

**Date: February 11, 2022**

**Place: Chennai**

To,  
The Manager  
Listing Department  
BSE Limited  
Phiroze Jeejeebhoy Tower  
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.  
Scrip Code: STARHEALTH

Dear Sir/ Madam,

**Sub: Investors and Analyst conference call presentation - December 31, 2021**

Further to the Company's letter dated February 7, 2022 and February 8, 2022 giving intimation and the pre-registration link for the Conference Call, please find enclosed the Investor presentation on performance of the Company, to be made to the Investors and Analysts on Saturday, February 12, 2022 for the nine months and quarter ended as on December 31, 2021.

This is for your kind information.

Thanking You,

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





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



# 9M FY2022 PERFORMANCE REVIEW

February 2022



# Agenda

- 1 Our Strategy
- 2 Performance Update
- 3 Industry Overview
- 4 ESG: Strategy and Implementation Areas

# Agenda

- 1 **Our Strategy**
- 2 Performance Update
- 3 Industry Overview
- 4 ESG: Strategy and Implementation Areas

# Key pillars of our Strategy

## 1 Leadership in Retail Health

32%+ Retail Health Insurance Market Share

INR ~78 billion GWP with 27% growth Y-o-Y

## 2 Well Spread Distribution Network

25% CAGR in no. of agents since FY19 to 0.53 million

786 Branches

## 3 Investment in Technology

61% premium value issued digitally

INR 3.3bn GWP acquired from online channels

## 4 Diversified and Specialized Product Suite

Specialized Products Contribute 13.5% of Star Health's total retail health GWP

## 5 Focus on Risk Management

12k+ Network Hospitals

63% claims processed through ANH

## 6 Superior Operating Performance

Solvency Ratio at 1.80x

Best-in-class Opex/GWP Ratio of 16.6%

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# Key Performance Indicators (1/2)

Particulars	Fiscal Year Ended March 31,		Nine Months Ended December 31,	
	2020	2021	2020	2021
(INR millions, unless otherwise stated)				
GWP	68,651.4	93,885.4	61,267.2	77,743.2
Period-on-period growth of GWP	27.1%	36.8%	40.4%	26.9%
Retail Health Renewal Premium Ratio	94.5%	97.9%	98.0%	93.0%*
Number of agents (in '000s)	360.6	463.5	434.6	534.3
Number of hospitals in network (in actual number)	9,964	10,871	10,414	12,202
Investment Income	2,935.3	4,236.8	3,007.0	6,129.9
Investment Yield	7.6%	7.1%	7.3%	9.0%
Net worth	18,888.0	34,846.3	33,316.5	45,856.2
Return on equity	15.6%	-40.4%	-5.4%	-24.2%

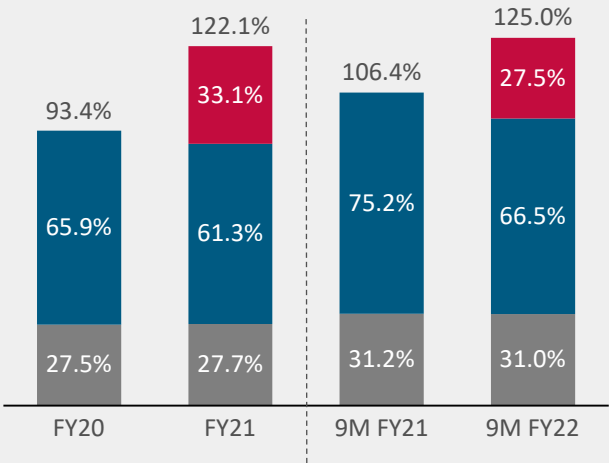
**\*95% in 9M FY22 excluding COVID specific policies**

