GDP, significantly lower than the global average of approximately 7%. This highlights the **substantial growth potential** for the insurance industry.
- **Health premiums have already surpassed motor premiums,** despite motor being mandatory in India. This highlights the strong growth potential, and if health insurance adoption is encouraged or mandated in a similar manner, it could act as a major catalyst for further industry growth and deeper insurance penetration.
- Meanwhile, several initiatives by IIB and IRDAI, such as Bima Sugam, Bima Vistar, and Bima Vahak, are aimed at improving transparency, reducing dependence on multiple portals, and expanding reach through low-cost insurance products and wider distribution channels.
- The **increase in the FDI limit by IRDAI is expected to support industry expansion,** as global insurers are likely to have a stronger stake in the Indian market. This may lead to greater product innovation, improved digital transformation, and increased competition.
- The **reduction in Non-EB premiums has also contributed to insurers increasing their focus on Group EB business.** In the current scenario, Non-EB premiums have reduced by nearly one-third, prompting general insurers to focus more on health insurance to ease top-line pressure caused by the decline in premiums.

Sources

- GIC Monthly Segment Data – March 2026
- IRDAI
- Edme – Analysis and Insights