# Star Health and Allied Insurance Co. Ltd.

**STAR** | Health Insurance
Personal & Caring
**The Health Insurance Specialist**

**Ref: SHAI/B & S/SE/63/2024-25**

| | |
|---|---|
| To, | To, |
| The Manager | The Manager |
| Listing Department | Listing Department |
| BSE Limited | National Stock Exchange of India Limited |
| Phiroze Jeejeebhoy Tower | Exchange Plaza, 5th Floor, Plot C/1, |
| Dalal Street | G Block, Bandra-Kurla Complex |
| Mumbai – 400001 | Mumbai – 400051. |
| **Scrip Code: 543412** | **Symbol: STARHEALTH** |

Dear Sir/ Madam,

**Sub: Update on Analyst(s)/Institutional Investor(s) Meeting**

With reference to our letter SHAI/B & S/SE/61/2024-25 dated 22ⁿᵈ June 2024 regarding **"Star Health Investor and Analyst Day 2024"** held today i.e. 27ᵗʰ June 2024 at Chennai, please find enclosed the details of Analyst(s)/Institutional Investor(s) along with the Investor presentation enclosed as **Annexure - 1 and Annexure - 2** respectively.

The above disclosure will also be made available on the Company's website at www.starhealth.in

This is for your kind information and records.

Thanking you,

**For Star Health and Allied Insurance Company Limited**

**Jayashree Sethuraman**
**Company Secretary & Compliance Officer**

**Details of group meet with Investors/Analysts – June 27, 2024**

| Sl. No | Fund/Firm |
|---|---|
| 1. | Ambit |
| 2. | CLSA |
| 3. | UBS |
| 4. | Axis |
| 5. | Haitong |
| 6. | HDFC Securities |
| 7. | Citi |
| 8. | Nuvama |
| 9. | BNP Paribas |
| 10. | JM Financial |
| 11. | HSBC |
| 12. | InCred |
| 13. | B&K Sec |
| 14. | Avendus Spark |
| 15. | Investec |
| 16. | Motilal Oswal |
| 17. | IIFL |
| 18. | ICICI Securities |
| 19. | Jefferies |
| 20. | Emkay |
| 21. | Kotak |
| 22. | Aditya Birla MF |
| 23. | Quantum Advisors |
| 24. | Thinkwise Wealth Managers |
| 25. | Solidarity Investments |
| 26. | ICICI Pru MF |
| 27. | HDFC MF |

*Note: The Nominee Directors of the Company Mr.Utpal Hemendra Sheth and Mr.Deepak Ramineedi also participated in the meeting.*

**Registered Office :** No. 1, New Tank Street, Valluvar Kottam High Road, Nungambakkam, Chennai - 600 034. Phone : 044 - 2828 8800 ★ Fax: 044 - 2826 0062

**Corporate Office :** No. 148, Acropolis, Dr. Radha Krishnan Salai, Mylapore, Chennai - 600 004. Phone : 044 - 4788 6666

Toll Free Number - 1800 - 425 - 2255 / 1800 - 102 - 4477 ★ IRDAI Regn. No.129 ★ CIN : L66010TN2005PLC056649 ★ Email : info@starhealth.in ★ Website : www.starhealth.in
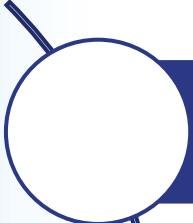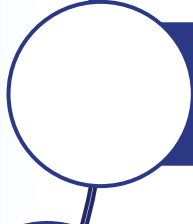
# Analyst and Investor Day

Anand Roy, MD & CEO

STAR Health and Allied Insurance

27th Jun 2024

# Star Health Journey

**STAR** | Health Insurance
Personal & Caring
The Health Insurance Specialist

**Overall Business Performance Gross Written Premium (in Cr)**

- No.1 Stand Alone Health Insurance Company*
- 17Cr + Lives covered from inception
- 1 Crore Claims settled since inception (Count)

**22%** CAGR FY20 →FY24



| FY07 | FY08 | FY09 | FY10 | FY11 | FY12 | FY13 | FY14 | FY15 | FY16 | FY17 | FY18 | FY19 | FY20 | FY21 | FY22 | FY23 | FY24 |
|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| 22 | 42 | 95 | 183 | 338 | 502 | 770 | 1097 | 1470 | 2008 | 2963 | 4160 | 5413 | 6862 | 9353 | 11462 | 12951 | 15251 |
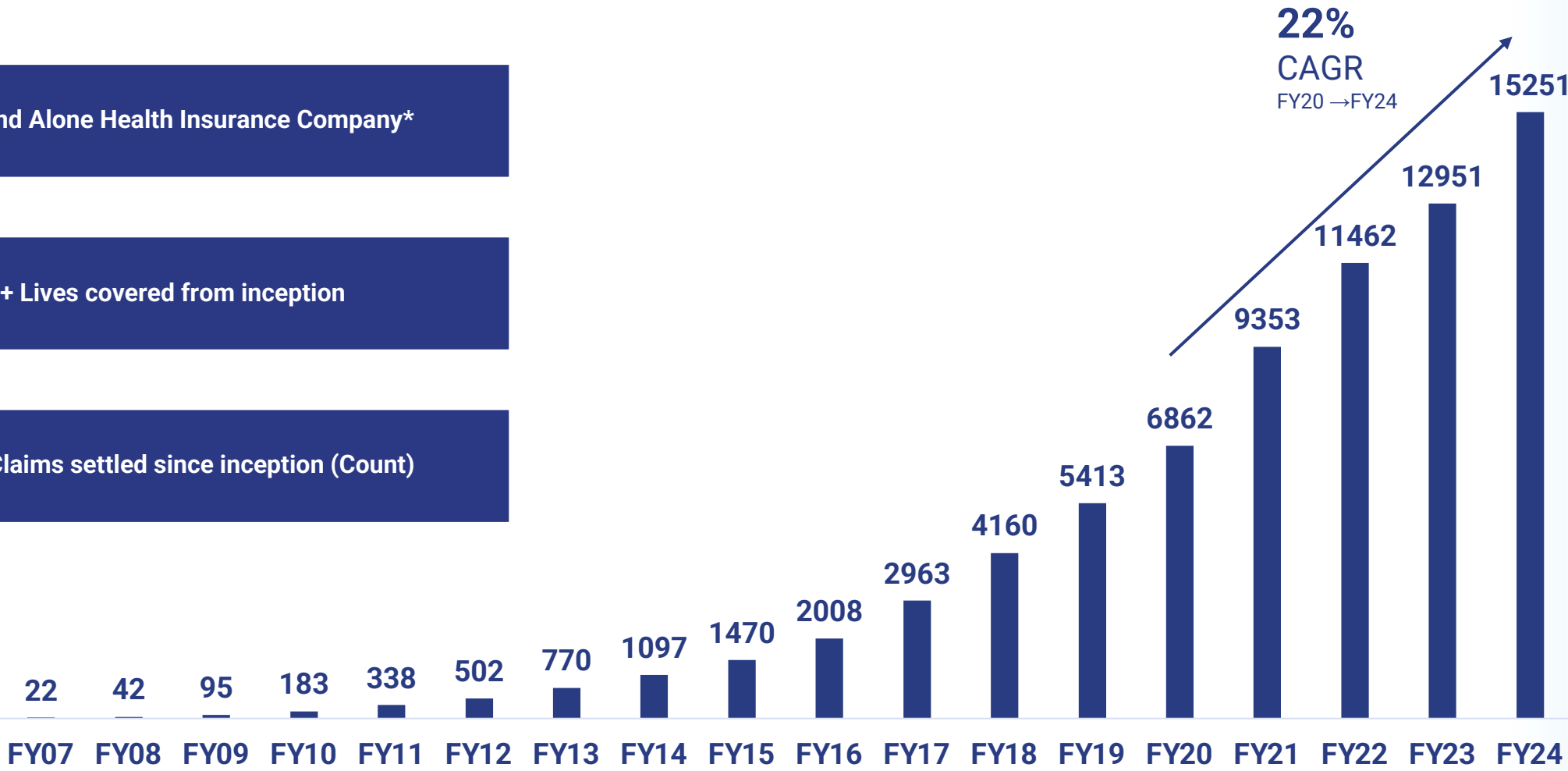
*Based on FY24 GWP ~FY24 figures

# FY 24- Key Highlights

## Strong Growth

**18 %**

Registered higher than industry growth in FY 24 in GWP

## Market Leader

**33.1%**

STAR is market leader with 33.1% Market Share in retail health

## PAT Growth

**845 Cr**

37% PAT Growth

## Credit Rating

**AA+**

STAR health's has been rated AA+ and outlook as 'stable' by Care Rating

## Highest DJSI Score

**43**

Highest in Industry compared with any other GI / life player

## STAR Health App

**5 Mn+**
Downloads

- Rating of 4.4 in Google Playstore
- 4.6 in app store

# Ranked No.7 in Non-life Insurer (FY24)

| S.No. | Insurers | GWP (Cr) FY23 |
|-------|----------|---------------|
| #1 | The New India Assurance Co Ltd | 34487 |
| #2 | ICICI Lombard General Insurance Co Ltd | 21025 |
| #3 | United India Insurance Co Ltd | 17643 |
| #4 | HDFC Ergo General Insurance Co Ltd | 16636 |
| #5 | The Oriental Insurance Co Ltd | 15598 |
| #6 | Bajaj Allianz General Insurance Co Ltd | 15337 |
| #7 | National Insurance Co Ltd | 15159 |
| #8 | Agriculture Insurance Co Of India Ltd | 14644 |
| #9 | Tata AIG General Insurance Co Ltd | 13176 |
| #10 | **Star Health & Allied Insurance Co Ltd** | **12951** |

| S.No. | Insurers | GWP(Cr) FY24 |
|-------|----------|--------------|
| #1 | The New India Assurance Co Ltd | 37035 |
| #2 | ICICI Lombard General Insurance Co Ltd | 24776 |
| #3 | Bajaj Allianz General Insurance Co Ltd | 20473 |
| #4 | United India Insurance Co Ltd | 19852 |
| #5 | HDFC Ergo General Insurance Co Ltd | 18568 |
| #6 | The Oriental Insurance Co Ltd | 18286 |
| #7 | **Star Health & Allied Insurance Co Ltd** | **15251** |
| #8 | National Insurance Co Ltd | 15169 |
| #9 | Tata AIG General Insurance Co Ltd | 15091 |
| #10 | SBI General Insurance Co Ltd | 12554 |

