

April 01, 2026

Bajaj General Insurance Limited: Rating reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Issuer Rating	-	-	[ICRA]AAA (Stable); reaffirmed
Total	-	-	

*Instrument details are provided in Annexure I

Rationale

The rating factors in Bajaj General Insurance Limited's (Bajaj General) strong market position. The company is the second largest private general insurer with a market share of 7.6%¹ in terms of gross direct premium income (GDPI) in 10M FY2026. Bajaj General's significant presence is supported by its diversified distribution mix, which has aided growth. The capitalisation remains strong with a reported solvency of 3.44 times as on December 31, 2025 (compared to the required regulatory level of 1.50 times), supported by healthy internal accruals and lower retention. The earnings profile has remained strong with an average return on equity (RoE)² of 16.0% during FY2022 to 9M FY2026. Given the good solvency and the expectation that internal accruals will remain healthy, ICRA does not expect the company to require a capital infusion in the medium term. ICRA notes the high share of the crop and government health segments (26.4% of GDPI in 9M FY2026 vs. 24.9% in FY2025), which are driven by tenders and could be lumpy and volatile in nature.

The rating also factors in Bajaj General's strong parentage, with Bajaj Finserv Limited (Bajaj Finserv, holding company of Bajaj Finance Limited³) and its promoter group entities holding 100% equity stake as on March 12, 2026. ICRA notes the completion of the acquisition of a 26% stake from Allianz SE by Bajaj Finserv and other promoter group entities on March 12, 2026. The rating considers the shared brand name, the strategic importance of the company to the Bajaj Finserv Group and the representation on its board of directors, which strengthens ICRA's expectation of adequate and timely capital support, if required.

The Stable outlook factors in the expectation that the company will continue to receive support from the Bajaj Finserv Group, if required, and will maintain its solvency level above the negative rating trigger.

Key rating drivers and their description

Credit strengths

Strong parentage – Bajaj Finserv (along with promoter group entities) held a 100% stake in Bajaj General as on March 12, 2026. Bajaj Finserv is a core investment company (CIC) under Reserve Bank of India (RBI) regulations. It is the holding company of the Bajaj Group's financial services businesses such as lending, insurance, asset management and wealth management. Bajaj General has access to the large distribution network of its promoter's (Bajaj Finserv) group companies.

Bajaj General's board has nine directors and has representation from shareholder with four from Bajaj Finserv and four independent directors. The strong parentage and shared brand name strengthen ICRA's expectation that the company will receive timely support, if required.

Established market position; diversified distribution channel – Bajaj General is the second largest private general insurer in India with a market share of 7.6% in 10M FY2026 in terms of GDPI (up from 6.4% in FY2023, aided by robust growth in

¹ The market share calculation excludes ECGC Ltd. and Agriculture Insurance Company of India Limited

² RoE = Profit after tax (PAT)/Net worth excluding fair value change account

³ Rated [ICRA]AAA (Stable) for its non-convertible debentures and [ICRA]A1+ for its commercial paper programme

government health and group health segments). Excluding the crop and government health businesses, the market share was 6.2% in 10M FY2026 (5.7% in FY2023). Further, excluding the tender-driven businesses of the crop and government health segments, Bajaj General's GDPI grew by 12.2% YoY in 10M FY2026 compared to the industry growth of 13.1% YoY.

The growth in other segments has been supported by Bajaj General's diversified distribution network with a mix of agents, bancassurance (banca), brokers and alternate channels such as online, virtual sales office (VSO) and point of sale (POS). Excluding the crop and government health businesses, the broker channel contributed the highest share in 9M FY2026 at 51.4% of the GDPI, followed by individual agents (16.6%), corporate agents {12.0%, including banca (9.8%)}, direct business (13.5%) and others (6.5%).

Strong capitalisation, supported by healthy profitability – Bajaj General's capitalisation remained strong with a solvency of 3.44 times as on December 31, 2025, significantly above the regulatory requirement of 1.50 times. The capitalisation has been supported by healthy internal accruals, with an average RoE of 16.0% during FY2022 to 9M FY2026 and lower risk retention across various lines of business. The capitalisation profile has been strong without any capital infusion from the promoters; the promoters last infused equity in FY2008. ICRA does not expect any capital requirement as the solvency ratio is strong for supporting the growth in the medium term. The company's reserving levels for the long-tail business segments have historically remained prudent with claim's experiences remaining within the original estimates, providing comfort regarding the level of provisions created against the risk underwritten.

