

STAR HEALTH AND ALLIED INSURANCE COMPANY LIMITED

Issue highlights

- ❑ **Star Health and Allied Insurance Company Limited ("Star Health")** was incorporated on June 17, 2005. Star Health is and continues to be the largest private health insurer in India with a market share of 15.8% in the Indian health insurance market in Fiscal 2021. In Fiscal 2021 and the 6 months ended September 30, 2021, they had total Gross Written Premium ("GWP") of ₹9,348.95 crore and ₹5,069.78 crore, respectively.
- ❑ From being the first Standalone Health Insurance ("SAHI") company established in India in 2006, they have grown into the **largest SAHI Company in the overall health insurance market in India**. They offer a range of flexible and comprehensive coverage options primarily for retail health, group health, personal accident and overseas travel. Their comprehensive health insurance product suite insured 2.05 crore lives in Fiscal 2021.
- ❑ They are strategically focused on the retail health market segment and had retail health GWP of ₹8,215.09 crore and ₹4,339.92 crore in Fiscal 2021 and the 6 months ended September 30, 2021, respectively
- ❑ Star Health distributes their health insurance policies primarily through individual agents, which accounted for 78.9% of their GWP in Fiscal 2021. As of March 31, 2021, they had the largest number of individual agents among SAHI insurers, at Approx. 3 times that of the SAHI Company with the next highest number of agents.
- ❑ They have also successfully built one of the largest health insurance **hospital networks in India, with more than 11,778 hospitals** as of September 30, 2021. Out of the total number of hospitals in their network, they have entered into pre-agreed arrangements with over 7,741 hospitals, or 65.7%, of the total number of hospitals in their network.
- ❑ As of September 30, 2021 their distribution network had grown to **779 health insurance branches** spread across 25 states and 5 union territories in India. Their existing branches are also supplemented by an extensive network of over 562 Sales Managers Stations ("SMS") and over 6,892 in-house sales managers.
- ❑ They also engage with their customers through their in-house tele-medicine service, **TALK TO STAR**, including omni-channel applications, **STAR ATOM** and **STAR POWER**.

Brief Financial Details*

(₹ In Cr)

| | As at Sep' 30, | | As at Mar' 31, | | |
|---------------------------|----------------|----------|----------------|----------|----------|
| | 2021(06) | 2020(06) | 2021(12) | 2020(12) | 2019(12) |
| Equity Share Capital | 553.29 | 490.64 | 548.09 | 490.64 | 455.58 |
| Share Application Money | - | - | - | - | 350.00 |
| Reserves as stated | 3,765.17 | 1,352.33 | 3,675.79 | 1,153.04 | 587.06 |
| Net worth as stated | 3,199.41 | 1,827.97 | 3,484.64 | 1,628.68 | 1,215.69 |
| Gross Written Premium | 5,069.78 | 3,967.19 | 9,348.95 | 6,890.67 | 5,415.36 |
| GWP Growth (%) | 27.79% | - | 35.68% | 27.24% | - |
| EBITDA as stated | (481.51) | 359.21 | (974.62) | 468.47 | 235.94 |
| Profit Before Tax | (512.63) | 316.57 | (1,045.95) | 413.43 | 182.25 |
| Net Profit for the Period | (380.27) | 199.29 | (825.58) | 268.00 | 128.23 |
| EPS -Basic (₹) | (6.93)^ | 4.06^ | (16.54) | 5.59 | 2.81 |
| RoNW (%) | (11.89)%^ | 10.90%^ | (23.69)% | 16.46% | 10.55% |
| Net Asset Value (₹) | 57.83 | 37.26 | 63.58 | 33.20 | 19.00 |

Source: RHP *Restated Statement; ^not annualised; Net worth after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation. Also, Share application money and fair valuation is excluded for calculation of net worth.