Based on GI Council data

# Retained No.2 position in Health Segment (FY24)

| S.No. | Insurers | Health GWP (Cr) FY23 |
|---|---|---|
| #1 | The New India Assurance Co Ltd | 16682 |
| #2 | Star Health & Allied Insurance Co Ltd | 12757 |
| #3 | The Oriental Insurance Co Ltd | 8199 |
| #4 | United India Insurance Co Ltd | 7248 |
| #5 | National Insurance Co Ltd | 6965 |
| #6 | HDFC Ergo General Insurance Co Ltd | 5120 |
| #7 | ICICI Lombard General Insurance Co Ltd | 4995 |
| #8 | Care Health Insurance Ltd | 4820 |
| #9 | Niva bupa health insurance company limited | 3993 |
| #10 | Bajaj Allianz General Insurance Co Ltd | 3142 |

| S.No. | Insurers | Health GWP(Cr) FY24 |
|---|---|---|
| #1 | The New India Assurance Co Ltd | 18321 |
| #2 | Star Health & Allied Insurance Co Ltd | 15039 |
| #3 | United India Insurance Co Ltd | 7897 |
| #4 | The Oriental Insurance Co Ltd | 7896 |
| #5 | National Insurance Co Ltd | 6994 |
| #6 | Bajaj Allianz General Insurance Co Ltd | 6713 |
| #7 | Care Health Insurance Ltd | 6658 |
| #8 | ICICI Lombard General Insurance Co Ltd | 6401 |
| #9 | HDFC Ergo General Insurance Co Ltd | 5975 |
| #10 | Niva bupa health insurance company limited | 5515 |

Based on GI Council data

# STAR is No.1 Stand Alone Health Insurer (FY24)

| S.No. | Insurers | GWP (Cr) FY23 |
|-------|----------|---------------|
| #1 | Star Health & Allied Insurance Co Ltd | 12951 |
| #2 | Care Health Insurance Ltd | 5142 |
| #3 | Niva bupa health insurance company limited | 4073 |
| #4 | Aditya Birla Health Insurance Co Ltd | 2717 |
| #5 | ManipalCigna Health Insurance Co Ltd | 1360 |

| S.No. | Insurers | GWP(Cr) FY24 |
|-------|----------|--------------|
| #1 | Star Health & Allied Insurance Co Ltd | 15251 |
| #2 | Care Health Insurance Ltd | 6864 |
| #3 | Niva Bupa health insurance company limited | 5608 |
| #4 | Aditya Birla Health Insurance Co Ltd | 3701 |
| #5 | ManipalCigna Health Insurance Co Ltd | 1692 |

Based on GI Council data

# Robust organization for delivering results

**STAR** | Health Insurance
Personal & Caring
*The Health Insurance Specialist*

## Sales & Distribution

| 880+ | 1150+ | 8500 + | 7,00,000 + | 2000+ |
|------|-------|--------|-----------|-------|
| Branch Office | SM Station (STAR Gramin Bima Kendra) | Sales Managers | Agents | Tele Callers |

## Partnerships

| 572 | 44 | 58 | 14 |
|-----|----|----|----|
| Direct Brokers | Banks | Corporate Agents | NBFCs/ HFCs CAs |

## Servicing

| 15000+ | 30000+ | 550+ | 400+ |
|--------|--------|------|------|
| Employees | Healthcare Provider Network Footprint | Qualified Medical Professionals | Customer Service agents |
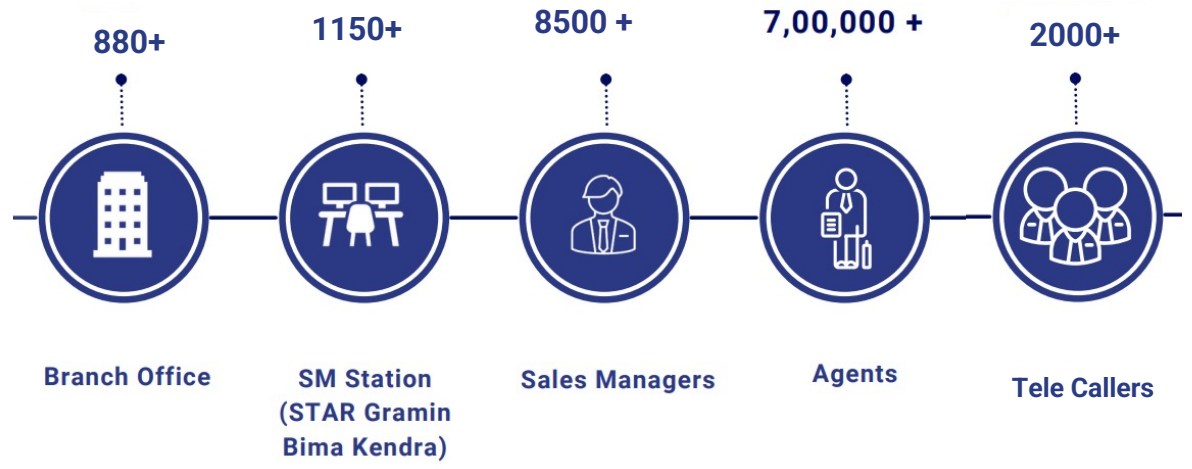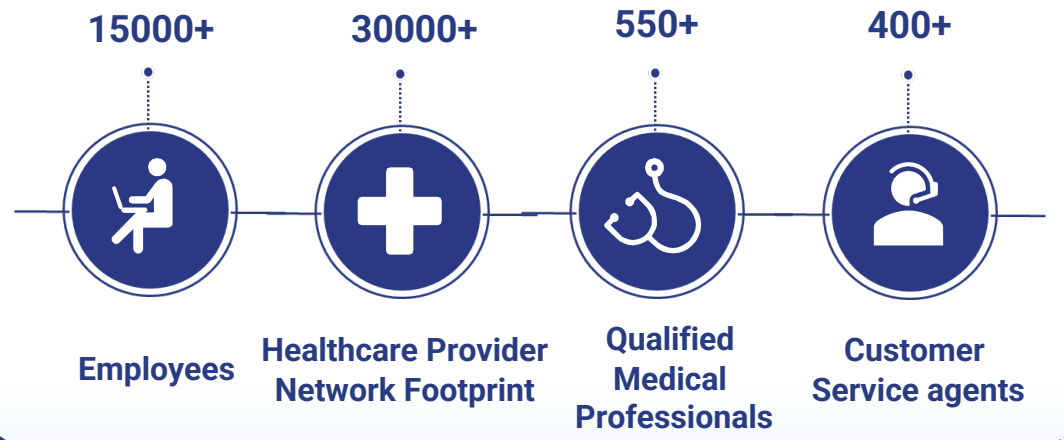
# Financial Performance- Growth with Profit

**Retail health GWP (Cr) & Market share**



Values:
- FY19: 4,678 — 25.5%
- FY20: 5,825 — 28.1%
- FY21: 8,243 — 31.3%
- FY22: 10,129 — 32.9%
- FY23: 11,950 — 33.7%
- FY24: 13,951 — 33.1%

Legend: Star Health & Allied Insurance Co. Ltd. — Star Health Market Share

**PAT Growth QoQ in Cr**



- Q1: FY2023 213.2, FY2024 287.9 — 35%
- Q2: FY2023 93.1, FY2024 125.3 — 35%
- Q3: FY2023 210.5, FY2024 289.6 — 38%
- Q4: FY2023 101.8, FY2024 142.3 — 40%
- Total: FY2023 618.6, FY2024 845.0 — 37%

Legend: FY2023 ■ FY2024 ■
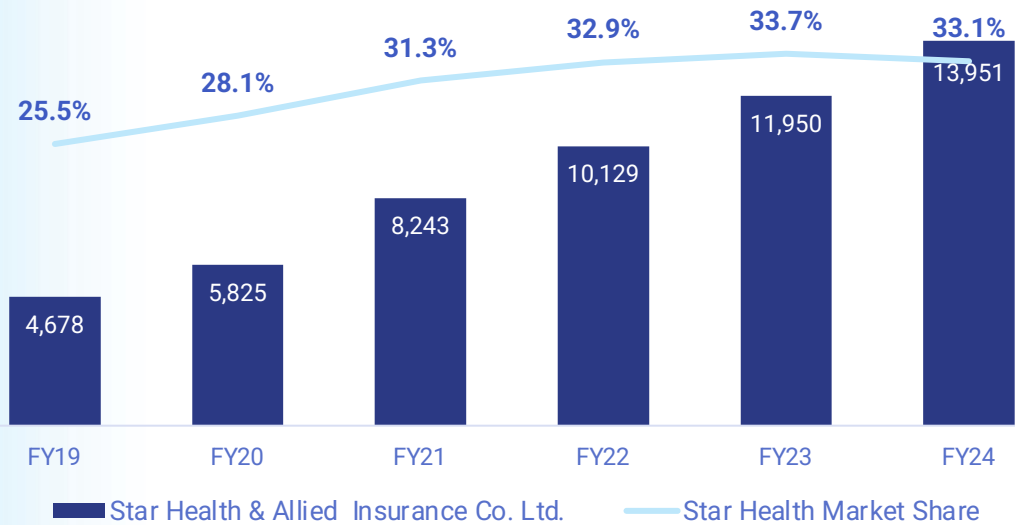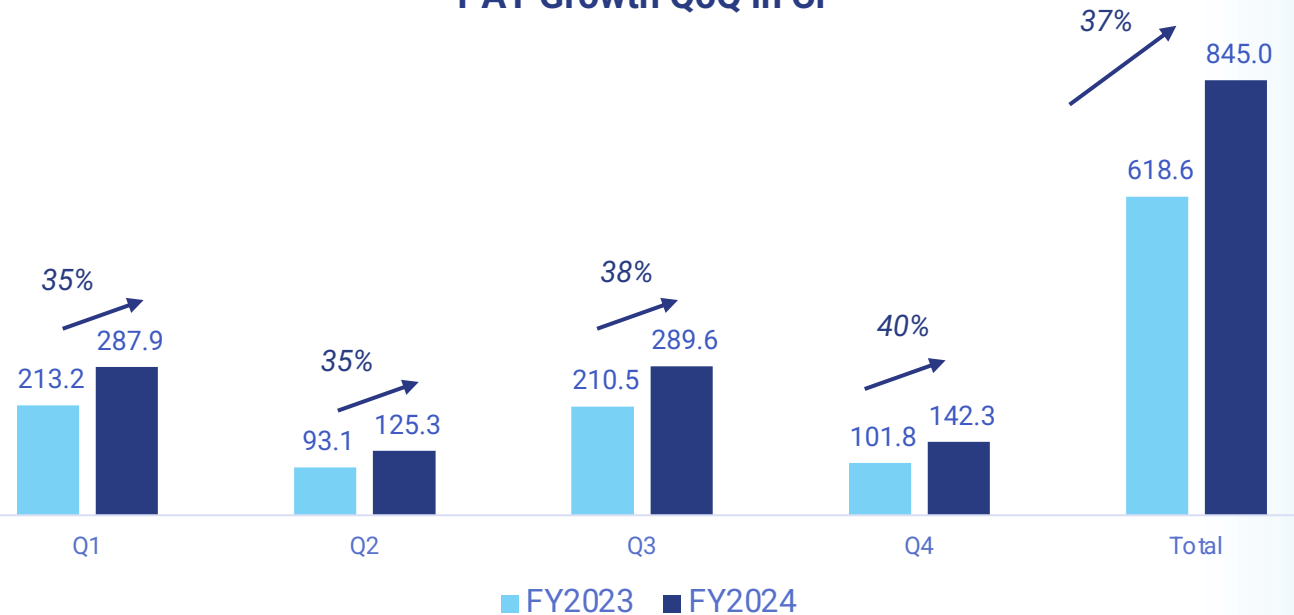
- STAR has registered ~35% + PAT growth in each quarter over last year
- PAT for FY 24 has grown 37% for FY 23 vs FY 24

