



Star Health FY23 Snapshot

Market leadership



INR 13.0K Cr

Gross Written Premium



92%¹

Retail Portfolio Mix



34%

Retail Market Share

Service Capabilities



6.3L

Agency force



14,200+

Network Hospitals



835

Branches

1. Includes Travel and PA

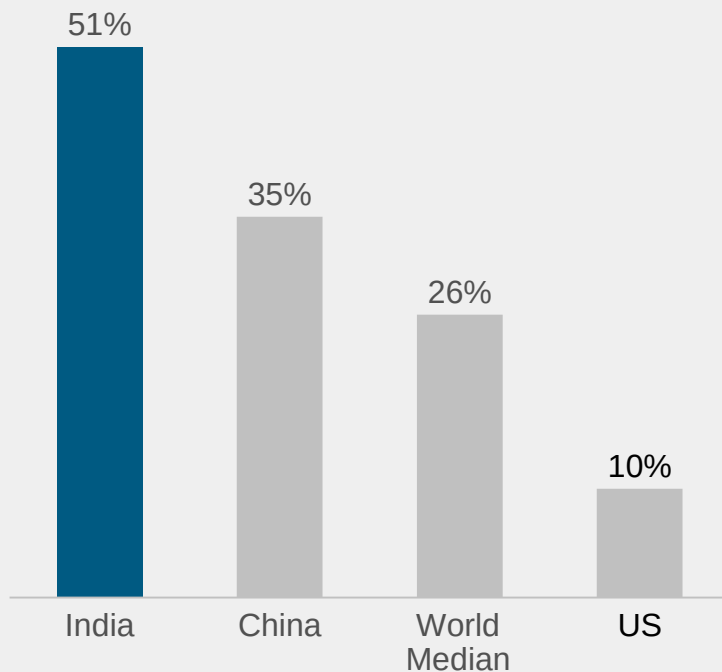


- 1 Industry Landscape
- 2 Company Overview
- 3 Financial Performance
- 4 Digital Initiatives
- 5 ESG

Health insurance highly underpenetrated industry

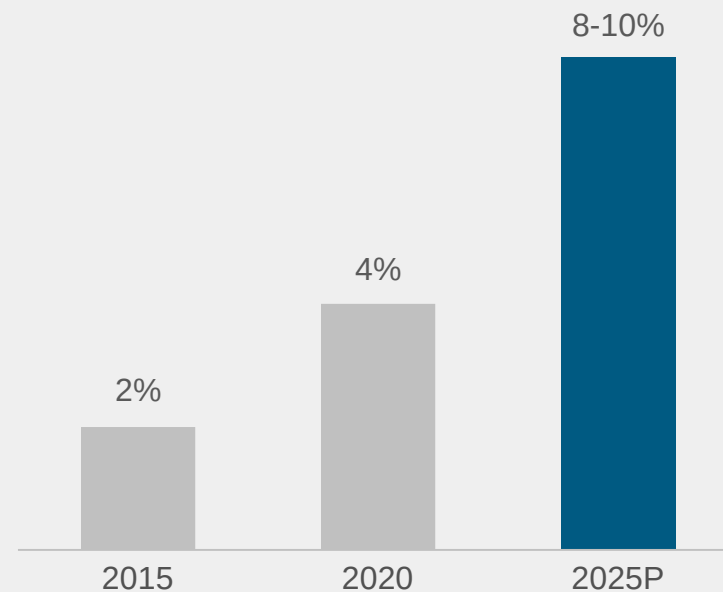
India health out-of-pocket expenditure remains high...

Healthcare expenditure, % medical spend self financed¹



... with substantial room for growth

% of households covered by retail health insurance²

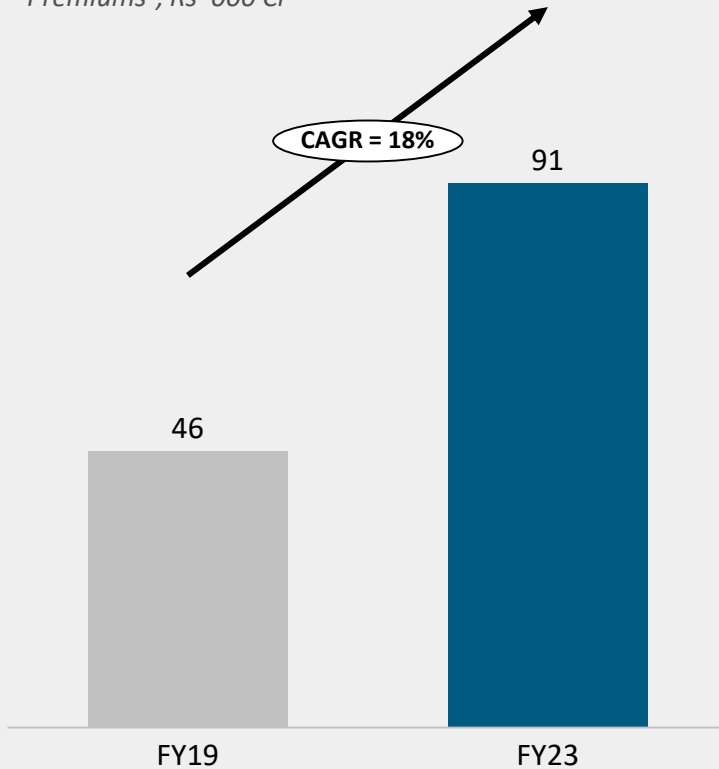


1. Source: WHO, FY20
2. Source: IRDAI Annual Reports, Niti Aayog

Health insurance growing rapidly, retail growth in line

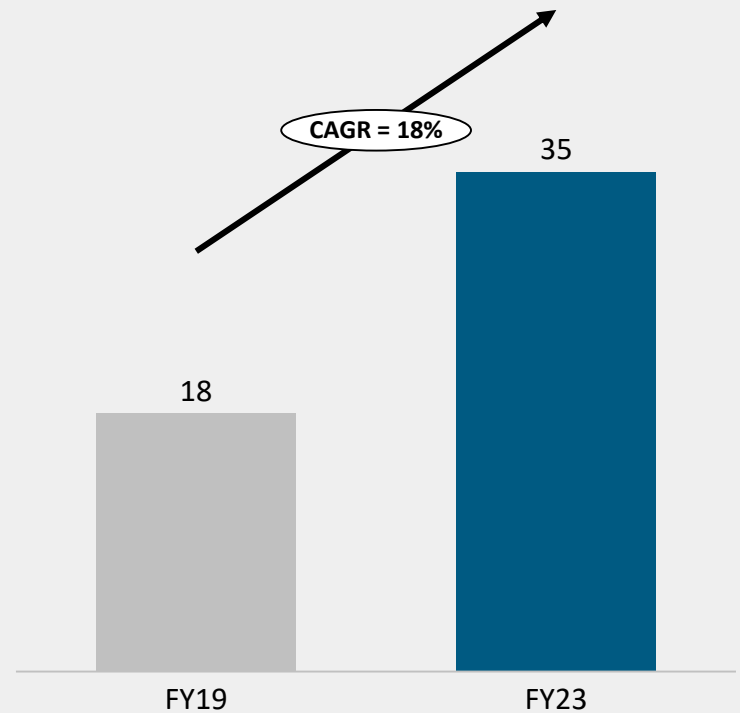
Overall health insurance market

Premiums¹, Rs '000 Cr



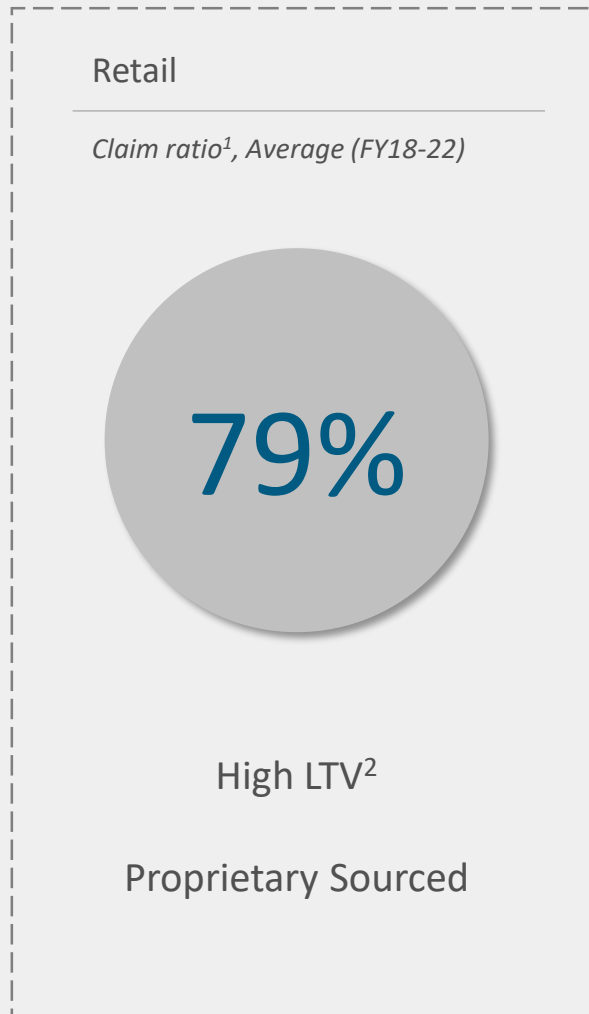
Retail health insurance market

Premiums, Rs '000 Cr



1. Excluding PA

Retail health most attractive segment



Group

Claims ratio¹, Average (FY18-22)