Issue Details

Fresh Issue of Equity Shares aggregating upto ₹ 2,000 Crore and Offer for sale of upto 58,324,225 Equity Shares

Issue size: ₹ 7,074 – 7,249 Cr

No. of shares: 81,429,127 - 80,654,848

Face value: ₹ 10

Employee Reservation: Equity Shares aggregating upto ₹ 100 Cr

Price band: ₹ 870 – 900

Bid Lot: 16 Shares and in multiple thereof

Employee Discount: ₹ 80/- per share

Post Issue Implied Market Cap:

₹ 50,146 – 51,806 Cr

BRLMs: Axis Capital, Kotak Mahindra Capital, BofA Securities India, Citigroup Global, ICICI Securities

BRLMs: CLSA India, Credit Suisse Securities, Jefferies India, Ambit Pvt Ltd, DAM Capital, IIFL Securities, SBI Capital Markets

Registrar: KFin Technologies Pvt. Ltd.

Issue opens on: Tuesday, 30th Nov'2021

Issue closes on: Thursday, 2nd Dec'2021

Indicative Timetable

| Activity | On or about |
|------------------------------------|-------------|
| Finalisation of Basis of Allotment | 07-12-2021 |
| Refunds/Unblocking ASBA Fund | 08-12-2021 |
| Credit of equity shares to DP A/c | 09-12-2021 |
| Trading commences | 10-12-2021 |

Issue break-up

| | No. of Shares | | ₹ In Cr | | % of Issue |
|-----|---------------|------------|----------|----------|------------|
| | @Lower | @upper | @Lower | @upper | |
| QIB | 60,122,480 | 59,576,503 | 5,230.66 | 5,361.89 | 75% |
| NIB | 12,024,495 | 11,915,300 | 1,046.13 | 1,072.38 | 15% |
| RET | 8,016,330 | 7,943,533 | 697.42 | 714.92 | 10% |
| EMP | 1,265,822 | 1,219,512 | 100.00 | 100.00 | - |
| TOT | 81,429,127 | 80,654,848 | 7,074.21 | 7,249.18 | 100% |

Listing : BSE & NSE

Shareholding (No. of Shares)

| Pre issue | Post issue^ | Post issue# |
|-------------|-------------|-------------|
| 553,289,944 | 576,394,846 | 575,620,567 |

^@Lower price Band #@ Upper Price Band

Shareholding (%)

| | Pre-Issue | Post-Issue |
|----------------|----------------|----------------|
| Promoters | 62.75% | 55.10% |
| Promoter Group | 3.47% | 3.32% |
| Public | 33.78% | 41.58% |
| Total | 100.00% | 100.00% |

BACKGROUND

Company and Directors

The company was incorporated as 'Star Health And Allied Insurance Company Limited', on June 17, 2005. Rakesh Jhunjhunwala, Safecrop Investments India LLP and WestBridge AIF-I are the Promoters of the company and currently hold 325,490,442 Equity Shares, aggregating to 59.32% of the pre-Offer issued, subscribed and paid-up Equity Share capital of the company.

Brief Biographies of Directors

Venkatasamy Jagannathan is the Chairman and CEO of the company. He has more than 47 years of experience in the insurance industry. He has previously worked with United India Insurance Company in the capacity of chairman cum managing director.

Subbarayan Prakash is the Managing Director of the company. He has several years of experience as a surgeon and has previously worked with Saudi Operation & Maintenance Co Ltd as a specialist in general surgery/traumatology.

Anand Shankar Roy is the Managing Director of the company. He has 21 years of experience in the insurance industry and has previously worked with American Express Travel Related Services and ICICI Lombard General Insurance Co Ltd.

Sumir Chadha is the Non-Executive Nominee Director of the company. He is the co-founder of WestBridge Capital and has several years of investing experience in Indian companies, both public and private.

Deepak Ramineedi is the Non-Executive Nominee Director of the company. He has several years of experience in the private equity industry and has previously worked with Credit Suisse Securities (India) Pvt Ltd. He is currently employed by WestBridge Advisors LLP.

Utpal Hemendra Sheth is the Non-Executive Nominee Director of the company. He has been working with Rare Enterprises since 2003 and is currently the chief executive officer of Rare Enterprises, a proprietary asset management firm, and is responsible for investment and risk management.

