

Date: October 31, 2023

Place: Chennai

Ref: SHAI/B & S/SE/139/2023-24

To,
The Manager
Listing Department
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400001
Scrip Code: **543412**

To,
The Manager
Listing Department
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor, Plot C/1,
G Block, Bandra-Kurla Complex
Mumbai – 400051.
Symbol: **STARHEALTH**

Dear Sir/ Madam,

Sub: Earnings Call Presentation – September 30, 2023

Further to our letter SHAI/B & S/SE/135/2023-24 dated October 26, 2023 regarding intimation of Q2 & H1 FY 2024 Earnings Call, please find enclosed the presentation on performance of the Company to be made to the Investors and Analysts on Tuesday, October 31, 2023 at 7.00 P.M. IST for the quarter and half-year ended on September 30, 2023.

The above information is also being hosted on the Company's website at www.starhealth.in

This is for your kind information.

For Star Health and Allied Insurance Company Limited,

Jayashree Sethuraman,
Company Secretary & Compliance Officer

Encl.: As above



H1FY24 & Q2FY24 PERFORMANCE REVIEW

October 2023



Key pillars of our Strategy

1	Leadership in Retail Health	33% Retail Health Insurance Market Share	32% Retail Health Accretion Market Share
2	Well Spread Distribution Network	16% CAGR in no. of agents since FY21 to 0.67 million	869 Branches
3	Investment in Technology	65% premium value issued digitally	INR 4.8bn GWP acquired from online channels
4	Diversified and Specialized Product Suite	Specialized Products contribute 15.1% of Star Health's total retail health GWP	
5	Focus on Risk Management	14.2k Network Hospitals	66% claims processed through ANH
6	Superior Operating Performance	Solvency Ratio at 2.13x (premium based)	Best-in-class Opex/GWP Ratio of 17.0%

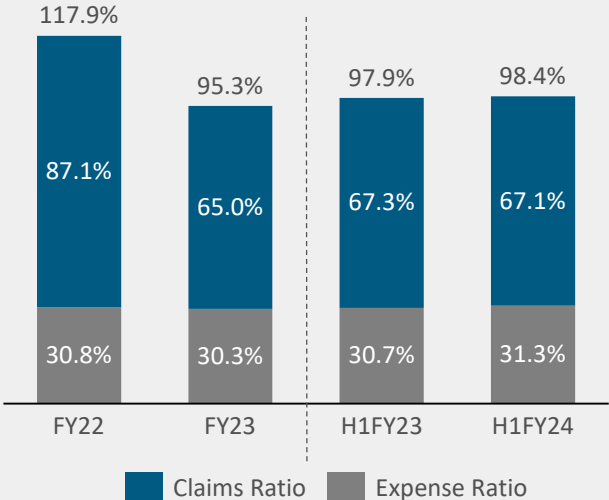
Key Performance Indicators (1/2)

Particulars	Fiscal Year Ended March 31,		Six Months Ended September 30,	
	2022	2023	2022	2023
(INR millions, unless otherwise stated)				
GWP	1,14,634.7	1,29,524.7	56,565.6	66,803.2
Period-on-period growth of GWP	22.1%	13.0%	11.6%	18.1%
Retail Health Renewal Premium Ratio	94.0%	95.0%	94.4%	97.8%
Number of agents (in '000s)	549.5	625.9	586.0	665.5
Number of hospitals in network (in actual number)	12,820	14,203	14,000	14,230
Combined Ratio	117.9%	95.3%	97.9%	98.4%
Underwriting Profit/(Loss)	(20,615.3)	2,046.2	1,442.2	670.9
Investment Income	7,928.2	8,345.6	4,109.7	5,061.2
Investment Yield	8.2%	6.9%	7.1%	7.4%
Profit/(Loss) after tax	(10,406.7)	6,185.9	3,063.5	4,131.4
Net worth	45,133.8	54,301.3	48,761.2	58,916.0
Return on equity*	-26.0%	12.4%	6.5%	7.3%