Tactical

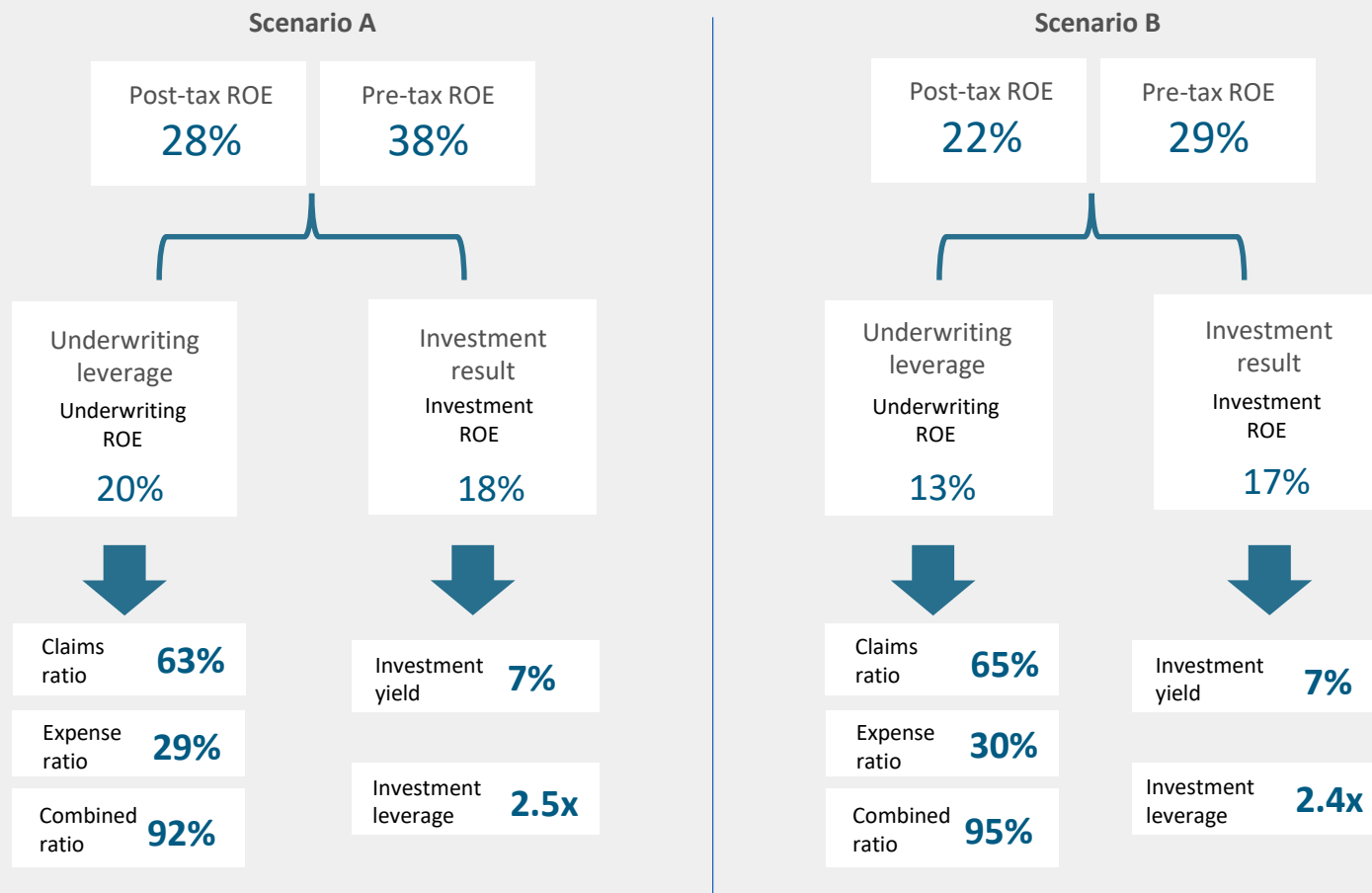
Broker Led

Cut-throat Pricing

1. Industry claims ratio

2. Life-Time Value

Attractive long-term retail segment economics



Note: Assumed solvency = 2.0 in all scenarios. On underwriting year basis i.e. NWP=NEP

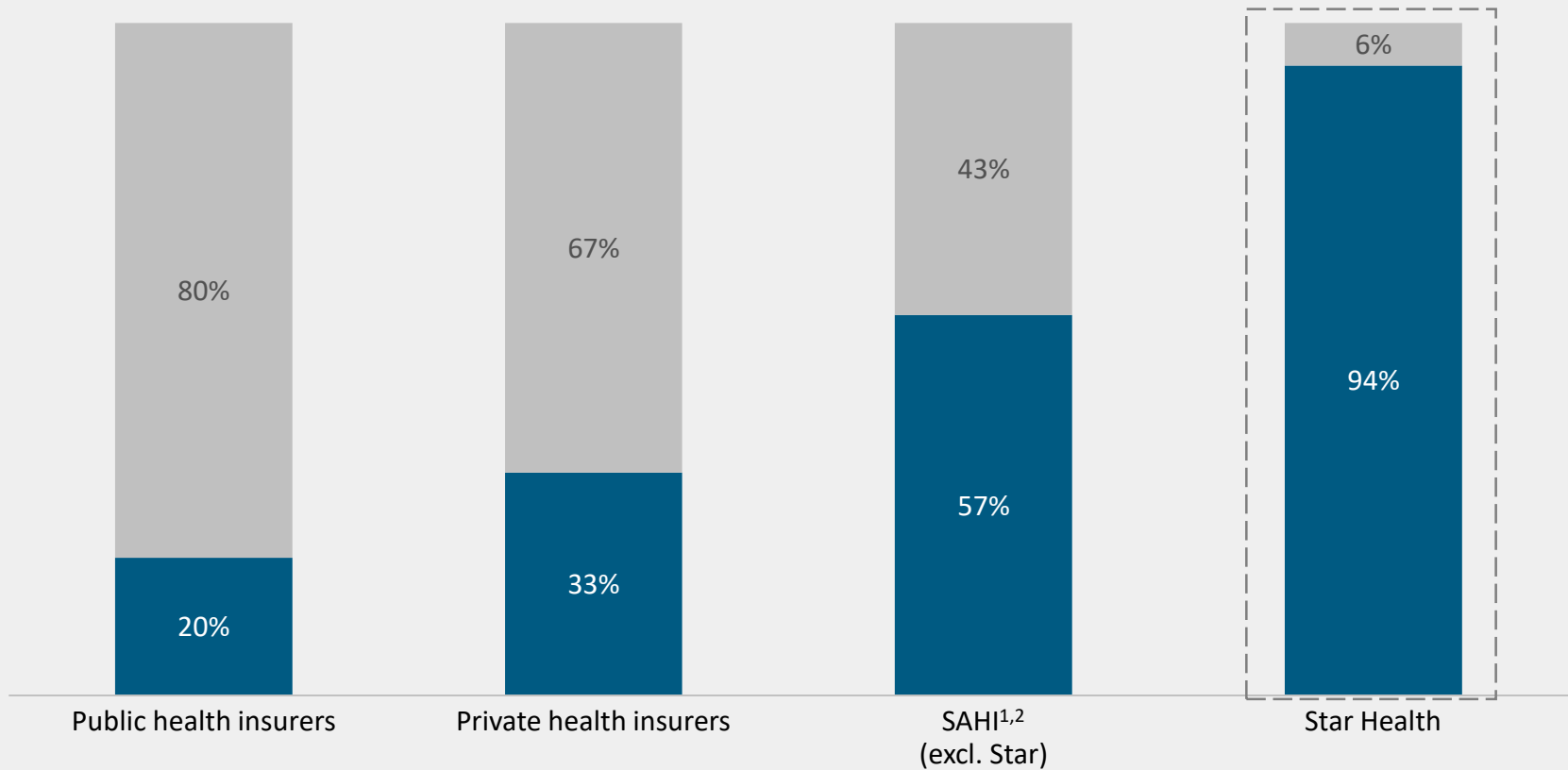
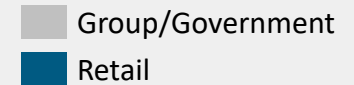


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Star has highest retail share of GWP

Premium mix

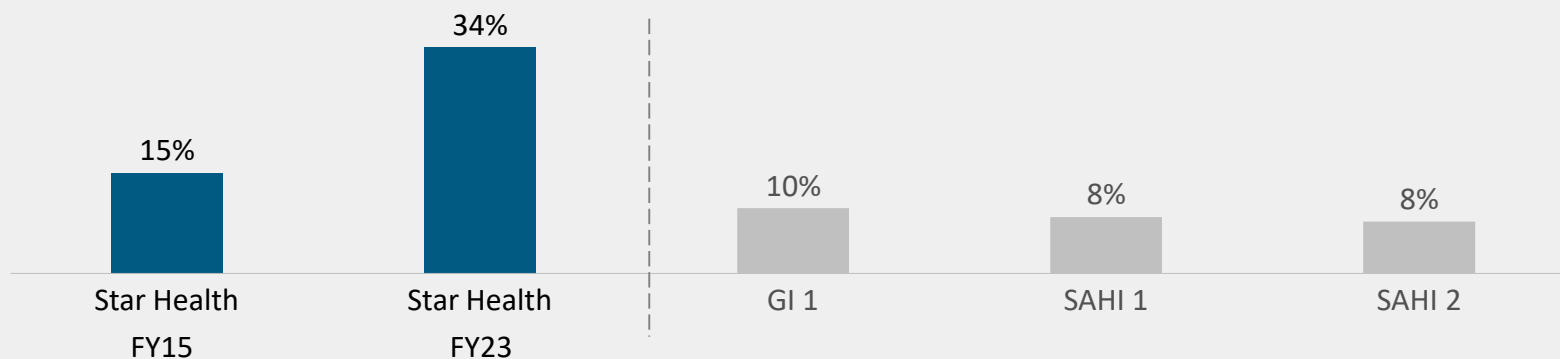
GWP share by retail / non-retail, FY23



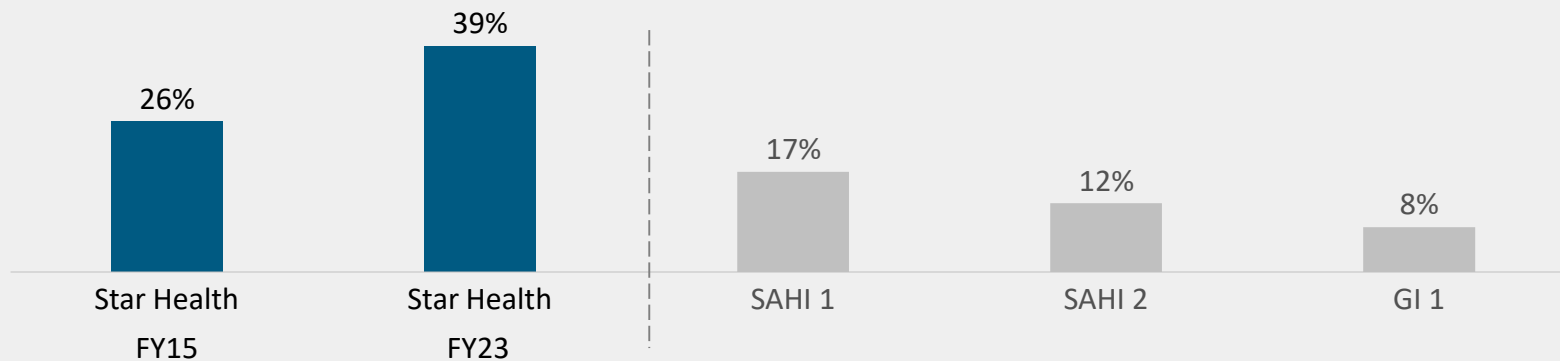
1. SAHI – Stand-alone Health Insurers
2. Travel and PA not included