Rohit Bhasin, Anisha Motwani, Berjis Minoo Desai, Kaarthikeyan Devarayapuram Ramasamy, Rajni Sekhri Sibal and Rajeev Krishnamuralilal Agarwal are the Independent Director of the company.

Key Managerial Personnel

Nilesh Kambli is the CFO of the company. He has previously worked with Bharti AXA General Insurance Co Ltd, Citicorp Finance (I) Ltd and ICICI Lombard General Insurance Co Ltd. He joined the company as the CFO in 2020.

Aneesh Srivastava is the Chief Investment Officer of the company. He has over 25 years of experience in fund management and the insurance industry. He has previously worked with Bajaj Allianz Life Insurance Co Ltd, IDBI Fortis Life Insurance Co Ltd, India Advisory Partners Pvt Ltd and Sahara India.

Jayashree Sethuraman is the Assistant General Manager of the company. She is also the Company Secretary and Compliance Officer of the company. She has 6 years of experience in the financial and insurance industries.

Awards, accreditations and recognitions received by the company:

| Year | Award |
|------|---|
| 2021 | <ul style="list-style-type: none"> Awarded "Dream Companies to Work for Insurance- Private Sector" at the World HRD Congress; Awarded under the category of "Most Innovative New Product Launches or Customer Propositions" at the 13th Global Insurance E-Summit and Award by the ASSOCHAM; Awarded "India's Best Health Insurance Company selected by Democratic Process (voting)" by Insurance Alertss; Awarded "India's Best Health Insurance Company Award for Retail Products" at the 4th Insurance Alertss Conclave and Excellence Awards hosted by Insurance Alertss at Conclave and Excellence Awards. |
| 2020 | <ul style="list-style-type: none"> Recognised as India's leading health insurance company at the Dun & Bradstreet BFSI Summit & Awards, 2020. |

OBJECTS OF THE ISSUE

| (₹ In Cr) | |
|---|--------------|
| Objects | Amount |
| Augmentation of capital base and maintenance of current solvency levels | [•] |
| General Corporate Purposes | [•] |
| Total | [•] |

OFFER DETAILS

| Offer | No. of Sharees |
|--|---|
| Fresh Issue# | Upto 21,839,080~ - 21,111,111^ Equity Shares* |
| Offer for sale by: | Upto 58,324,225 Equity Shares |
| Safecrop Investments India LLP – Promoter Selling Shareholder | Up to 30,683,553 Equity Shares |
| Konark Trust – Promoter Group Selling Shareholder | Up to 137,816 Equity Shares |
| MMPL Trust – Promoter Group Selling Shareholder | Up to 9,518 Equity Shares |
| Apis Growth 6 Limited – Investor Selling Shareholder | Up to 7,680,371 Equity Shares |
| University of Notre Dame DU LAC – Investor Selling Shareholder | Up to 7,438,564 Equity Shares |
| MIO IV Star – Investor Selling Shareholder | Up to 4,110,652 Equity Shares |
| MIO Star – Investor Selling Shareholder | Up to 4,110,652 Equity Shares |
| ROC Capital Pty Limited – Investor Selling Shareholder | Up to 2,509,099 Equity Shares |
| Other Investor Selling Shareholder | Up to 1,644,000 Equity Shares |

Excluding Employee Reservation; * (~ at lower price band and ^ upper price band)

SHAREHOLDING PATTERN

| Shareholders | Pre-offer | | No. of Shares offered | Post-offer | |
|--|-------------------------|---------------------------------|-----------------------|-------------------------|---------------------------------|
| | Number of Equity Shares | % of Total Equity Share Capital | | Number of Equity Shares | % of Total Equity Share Capital |
| Promoter and Promoters Group | | | | | |
| Promoter | 347,185,811 | 62.75% | 30,683,553 | 316,502,258 | 55.10% |
| Promoters Group | 19,197,189 | 3.47% | 147,334 | 19,049,855 | 3.32% |
| Total for Promoter and Promoter Group | 366,383,000 | 66.22% | 30,830,887 | 335,552,113 | 58.42% |
| Public – Investor Selling Shareholders | 126,923,029 | 22.94% | 27,493,338 | 99,429,691 | 17.31% |
| Public - Other | 59,983,915 | 10.84% | - | 139,419,251 | 24.27% |
| Total for Public Shareholder | 186,906,944 | 33.78% | 27,493,338 | 238,848,942 | 41.58% |
| Total Equity Share Capital | 553,289,944 | 100.00% | 58,324,225 | 574,401,055 | 100.00% |

