

General Insurance

Industry steady; SAHIs sustain strong growth

General insurance industry premiums rose to INR 241.9bn in May'26 with growth steady at 9% YoY versus 8% YoY in Apr'26. Private multi-line players grew at a decent 12% YoY in the month, whereas public multi-line players declined to 4% YoY. Growth has been stagnant for public players post-H1FY26. ICICI Lombard/Go Digit/Star/Niva Bupa grew at 12%/-1%/19%/30% YoY. Strong traction continued in Standalone Health Insurers (SAHIs) with 32% YoY growth in May'26 after 25% growth in Q4FY26.

- SAHIs – strong growth momentum sustains:** SAHIs' premiums rose 32% YoY in May'26 after growing 35% in Apr'26. Star Health increased 19% YoY. Niva Bupa grew at a robust 30% YoY, in line with the growth numbers in Apr'26. Although growth will likely fall to moderate levels from the current highs, we expect SAHIs to structurally sustain premium growth of more than 15% over the medium term, aided by rising health insurance penetration and growing retail demand. Aditya Birla Health sustained strong growth of 50% YoY in May'26 after 67% YoY in Apr'26 (after a weak 8% growth in Mar'26).
- Strong growth for private, multi-line players; weak for PSUs:** Private multi-line insurers' premiums grew at 12% YoY in May'26 (8% YoY in Apr'26) indicating improved traction for most players. ICICI Lombard reported 12% YoY growth after 2% YoY growth in Apr'26, which was the result of weak fire premiums. HDFC Ergo rose 31% YoY after growing 8% YoY in Apr'26. Bajaj General reported 2% YoY growth in May'26 (11% YoY in Apr'26). Public sector multi-line insurers reported 4% YoY contraction in May'26 (2% growth in Apr'26). After growing at a robust 11% growth in H1FY26, growth in PSUs slowed to 5% in H2FY26. However, specialised PSU insurers contracted 95% in May'26 following a sharp 32% YoY recovery in Apr'26.
- JMF valuation and view:** We have favoured SAHIs in the space, appreciating Star Health's strong claims performance and believe the shift to Ind AS reporting (from Q1FY27) will smoothen earnings seasonality, particularly for Niva Bupa. Meanwhile, we appreciate ICICI Lombard's robust franchise with consistent RoE of over ~18%. As PSU insurers have dialled down their aggression, we expect health and motor to power ICICI Lombard's growth into the teens in FY27E, which should see the stock rerate from the benign valuations of 28x/24x FY27E/FY28E EPS.



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Exhibit 1: May'26 – GDP and GDP growth

| INR bn | May-26 | YoY growth | YTD FY27 | YoY growth | FY26 growth |
|---------------------------------|--------------|----------------|--------------|----------------|--------------|
| HDFC ERGO | 12.2 | 31.1% | 29.6 | 16.2% | (5.0%) |
| Indusind | 6.8 | (20.7%) | 22.5 | (4.0%) | (2.5%) |
| ICICI-Lombard | 24.1 | 11.6% | 60.6 | 5.4% | 7.0% |
| SBI | 10.5 | 18.8% | 23.5 | 8.1% | 14.5% |
| Bajaj | 13.4 | 1.6% | 40.1 | 7.6% | 8.2% |
| Tata-AIG | 19.3 | 34.7% | 47.7 | 36.7% | 13.3% |
| IFFCO-Tokio | 7.2 | 10.2% | 16.0 | 11.1% | 7.3% |
| Universal Sampo | 5.5 | 26.1% | 12.5 | 37.0% | 18.3% |
| Generali | 3.1 | (0.0%) | 8.2 | (13.3%) | (3.2%) |
| Cholamandalam | 5.7 | 1.4% | 13.1 | 3.5% | (4.5%) |
| Go Digit | 7.6 | (0.8%) | 17.3 | (2.2%) | 16.2% |
| Royal Sundaram | 3.2 | 2.2% | 9.0 | 7.6% | 16.8% |
| Shriram | 4.0 | 23.1% | 7.6 | 23.8% | 23.5% |
| Magma HDI | 2.4 | (4.9%) | 6.1 | (2.4%) | 8.4% |
| Liberty | 22.0 | 17.3% | 53.1 | 23.8% | 25.3% |
| Acko | 2.2 | 12.8% | 5.0 | 36.0% | 25.3% |
| Kotak Mahindra | 2.0 | 1.1% | 4.1 | (4.8%) | 16.9% |
| Raheja QBE | 0.2 | 74.4% | 0.4 | 22.8% | 6.0% |
| NAVI | 0.2 | 274.0% | 0.4 | 26.5% | 42.7% |
| Total Private | 133.1 | 11.8% | 331.9 | 9.7% | 8.0% |
| New India | 29.5 | 0.0% | 90.3 | 0.7% | 10.9% |
| Oriental | 13.0 | (11.8%) | 29.7 | (27.6%) | 4.6% |
| National | 9.7 | (8.7%) | 25.8 | (0.6%) | 6.5% |
| United India | 18.2 | (0.6%) | 39.3 | 0.4% | 6.7% |
| Total Public | 70.3 | (3.8%) | 185.1 | (5.5%) | 7.9% |
| Star Health & Allied | 14.3 | 19.1% | 26.9 | 19.2% | 11.3% |
| Care | 9.5 | 47.8% | 19.6 | 43.3% | 20.9% |
| Niva BUPA | 7.2 | 30.3% | 13.5 | 30.3% | 27.0% |
| Aditya Birla Health | 5.2 | 50.1% | 12.5 | 59.5% | 29.4% |
| Manipal Cigna | 2.0 | 19.2% | 4.8 | 36.4% | 23.1% |
| Standalone Health | 38.4 | 31.7% | 77.9 | 34.0% | 19.4% |
| AIC | -1.1 | (579.8%) | -0.9 | (421.3%) | 4.9% |
| ECGC | 1.1 | 3.8% | 2.2 | 11.7% | 6.8% |
| Specialised PSU | 0.1 | (94.9%) | 1.3 | (42.2%) | 5.1% |
| Industry | 241.9 | 8.7% | 596.1 | 6.7% | 9.3% |

Source: Company, JM Financial

Exhibit 2: General insurance peer comparables

| | Mcap - USD bn | TP | Reco | EPS CAGR FY25-FY28E | P/E | | | P/B | | |
|---------------|---------------|-------|------|---------------------|-------|-------|-------|-------|-------|-------|
| | | | | | FY26E | FY27E | FY28E | FY26E | FY27E | FY28E |
| ICICI Lombard | 9.2 | 2,180 | BUY | 14.8% | 31.7 | 26.6 | 23.0 | 6.8 | 5.8 | 5.0 |
| Star Health | 3.3 | 650 | BUY | 27.5% | 55.6 | 31.3 | 23.8 | 8.6 | 7.6 | 6.7 |
| Niva Bupa | 1.6 | 88 | ADD | 26.3% | 96.7 | 63.8 | 34.1 | 4.1 | 3.9 | 3.6 |

Source: Company, JM Financial, Bloomberg

APPENDIX I

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|--------------------------------------|---|
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