Dominant leader, gaining share

Retail health market share



Retail accretion market share



Note: SAHI – Stand-alone Health Insurers, GI – General Insurers

Best placed to further strengthen leadership

Health insurance requires assisted channel

*Agency sourcing share (% of retail GWP), FY22
Industry*

71%

Frequent agent involvement for:

- Upsell SI/benefits
- Claims assistance

Star well-positioned with excellent distribution



~6.3L Agents

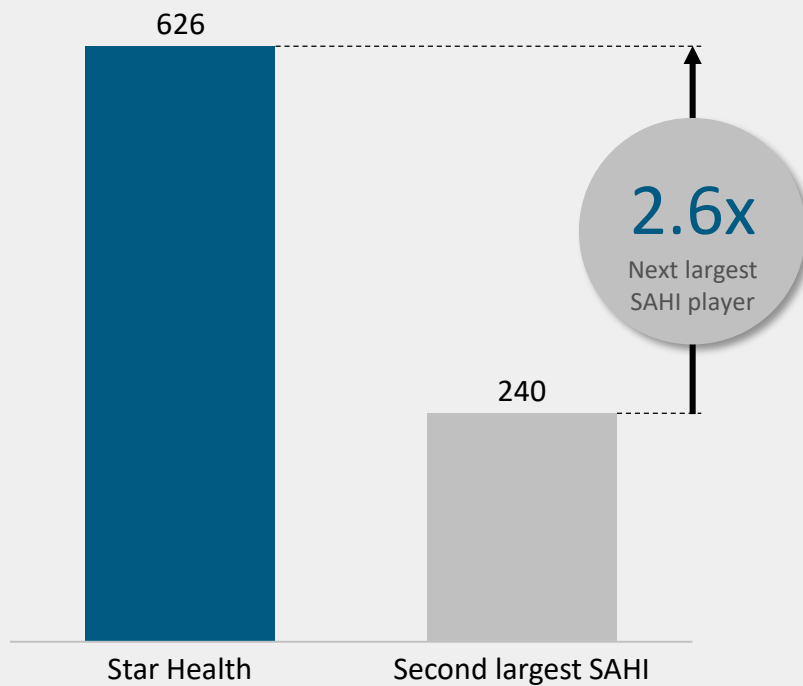


835 Branches

Extensive agency force – 3x larger than the next

Largest agency force

Number of Agents, '000 (FY23)



Agency care cell

Intensive training

Supports
agency
growth

Reward schemes

Renewal trail

Claims assistance

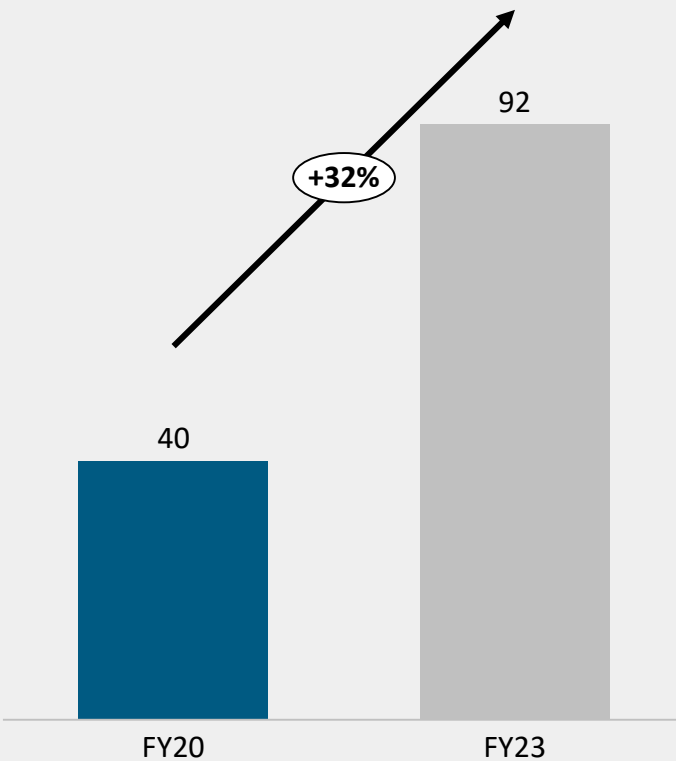
Promotes
agent
stickiness

Note: FY23 agency productivity is higher than other SAHIs

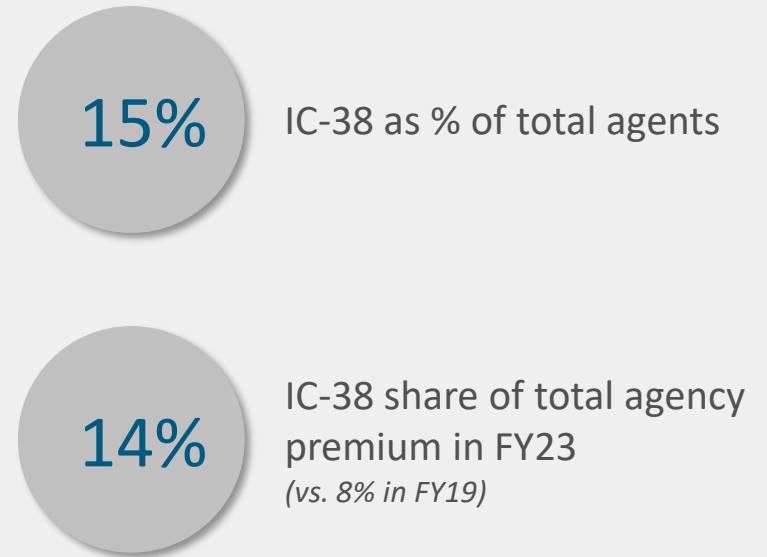
Expanding Distribution via Exclusive Agency Force

Expanding exclusive agency force (IC-38)

Number of Agents, '000



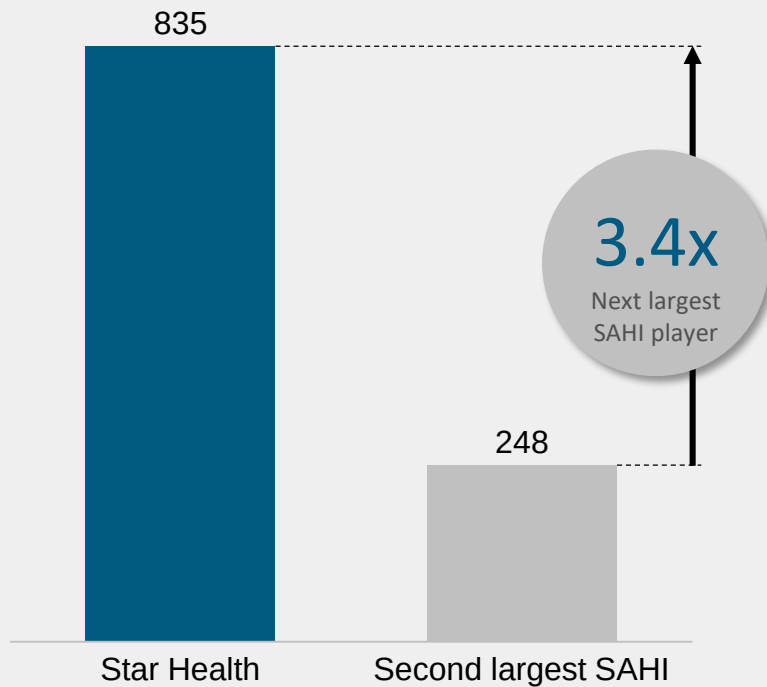
...Resulting in rising contribution



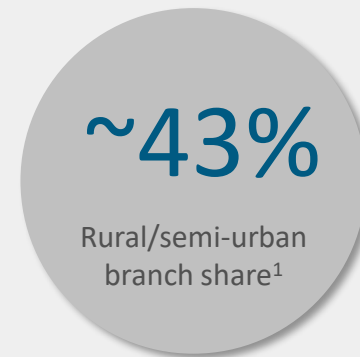
Largest branch network – 3x larger than the next

Dominant branch network

Number of branches, FY23



Only insurer in rural / semi-urban



Industry first

Next decade growth driver

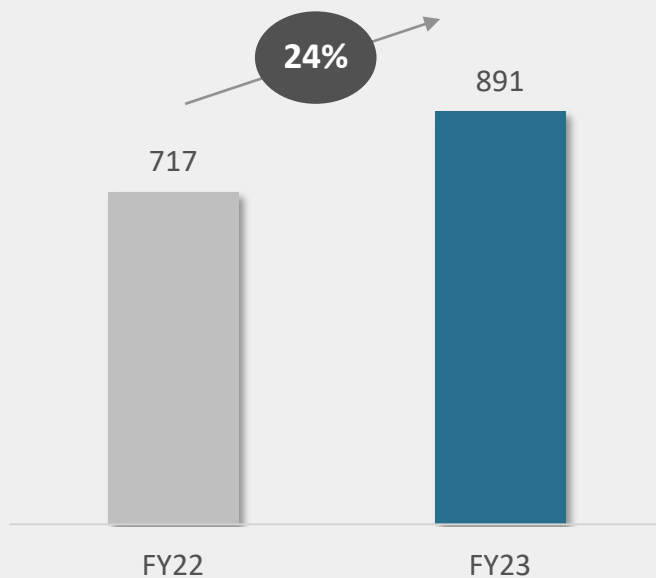
Better profitability

1. Based on RBI's classification into rural, semi-urban, urban and metro

Strong Digital and Banca Channel Growth

Digital Business Growth

GWP from Digital Channels (INR Cr)