BUSINESS OVERVIEW

Star Health and Allied Insurance Company Limited (“**Star Health**”) is and continues to be the largest private health insurer in India with a market share of 15.8% in the Indian health insurance market in Fiscal 2021. In Fiscal 2021 and the 6 months ended September 30, 2021, they had total Gross Written Premium (“GWP”) of ₹ 9,348.95 crore and ₹5,069.78 crore, respectively. From being the first Standalone Health Insurance (“**SAHI**”) company established in India in 2006, they have grown into the largest SAHI Company in the overall health insurance market in India. Their comprehensive health insurance product suite insured 2.05 crore lives in Fiscal 2021, in retail health and group health, which accounted for 89.3% and 10.7%, respectively, of their total health GWP in Fiscal 2021. They are strategically focused on the retail health market segment and had retail health GWP of ₹8,215.09 crore and ₹4,339.92 crore in Fiscal 2021 and the 6 months ended September 30, 2021, respectively. They have been consistently ranked 1st in the retail health insurance market in India based on retail health GWP over the last 3 Fiscal Years.

Star Health distributes their health insurance policies primarily through individual agents, which accounted for 78.9% of their GWP in Fiscal 2021. As of March 31, 2021, they had the largest number of individual agents among SAHI insurers, at Approx. 3 times that of the SAHI Company with the next highest number of agents. The total number of individual agents grew at a CAGR of 27.3% from 0.29 million in Fiscal 2019 to 0.46 million in Fiscal 2021 and was 0.51 million as of September 30, 2021. As of September 30, 2021, they have sponsored and trained 0.07 million individual agents, representing 14.7% of the total number their individual agents, which grew at a CAGR of

44.7% from March 31, 2019 to March 31, 2021. Their agency distribution channel also includes their corporate agent banks and other corporate agents, which accounted for ₹220.92 crore and ₹141.54 crore of their GWP in Fiscal 2021 and the 6 months ended September 30, 2021, respectively and other corporate agents, which accounted for ₹19.10 crore and ₹31.80 crore of their GWP in Fiscal 2021 and the 6 months ended September 30, 2021, respectively.

Star Health has led the non-public health insurance market in terms of number of new branch openings since Fiscal 2018, and their branch network was over two and a half times the number of the next largest non-public health insurance provider as of March 31, 2021. As of September 30, 2021 their distribution network had grown to 779 health insurance branches spread across 25 states and 5 union territories in India. Their existing branches are also supplemented by an extensive network of over 562 Sales Managers Stations (“SMS”), which are small individual service centres, and over 6,892 in-house sales managers, as of September 30, 2021. Their other origination channels include distribution by direct online sales through telemarketing and their website, brokers, insurance marketing firms and web aggregators.

Star Health offers a range of flexible and comprehensive coverage options primarily for retail health, group health, personal accident and overseas travel, which accounted for 87.9%, 10.5%, 1.6% and 0.01%, respectively, of their total GWP in Fiscal 2021 and 85.6%, 13.1%, 1.3% and 0.0001%, respectively, of their total GWP in the 6 months ended September 30, 2021.

Their products target a variety of customer segments, as well as persons with pre-existing medical conditions across the broader middle market customer segment. Their products include family floater products, in which the sum insured covers the entire family on the payment of a single annual premium; individual products which are tailored to the needs of the individual; and specialized products, which focus on customers with pre-existing conditions after taking into account the associated risks. They have claims processing experience of approximately 6 million claims processed since their inception until September 30, 2021. From Fiscal 2018 to September 30, 2021, they launched 56 new products (including all variations of policies).