Bajaj General's average combined ratio stood at 100.6% in the past five years (FY2022 to 9M FY2026), driven by low retention levels and hence a high share of premium ceded to reinsurers and reinsurance commission earned on it. The combined ratio improved to 100.8% in 9M FY2026 from 101.8% in 9M FY2025, driven by the lower net loss ratio (74.1% in 9M FY2026 vs. 78.2% in 9M FY2025), supported by lower loss ratios in motor and fire. The lower net loss ratio was partially offset by the higher overall expense ratio in 9M FY2026 (26.7% vs. 23.6% in 9M FY2025).

Bajaj General reported strong return ratios with an RoE of 16.4% in 9M FY2026 (16.0% in FY2025). The company's investment leverage⁴ stood at 2.65 times as on December 31, 2025. ICRA notes that Bajaj General's investment leverage remains below peers, mainly driven by the strong capitalisation levels and lower risk retention levels.

Credit challenges

Dependence on tender-driven business – Bajaj General has underwritten a high share of crop and government health business compared to peers. The crop and government health segments had a share of 7.8% and 18.6%, respectively, in the GDPI in 9M FY2026 (9.7% and 15.2%, respectively, in FY2025). These businesses are driven by tenders and remain lumpy and volatile in nature. With many of the crop tenders coming with an 80-110 scheme⁵, the extent of losses is likely to be capped. However, in a year of natural calamities, the business can lead to losses and volatility in the overall earnings, particularly from tenders that do not come under the purview of the 80-110 scheme. Other issues stemming from a high share in the crop business are potential delays in payments from state governments and fluctuations in reserves. Further, competition has been increasing in these segments in the near term to manage the expenses of management (EoM) regulations implemented by the regulator. The company remains selective in these tender-driven segments, but this could result in a relatively higher net loss ratio if not priced suitably. To mitigate losses in bulk business segments, reinsurance is high in these segments, leading to lower retention and net premium written in relation to the GDPI.

Sizeable share of Motor-TP segment exposes the company to reserving risks – A major risk faced by an insurance company is the underwriting of the business at adequate premium pricing in relation to the underwritten risk. The uncertainty regarding the extent of claims is relatively higher in the Motor-third party (Motor-TP) segment, which accounted for 15-22% of Bajaj General's total GDPI in the last few years (15.5% in 9M FY2026). The long-tail nature of the Motor-TP segment, given the legal

⁴ Investment leverage = (Total investment – Sub-debt)/Net worth

⁵ Under the 80-110 plan, the insurer's potential losses are restricted to 110% of the gross premium with the state government bearing the cost of any claims above 110% of the premium. If the compensation is less than the premium collected, the insurer will refund the premium surplus (gross premium minus claims) exceeding 20% of the gross premium to the state government

process involved for claims settlement, could result in uncertainty regarding the level of future claims in relation to the past reserves made for this segment. The company’s loss-reserving triangle, which involves actuarial estimates, indicates that it has maintained adequate reserves in the past and witnessed favourable claims experience in this segment vis-à-vis reserving during the last few years. However, the eventual outcome for the risk-in-force may be known with considerable lag, which could impact its future profitability and solvency. Further, the profitability of this segment could be affected as the pricing of Motor-TP rates is regulated. The ability to grow the business while maintaining adequate pricing for risk underwritten will be key for long-term profitability.

Liquidity position: Strong

Bajaj General’s net written premium was Rs. 9,061 crore in FY2025 in relation to the net claims paid of Rs. 6,594 crore. The company’s operating cash flow remained positive, reflecting its strong ability to meet expenses and claims payments through premium inflow. It had investments in Central/state government securities of Rs. 11,454 crore, accounting for 31.8% of the total investments as on December 31, 2025, which further supports its liquidity to meet any unexpected rise in the claims of policyholders. Bajaj General’s shareholders’ investment of Rs. 9,776 crore also remains strong in relation to the zero sub-debt outstanding as on December 31, 2025.

Rating sensitivities

Positive factors – Not applicable

Negative factor – A deterioration in the credit profile of the Bajaj Finserv Group or a decline in the strategic importance of Bajaj General to the Bajaj Finserv Group or in the expectation of support from the promoter will be a negative factor. A decline in the company’s solvency ratio to less than 1.70 times on a sustained basis will also be a negative factor.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	General Insurance
Parent/Group support	Parent/Group company: Bajaj Finserv Group The rating factors in the high likelihood of financial support from the Bajaj Finserv Group to Bajaj General, driven by reputational and strategic considerations.
Consolidation/Standalone	Standalone

About the company

Bajaj General is the second largest private general insurance company in India with a market share of 7.6% in 10M FY2026. It offers a comprehensive and well-diversified range of products, including motor, health, crop/weather, fire, personal accident, marine, engineering and liability insurance, through multiple distribution channels. Following the 26% stake sale by Allianz SE, the company is now fully owned by the Bajaj Finserv Group (Bajaj Finserv along with promoter group entities). It had 223 branches and more than 70,650 individual agents as on December 31, 2025.