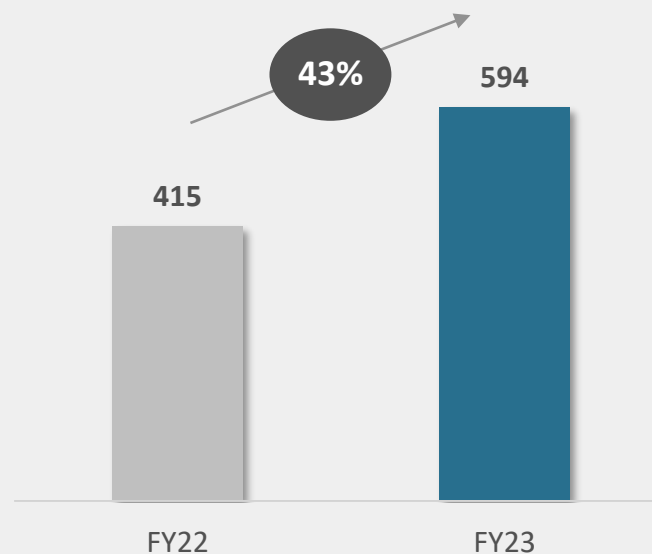
% of GWP

6.3%

6.9%

Banca Business Growth

GWP from Banca Channels (INR Cr)



3.6%

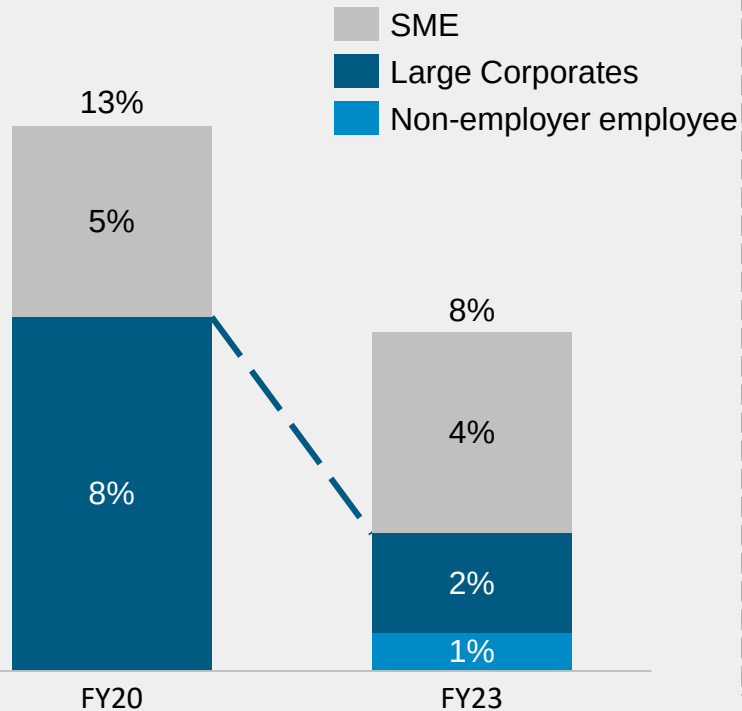
4.6%

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

Strategic exit from large corporate group business

Declining large corporate group share

Group business as % of total GWP



Continued SME focus given attractive dynamics



Lower claims ratio



Better pricing



Distribution led

Star pioneered In-house claims processing

9 Mn+

Claims settled since inception

96%

Claims settled within 30 days

90%

Cashless authorization < 2 hrs.

In-house processing cost < TPA

480+ medical professionals

Robust fraud controls

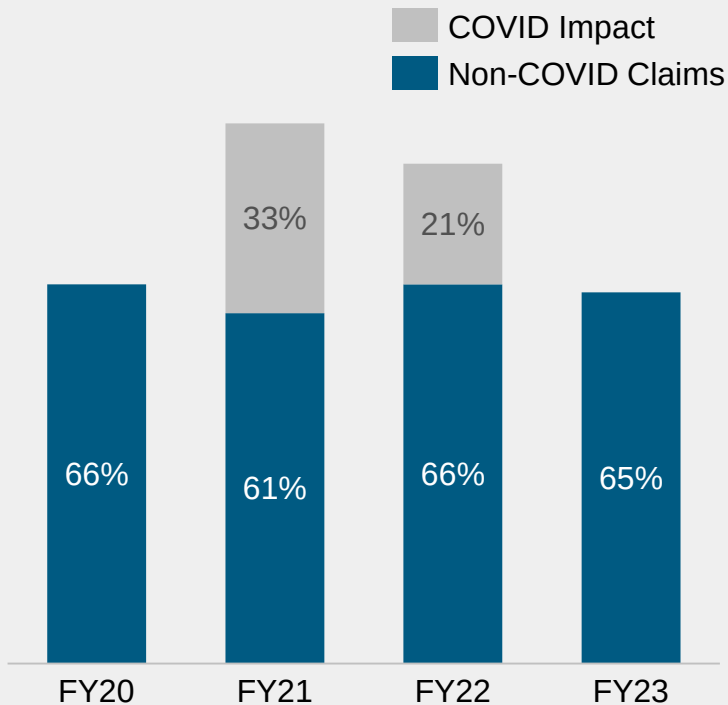
Tele-medicine and wellness

Note: TPA – Third party administrator

Claims normalized, strong tailwinds

Claims ratio heading to pre-COVID levels

Incurred claims ratio – Star Health, FY20-FY23



Strong tailwinds

Expanding network hospitals

Increasing SI, share of Digital & Banca channels

Price hike in flagship FHO product

Lower procurement costs = Alignment of incentive structure to profitability

Leveraging extensive network to negotiate pricing

Largest hospital network

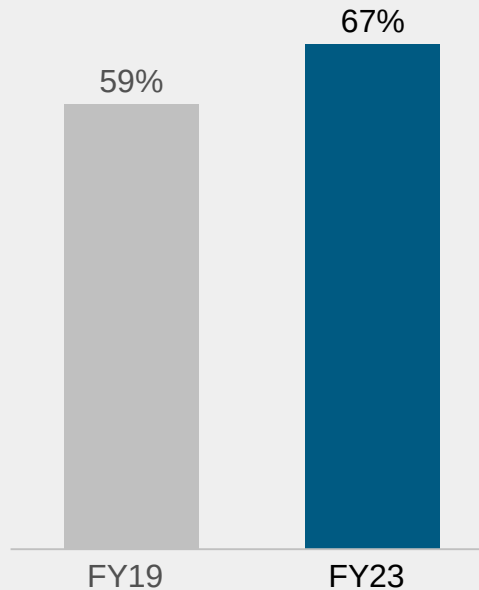


Dedicated HRM department²

Constant focus on pricing

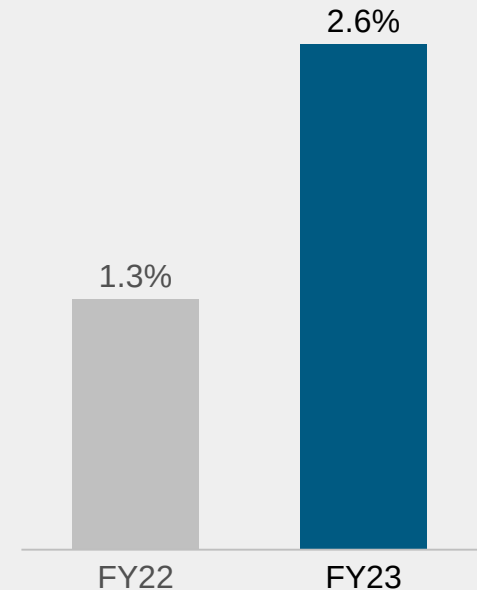
Increased ANH¹ hospitals

Share of ANH hospitals



Strong Fraud Analytics

Rejections as % of GEP

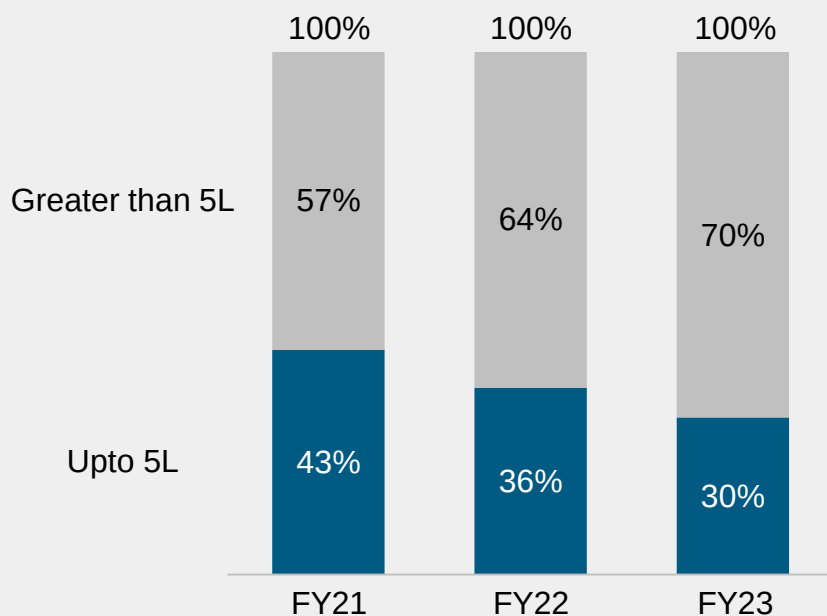


1. ANH refers to Agreed Network Hospitals with better negotiated package-based pricing
2. HRM stands for Hospital Relationship Management