They also engage with their customers through their in-house tele-medicine service, **TALK TO STAR**, which reduces costs associated with claims by giving customers access to experienced doctors that can give second opinions and alternative medical solutions over the telephone or internet and, where possible, real-time updates.

Their investments in digital technologies, data platform and automation will continue to be key drivers that improve the effectiveness, efficiencies and innovations within their business. They have invested in a flexible and integrated information technology platform, including omni-channel applications, **STAR ATOM** and **STAR POWER**.

They have also successfully built one of the largest health insurance hospital networks in India, with more than 11,778 hospitals as of September 30, 2021. Out of the total number of hospitals in their network, they have entered into pre-agreed arrangements with over 7,741 hospitals, or 65.7%, of the total number of hospitals in their network as of September 30, 2021. In Fiscal 2021 and the 6 months ended September 30, 2021, they processed 0.33 million and 0.25 million claims, respectively, or 55% and 62%, respectively, of their total number of cashless claims, through their agreed network hospitals.

The key management members include their founder, Venkatasamy Jagannathan, and Subbarayan Prakash and Anand Shankar Roy, who have been with the company since their first year after inception and played a critical role in achieving their strong business performance through their thought leadership and industry expertise.

The Health Insurance Market in India

The retail health market segment is expected to emerge as a key growth driver for the overall health insurance industry in India after the COVID-19 crisis in India due to low penetration of health insurance, high out-of-pocket expenses for healthcare costs and since only 10% of the population has insurance policies outside of government plans. In Fiscal 2021, their retail health GWP was over 3 times the retail health GWP of the next highest retail health insurance market participant, positioning them well to continue to grow their business and market share.

The Indian health insurance market continues to be underpenetrated, with a health insurance penetration of only 0.36% of GDP in 2019, compared to the global average of 2% of GDP. India has one of the lowest health insurance densities globally, based on per capita premium, at US\$5 in 2019, according to CRISIL Research. A number of demographic factors, including increasing life expectancy, per capita GDP and population growth in India, as well as the high portion of out of pocket expenses as a percentage of total healthcare expenditure by patients in India (62.67% in 2018), are driving the need of healthcare services and the growth in the health insurance industry in India. Awareness of health insurance in India has been growing, including as a result of measures taken by the

Government of India, and this trend has been accelerated by the prospect of hospitalization due to COVID-19, as well as the rising cost of medical care in private hospitals and the need for health insurance.

The retail health insurance segment, which accounted for 9% of the total number of lives covered by health insurance in India in Fiscal 2020, contributed 45% of the total health GWP generated in the overall health insurance market in Fiscal 2021. This was primarily due to retail health's higher premium per person compared to other health insurance segments. Profitability in the retail health insurance segment is also being driven by customer loyalty, which is higher than other health insurance segments, as well as lower claims ratios, which were 73% in retail health, compared to 99% in group health and 92% in government sponsored health schemes in Fiscal 2020. In addition, SAHI insurers only had a claims ratio of 59% in relation to their retail health business in Fiscal 2020, compared to 67% and 92% for private sector and public sector insurers, respectively,

The Gross Written Premium ("GWP") for retail health, group health, government health and personal accident and overseas travel for the periods indicated:

| Product Category | 6 Months ended Sep'30 | | | | Year Ended March 31, | | | | | |
|-------------------|-----------------------|----------------|----------------------|----------------|----------------------|----------------|----------------------|----------------|----------------------|----------------|
| | 2021 | | 2020 | | 2021 | | 2020 | | 2019 | |
| | Revenue (₹ in Cr) | % to Total | Revenue (₹ in Cr) | % to Total | Revenue (₹ in Cr) | % to Total | Revenue (₹ in Cr) | % to Total | Revenue (₹ in Cr) | % to Total |
| Retail health | 4,339.92 | 85.6% | 3,489.13 | 87.9% | 8,215.09 | 87.9% | 5,838.90 | 84.7% | 4,679.11 | 86.4% |
| Group health | 662.82 | 13.1% | 420.54 | 10.6% | 984.24 | 10.5% | 892.13 | 12.9% | 595.44 | 11.0% |
| Government health | - | - | - | - | - | - | 4.47 | 0.1% | - | - |
| Personal accident | 67.04 | 1.3% | 56.88 | 1.4% | 148.93 | 1.6% | 142.75 | 2.1% | 127.54 | 2.4% |
| Travel | 0.01 | 0.00% | 0.64 | 0.02% | 0.69 | 0.01% | 12.42 | 0.2% | 13.27 | 0.2% |
| Total GWP | 5,069.78 | 100.00% | 3,967.19 | 100.00% | 9,348.95 | 100.00% | 6,890.67 | 100.00% | 5,415.36 | 100.00% |