*Return on Equity = Profit After Tax/Average Net Worth*

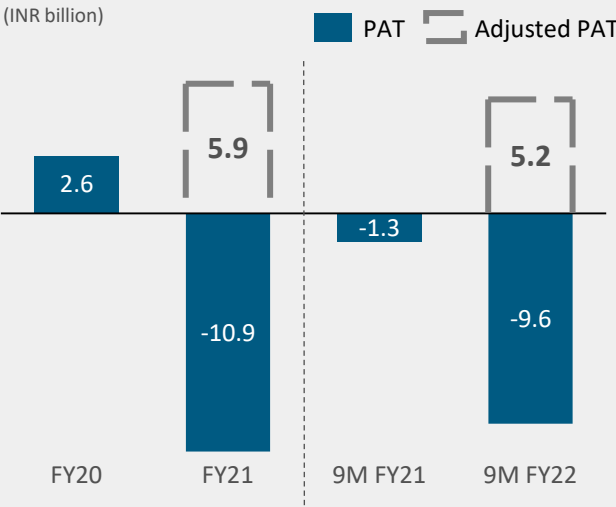
*Note: FY2020 and 9M FY2021 numbers are basis 50% URR method; FY2021 and 9M FY2022 numbers are basis 1/365 URR method*

# Key Performance Indicators (2/2)

Claim, Expense and Combined Ratio



Profit After Tax (PAT)



■ Adjustment impact  
 ■ Adjusted Loss Ratio  
 ■ Expense Ratio

Note: Adjustments for FY21 excludes impact of exit from VQST reinsurance, clean cut URR, change in URR accounting to 1/365 basis, exceptional COVID -19 claims impact, One time expenses (Sweat Equity, Intangibles – IT Software, Provision for Doubtful Debts (RSBY) and Goodwill Gesture Scheme); Adjustments for 9M FY22 excludes COVID-19 claims impact

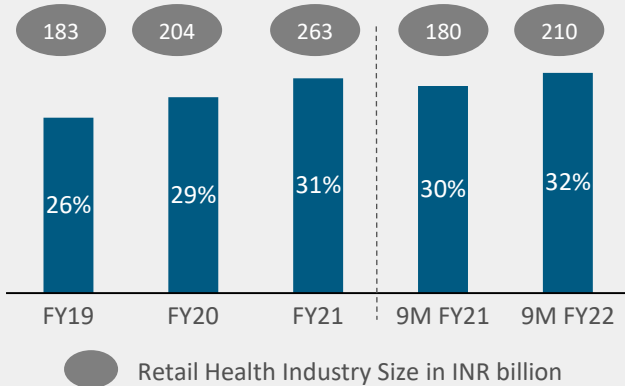
Note: FY2020 and 9M FY2021 numbers are basis 50% URR method; FY2021 and 9M FY2022 numbers are basis 1/365 URR method





# 1 Leadership in Attractive Retail Segment

Retail Health Market Share



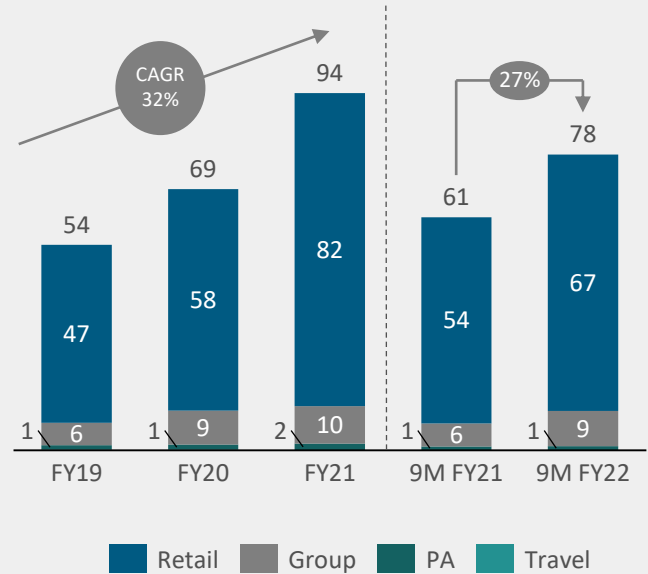
Retail Health Accretion Market Share , 9M FY22

**43%**  
Accretion  
Market Share

**~1**  
Out of 2 policies  
sourced

Gross Written Premium

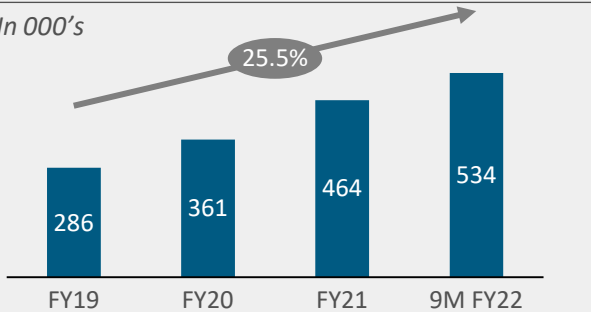
(INR billion)