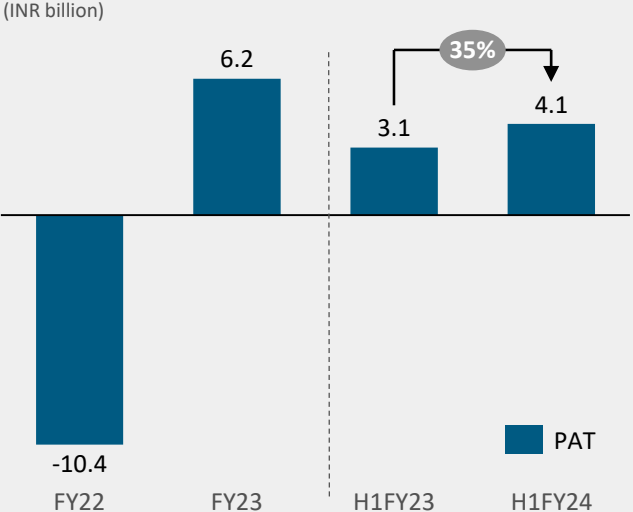
Return on Equity = Profit After Tax/Average Net Worth. Note: Numbers are basis 1/365 URR method. ROE is non-annualised

Key Performance Indicators (2/2)

Claims, Expense and Combined Ratio



Profit After Tax (PAT)



Note: All numbers are basis 1/365 URR method

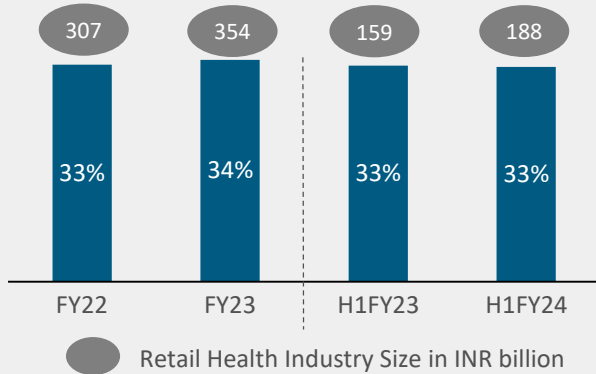
Agenda

Our Strategy

Performance Update

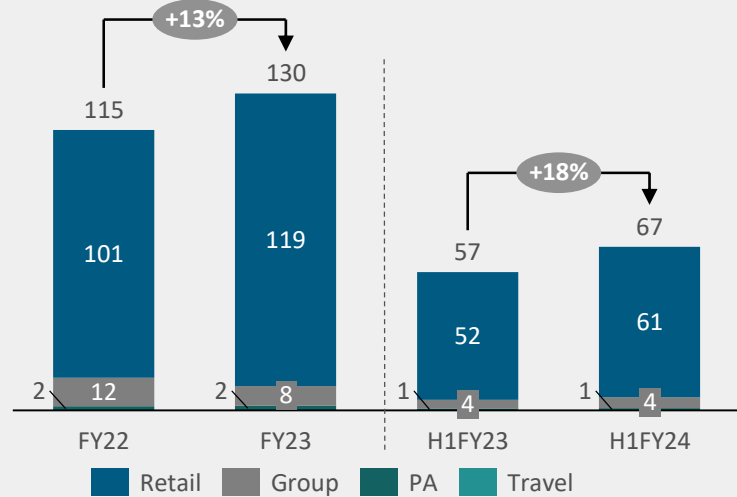
1 Leadership in Attractive Retail Segment

Retail Health Market Share



Gross Written Premium

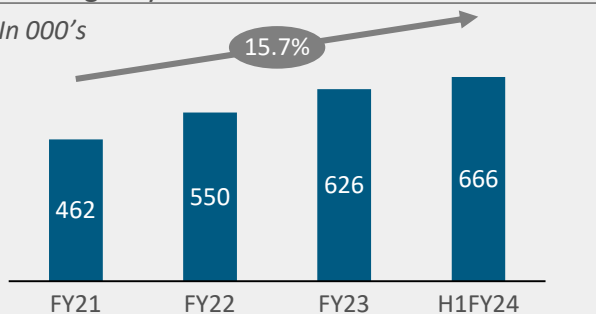
(INR billion)