# Future Growth Trajectory

**STAR** Health Insurance
*Personal & Caring*
**The Health Insurance Specialist**

## Where we are today...

- INR 15,251 Cr GWP
- INR 845 Cr PAT

## Where we want to be in next 4 years....

### Engines of Growth

| Agency |
|---|
| BANCA |
| Corporate |
| Digital |

**+**

### Competitive Advantage

| Cost Leadership |
|---|
| Un parallel distribution |
| Best in class in house claims servicing |

**=**

### By FY 28

| GWP –~INR 30,000 Cr (2X) |
|---|
| PAT – ~INR 2500 Cr (3X) |
| Market Share - ~35 % |

*Assuming industry is growing at 16% per annum and STAR is growing at 18% per annum

# STAR - Core Values

Customer Centricity

Innovation

Transparency

# Customer Centricity at Core of Strategy

**Illness to Wellness Journey**

**Comprehensive OPD Coverage focusing Wellness Services**

**Omni Channel Customer Support**

**Customer Centricity**

**Ease of Insurance through smarter underwriting practices**

**Product Innovation**

**Superior Digital Claim Experience**

**NPS**

# NPS- Customer

**Star Health is placed 2nd amongst all other SAHIs.***

## NPS Score (%)



| | | | |
|---|---|---|---|
| 61 | 56 | 56 | 55 |
| SAHI 1 | STAR HEALTH | SAHI 2 | SAHI 3 |
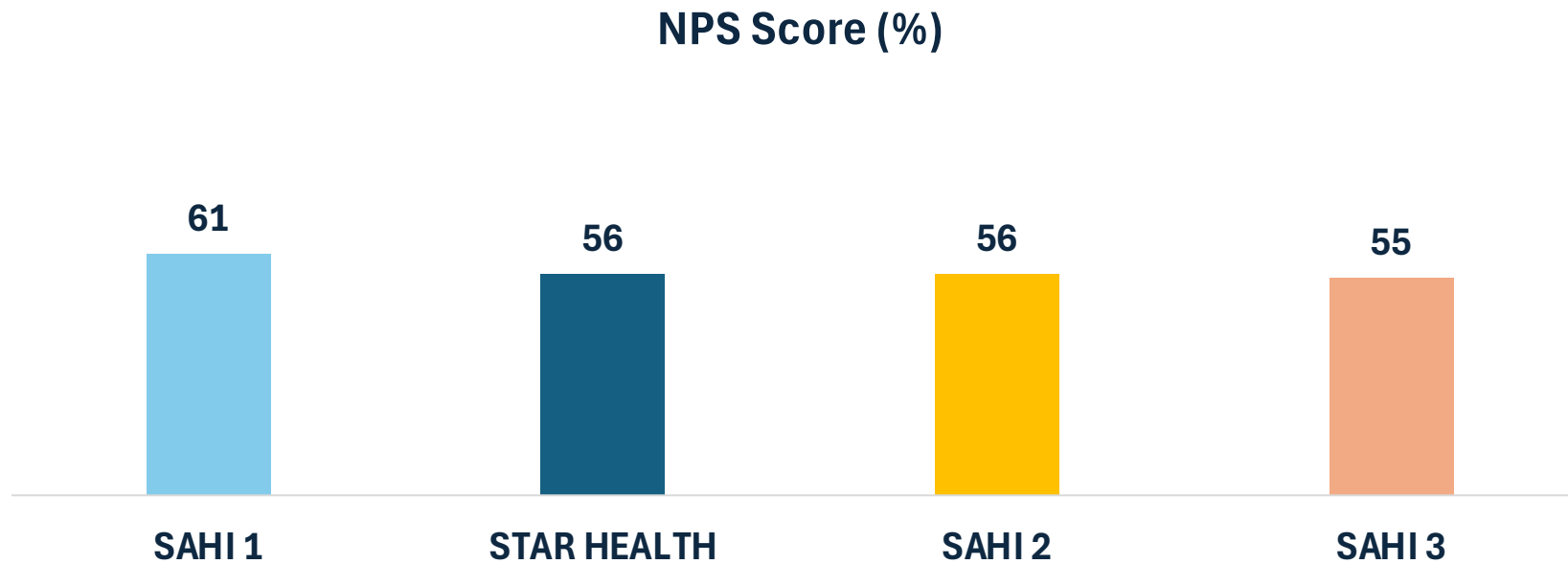
*Based on an external survey done by Kantar. On a total Sample size of 3138 health insurance customers across 8 major cities (dated: April '24)*

# Holistic Approach to Growth

**1**    Expanding boundaries of Health insurance

- **43%** Retail Health GWP from Semi-Urban & Rural

**2**    Professional culture and nurturing talent

- Best in Retention of talent (>90% for AVP & above)
- Gender Diversity 78 :22 (Male : Female)

**3**    Actively engaging with society

- STAR Aarogya Digi seva centre – positively impacting 70,000 lives in Tamil Nadu (Tele assistance support, medicines management etc.,)
- Conducted roadshows in AP, TN , KAR, Odisha, Bihar, & Jharkhand for insurance awareness (130+ districts and 986 Taluk covered)

**4**    Environmental Awareness

- Reduction of paper and paper waste – creating awareness among employees and customers

# Insurance Awareness Campaigns

# Insurance Awareness Campaigns

# Insurance Awareness Campaigns



STAR Health Insurance — The Health Insurance Specialist

Patna, Bihar, India
Mangal Talab, Kali Asthan, Patna, Bihar 800008, India
Lat 25.587114°
Long 85.229319°
11/01/24 10:49 AM GMT +05:30

Buxar, Bihar, India
HXCF+668, Satyadeo Ganj, Koirpurwa, Buxar, Bihar 802101, India
Lat 25.570555°
Long 83.973172°
22/01/24 01:48 PM GMT +05:30

Arrah, Bihar, India
Godhna Road, GMX7+2R9, near Maurya Hospital, Anaith, Arrah, Bihar 802302, India
Lat 25.547672°
Long 84.664586°
21/01/24 03:30 PM GMT +05:30

Buxar, Bihar, India
Gaushala market Station Road, near Mahraja Petrol pump, Koirpurwa, Buxar, Bihar 802101, India
Lat 25.570702°
Long 83.972404°

Junagarh, Odisha, India
KALAMPUR ROAD, Junagarh, Odisha 766014, India
Lat 19.854935°
Long 82.936745°
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Bhawanipatna, Odisha, India
W525+FPM, Sambhunagar Pada, Bhawanipatna, Odisha 766001, India
Lat 19.901303°
Long 83.159327°
23/01/24 11:44 AM GMT +05:30

STAR HEALTH AND ALLIED INSURANCE COMPANY LIMITED
VISAKHAPATNAM BRANCH, ANDHRA PRADESH

# CSR activities

*Aarogya Digi seva centre – Activities in Tamil Nadu*

# Composite License: Prima facie it is an attractive opportunity for us

- Strong customer need adjacency, e.g., life risk

- Faster time to scale by leveraging proprietary distribution for Cross/up-sell to existing customers

- Greater activation and engagement of agents through broader product portfolio → greater productivity → profit accretive

- Greater monetization of assets, e.g., brand, branches, website

- Broader offerings on digital channels → increased traffic and business

- Potential to innovate on integrated products → business acceleration

# Investor and Analyst Day

## Underwriting & Claims

**Amitabh Jain , COO**

# Impact of Master Circular on IRDAI (Insurance Products) Regulations

**STAR** | Health Insurance
Personal & Caring | 
The Health Insurance Specialist

## Key Changes – Product

| | Key Change | STAR's Readiness | Impact on Existing Business | Opportunity to improve Customer exp |
|---|---|---|---|---|
| **1** | CIS to be provided to CIS to be provided to every policy holder of Individual Insurance policies as well as members of Group Insurance policy | ✓ | 🟠 | Opportunity to have the member data / customer details of the group customers and we can send CIS to mitigate mis-selling |
| **2** | **Free look Period:** Enhanced to 30 days from the existing 15 days from the date of receipt of the policy | ✓ | 🟠 | Our Free look cancellation is negligible. |
| **3** | **Cancellation by Policy Holder:** Notice period by policyholder reduced to 7 days from existing 15 days. Refund on pro rata basis as against the existing short period basis | ✓ | 🟠 | Beneficial to customer Receives refund for the period where coverage is not yet started |
| **4** | **Nomination of the policy:** Mandatory at the time of proposal for fresh policies and for existing policies at the time of renewal | ✓ | 🟠 | Beneficial to customer's family |

✓ Ready to be implemented by mandated timeline

🔴 To be evaluated

🟠 No Major impact on Business

🟢 Favorable impact on business

# Impact of Master Circular on IRDAI (Insurance Products) Regulations

**STAR** | Health Insurance
Personal & Caring
The Health Insurance Specialist

## Key Changes – Product

| | | STAR's Readiness | Impact on Existing Business | Opportunity to improve Customer exp |
|---|---|---|---|---|
| **5** | **Grace Period Cancellations:** 15 days for monthly instalment payments and 30 days for quarterly, half yearly and annual payments. Cover to be provided during the grace period | ✓ | 🟠 | We have already initiated auto payment of premiums via ECH / NACH. |
| **6** | **Moratorium period:** Reduced to 60 months (5 years) from the existing period of 8 years | ✓ | 🟠 | Current trends do not reflect major impact. Future behavior changes might require pricing interventions. |
| **7** | **No Claim Bonus:** The Insurer **may** reward the policyholders who do not make claim in the form of No Claim Bonus (NCB) and / or Discount. Such NCB shall be paid as per the choice/ express consent of the policyholder at the time of every renewal | ✓ | 🔴 | Gives more flexibility to customer for discount or SI enhancement |
| **8** | **Cashless Approval:** Cashless Authorization to be provided **immediately but not more than one hour** | ✓ | 🔴 | Plans in place to comply by Jul-24 end. This will improve customer experience positively |

✓ Ready to be implemented by mandated timeline    🔴 To be evaluated    🟠 No Major impact on Business    🟢 Favorable impact on business

