

Article Date	Headline / Summary	Publication
13 Nov 2025	Health insurance sales up 20% in October on GST relief on premiums	The Hindu Business Line

# Health insurance sales up 20% in October on GST relief on premiums

**HEALTH IS WEALTH.** Renewed interest in insurance policies among middle income, senior citizen segments

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The waiver of Goods and Services Tax (GST) on individual health insurance premiums led to a 20 per cent increase in the sale of health cover in October, the first full month in the new tax regime.

Addressing a long-pending demand, the Centre waived 18 per cent GST on individual health and life cover policies, which came into effect on September 22.

“The GST reduction on health insurance has been a meaningful step towards improving affordability and driving wider adoption. On a year-to-date basis, policy issuances are up 20 per cent and premiums nearly 10 per cent,” Rakesh Kaul, Chief Distribution Officer - Retail



**FULL BACKING.** The shift reflects how a supportive policy environment can strengthen insurance penetration

Business, Bajaj General Insurance (formerly Bajaj Allianz General Insurance Company), told *businessline* on Wednesday.

**POLICY SUPPORT**

The shift reflects how a supportive policy environment

can strengthen insurance penetration and prompt more people to prioritise health-related financial protection, he added. According to the MD & CEO of a major general insurance company, the average growth in sale (premium) of health policies

across insurers due to GST waiver was above 20 per cent, while the growth percentage could vary from company to company after factoring in the normal growth of the segment. Data from the Insurance Regulatory and Development Authority of India (IRDAI) also indicate the surge in Gross Direct Premium (GDP) underwritten by non-life insurers.

The growth rate was higher at 38 per cent for standalone health insurance players. The spike in health premiums helped in overall premium growth in October, which would have been lower than ₹29,604 crore against ₹29,593 crore in the same month last year. It would have become almost negative without the surge in GDP for health insurers.

“The first full month post

implementation, October showed strong traction. Industry data indicate that health insurance premium collections grew, reflecting renewed retail demand, as families opted for higher coverage and fresh enrolments in October,” said Narendra Bharindwal, President, Insurance Brokers Association of India (IBAI).

Brokers and advisors witnessed a renewed wave of retail interest, especially among middle income and senior citizen segments, he said, adding: “However, since insurers can no longer claim Input Tax Credit, some are recalibrating commission structures - this area needs monitoring to maintain balance across the distribution value chain.”