2 Largest and Well Spread Distribution Network

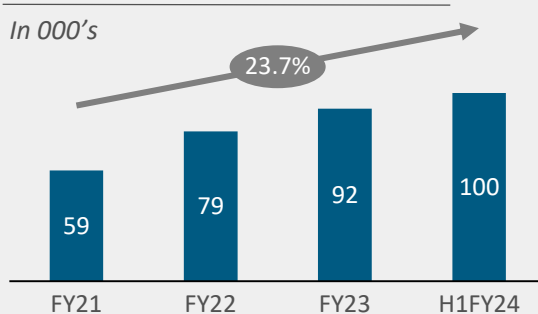
Total Agency Force

In 000's

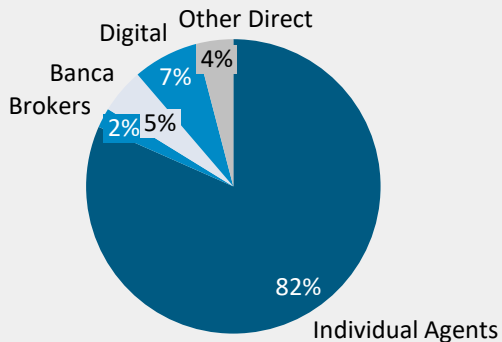


Sponsored Health Agency Force

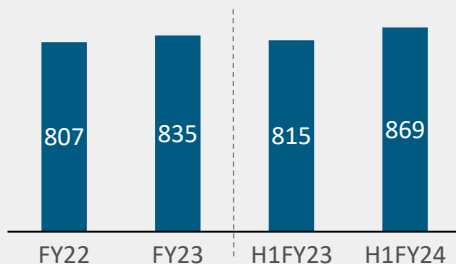
In 000's



Channel wise mix, H1FY24



Extensive Branch Network



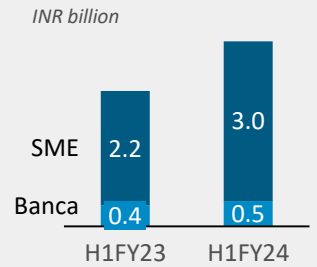
Note: Brokers excludes online brokers such as Policybazaar

2 Extensive Footprint and Alternate Distribution Channels

57%
Fresh Banca Growth
– (H1FY24)

Focus on SME & Banca Group Health Sales

77%
SME + Banca
contribution

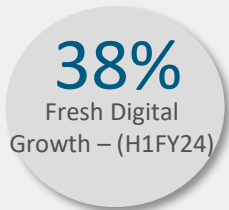
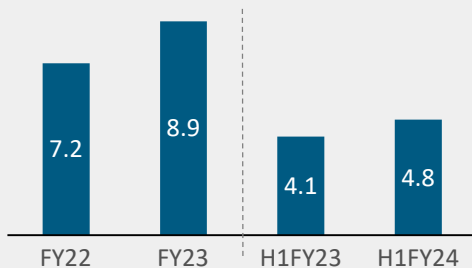