# Impact of Master Circular on IRDAI (Insurance Products) Regulations

**Key Changes – Product**

| | | STAR's Readiness | Impact on Existing Business | Opportunity to improve Customer exp |
|---|---|---|---|---|
| **9** | **Final Approval:** Final authorization to be **provided within Three hours** of the receipt of discharge authorization request | ✓ | 🟠 | Plans in place to comply by Jul-24 end. This will improve customer experience positively |
| **10** | **Short term and long-term products:** Insurers can offer short term (less than 1 year) and long term (more than 1 year) policies. | ✓ | 🟢 | It gives flexibility to STAR to design short term and long-term policies. |
| **11** | **Products for All ages/ medical conditions / types of treatment  etc.** | ✓ | 🟢 | STAR has various products catering to all the requirements of regulations. |

✓ Ready to be implemented by mandated timeline    🔴 To be evaluated    🟠 No Major impact on Business    🟢 Favorable impact on business

# Emphasis on Customer Centricity
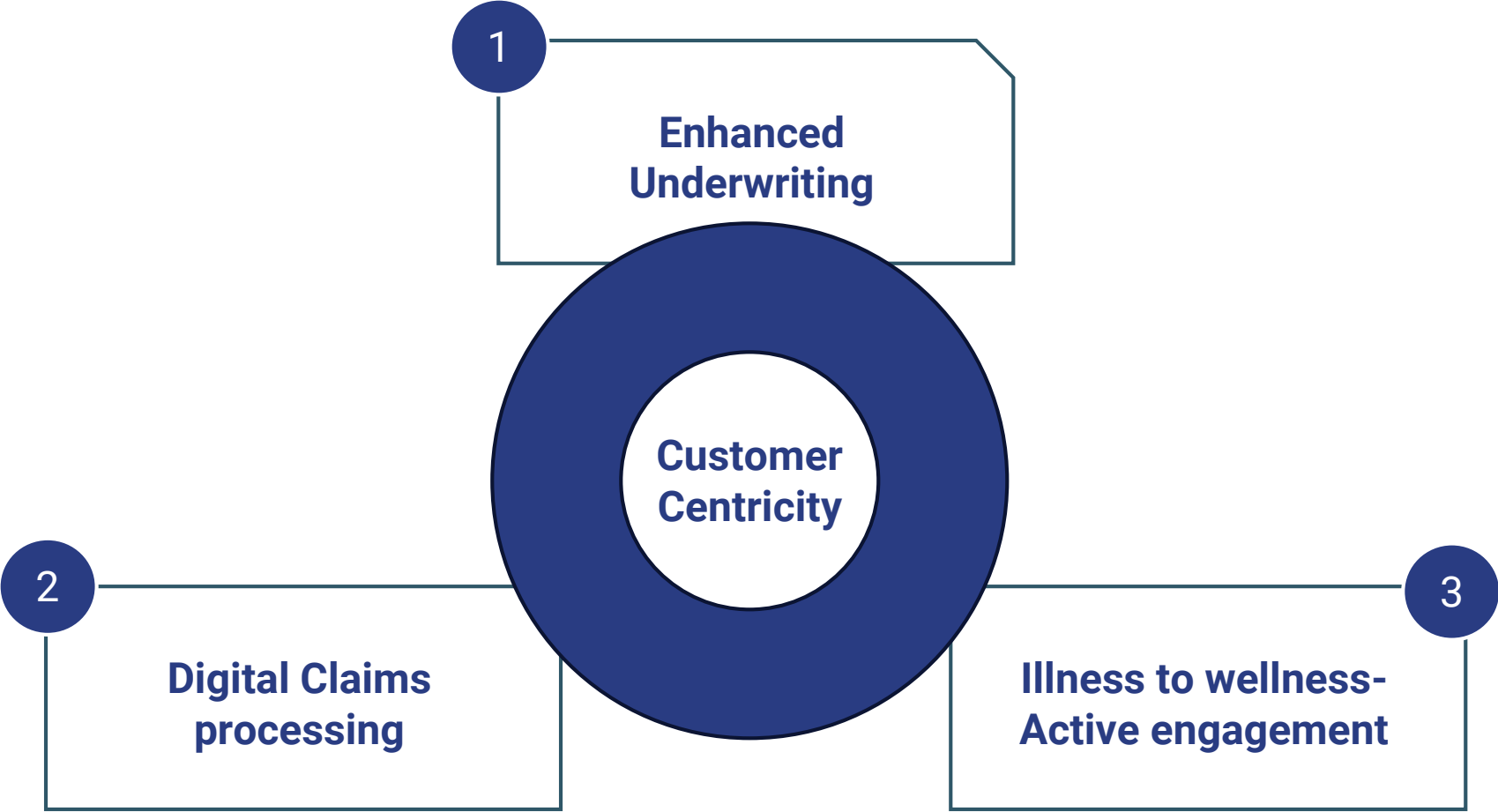
# Enhanced Underwriting

## Proposal Risk Scoring Model

- Risk Scoring AI Model to bucket the Proposals into High, Medium & Low Risk.

- Risk Scoring and Categorization based on several factors **-** Sum Insured(SI), Product, Pin-code, PED, Age, Channel Code

- Based on these factors the Proposals are divided into 3 Categories Red, Amber & Green which influences the underwriting flow & decision.

## Loss Ratio Prediction Model

Propensity to claim model predicts expected ULR of the business underwritten.

**Factors Considered -** Policy Type, Plan Type, Age, Gender, Renewal Count, Sum Insured, Seasonality

- Helps in monitoring the quality of the portfolio being written proactively

- Strategy for portfolio optimization, including underwriting and commission management.

# Product Innovations – Coverage for all

**Senior Citizen Red Carpet**

*Specifically designed for 60+*

**Young Star**

*Designed for younger population*

**Diabetes Safe**

*For people with Diabetes*

**Cardiac Care**

*For people with Cardiac Illness*

**Cancer Care**

*For people with Cancer*

**Women Care**

*Specific to women health & care*

**Micro Rural & Farmers Care**

*For Rural population*

**Special Care**

*For people diagnosed with Autism Spectrum Disorder*

**Special Care Gold**

*Differently Abled & individuals with AIDS*

**Smart Health Pro**

*First Risk based loading Product*

# Claims Digital Transformation Initiatives

Tariff & Bill Digitization

Intelligent Character Recognition / Optical Character Recognition

Data driven Fraud analytics and prevention Mechanism

Customer App – Enhancements in Claims Module

Fraud Score Model for judicious Claims Processing

Implementation of National Health Claims Exchange

Re-admission rate reduction programme

# Illness to Wellness journey -Active Engagement



**Chronic illness Customers**
- Prevent re-admission
- Condition Management
- Home Health Care

**Healthy Customers**
- Wellness Programmes
- Vaccination drives
- Immunization drives
- Digital tools

**Care Continuum**

**Unhealthy Customers**
- Preferred network hospitals
- Home Health Care
- Wellness/ Weight management Programmes

**Episodic unhealthy customers**
- Health Checkup
- Telemedicine
- Home Health Care

## ~3x Increase
PHC Utilization FY23 → FY24

## 1.45x Increase
Telemedicine FY23 → FY24

# Technology Driven Wellness

## App Features

**Face Scan**

**Telemedicine Consultations**

**Health Records management**

**Health Risk Assessment**

**Wellness Programs Delivery**

- Diabetes Management
- Hypertension Management
- Weight Loss Management

**ABHA ID Generation**

# Agenda

1 Financial Performance

2 Regulatory Changes - Finance

3 IFRS/Ind AS update & RBC

4 RoE - Contributors

5 Reinsurance – Profit pool

6 Cost Leadership

# Financial Performance



Star Health - Financial Performance

| | FY19 | FY20 | FY21 | FY22 | FY23 | FY24 |
|---|---|---|---|---|---|---|
| CoR | 92.9% | 93.4% | 122.1% | 117.9% | 95.3% | 96.7% |
| Loss ratio | 62.7% | 65.9% | 94.4% | 87.1% | 65.0% | 66.5% |
| Expense Ratio | 30.2% | 27.5% | 27.7% | 30.8% | 30.3% | 30.2% |
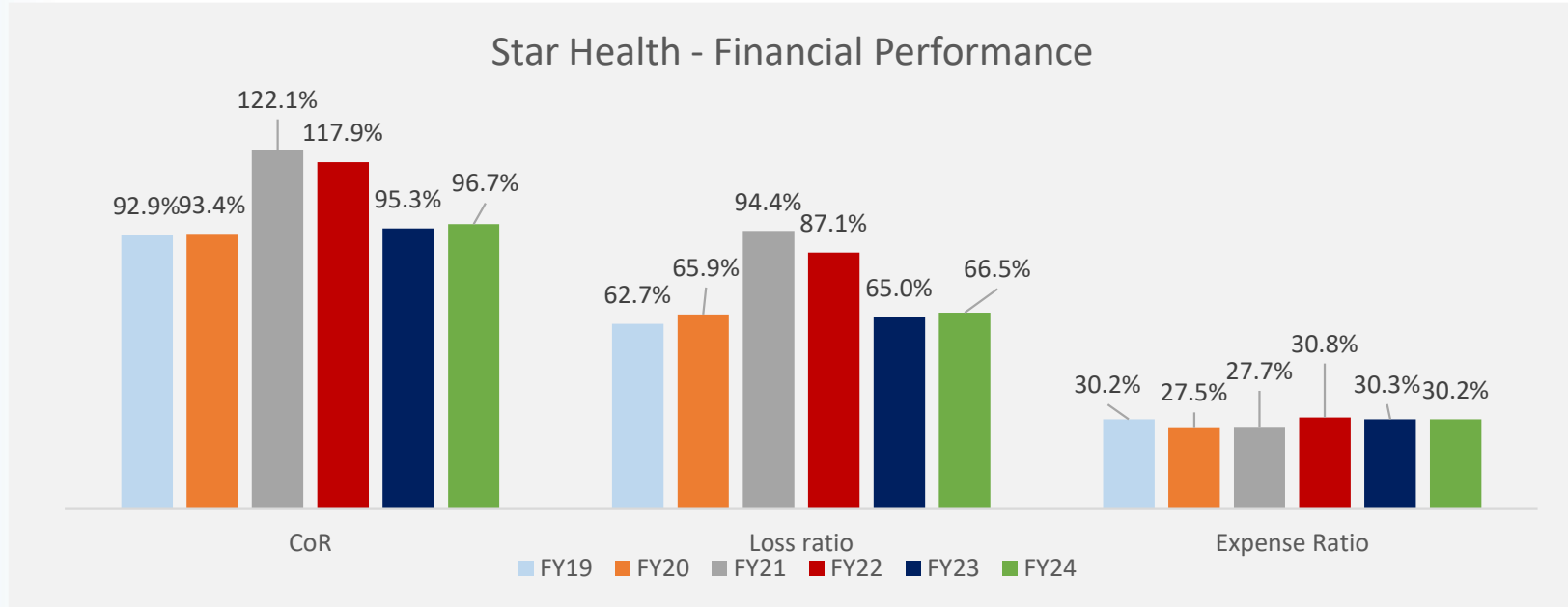
➢ Loss ratio maintained around 65-66% level except Covid period