| Retail Health GWP (₹ In Cr) | | | | | | | | | | | |
|-----------------------------|-----------------------|-----------------------|----------------|----------------------|----------------|--|----------------|----------------------|----------------|----------------------|----------------|
| | CAGR (%) 2019-2021 | 6 Months ended Sep'30 | | | | As of and for the year ended March 31, | | | | | |
| | | 2021 | | 2020 | | 2021 | | 2020 | | 2019 | |
| | | Revenue (₹ in Cr) | % to Total | Revenue (₹ in Cr) | % to Total | Revenue (₹ in Cr) | % to Total | Revenue (₹ in Cr) | % to Total | Revenue (₹ in Cr) | % to Total |
| Family Floater | 25.8% | 2,508.60 | 57.80% | 2,101.79 | 60.24% | 4,970.81 | 60.51% | 3,872.83 | 66.33% | 3,139.57 | 67.10% |
| Individual | 20.7% | 306.46 | 7.06% | 285.21 | 8.17% | 631.38 | 7.69% | 475.40 | 8.14% | 433.03 | 9.25% |
| Individual / Floater | 59.9% | 937.02 | 21.59% | 714.93 | 20.49% | 1,692.68 | 20.60% | 966.50 | 16.55% | 662.24 | 14.15% |
| Specialised | 43.9% | 587.84 | 13.55% | 387.21 | 11.10% | 920.23 | 11.20% | 524.16 | 8.98% | 444.27 | 9.49% |
| Total | 32.5% | 4,339.92 | 100.00% | 3,489.13 | 100.00% | 8,215.09 | 100.00% | 5,838.90 | 100.00% | 4,679.11 | 100.00% |

| Group Health GWP (₹ In Cr) | | | | | | | |
|----------------------------|-----------------------|-----------------------|---------------|--|---------------|---------------|--|
| | CAGR (%) 2019-2021 | 6 Months ended Sep'30 | | As of and for the year ended March 31, | | | |
| | | 2021 | 2020 | 2021 | 2020 | 2019 | |
| | | Revenue | Revenue | Revenue | Revenue | Revenue | |
| Non-SMEs | 21.1% | 429.68 | 294.59 | 599.34 | 581.44 | 408.97 | |
| SMEs | 46.6% | 265.41 | 160.89 | 398.35 | 313.38 | 185.37 | |
| Total | 29.6% | 695.09 | 455.48 | 997.69 | 894.83 | 594.33 | |

Note: Total group health GWP in the table above has been derived from the accounts, prior to accounting adjustments, and may not match with segment-wise financial breakdowns of GWP found elsewhere in this note that have been derived from the Restated Financial Information.

Sales and Distribution

The Distribution mix of the GWP:

| Agency | 6 Months ended Sep'30 | | | | Year Ended March 31, | | | | | |
|-----------------------|-----------------------|---------------|----------------------|---------------|----------------------|---------------|----------------------|---------------|----------------------|---------------|
| | 2021 | | 2020 | | 2021 | | 2020 | | 2019 | |
| | Revenue (₹ in Cr) | % to Total | Revenue (₹ in Cr) | % to Total | Revenue (₹ in Cr) | % to Total | Revenue (₹ in Cr) | % to Total | Revenue (₹ in Cr) | % to Total |
| Individual Agents | 3,901.52 | 77.0% | 3,107.61 | 78.3% | 7,378.07 | 78.9% | 5,250.26 | 76.2% | 4,194.16 | 77.4% |
| Corporate Agent Banks | 141.60 | 2.8% | 84.89 | 2.1% | 220.92 | 2.4% | 128.99 | 1.9% | 80.13 | 1.5% |
| Corporate Agents | 31.66 | 0.6% | 10.46 | 0.3% | 19.10 | 0.2% | 11.17 | 0.2% | 18.43 | 0.3% |
| Total Agency | 4,074.78 | 80.4% | 3,202.96 | 80.7% | 7,618.08 | 81.5% | 5,390.41 | 78.2% | 4,292.72 | 79.3% |
| Direct Sales | 453.12 | 8.9% | 369.97 | 9.3% | 847.26 | 9.1% | 699.35 | 10.1% | 730.54 | 13.5% |
| Brokers | 472.32 | 9.3% | 308.63 | 7.8% | 698.51 | 7.5% | 690.16 | 10.0% | 391.98 | 7.2% |
| Others | 69.56 | 1.4% | 85.64 | 2.2% | 185.10 | 2.0% | 110.75 | 1.6% | 0.12 | - |
| Total GWP | 5,069.78 | 100.0% | 3,967.19 | 100.0% | 9,348.95 | 100.0% | 6,890.67 | 100.0% | 5,415.36 | 100.0% |

KEY PERFORMANCE INDICATORS

(₹ in Cr, except otherwise indicated)

| | 6 Months ended Sep'30 | | As of and for the year ended March 31, | | |
|---|-----------------------|---------------|--|--------------|--------------|
| | 2021 | 2020 | 2021 | 2020 | 2019 |
| GWP | 5,069.78 | 3,967.19 | 9,348.95 | 6,890.67 | 5,415.36 |
| Period-on-period growth of GWP | 27.8% | 45.0% | 35.7% | 27.2% | 30.1% |
| Retail Health Renewal Premium Ratio | 91.9% | 98.7% | 97.9% | 94.5% | 95.9% |
| Retail Health Renewal Rate by volume | 76.0% | 90.5% | 90.8% | 88.7% | 88.7% |
| Number of policies | 3.43 | 3.21 | 6.99 | 5.06 | 4.30 |
| Number of agents | 0.51 | 0.40 | 0.46 | 0.36 | 0.29 |
| Number of hospitals in network (in actual) | 11,778 | 10,104 | 10,871 | 9,964 | 9,295 |
| Net Incurred Claims Ratio | 88.2% | 60.3% | 87.0% | 65.8% | 64.2% |
| Net Expense Ratio | 31.0% | 31.7% | 27.8% | 27.4% | 30.1% |
| Combined Ratio | 119.2% | 91.9% | 114.8% | 93.2% | 94.3% |
| Underwriting Profit/(Loss) | (931.91) | 144.63 | (1,331.78) | 168.40 | 30.71 |
| Investment Income | 430.33 | 187.74 | 423.68 | 293.53 | 195.43 |
| Profit/(Loss) after tax | 380.27 | 119.29 | (825.58) | 268.00 | 128.23 |
| Net worth | 3,199.41 | 1,827.97 | 3,484.64 | 1,628.68 | 1,215.69 |
| Return on equity | (15.1)% | 12.6% | (32.3)% | 18.8% | 13.1% |
| Solvency ratio | 1.52 | 1.48 | 2.23 | 1.50 | 1.53 |

COVID 19 - BUSINESS IMPACT

The company has taken a proactive approach to managing COVID-19 since its outbreak and intend to continue to take a number of initiatives to ensure business continuity and adapt to changes since the outbreak of COVID-19. The prospect of hospitalization due to COVID-19, and rising cost of medical care in private hospitals has led to increased awareness and need for health insurance and driven individuals to sign up for health insurance, resulting in significantly higher demand for health insurance. In response to the COVID-19 crisis, they employed 24-hour customer support seven days a week for patients and elderly during the COVID-19 lockdown in order to support COVID-19-related claims and inquiries.