## 2 Largest and Well Spread Distribution Network

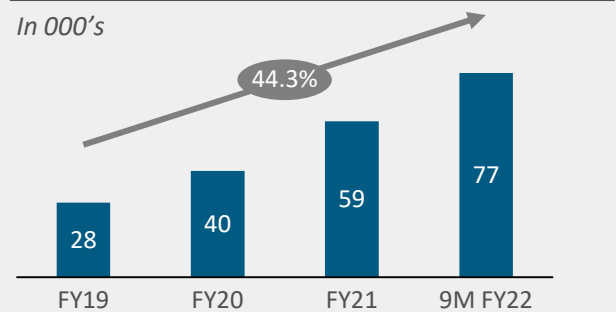
Total Agency Force

In 000's



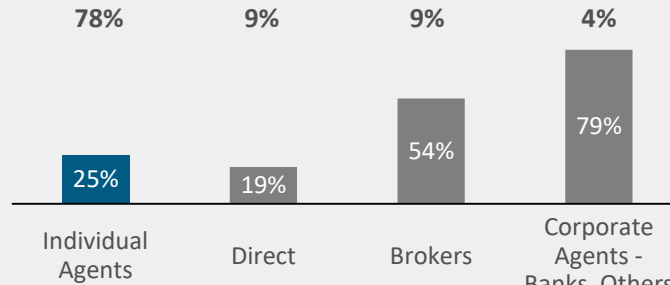
Sponsored Health Agency Force

In 000's



Channel wise Growth, 9M FY22

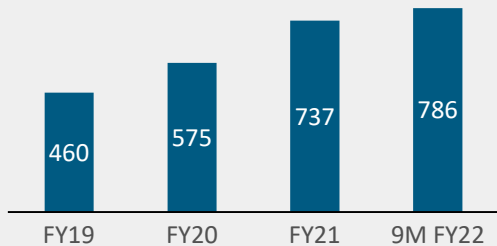
9M FY22  
Channel Mix



## 2

# Extensive Footprint and Alternate Distribution Channels

## Extensive Branch Network

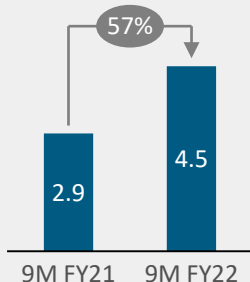


Well distributed footprint across  
enables Pan-India growth

## Focus on SME Group Sales

INR billion

**46%**  
SME  
contribution



## Partner Integration



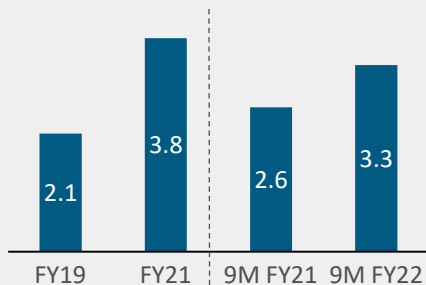
### New Partnerships



### 3 Impressive Digital Growth

#### Online Acquisition

GWP acquired through online channels, INR 'billion



29%  
Growth



#### Hyper-personalization

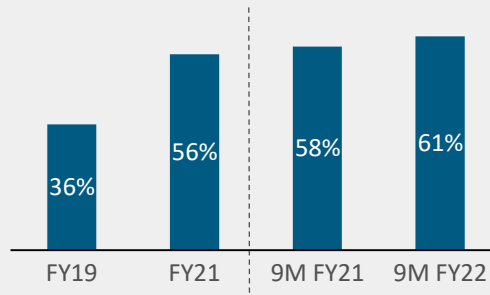
STAR POWER - personalized single channel customer self-service application