Rising share of higher SI, Digital and BANCA to aid claims reduction

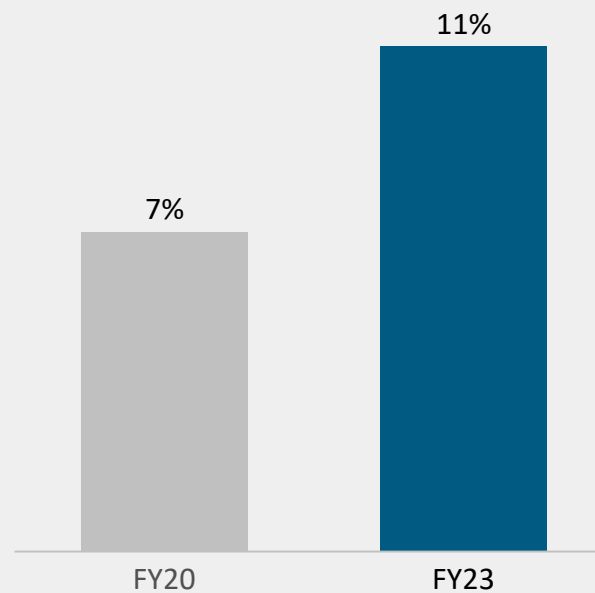
Higher SI share to further optimize claims ratio¹

GWP mix by Sum Insured²



Increasing share of Superior combined ratio channels³

Share of Banca and Digital channel, % GWP



1. Higher SI products have lower claims ratio
2. Basis health retail products
3. Banca and digital channel customers have lower claims ratio

Price hikes and lowering procurement cost

Price hike on flagship FHO product¹

~25%

Price Hike

~45%

GWP
Contribution

Aligning agent commissions with quality of underwriting



Branch manager incentives
linked to profitability



Renewal commissions based
on profitability

1. FHO – Family Health Optima; taken into effect from Feb-23 on new sales, from May-23 on renewals

Strong Management Team



Anand Shankar Roy

MD & CEO

Founding Team

Ex. ICICI Lombard, American Express



Nilesh Kambli

CFO

Ex. ICICI Lombard, Bharti Axa



Aneesh Srivastava

CIO

Ex. Ageas Federal, Bajaj Allianz



Amitabh Jain

COO

Ex. ICICI Lombard



Mukesh Sharma

*Chief Digital & Transformation
Officer*

Ex. Airtel, Yatra

Strong & experienced Board of Directors



Anand Shankar Roy

MD & CEO
Founding Team
20+ Years Experience



Rohit Bhasin

Independent Director
Audit Committee Chair
Former Senior Partner,
PWC



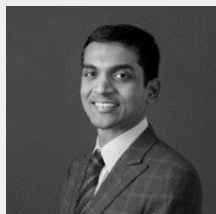
Anisha Motwani

Independent Director
CSR Committee Chair
Former Senior VP of
Marketing, Max Group



Bergis Desai

Independent Director
Nomination and
Remuneration
Committee Chair
Former Managing
Partner, JSA



Deepak Ramineedi

Nominee Director
Partner
WestBridge Capital



Rajni Sekhri Sibal

Independent Director
Risk Management
Committee Chair
Previously Associated
with the IAS



Rajeev Agarwal

Independent Director
Stakeholders'
Relationship
Committee Chair
Former Whole-time
Member, SEBI