Partner Integration

3 Continued focus on Digital Growth

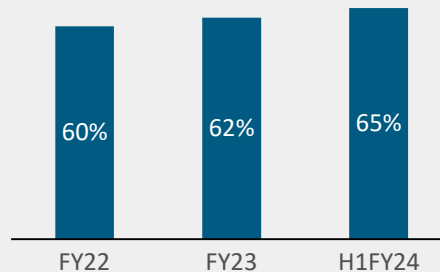
Digital Acquisition

GWP acquired through online channels, INR 'billion



Digital Issuance

% of premium collection



Digitizing Customer Acquisition

More than 80% of agents have downloaded the STAR ATOM app

Note: Digital includes web-sales, tele-sales, web aggregators and online brokers

4 Diversified and Specialized Product Suite

Specialized Products



Star Cancer Care Policy



Star Cardiac Care Policy



Star Diabetes Safe Policy



Star Senior Citizens Red Carpet Health Insurance Policy

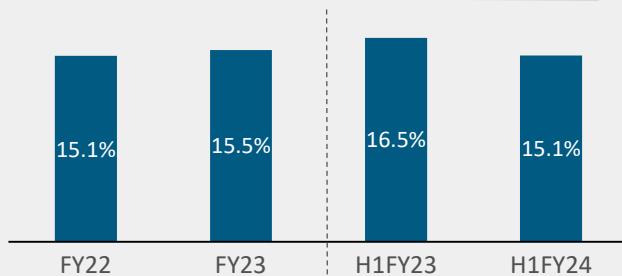


Young Star Policy



Women Care Policy

Retail Premium Mix for Specialized Products (%)



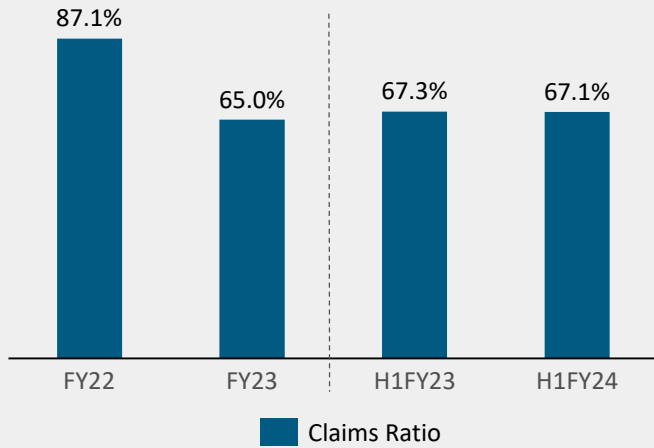
New Product launches H1-2024

Smart Health Pro
Star Domestic Travel Individual and Group covers
Antyodaya Shramik Suraksha Yojana

Note: Specialized products include disease and age specific products like Cancer care, Cardiac Care, Diabetes Safe, Senior Citizen Red Carpet, Women's Care and Young Star

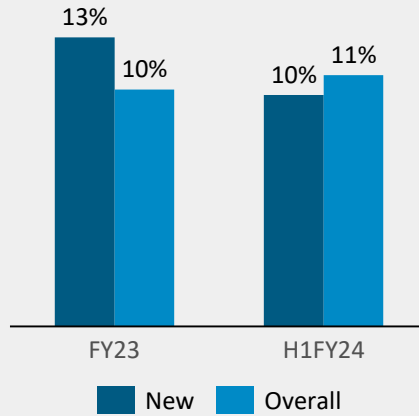
5 Strong Domain Expertise Driving Superior Claims Ratio

Net Incurred Claims Ratio⁽¹⁾



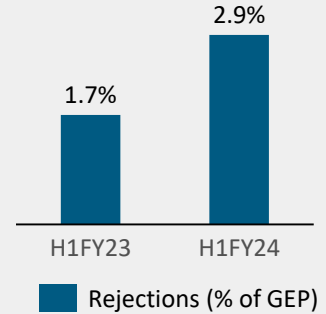
Increasing Sum Assured

Growth of Average Sum Assured in Retail Health policies



Fraud Analytics

Impact on Claims outgo



(1) Net incurred claims ratio is defined as net incurred claims divided by net earned premium. All numbers are basis 1/365 URR method

5 Extensive Claims Processing and Network Negotiation

9.8m

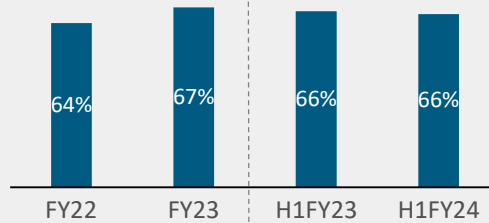
Claims Settled
Since Inception⁽¹⁾

90%

Cashless
authorization < 2 hr

ANH⁽²⁾ Share...

Proportion of total cashless claims



14.2k

Network
Hospitals

- Largest Hospital network
- Valuable service provider (VSP) introduced to improve TAT's, Best pricing, transparency etc.