1.2mn

Customer App  
downloads

#### Digital Issuance

% of premium collection



#### Digitizing Customer Acquisition

STAR ATOM agents app had 0.4mn  
downloads

## 4

# Diversified and Specialized Product Suite

## Key Products



Star Cancer Care Policy



Star Senior Citizens Red Carpet Health Insurance Policy



Star Cardiac Care Policy



Young Star Policy

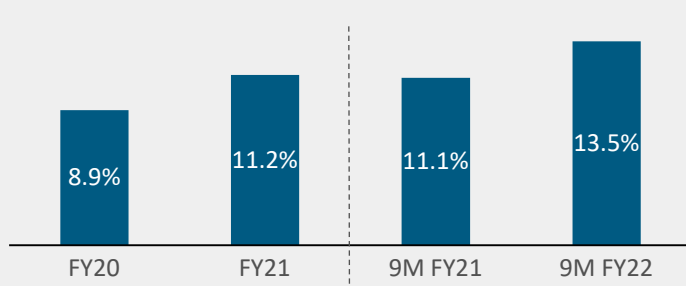


Star Diabetes Safe Policy



Star Super Surplus

## Retail Premium Mix for Specialized Products (%)



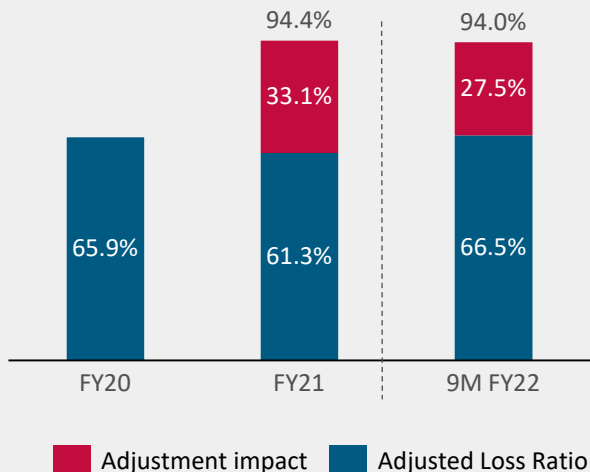
### Innovative Policy Coverage:

- Air Ambulance Cover
- Bariatric Surgery
- Transplantation
- New Born Cover / ART
- Rehabilitation / Hospice Care

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

# 5 Strong Domain Expertise Driving Superior Claims Ratio

Net Incurred Claims Ratio<sup>(1)</sup>



## Increasing Sum Assured



## Fraud Analytics



## Centralised Medical Underwriting



## Higher share of Agreed Network Hospitals



Note: Adjustments for FY21 excludes impact of exit from VQST reinsurance, clean cut URR, change in URR accounting to 1/365 basis, exceptional COVID-19 claims impact; Adjustment for 9M FY22 excludes COVID-19 claims impact

Note: (1) Net incurred claims ratio is defined as net incurred claims divided by net earned premium.

Note: FY2020 and 9M FY2021 numbers are basis 50% URR method; FY2021 and 9M FY2022 numbers are basis 1/365 URR method

## 5 Extensive Claims Processing and Network Negotiation

7+mn

Claims Settled  
Since Inception<sup>(1)</sup>

87%

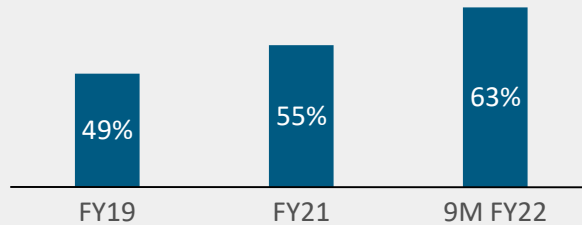
Cashless  
authorization < 2 hr

6 lakh

Total Tele-  
Consultations

Increased ANH<sup>(2)</sup> Share...

Proportion of total cashless claims



12K+

Network  
Hospitals

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



### Intelligent Automation

'Twinkle Bot' to drive customer engagement  
Nurture Service Providers who follow best practices



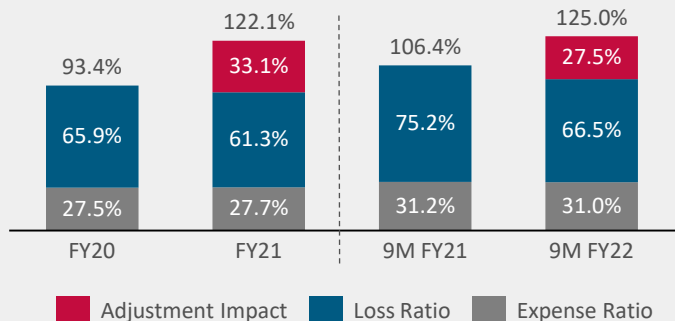
### Tele-Consultation & Wellness

TALK TO STAR reduces claims costs by helping with second opinions as well as alternative medical solutions