Sumir Chadha

Nominee Director
Co-Founder & Managing
Partner
WestBridge Capital



Utpal Sheth

Nominee Director
Senior Partner & CEO-
RARE Enterprises

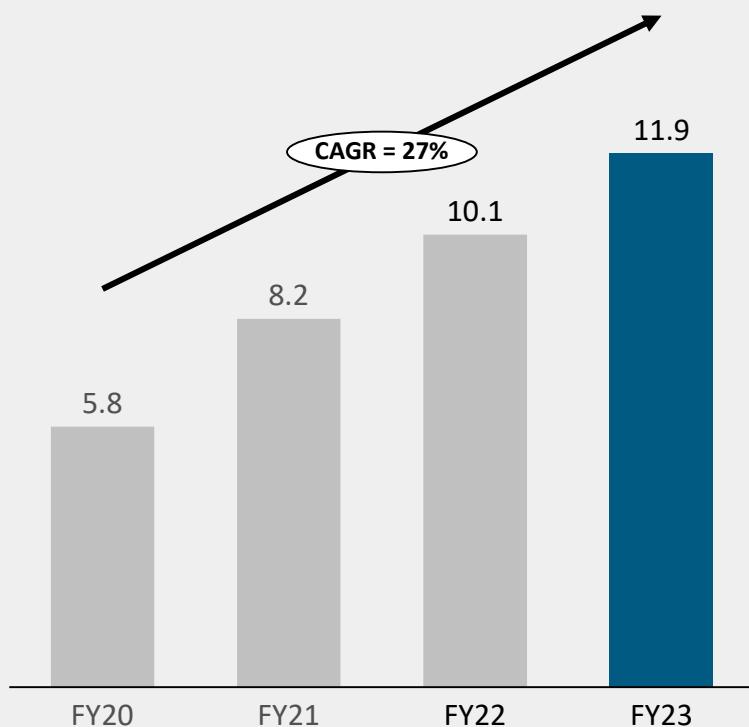


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Healthy retail growth

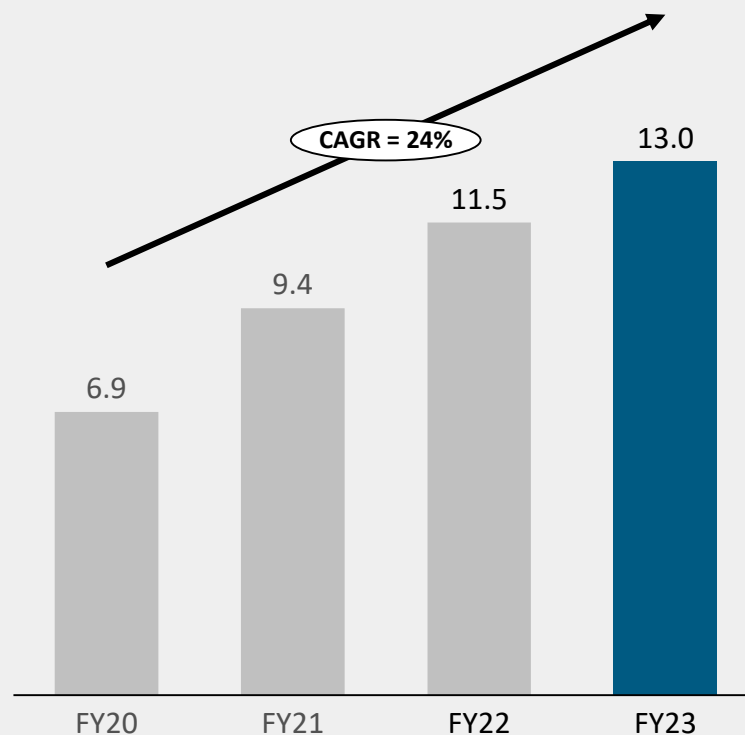
Strong growth in retail GWP

Retail GWP, Rs. '000 Cr



Subdued FY23 growth due to group pullback

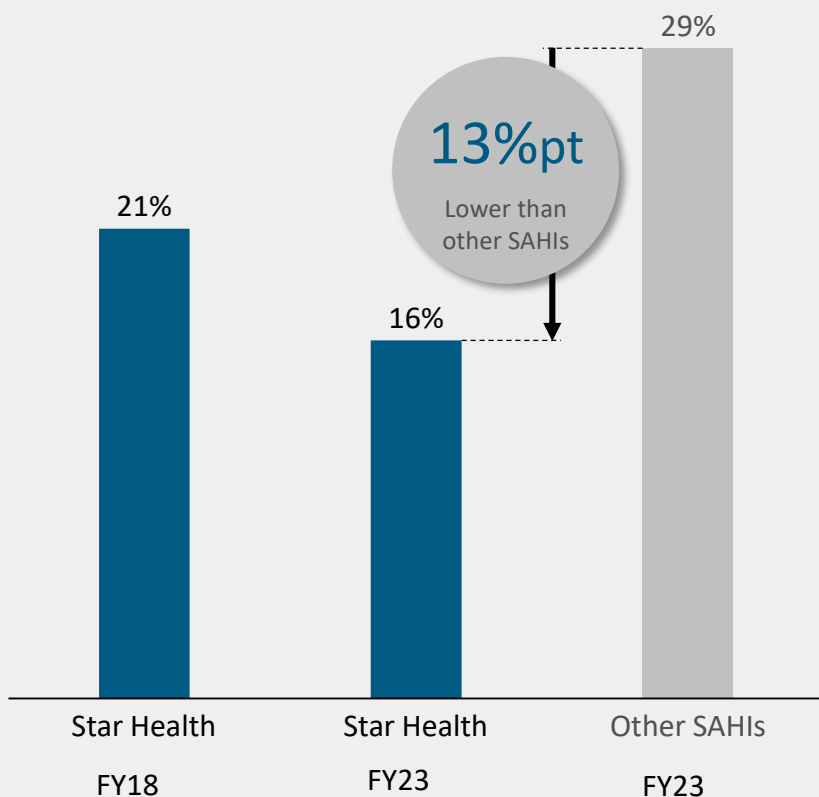
Overall GWP, Rs. '000 Cr



Lowest cost structure

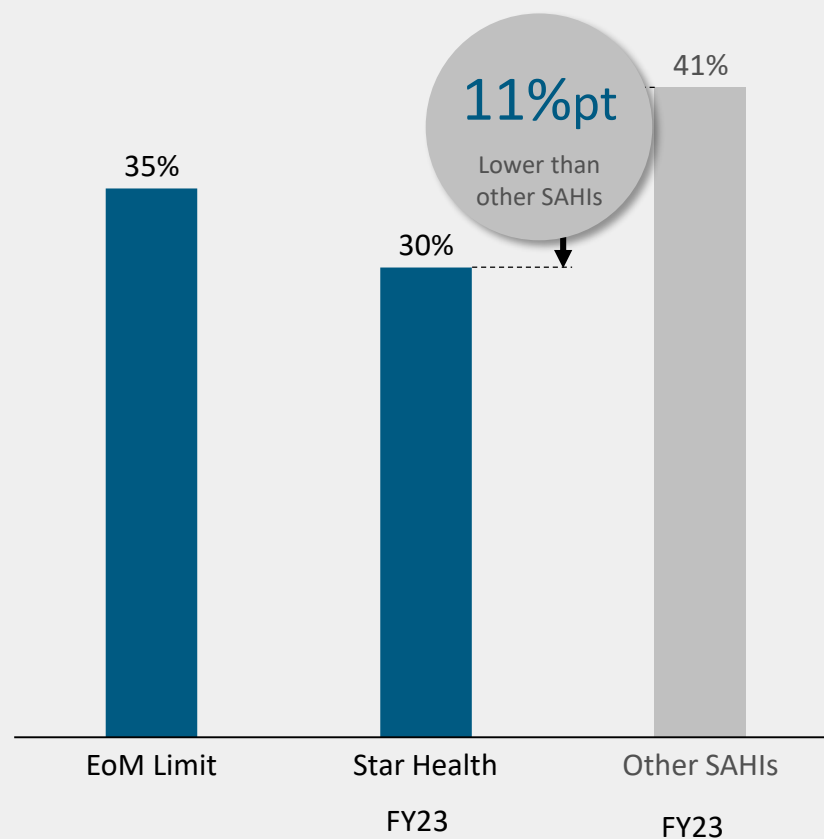
Significant operating leverage

Opex ratio - % of GWP, FY23



Star is already below EoM limit¹

Expenses of management ratio - % of GWP, FY23

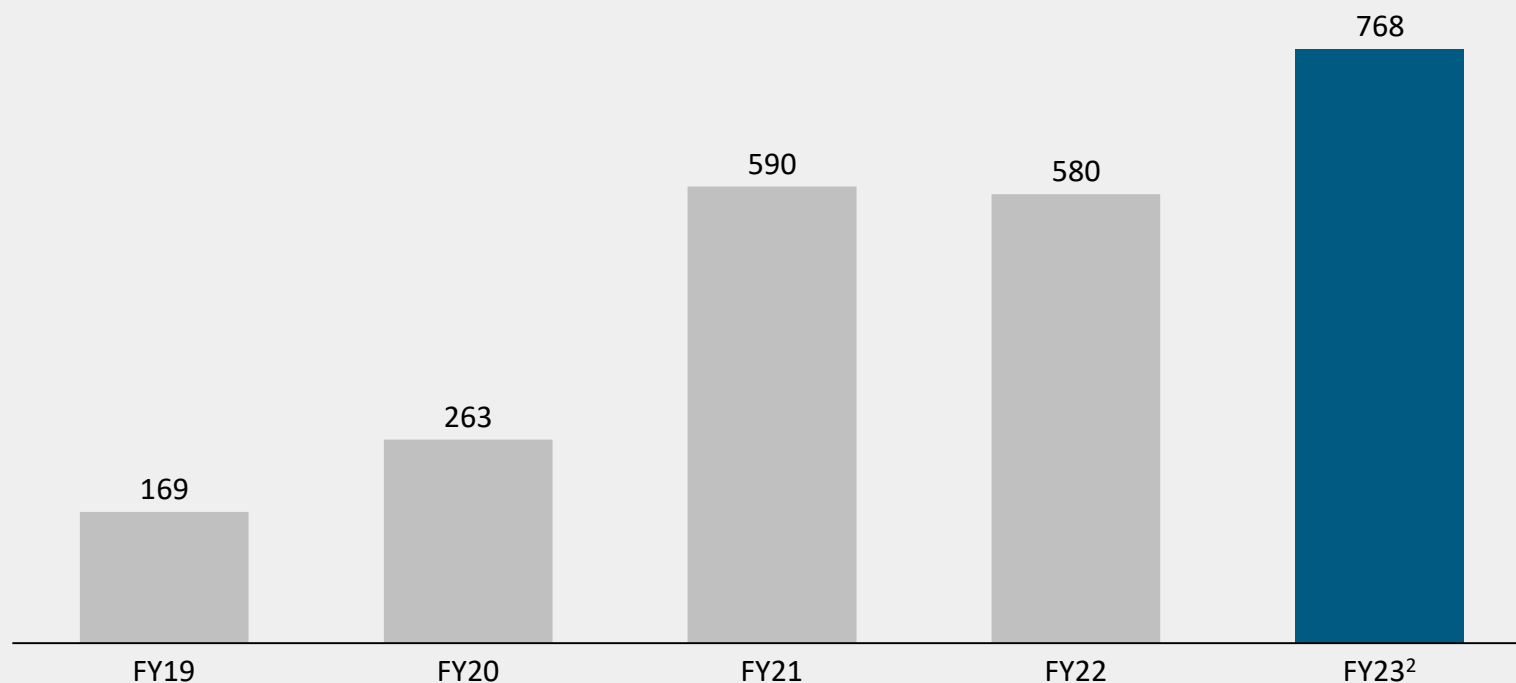


1. EOM Limit as prescribed by IRDAI. Note: Star follows 1/365 premium accounting vs. 1/2 followed by other SAHI peers

Accelerating profit growth

Adjusted PAT

Adjusted PAT¹, Rs. Cr

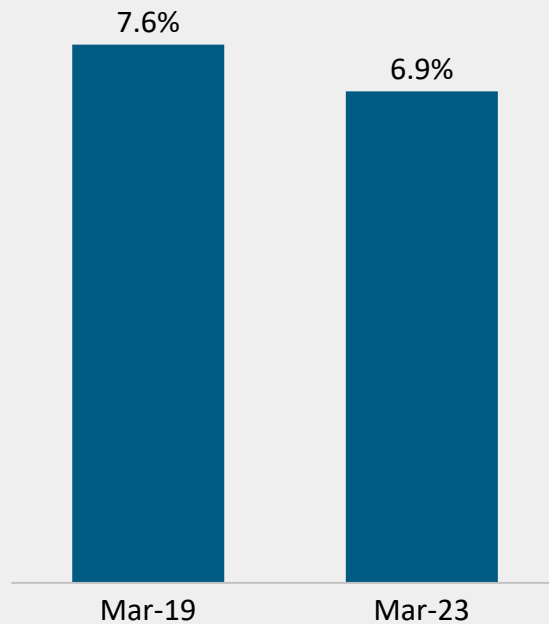


1. PAT adjusted for Covid impact and 1/365 accounting change for FY21 and FY22. FY22 is also adjusted for Covid impact and ESOP expenses

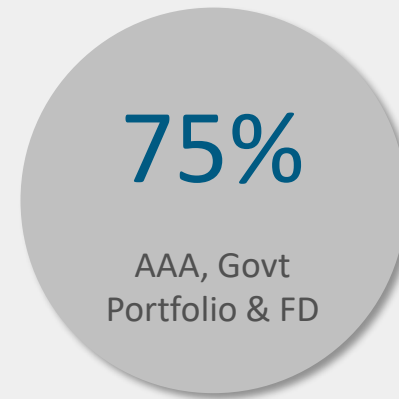
2. FY23 PAT – adjusted for one-time ESOP expenses and Covid impact