➢ Improvement in Expense ratio over the last 3 years

# Regulatory Changes – Long term policies

➢ Gross Written Premium reported for any Financial Year shall be the total Gross Written Premium due for the Long-Term Policy multiplied by '1/n', where 'n' is the Policy Duration

➢ Payment of commission in a year shall be only on the gross written premium recognized for the year

➢ Date of implementation extended to 1st Oct-24

# Ind AS (IFRS) and RBC

Ind AS (Converged with IFRS) is an internationally recognized as a set of accounting standards that enhance transparency, comparability, and reliability of financial statements

➢ **Enhanced transparency**: Ind AS provides a robust framework for financial reporting, ensuring greater transparency in our financial statements

➢ **Global compatibility**: It harmonize our financial reporting with international standards, facilitating easier comparisons with global peers

➢ **Public Listing and Investor confidence**: By adhering to Ind AS, we signal our commitment to high-quality financial reporting, attracting potential investors and strengthening our relationships with existing ones

➢ **Improved risk management**: Ind AS's comprehensive guidelines enable us to better assess and manage financial risks

**Early adoption of Ind AS wef April 1, 2025 is in the best interests of SAHI players, their investors and other stakeholders**

# Ind AS – IFRS 17 changes

IFRS 17 - Key changes



**Current GAAP**

- Contract Assessment – Significant Risk
- Unbundling
- Contract Boundary
- Contractual Service Margin (CSM)
- Risk Adjustment and Discounting
- Reinsurance
- Presentation and Disclosures
- Transition Provisions

**IFRS 17**

**3**

**Aggregation of Contracts**
Onerous Contracts
Profitable
Others (Might become Onerous)

**Recognition and Measurement Models**
General Measurement Model
Premium Allocation Approach
Variable Fee Approach

**Transition Approaches**
Retrospective Approach
Modified Retrospective Approach
Fair Value Approach

Accounting

Actuarial

Technology

Project Management Office

Amortisation of acquisition cost over the period of the Contract
Separate valuation for Re-insurance contract.

# Ind AS 109 - Investment

Along with Ind AS 117, the Company will need to consider the implications of Ind AS 109 on Financial Instruments which will have a bearing on the Company's Asset Liability matching.

## Key requirements of Ind AS 109

IFRS 9 requires that a financial asset be classified into one of three categories for measurement and income recognition based on:

- Business model for managing Financial Assets, and
- Contractual cash flow characteristics.
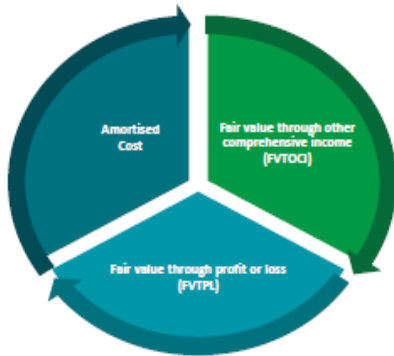


**Classification of equity instruments**
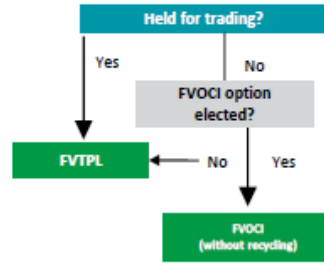


## Expected Credit Loss (ECL) impairment model

Under Ind AS 109, impairment of financial assets is based on the Expected Credit loss model instead of the incurred loss approach as followed earlier
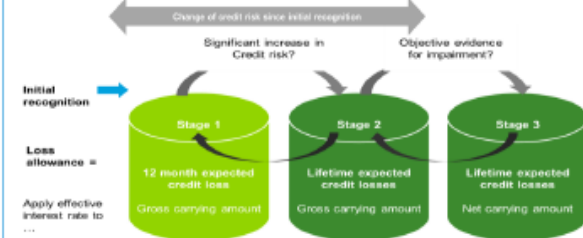


Classification of financial instruments other than equity instruments under Ind AS 109 is driven by the entity's business model for managing financial assets and their contractual cash flow characteristics.

# IFRS Pnl
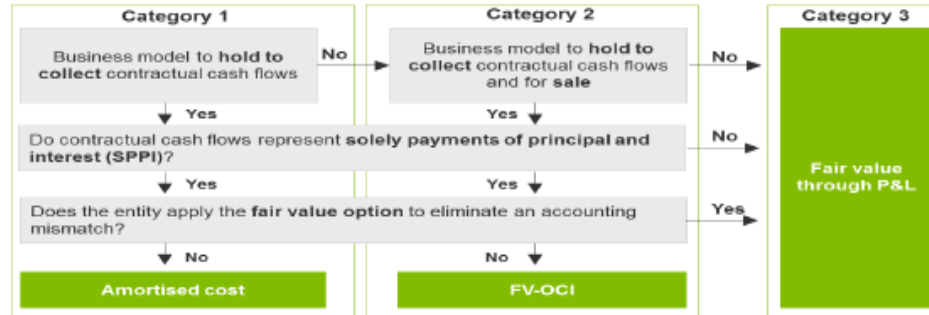
| Particulars | FY2023 | FY2024 |
|---|---:|---:|
| Profit as per IGAAP | 619 | 845 |
| RoE as per IGAAP | 12.5% | 14.4% |
| IFRS Adjustment | | |
| Lease and Security Deposit | -0.7 | -0.7 |
| Deferred Expense on Procurement Cost | 162.2 | 213.7 |
| Unrealised Gain / (Loss) on Investments | 21.1 | 103.5 |
| Provision - Expected Credit Loss (ECL) | -2.0 | -2.3 |
| Provision for Tax | -40.8 | -79.1 |
| IFRS Impact | 140 | 235 |
| Profit as per IFRS | 759 | 1,080 |
| RoE as per IFRS | 15.0% | 17.7% |
| Impact on RoE | 2.6% | 3.3% |

# Strong Solvency & Risk Based Capital

- Solvency for Star Health as on 31$^{st}$ Mar-24 – 2.21x

- Sub debt as a means to augment Capital base – ~ Rs 3000 crores eligibility

- Current Solvency is factor based as a multiple of Premiums or Claims

**RBC**

- Total Balance Sheet Approach
  - Principles for Valuation of Assets, Principles for Valuation of Liabilities

- Detailed methodology for valuation of assets and liabilities and quantification of capital for various risks and their aggregation

# ROE- Contributors

## Scenario 1

| Post-tax ROE | Pre-tax ROE |
|:---:|:---:|
| **17%** | **23%** |

**Underwriting leverage**
**Underwriting ROE**

**6.5%**

**Investment result**
**Investment ROE**

**16.5%**

| Claims ratio | **66%** | Investment yield | **7.25%** |
|---|---|---|---|
| Expense ratio | **31%** | | |
| Combined ratio | **97%** | Investment leverage | **2.3x** |

## Scenario 2

| Post-tax ROE | Pre-tax ROE |
|:---:|:---:|
| **21%** | **28%** |

**Underwriting leverage**
**Underwriting ROE**

**11.5%**

**Investment result**
**Investment ROE**

**17%**

| Claims ratio | **65%** | Investment yield | **7.25%** |
|---|---|---|---|
| Expense ratio | **30%** | | |
| Combined ratio | **95%** | Investment leverage | **2.4x** |

# RoE under IFRS scenario

# Profit pools - Reinsurance (RI) - Obligatory

**Trend of Obligatory Reinsurance in India**

## OBLIGATORY REINSURANCE

| UPTO 2006 | 2007 | UPTO 2012 | UPTO 2021 | UPTO FY25 |
|:---:|:---:|:---:|:---:|:---:|
| 20% | 15% | 10% | 5% | 4% |
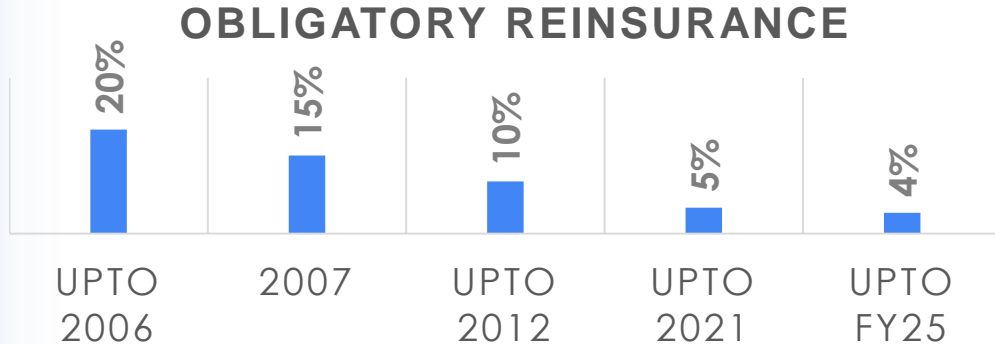
➢ Obligatory Reinsurance has reduced from 20% to 4% in FY23 over more than 12-13 years

➢ SAHI's should be allowed to negotiate RI arrangement

# Cost Leadership

| Tech Upgradation led Productivity increase | Automation & Centralization | Process Re-engineering |
|---|---|---|
| TCS BANCS implemented | Elimination through Automation - Policy print, Claim forms, renewal notice | Implementation and centralization of Procurement System |
| Centralization of Underwriting Function | Consolidation of Branch infrastructure – 75-80 branches | Every Spend negotiated - 5-8% Savings |
| Productivity improvement - ~300 - 350 resources relocation | Centralization of Process, Vendor and Procurement activities - Courier, Record storage, Amazon for Business -Infra products etc., | |
| Migration to Cloud – 96% | **Modernization of Payment Suite** | System generated control on Budgets and Spends |

# Cost leadership -Modernized Payment Suite

Rs crores

## High Cost- Payment Processing

- Commercial/ Corporate Cards
- Personal Credit Cards
- BNPL
- Prepaid Wallet
- Debit Card
- Internet Banking
- Cash and Cheque
- UPI

## Low Cost- Payment Processing

**Convenience fee**

| | Mar-24 | Apr-24 | May-24 |
|---|---|---|---|
| | 0.9 | 1.0 | 1.0 |

**BNPL**

| Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 |
|---|---|---|---|---|
| 10.4 | 15.0 | 34.6 | 11.8 | 14.1 |