Note: (1) Data as of Sep 30, 2023 (2) ANH refers to Agreed Network Hospitals with better negotiated package based pricing. On number of claims count.

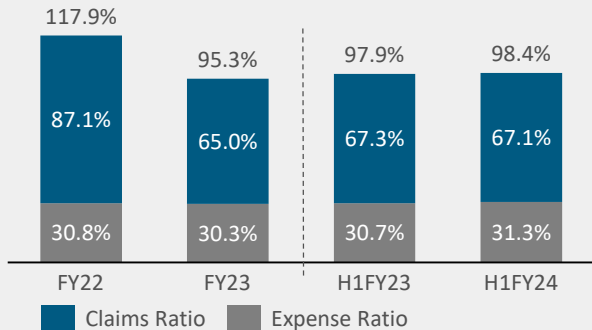
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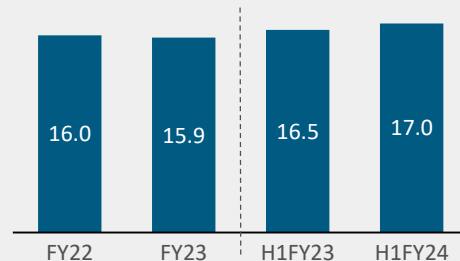
Performance Update

6 Financial Performance

Combined Ratio

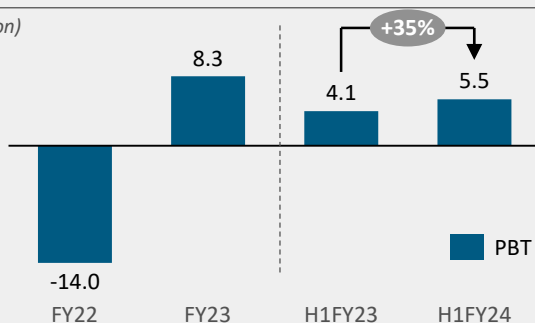


Opex/GWP Ratio



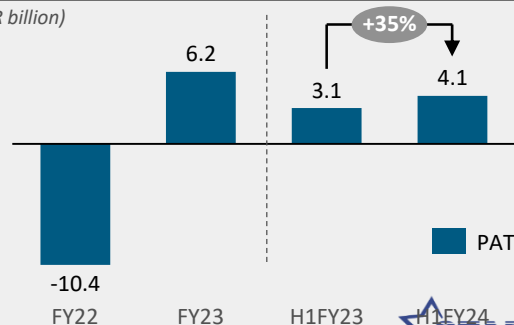
Profit Before Tax (PBT)

(INR billion)



Profit After Tax (PAT)

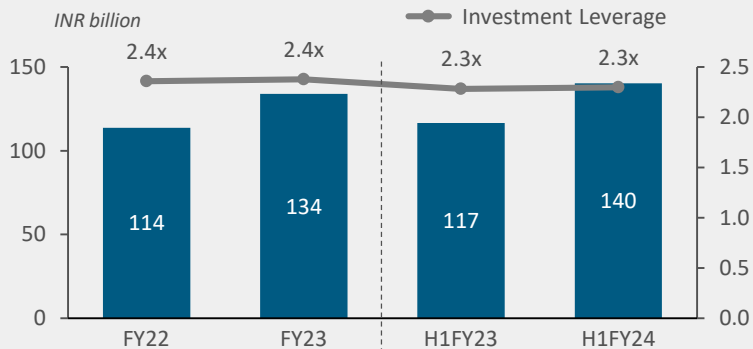
(INR billion)



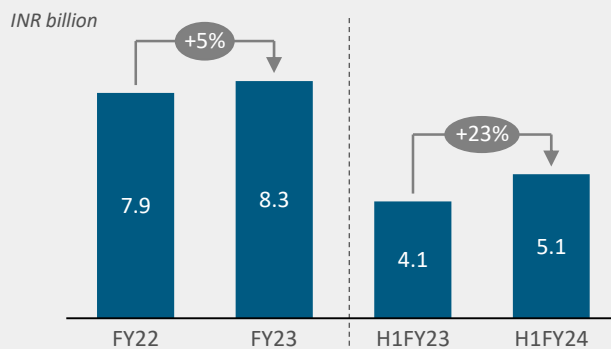
Note: All numbers are basis 1/365 URR method