Investment income critical; robust portfolio

Core investment realised yield¹



High quality portfolio

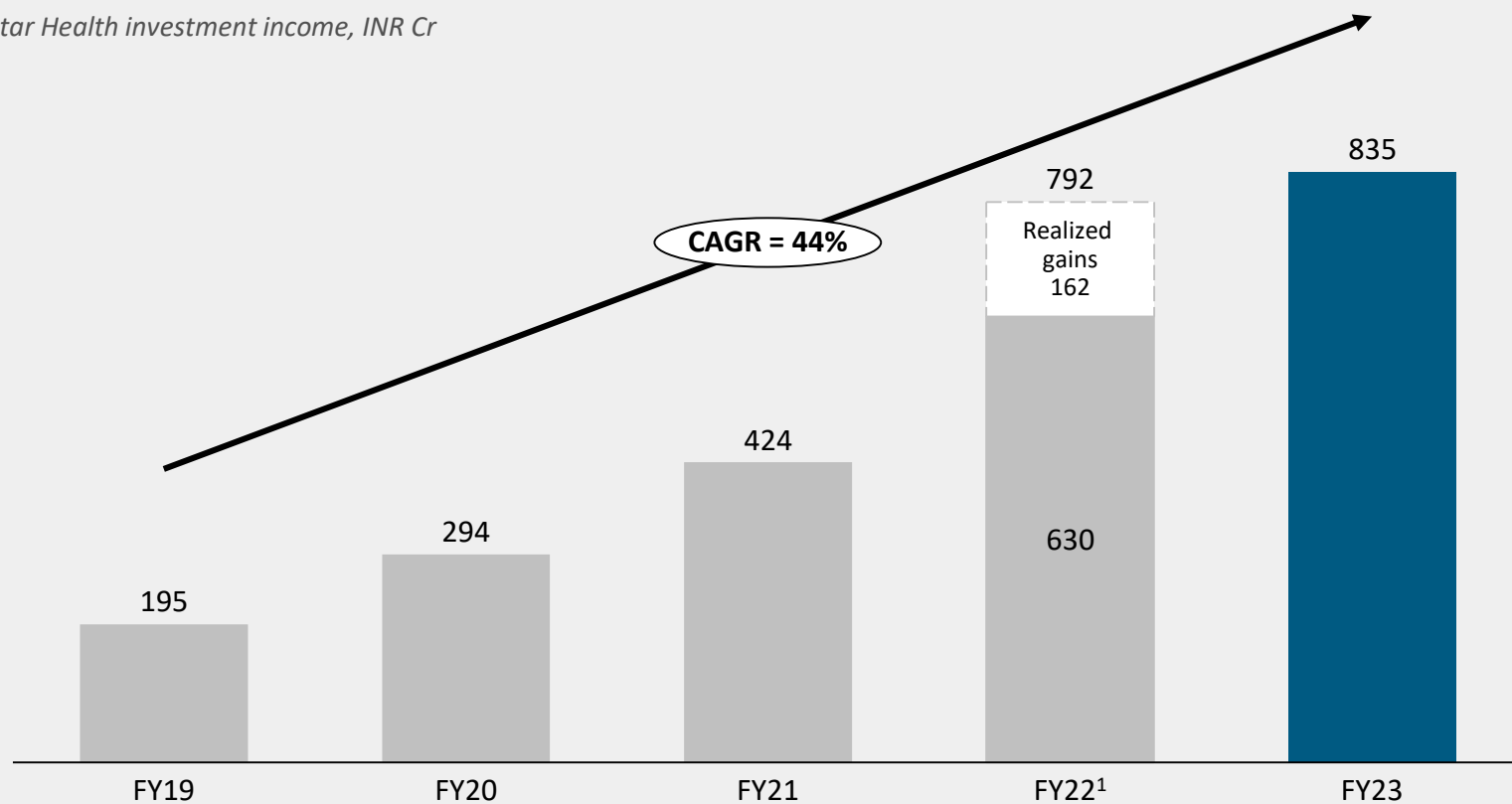


1. InvIT, REIT and Core FDs not considered while calculating Core Portfolio Realized Yield

Strong growth in investment income

Strong growth

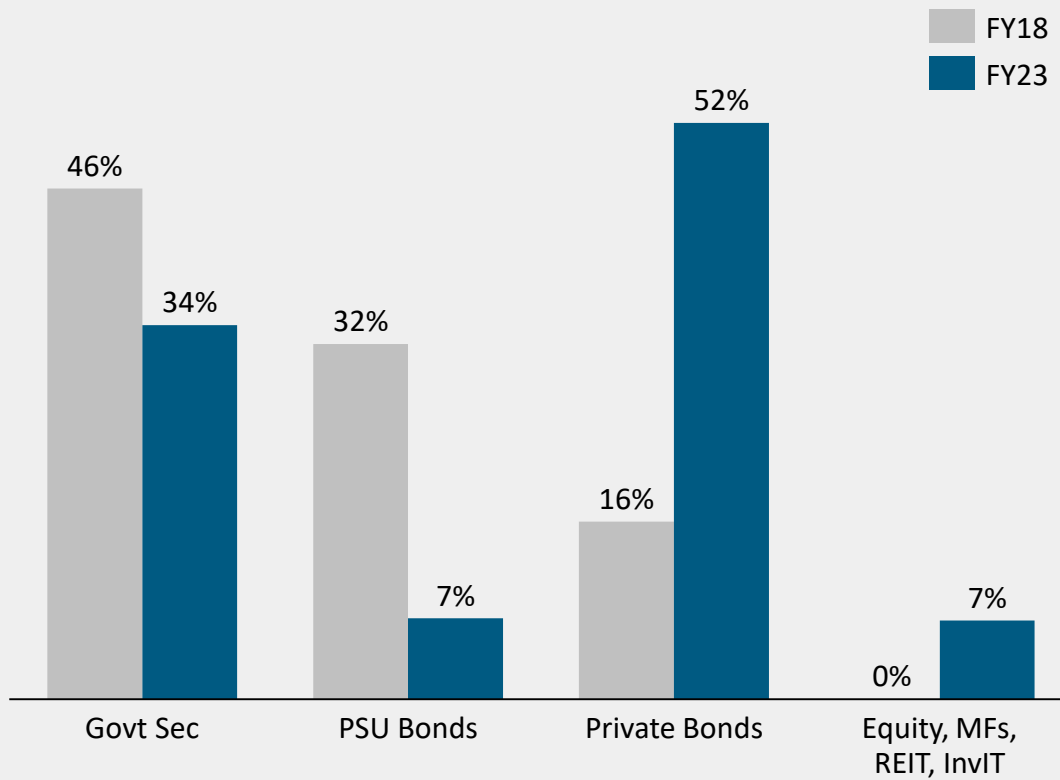
Star Health investment income, INR Cr



Rebalanced to include higher yield assets

Improving portfolio quality

AUM Mix by asset class



<20Cr
Cumulative defaults
since inception



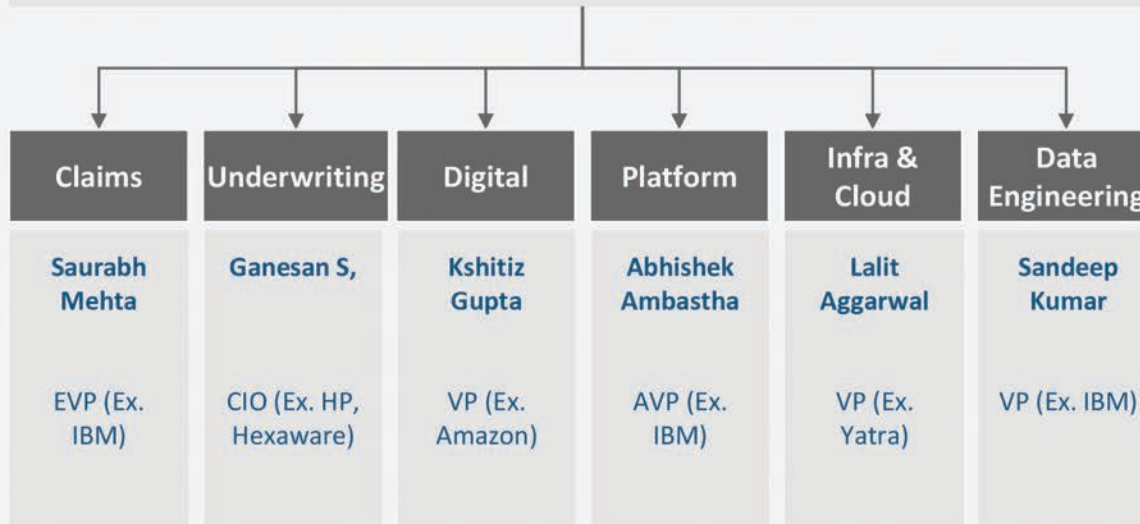
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Experienced digital architects



Chief Digital Transformation Officer

Mukesh Sharma (Ex. Airtel, Yatra)



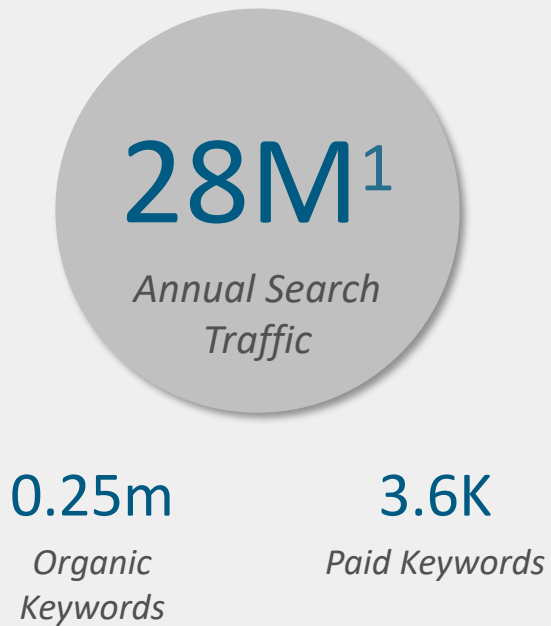
Digital Business

Kotha Kartheek

VP (Ex. Swiggy)