Key financial indicators (audited)

Bajaj General Insurance Limited	FY2024	FY2025	9M FY2026
Gross direct premium	20,473	21,417	18,879
Profit after tax (PAT)	1,550	1,832	1,576
Net worth (excluding FVCA)	10,841	12,012	13,588
Total investments	30,168	31,729	35,985
Combined ratio	99.9%	102.3%	100.8%
Return on equity^ (annualised)	15.2%	16.0%	16.4%
Solvency ratio (times)	3.49	3.25	3.44

Source: Company, ICRA Research; Amount in Rs. crore; All calculations are as per ICRA Research

^ PAT/Net worth excluding fair value change account (FVCA)

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Current (FY2027)		Chronology of rating history for the past 3 years							
FY2027		FY2026		FY2025		FY2024			
Instrument	Type	Amount rated (Rs. crore)	April 01, 2026	Date	Rating	Date	Rating	Date	Rating
Issuer Rating	Long term	-	[ICRA]AAA (Stable)	Apr-01-2025	[ICRA]AAA (Stable)	Apr-02-2024	[ICRA]AAA (Stable)	Apr-04-2023	[ICRA]AAA (Stable)

Source: Company, ICRA Research

Complexity level of the rated instruments

Instrument	Complexity indicator
Issuer Rating	Not applicable

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click here](#)

Annexure I: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Issuer Rating	NA	NA	NA	NA	[ICRA]AAA (Stable)

Source: ICRA Research

Annexure II: List of entities considered for consolidated analysis

Not applicable

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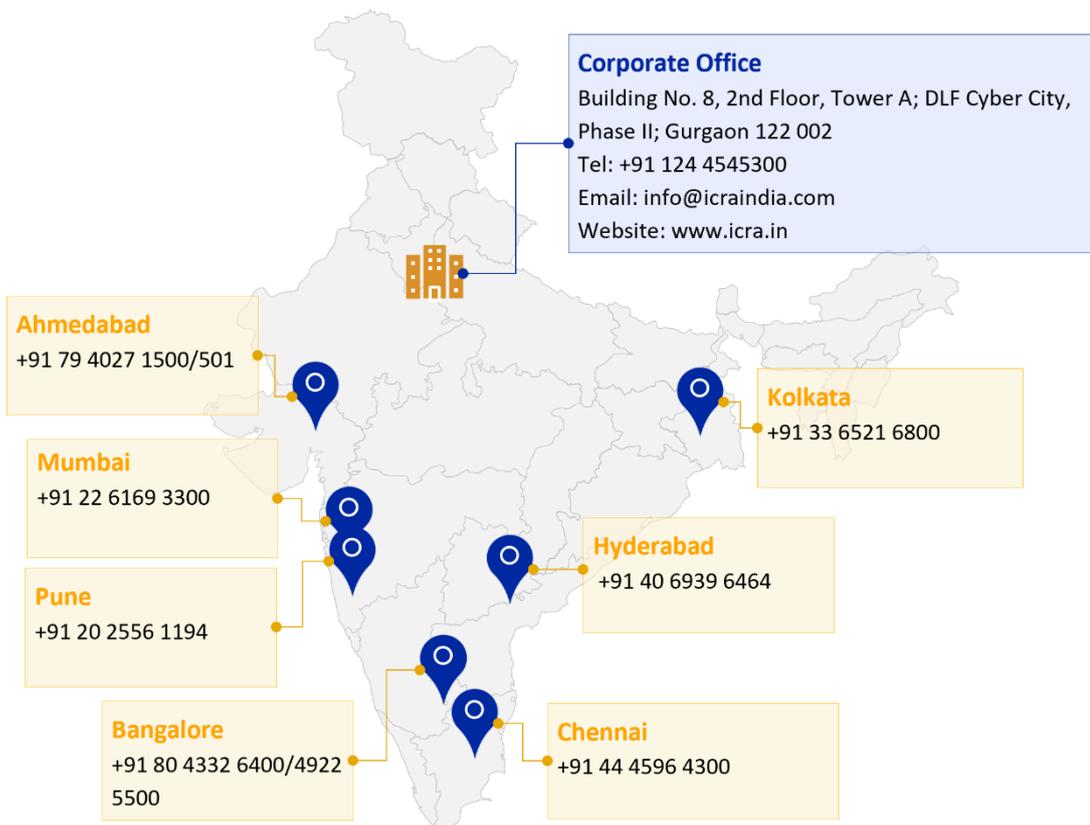
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