**UPI Collection**

| YTD May-23 | YTD May-24 |
|---|---|
| 416 | 763 |

83%
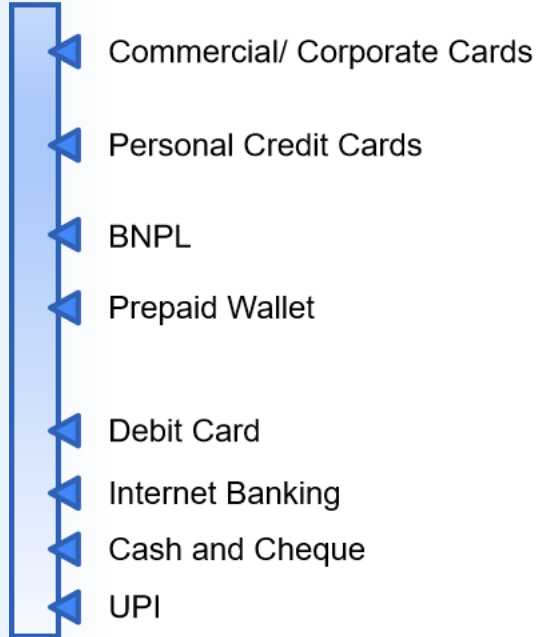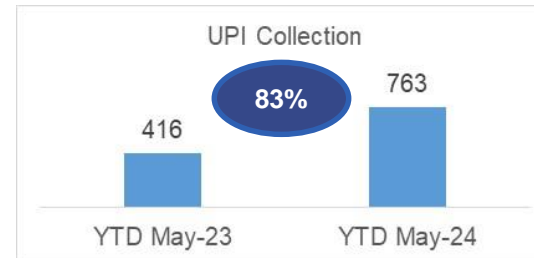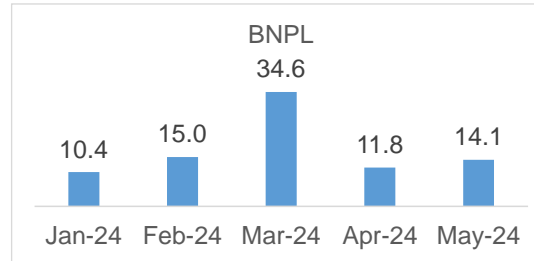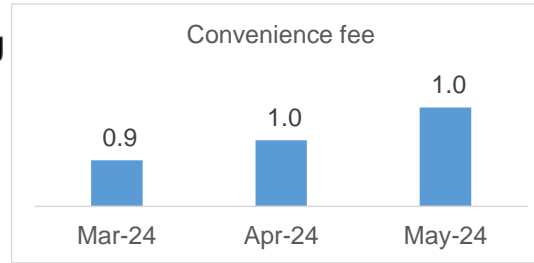
- Credit Card MDR charges reduction from Banking partners
- Charge to the customer
- Reduction in CC collections

- Promote Long term products
- Improve Investment leverage

- **UPI Enabled across all the channels** – Agent Portal/App, Customer Portal, Branch Portal, CRM Renewals
- **Cash and Cheque collection declined by 8%**
- Fast and secure, Improved customer experience and no-cost solution

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Personal & Caring
Health Insurance
The Health Insurance Specialist

Our focus and investments in digital space is continuously growing and generating immense value for our all stakeholders; customers, hospitals, distribution channels and business operations.
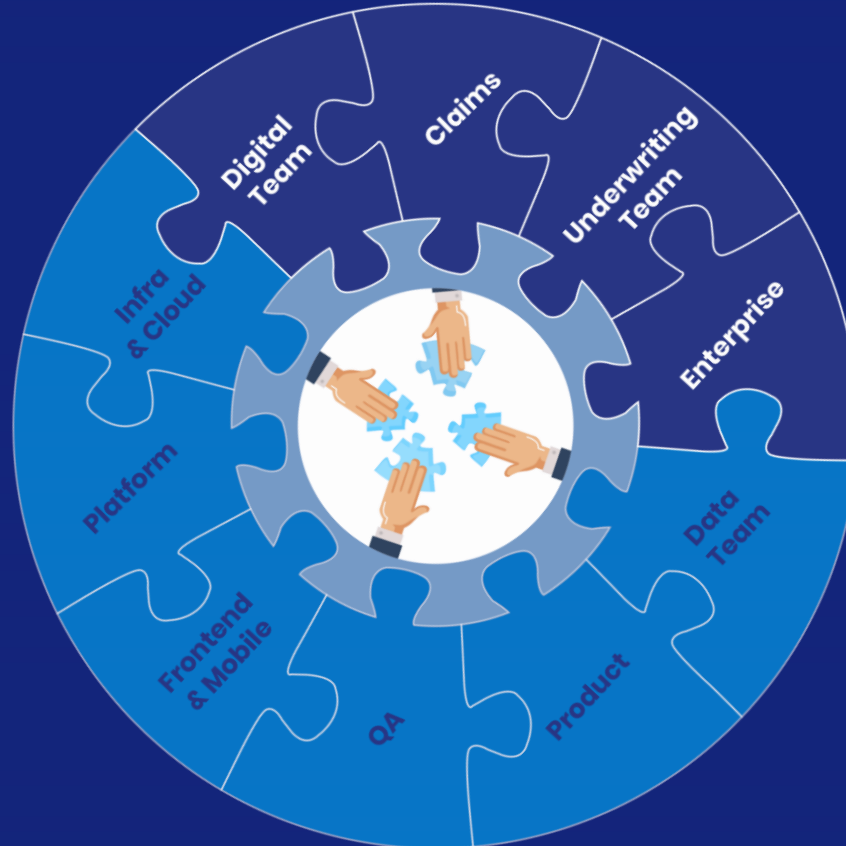
# Cloud, data and API driving the next level of business agility and growth

**STAR** Personal & Caring | Health Insurance

**1**

### CLOUD

- High agility, availability and scalability
- Lower turn around time to experiment
- High visibility and control
- Enhanced security footprint

**2**

### DATA

- Fuel for future growth
- Objective data driven business decisions
- Largest health data records in the industry
- Strong foundation to train and evolve Machine Learning models

**3**

### API

- Monolithic to API driven development
- Highly reusable components
- Segregation of system duties
- Ease of development and scale at granular level

Our Cloud strategy is enabling the business functions to experiment, measure and improvise in no time

Launch fast, Fail faster & Rise

# Cloud & SaaS, an interesting journey well taken since Year 2018

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| 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|------|------|------|------|------|------|------|

**0% Adoption**

Year of cloud strategy building.

What, When & How?

**1% Adoption**

Year of experiments with small and non-critical workloads

Experiment

**10% Adoption**

Year of launch of critical workloads on cloud.

Launch

**10% to 96% Adoption Journey**

Continuous migration of business critical and non-critical workloads on multi-cloud environment

100% cloud native DR and HA

## Cloud Workload

**AWS**
- Agency Sales App
- Customer Portal
- Customer App
- D2C
- Platform API

**Oracle Cloud**
- TCS Bancs (Retail)
- Claims
- Oracle Finance

**Azure**
- Data Lake
- Decision Management

**Data Center**
- Premia

ORACLE CLOUD · aws · Azure

# This journey has resulted into unprecedented business benefits ...

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| **1** | **2** | **3** | **4** |
|---|---|---|---|
| **Agility, Availability & Scalability** | **Lower TAT** | **Observability** | **Inbuilt Security** |

**Agility, Availability & Scalability**
- Ease of deployment and maintenance of workload
- Performance & auto scaling
- Operational excellence

**Lower TAT**
- Enabling business and engineering function to experiment fast
- Keeping business ahead of competition
- Exceeding stakeholder expectations

**Observability**
- Enhanced visibility on workload performance
- Automated monitoring of workloads
- Enabling proactive strategy development

**Inbuilt Security**
- Advanced tools to keep infra & data secure
- High confidentiality & integrity of data
- Controls to identify and act against security events

| TCS Bancs Migration | Document storage volume | Underwriting data volume | Daily claims transactions |
|---|---|---|---|
| **830+ Branches** | **130 TB** | **40+ TB** | **15K** |

# Containerization strategy over cloud brought in great ease in software development and deployment process !

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## Improved Development Process

- Reduction in deployment overhead
- Better control over security risks
- Continuous integrations
- Faster deployments and rollbacks

## Operational Excellence

- Cost effective due to less resource intensive
- Short bootup time
- More containers on existing compute