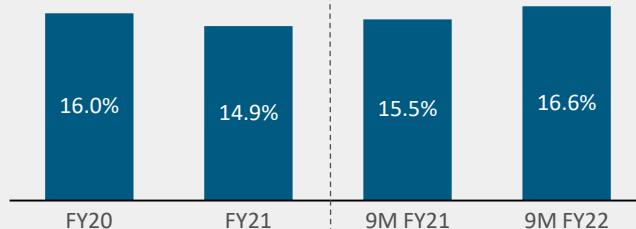
Note: (1) Data as of December 31, 2021 (2) ANH refers to Agreed Network Hospitals with better negotiated package based pricing.

# 6 Financial Performance

## Combined Ratio

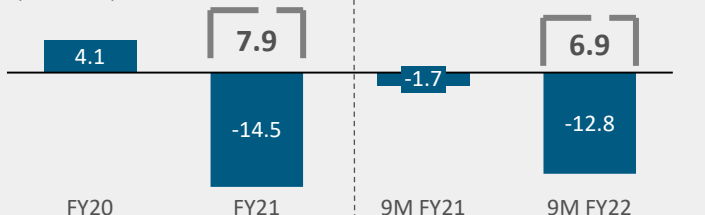


## Opex/GWP Ratio



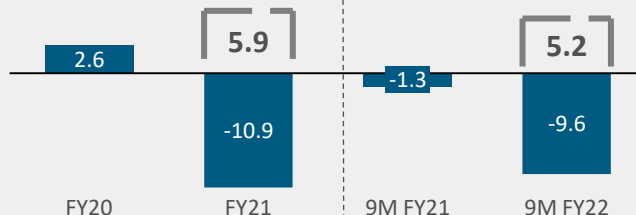
## Profit Before Tax (PBT)

(INR billion)



## Profit After Tax (PAT)

(INR billion)



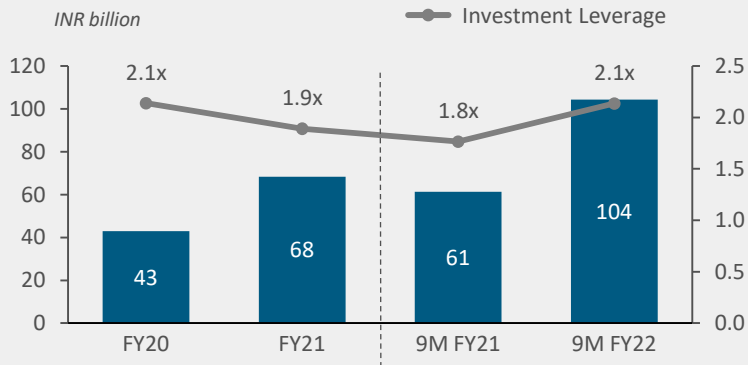
Note: Adjustments for FY21 excludes impact of exit from VQST reinsurance, clean cut URR, change in URR accounting to 1/365 basis, exceptional COVID-19 claims impact, One time expenses (Sweat Equity, Intangibles – IT Software, Provision for Doubtful Debts (RSBY) and Goodwill Gesture Scheme); Adjustments for 9M FY22 excludes COVID-19 claims impact

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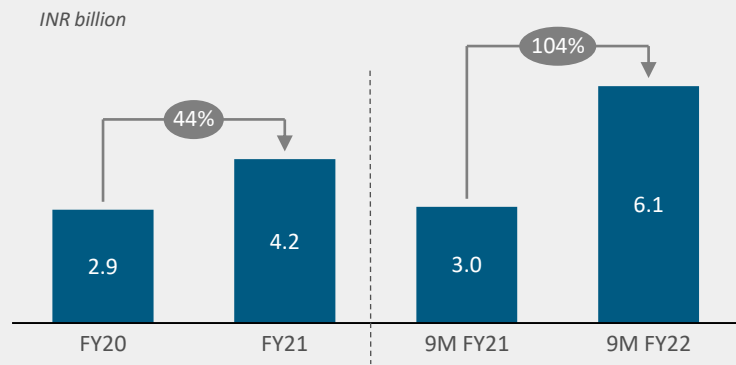