6 Robust Investment Performance

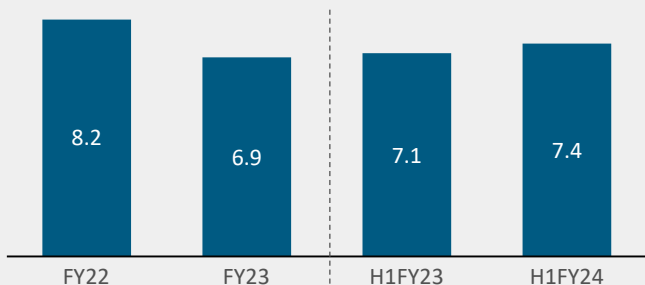
Total Investments Assets



Investment Income



Steady Returns...



...with fixed income portfolio

76%
AAA, Govt.
Portfolio & FD

Long-Term Funds

Government Securities, State Development Loans, Corporate Bonds, Fixed Deposits, REITs, InvITs and ETFs

Short-Term Funds

Bank FDs, Overnight Mutual Funds, CPs, CDs, T-Bills, CMBS, Short Maturity Bonds and Tri-Party REPOs (TREP)s

7 Annexure: Accounting — IGAAP and IFRS

Particulars	March 31, 2023
Profit as per IGAAP excluding ESOP cost	729
RoE as per IGAAP	14.7%
Lease and Security Deposit	-1
Deferred Acquisition Cost (DAC)	150
Unrealised Gain / (Loss) on Investments	21
Provision based on Expected Credit Loss (ECL)	-2
Provision for Tax	-38
Deferred Tax Asset	38
Profit as per IFRS	897
RoE as per IFRS	17.7%
Impact on Profit	168
Impact on RoE	3.1%

THANK YOU

Glossary

Particulars	
FY	Financial Year
GWP	Gross Written Premium
GEP	Gross Earned Premium
CAGR	Cumulative Annual Growth Rate
Y-o-Y	Year-on-Year
VQST	Voluntary Quota Share Treaty
URR	Unexpired Risk Reserve
ANH	Agreed Network Hospitals
PA	Personal Accident
SME	Small and Medium Enterprises
TAT	Turn Around Time

Star Health registers 35% jump in PAT in Q2FY24

- Registers a net profit of Rs. 125 crore for Q2FY24
- Maintains robust solvency ratio at 2.1x
- Operating expense to GWP ratio was at a healthy 16.0% in Q2FY24

Chennai, 31 October 2023: Star Health and Allied Insurance one of India's leading Health Insurance Company records double-digit growth in both gross written premium and PAT in the second quarter of FY2024 as compared to a year ago. Gross Written Premium grew by 17% to Rs. 3,732 crore versus Rs. 3,193 crore in Q2 of the previous fiscal. The company posted a 35% growth in PAT to Rs. 125 crore in Q2FY24, compared to a profit of Rs. 93 crore in the same period a year ago.

The company's retail health premium witnessed impressive growth, reaching Rs. 3,430 crore in the second quarter of the financial year. This substantial 17% increase compared to the same period last year reflects the company's commitment to meeting the insurance needs of its customers, spanning across the country with heightened focus in tier 3 and tier 4 regions.

In the first half of FY24, Star Health saw 38% growth in fresh digital business, over the same period last year. Also the company registered a 57% fresh banca growth in H1FY24. To increase ease of access, the company redesigned its website to include multilingual support and drove growth through a robust customer awareness digital campaign. Star Health also revamped its payment process to enhance the customer experience and to provide easier access to quality health insurance. During the quarter, a dynamic UPI QR code based payment option was launched that saw rapid adoption by customers.