**1** 20% cost reduction in AWS cloud cost in FY24

**2** Containers enabled us in deployment during business hours with no downtime

**3** Containerized workloads resulted into 0 service outages in FY24

kubernetes        Amazon EKS

# Further leveraging cloud native services to reduce incidents and enhance services reliability

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## CI / CD

- Develop, Integrate and Deploy at ease

- Completely automated process

## DevOps → DevSecOps

- Early threat detection

- Fix before it gets deployed to production

## Auto Scaling

- No need to block and reserve the instances

- Highly optimized cloud setup

- Scale up when needed

1. **40% reduction** in Tech Support tickets

2. Workloads are handling **3X more load**

3. **100% reduction** in security incidents

Jenkins    Prometheus    GitHub    sonarqube

# Cloud & SaaS empowering the D2C sales
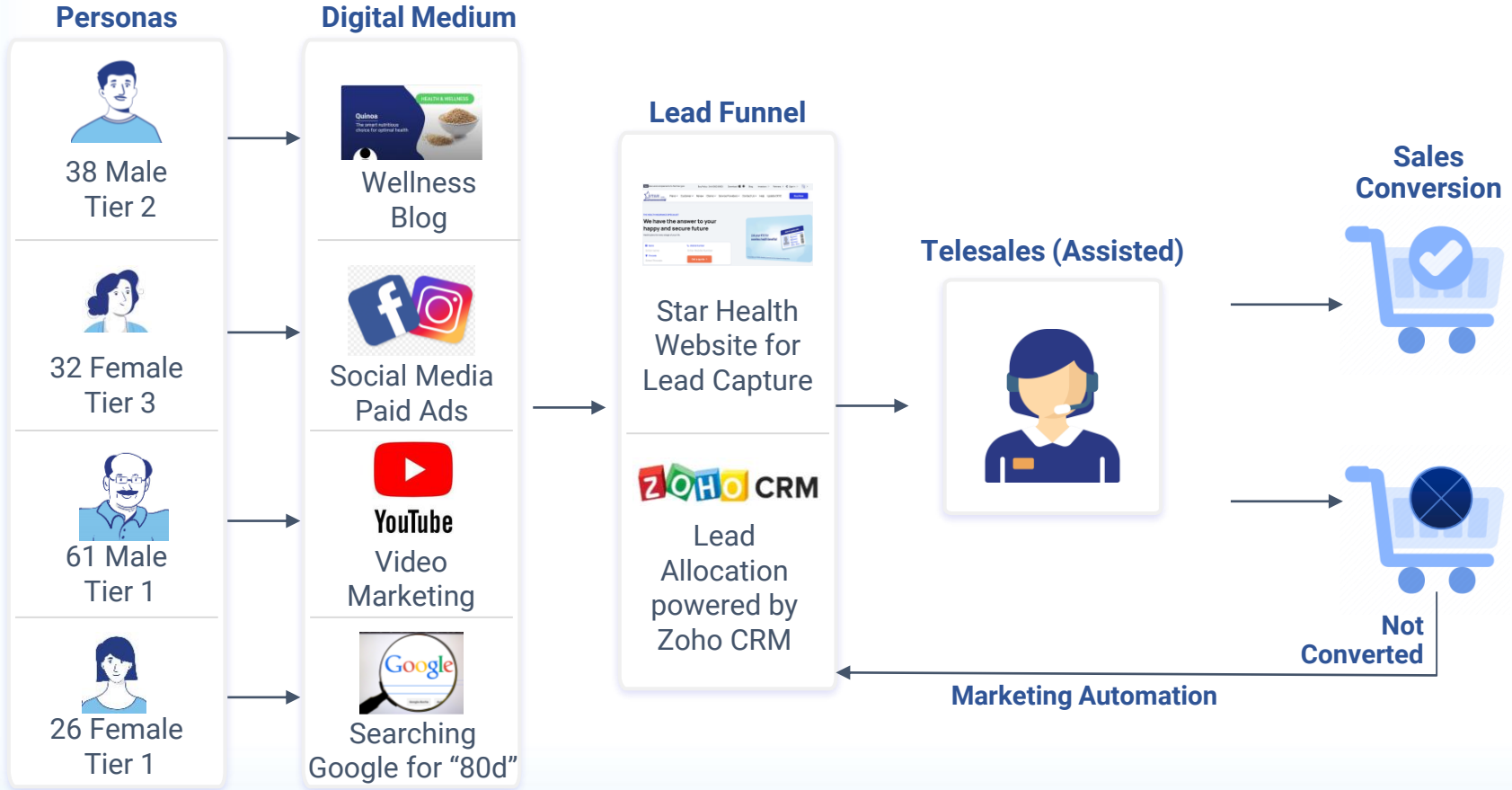


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**Personas**

- 38 Male Tier 2
- 32 Female Tier 3
- 61 Male Tier 1
- 26 Female Tier 1

**Digital Medium**

- Wellness Blog
- Social Media Paid Ads
- YouTube Video Marketing
- Searching Google for "80d"

**Lead Funnel**

- Star Health Website for Lead Capture
- ZOHO CRM — Lead Allocation powered by Zoho CRM

**Telesales (Assisted)**

**Sales Conversion**

**Not Converted**

**Marketing Automation**

# Speed and volume of data generated today is enormous ...

## Internet

## Data

## Landscape

## 2021 To 2024



**1** How much data is generated every minute?    Source: Domo

- **41,666,667** messages shared by WhatsApp users
- **1,388,889** video / voice calls made by people worldwide
- **404,444** hours of video streamed by Netflix users
- **347,222** stories posted by Instagram users
- **150,000** messages shared by Facebook users
- **147,000** photos shared by Facebook users

**2** Estimated Data Consumption from 2021 to 2024    Source: IDC / Statista

- 74 ZETTABYTES (2021)
- 94 ZETTABYTES (2022)
- 118 ZETTABYTES (2023)
- 149 ZETTABYTES (2024)

**3** Data Growth in 2021    Sources: TechJury, Internet Live Stats, Cisco, PurpleSec

- **2 TRILLION** searches on Google by the end of 2021
- **1.134 TRILLION MB** volume of data created every day
- **3,026,626** emails sent every second, 67% of which are spam
- **278,108 PETABYTES** global IP data per month by the end of 2021
- **230,000** new malware versions created every day
- **82%** share of video in total global internet traffic at the end of 2021

Source: https://financesonline.com/

# Our journey of 4 years of data engineering is super enriching and fulfilling …

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| 2020 | 2024 |
|------|------|

**2020**

- Limited Data Source/Points(s)

- Propriety Datawarehouse

- Non-scalable technology

- Initial use cases; De-duplication, fraud detection, entity scoring solution

**2024**

IN-HOUSE AZURE DATA LAKE PLATFORM

INFINITE SCALABILITY

20 + SOURCE APPLICATIONS

LATEST TECHNOLOGY & OPENSOURCE COMPONENTS
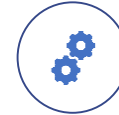
FRAMEWORK BASED INTEGRATION; API, BATCH, FILE

# Data engineering and data science capabilities

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**DATA ENGINEERING**
Data Pipelines, Data transformation and use case based data massaging

**REGULATORY REPORTING & COMPETITIVE BENCHMARKING**
Regulatory reporting & competition analysis
On time reporting, actively collaborating with the regulators

**DATA ANALYTICS & VISUALISATION**
BI Tool, Interactive Dashboarding, Visualizing data & trends.
400+ Dashboards, 10K+ reports viewed/downloaded, 900+ users

**DATA SCIENCE**
AI/ML predictive modelling, Gen-AI use cases & development
Multiple Models in production

**DATA INTELLIGENCE**
Simulations, Forecasting, If/else scenarios, deviation analysis
Scheme simulations, data projections, diagnostic analytics

# End to end digitally assisted journey for renewals ...



IVR voice assisted parallel browsing renewal journey
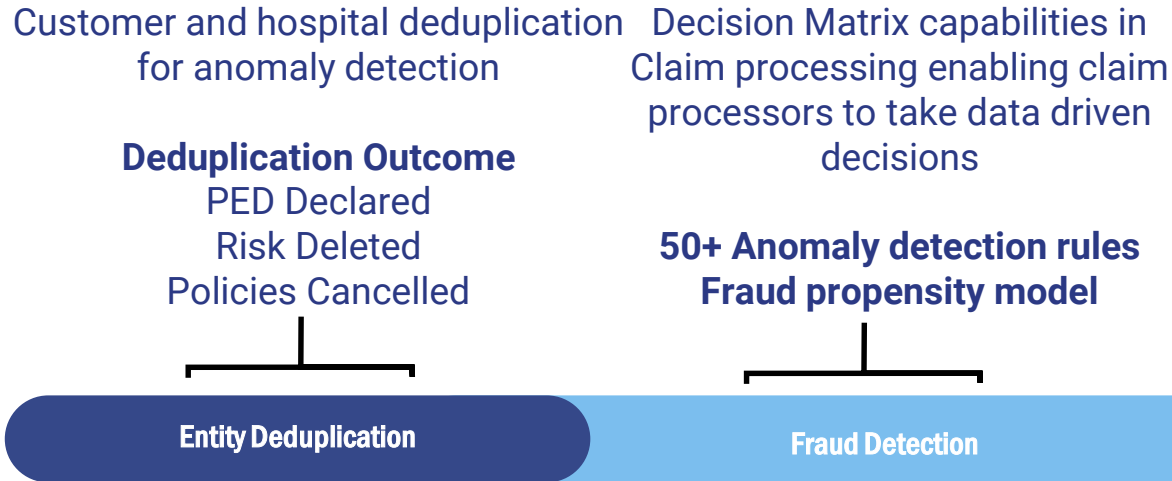
# Machine learning models enabling the sales and operational excellence



**Holistic Claim Score Model**
To predict the likelihood of a claim being denied and determine the appropriate settlement amount

**Heuristic Risk Scoring Model**
To forecast the likelihood of a new policy giving in high-value claims (high risk) in the near future

**Fraud Propensity Model**
Predicts the propensity of the claim to be fraudulent and accordingly guides the adjudicator

**Lapsation Prediction Model**
Predicts the customers who will require a nudge to renew and who are loyal and may require multiple reminders

**Entity Fraud Scoring Model (Hospital, Agent and SM)**
To predict the fraud propensity scores of an entity

**Gen Ai – mail-Ai:**
1. Category and Sub Category Prediction with template generation
2. Automated Email Response
3. Outgoing Email Scoring

API and modern tech
stack is turning out
to be great business
enabler !

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Insurance
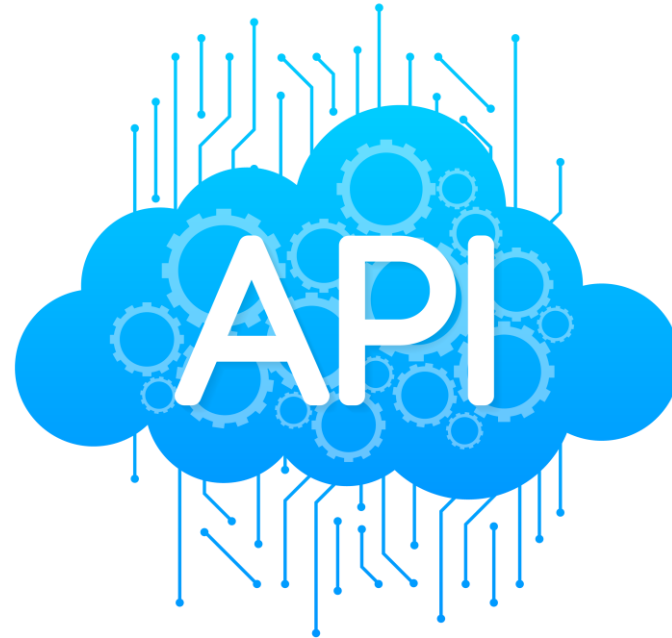
# API supporting the digital ecosystem

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**Ready generic API stack for all Group and Retail Insurance Product**

**Monthly, Quarterly and Half Yearly EMI options via Partner API**

**Multi payment options through Partner API**

## Distribution Capability through API

**Partner API layer for secure integration through Akamai API Gateway**

**Rate limit and multi evel security at Akamai API Gateway**

**Custom Partner API layer enables custom partner logic implementation outside of core**

बैंक ऑफ महाराष्ट्र
Bank of Maharashtra
भारत सरकार का उद्यम

IDFC FIRST Bank

AU SMALL FINANCE BANK

PhonePe    policybazaar.com    InsuranceDekho    NJ Brokers

# ABDM - NHCX Integration (Certification Complete) – API Stack

- Star Health has chosen Claim Book as Hospital Application

- Both Star Health (Insurer/ Payer) and the Claim Book (Provider) has been registered in NHCX platform

- Star customer App live with ABHA Id creation journeys

- NHCX stack is in the process of going live.