# 6 Robust Investment Performance

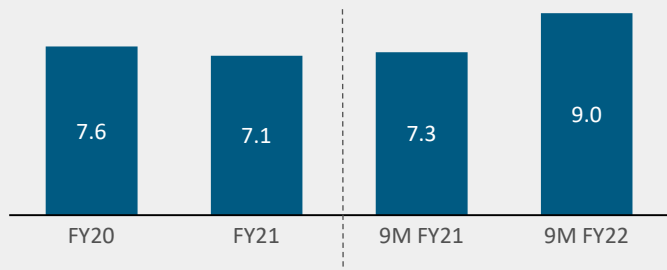
## Total Investments Assets



## Investment Income



## Attractive Returns...



## ...with fixed income portfolio

**79+%**  
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

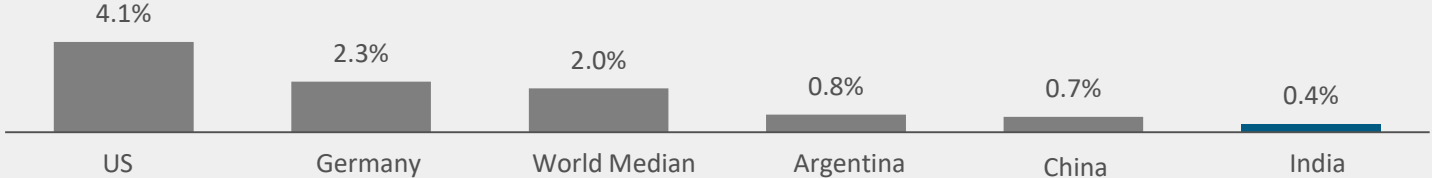
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# Indian Health Insurance: Highly Underpenetrated and Growing

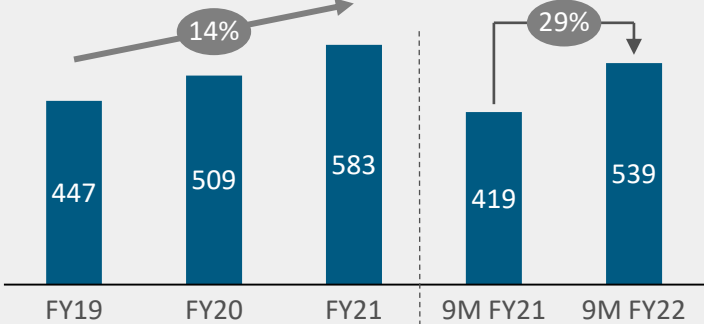
## Health Insurance Penetration<sup>(1)</sup>