Commenting on the results, **Mr. Anand Roy, MD and CEO of Star Health and Allied Insurance**, said, *"We've witnessed strong growth in the second quarter of FY23-24 in line with our strategy, resulting in a 17% increase in our Gross Written Premium (GWP). We saw increased demand in retail insurance during the quarter and expect this trend to continue in the coming months. Star Health is dedicated to improving customer experience and we've recently introduced a convenient UPI QR code-based payment system to streamline the process of purchasing and renewing health insurance. In addition, we closely examined our partnerships with network hospitals during the quarter, working collaboratively to ensure that our policyholders receive high-quality medical care at reasonable prices. We also initiated new bancassurance partnerships to expand access to top-notch health insurance for individuals nationwide."*

The Operating expense to GWP ratio was at 16.0% in Q2FY24 versus 15.8% in Q2FY23. The solvency ratio continues to remain robust at 2.1x in the second quarter, higher than the minimum regulatory requirement of 1.5x.

STAR HEALTH AND ALLIED INSURANCE COMPANY LIMITED

Registered office: No.1, New Tank Street, Valluvarkottam High Road, Nungambakkam, Chennai - 600034, Tamil Nadu.

Ph: 044-28288800 | Fax: 044-28260062 | Email: info@starhealth.in | Website: www.starhealth.in

Star Health has a diversified distribution network comprising of strong digital channels, leading bancassurance partners, agency channel, corporate agents, brokers, point of sale persons (POS), insurance marketing firms, web aggregators, and direct business.

As of 30 September 2023, Star Health has 14,230 network hospitals and a wide presence of 869 branches offices spread across 25 states and 5 union territories in India.

Financial Indicators (In Rs. Crore)	Q2 FY2023	Q2 FY2024	Growth %
GWP	3,193	3,732	17%
PBT	121	167	39%
PAT	93	125	35%

Ratios

Financial Indicators	Q2 FY2023	Q2 FY2024
ROAE (%) –	1.9%	2.2%
Combined ratio (%)	97.9%	99.2%

Disclaimer

Certain information set forth in this press release contains “forward-looking information”, including “future-oriented financial information” and “financial outlook”. When used herein, the words “anticipate”, “believe”, “could”, “estimate”, “expect”, “going forward”, “intend”, “may”, “ought to”, “plan”, “project”, “seek”, “should”, “will”, “would” and similar expressions are intended to identify forward-looking statements. Forward-looking statements are provided to allow an understanding of the management’s beliefs and opinions in respect of the future. Although forward-looking statements contained herein are based upon what the Company believes are reasonable assumptions, these statements are not guarantees of future performance and undue reliance should not be placed on them. Such forward-looking statements necessarily involve known and unknown risks and uncertainties, which may cause actual performance and financial results in future periods to differ materially from any projections of future performance or result expressed or implied by such forward-looking statements. Star Health and Allied Insurance Company Limited undertake no obligation to update forward-looking statements to reflect events or circumstances after the aforementioned press release date. Accordingly, the reader is cautioned not to place undue reliance on any forward-looking information or statements.

About Star Health Insurance:

Star Health and Allied Insurance Co Ltd ([BSE:543412](#) | [NSE:STARHEALTH](#)) commenced its operations in 2006 as India’s first Standalone Health Insurance Company with business interests in Health, Personal Accident and Overseas Travel Insurance. The company uses its vast resources to focus on service excellence and product innovation to deliver the best to its customers. Star Health has been providing innovative health insurance products to individuals, families and corporates, directly and through various channels – agents, brokers, online and digital channels like web aggregators, fintech, etc. Star Health is also a prominent Bancassurance player with long standing relationship with various banks.

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As of 31st March 2023, Star Health had 835 branch offices spread across 25 states and 5 union territories in India. The company had 14,203 network hospitals pan India. In FY23, Star Health had a gross written premium of Rs. 12,952 crore and a net worth of Rs. 5,430 crore.

Star Health and Allied Insurance Company Limited is listed on both the National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE)

For more information, please contact:

Star Health and Allied Insurance Paul Ebenezer Email ID: paul.ebenezer@starhealth.in Mobile No: 7397398709	Adfactors PR Veena Krishnan Email ID: veena.krishnan@adfactorspr.com Mobile No: 9930309052
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