**80K**

ABHA Registration
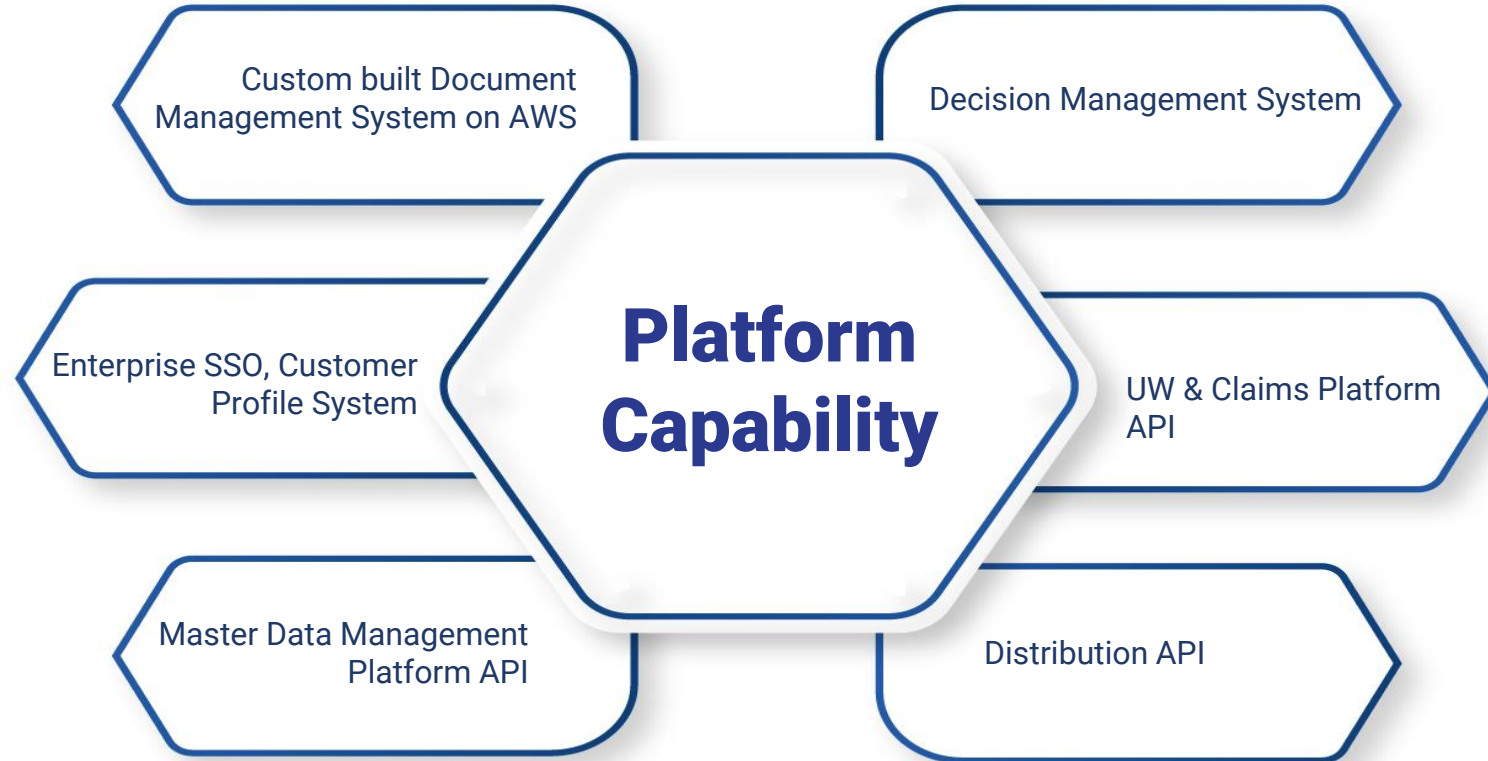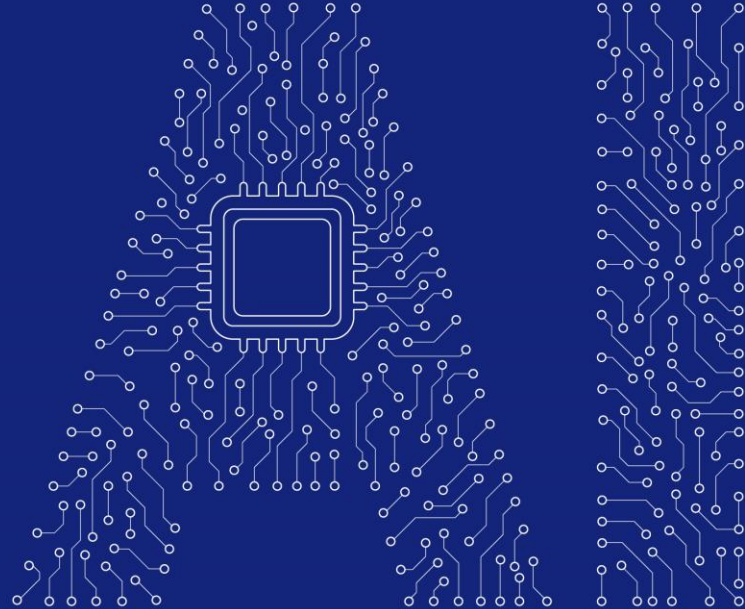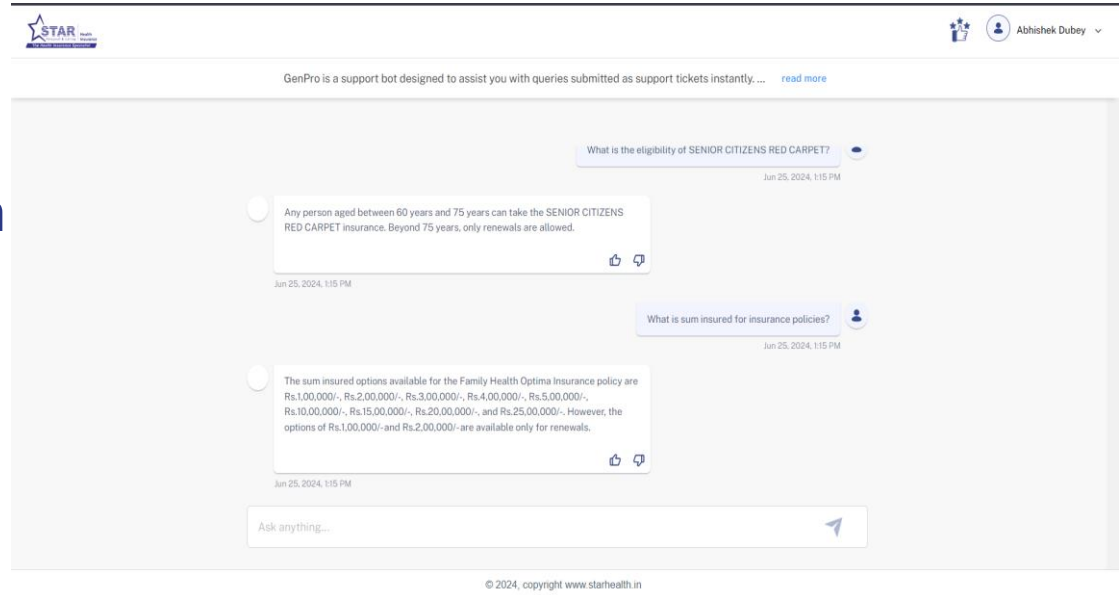
# Star Customer App – AI powered tech for health assessment
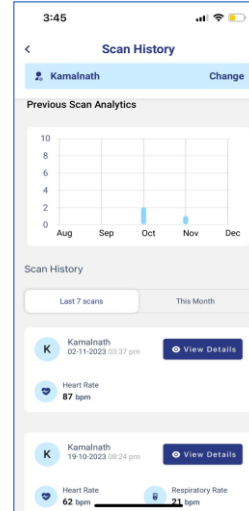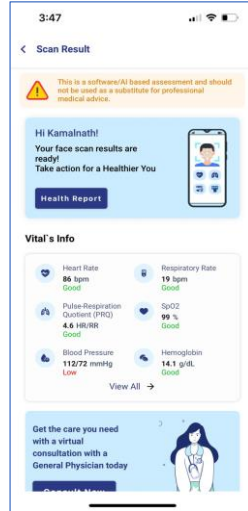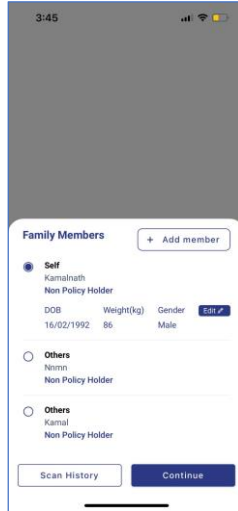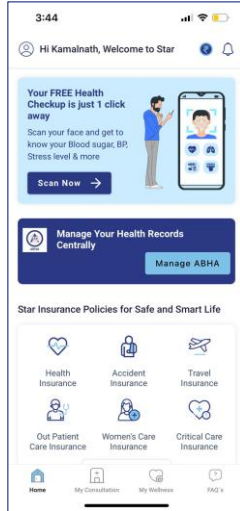


To measure vital health parameters for users and gamify app usage

Configuration settings to limit the usage of Face-scan for customer and non-customer.

Biomarkers include blood pressure, heart rate, oxygen saturation, breathing rate, sympathetic stress, parasympathetic activity, pulse-respiration quotient (PRQ), and Wellness Score.
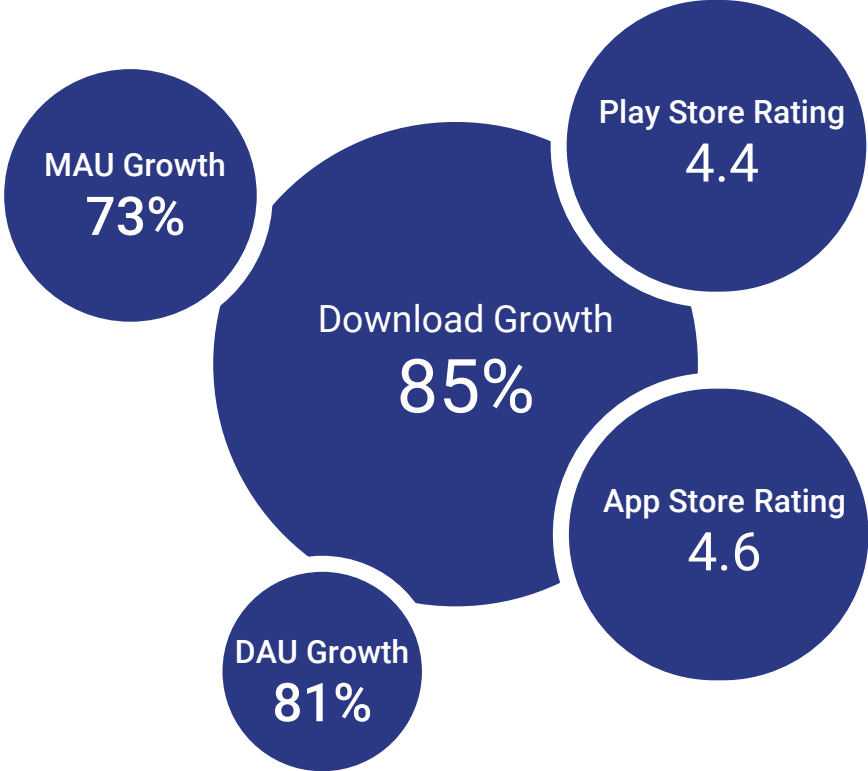
Monthly Scan
40K+

Total Scan
1.25 Lac

Star Customer App

**D2C Business Enablers**

# Thank You