Gross direct premium as % of Nominal GDP - 2019



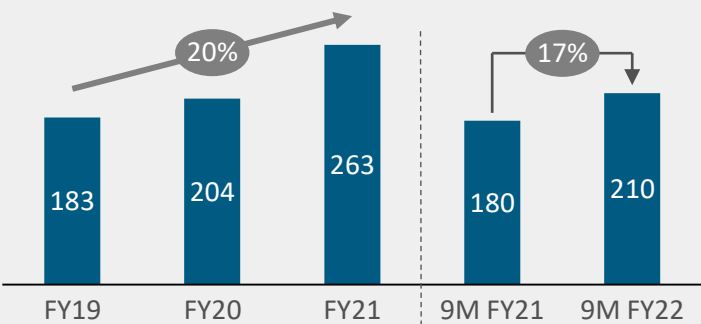
## Overall Health Insurance

INR billion



## Retail Health Insurance Market

INR billion

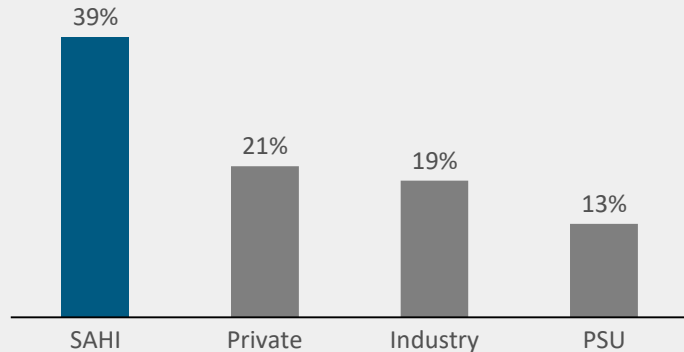


Source: OECD Data

# Standalone Players Continuously Gaining Share

## SAHIs leading Industry Growth

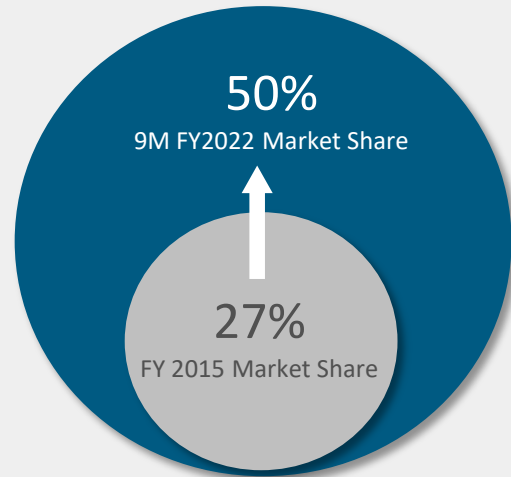
CAGR between FY15-21



- *Single product focus to better cater customer requirements*
- *Strong focus on underpenetrated and profitable retail business*
- *Open architecture allowing banks/ other corporate to partner with three SAHI's insurers*

## Due to Focus on Retail Health

% Market Share of Retail Health Insurance



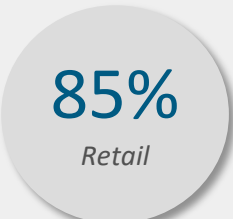
Note: PSU refers to Public Sector Undertaking or Public Sector Insurance Companies.  
SAHI refers to Standalone Health Insurance

# Retail Health Insurance: Most Attractive Segment

## Lowest Claims Ratio

Industry Claims ratio, FY20


Industry Claims ratio, FY21  
with COVID impact



## ...in Addition to




More Convenient than Corporate Plans




Higher Growth Rate



Increasing Penetration




Rising Customer Awareness



Improving Digitization



High Renewal Rate



Higher Premiums Upon Renewal

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# ESG: Strategy and Implementation Areas



Health Insurance is a Social business protecting Health and Wealth of Customers

## Strategic Pillars of ESG

### Environment

Undertake initiatives to contribute to creating a more sustainable environment

### Social

Consistent work in areas of Healthcare, Education, Skill development and Employee welfare

### Governance

To operate the business in Transparent, Compliant and Secured manner for the benefit of stakeholders

# ESG: Strategy and Implementation Areas



## Environment

### Energy and Water Saving

- LED lighting and energy efficient AC installations
- 3/5 star rated appliances with regular maintenance
- Sensor based taps and Urinals to save water

### Waste Management

- E-Waste disposal through Govt. certified vendors
- Segregating Dry and Wet waste

### Digital Initiatives

- Digital on-boarding of Customers
- Double side printing configured
- Travel reduction through virtual meetings



## Social

Offering free telemedicine services for non-communicable diseases

Providing food to underprivileged persons in various states across India

Provided personal protection equipment to the medical staff treating COVID-19 patients at government hospitals

COVID-19 training and masks to our employees and others in the community

New Cancer treatment initiative with St. Judes Child Care Centers; Health and Accident coverage provided to at least 500 children annually

Promote diversity and inclusion at all levels; Anti sexual harassment policy and an equal employment policy



# ESG: Strategy and Implementation Areas



## Governance

### Board Structure

50% - Independent directors

2 Women independent directors

Evaluation framework for directors

### Data /Cyber Security

Enforcing leading practices and controls through effective Cyber security Policy and Framework

### Risk Management

Risk based internal audit framework & Risk management policy with oversight of Board and BRMC covering Financials, Operational and reputational risk

### Business Ethics

Whistle blowing

Anti-money laundering & compliance

Acceptance of Gifts

Insider trading code

**THANK YOU**



# Glossary

Particulars	
FY	Financial Year
GWP	Gross Written 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