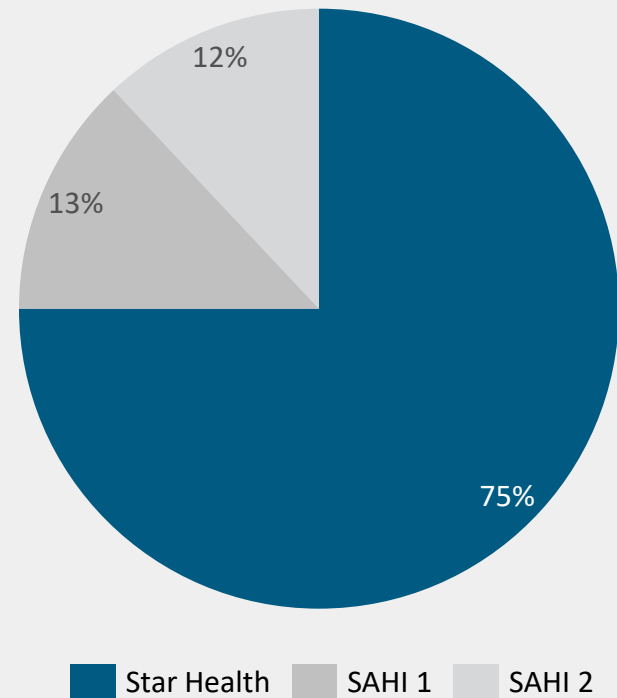
650+ member strong tech & digital org

Star ahead of peers in web presence



Web traffic for Star higher than peers

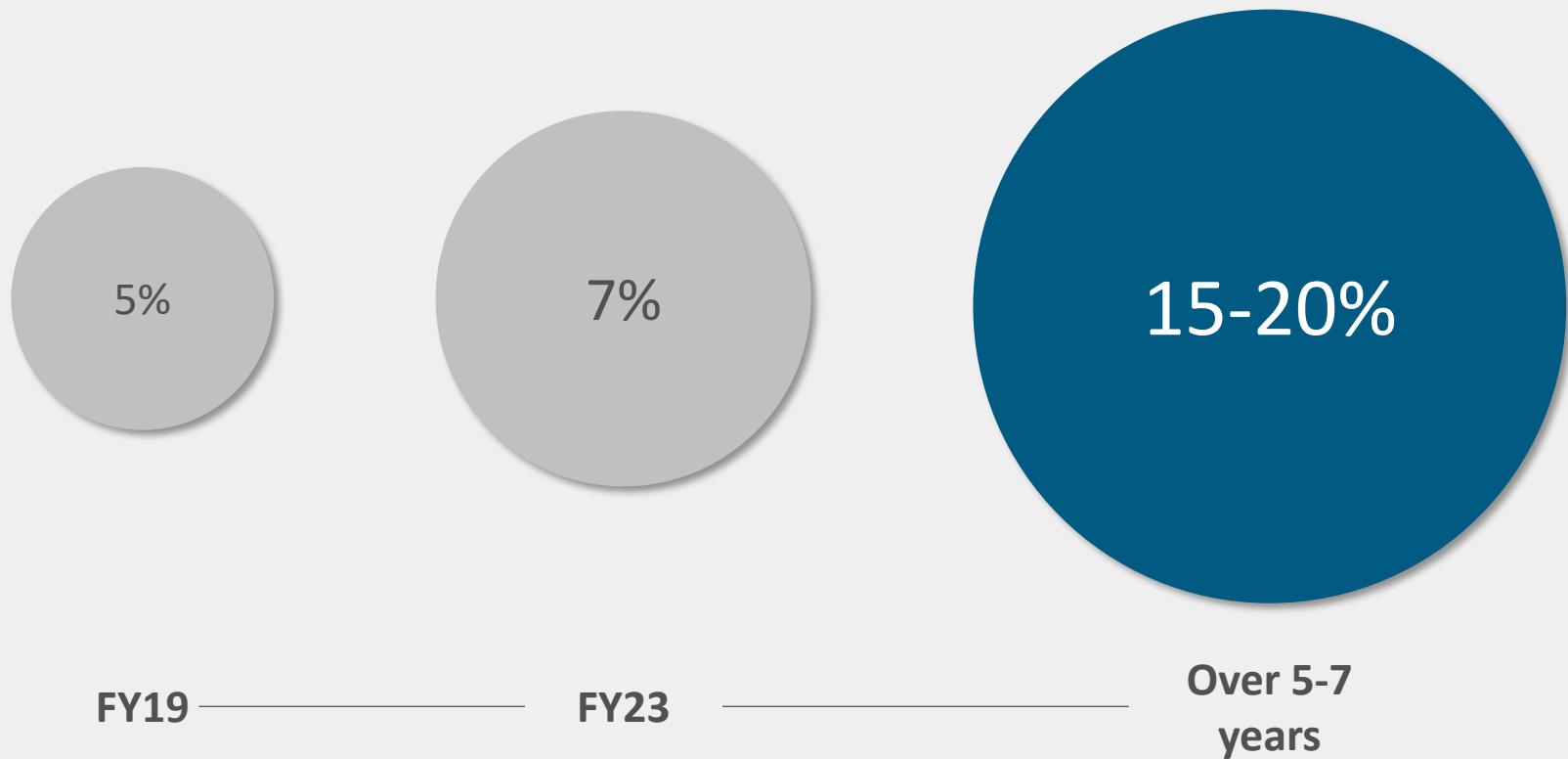
Share of website visits in last 12 months²



1. Source: Google
2. Source: Ahrefs

Digital to drive 15-20% of GWP over 5-7 years

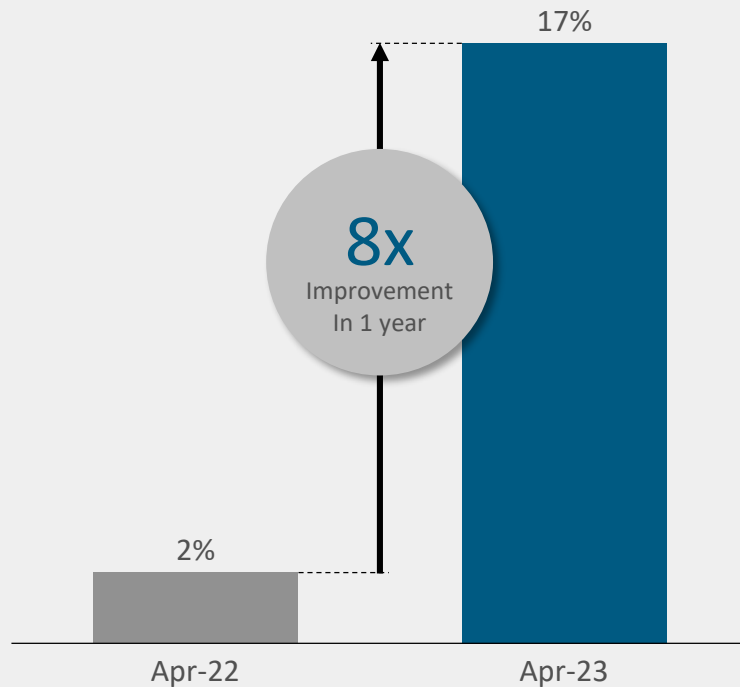
GWP from digital channels (% of total GWP)



Claims-tech helping improve operating KPIs

8x improvement in auto-adjudication over 1 year

% of claims resolved through auto-adjudication



Approval TAT¹ down from greater than 1 hour

<1 second

Approval TAT
for auto-
adjudication

1. For cashless claims only



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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 with over 8.5 lakhs consultations to date

Providing food to underprivileged persons in various states across India

Promoting health care including preventive health care through Public Health Foundation of India

Maintenance of public toilet in a strategically located area in the city with high floater population

New Cancer treatment initiative with St. Jude Child Care Centres; 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

- a. Whistle blowing to eradicate unethical behaviour in the workplace
- b. Anti-money laundering & compliance
- c. Acceptance of Gifts
- d. Insider trading code

ESG and CSR – Making a difference

Toll free
1800 425 2255

STAR Health Insurance
PERSONAL & CARING

“ I have been with Star Health Insurance for the past 8 years, and have applied for two claims in that time. Both claims got settled, and I received good support from the company during my hospitalisation. ”

Vanisree
Bengaluru

Toll free
1800 425 2255

STAR Health Insurance
PERSONAL & CARING

When I applied for insurance and was diagnosed with cancer, my insurance was too early to be actioned and claimed. However, Star Health has been so helpful and supportive throughout my treatment so far, without any hassles or problems. They have just restored my faith and confidence when it comes to medical insurance. I just want to thank and appreciate everything you guys have done to help us. So a big thank you.

SHAKIRA SYED
Bengaluru

Toll free
1800 425 2255

STAR Health Insurance
PERSONAL & CARING

WHAT CUSTOMERS SAY About Us

Pitta Pentaiah
Ehuru, Andhra Pradesh

I've been with Star Health Insurance for three years. I found their service good. Their policy provides several benefits at a low cost. I filed a claim, which they settled very quickly, and I am very satisfied with their customer service.

Toll free
1800 425 2255

STAR Health Insurance
PERSONAL & CARING

“ I have had a Star Health policy for the past six years. I have claimed the premium twice in this period, in the first instance, I had to pay only Rs. 700 for a hospital bill of around Rs. 18,000. And the second time, I had to pay Rs. 900 for a bill of Rs. 32,000. I was pleasantly surprised to find that they have a special package even for cardiac patients. ”

Shami Malhotra
Delhi

Toll free
1800 425 2255

STAR Health Insurance
PERSONAL & CARING

“ Star Health has been efficient in giving innovative products, reaching out to the people and clients with good claim services, prompt response and reaching out to humanity and society. This is why they are one of the top companies in the health insurance segment. ”

Leena Lobo
Bengaluru, Karnataka

St. Judes and Star Health to Provide Health and Accident Cover to Children Who Beat Cancer

CHENNAI: In an important initiative, children supported by St Jude India Child Care Centres (St. Judes) during their cancer treatment and who are now cancer free for 5 years, will be provided health and accident coverage by Chennai-based Star Health and Allied Insurance Company Limited. The initiative, launched on November 4th, 2021 covers 596 children under Health and 326 children under Accident. Each year at least 500 children are currently expected to be added to this group as part of a new St. Judes programme called St. Judes for Life (Founded in Memory of Mrs Rani Vica).

St. Judes for Life ensures that the children who have won the battle against cancer can fulfil their potential by offering them continued support. Providing them with health insurance and accident cover is one such vital step in that direction. This is an important milestone by Star Health, and focuses on a much-overlooked gap in health insurance coverage. Dr Prakash, Managing Director, Star Health and Allied Insurance, has been involved in designing innovative new covers in India. He said “We at Star, designed this cover to enable children who are diagnosed, treated and are cancer free for 5 years fulfil their aspirations without worrying about the cost of meeting medical emergencies.” Cancer survivors who are otherwise healthy are generally not given cover by Health Insurance and in case of a medical emergency or accident it becomes very difficult for them to handle the expenses of hospitalisation.

The Rotary club of Temple City Chennai Coordination with St Judes in Chennai, the coverage for children surviving cancer and it has been a privilege working with St Judes in Chennai, said Dr Rekha Shetty, Charter President of the Rotary club of Madras Temple City. Ms. Shanta Narayanan, President Rotary club of Madras Temple City. Ms. Gargi Mathewwal, Chairperson, St. Jude India Child Care Centres.

anybody else. We will continue to endeavor to provide health insurance cover to every section of society through innovative products designed to meet specific needs.”

“Survivors can lead a full life even after treatment and recovery. St. Judes for Life (Founded in Memory of Mrs Rani Vica) was set up to support our survivor kids from St. Jude India and enable them to achieve their aspirations after they have been cured of childhood cancer. This is crucial as these children can live a normal life and have a right to insurance cover just like

club of Madras Temple City. Dr Bhuvana Rajendran and Rotarian J. Jagannathan have been closely involved in the project to provide support for children undergoing treatment for cancer in India.

Mr. V. Jagannathan, Chairman and CEO, Star Health and Allied Insurance said, “Children deserve the best always irrespective of their health conditions. We at Star Health are proud to provide insurance cover to children who have survived cancer. This is crucial as these children can live a normal life and have a right to insurance cover just like

way of health insurance. Unfortunately, insurers do not normally cover them. Hence, it is indeed a matter of great pride and happiness to partner with Star Health and Allied Insurance Company Limited, who viewed our proposal with compassion and empathy,” said Ms. Usha Banerji, Team Leader, St. Judes for Life (Founded in Memory of Mrs Rani Vica).

“It is a privilege to have helped build the bridge between St Judes and Star Health Insurance” said Ms. Shanta Narayanan, President Rotary club of Madras Temple City.

Left to Right: Mr. Anil Nair, CEO at St. Judes India Child Care Centres; Ms. Usha Banerji, Team Leader, St. Judes for Life (Founded in Memory of Mrs Rani Vica); Dr. S. Prakash, MD of Star Health Insurance; Dr Rekha Shetty, Charter President of the Rotary club of Madras Temple City; Ms. Shanta Narayanan, President Rotary club of Madras Temple City; Ms. Gargi Mathewwal, Chairperson, St. Jude India Child Care Centres.

Toll free
1800 425 2255

STAR Health Insurance
PERSONAL & CARING

“ Star Health Insurance helped me a lot when I was in need. I was covered under Star's Comprehensive policy, which provided me cashless treatment at their network hospital during my Angioplasty surgery. Their customer service was also very helpful. ”

Shaila Ganachari
Mumbai

Thank you