The GWP of the India retail health insurance segment grew 28% year-on-year in Fiscal 2021 due to COVID-19. From Fiscal 2019 to Fiscal 2021, their retail health GWP grew at a CAGR of 32.5%. However, as a result of the COVID-19 crisis, the company has seen an increase in claims across their network, and the increase in net paid claims due to the COVID-19 accounted for 30% and 40.5% of their total net paid claims by value in Fiscal 2021 and the 6 months ended September 30, 2021, respectively.

The impact COVID-19 on the performance of company business:

(₹ in Cr)

| | 6 months ended September 30, 2021 | Fiscal Year Ended March 31, 2021 |
|---|--------------------------------------|-------------------------------------|
| Number of COVID-19 claims settled and paid | 0.19 | 0.15 |
| Gross paid COVID-19 claims | 1,786.47 | 1,528.64 |
| Incremental outstanding COVID-19 claims during the period | 28.04 | 110.35 |
| Gross incurred claims on account of COVID-19 | 1,814.51 | 1,638.98 |
| Net incurred COVID-19 claims after reinsurance | 1,697.40 | 1,206.06 |
| Increase in net paid claims due to COVID-19 | 40.5% | 30.0% |
| Average net paid claim size of COVID-19 | 0.09 | 0.08 |
| Average net paid claim size of non-COVID-19 | 0.05 | 0.04 |
| Exceptional net claims due to COVID-19 | - | 615.77 |
| Net Incurred Claims Ratio | 88.2% | 87.0% |
| Combined Ratio | 119.2% | 114.8% |

In Fiscal 2021 Star Health incurred certain exceptional expenses in relation to the discontinuance of a voluntary quota share treaty ("VQST") for health on a clean-cut basis with effect from April 1, 2021. According to a circular issued by IRDAI, companies that discontinue a one-year reinsurance treaties on a clean-cut basis are required to hold unearned premium reserve, which in this case resulted in an additional reserve of ₹437.12 crore with a corresponding increase in loss before tax and reduction in reserves and surplus as of March 31, 2021 in accordance with IRDAI regulations. The impact of their withdrawal from the treaty resulted in an impact of reinsurance -

portfolio entry on their revenue account of ₹483.27 crore in Fiscal Year 2021. In addition, as a result of the COVID-19 crisis, they have seen an increase in COVID-19-related claims across their network in Fiscal 2021 and the 6 months ended September 30, 2021.

In the 6 months ended September 30, 2020, they also saw a significant decrease in the number of non-COVID-19 related claims due to lockdowns and other restrictions that were imposed during that period in India, which prevented certain persons from making non-COVID-19-related claims, as compared to the 6 months ended September 30, 2021, when the exceptional impact of these restrictions on non-COVID-19-related claims was much less pronounced.

COMPETITIVE STRENGTHS

- ***The largest private health insurance company in India with leadership in the attractive retail health segment***

Star Health is the largest private health insurance company and the largest retail health insurance company in India by health GWP, with a 15.8% overall health insurance market share and a 31.3% retail health insurance market share in Fiscal 2021. As of March 31, 2019, 2020 and 2021, they issued 4.3 million, 5.1 million and 7 million health insurance policies, which were the highest among all health insurance providers. Their retail health GWP was over 3 times the GWP of the next highest retail health insurance market participant in Fiscal 2021. They are the largest SAHI insurer in India and the only SAHI Company among the Top-5 health insurance businesses in India in Fiscal 2021. As of March 31, 2021, they had the largest number of individual agents among SAHI insurers, at approximately 3 times that of the SAHI Company with the next highest number of agents. Their total number of individual agents grew at a CAGR of 27.3% from 0.29 million as of March 31, 2019 to 0.46 million as of March 31, 2021 and was 0.51 million as of September 30, 2021.

From Fiscal 2019 to Fiscal 2021, their retail health GWP grew at a CAGR of 32.5%. Star Health accounted for 40.5% of the total accretion in retail health GWP in the Indian retail health industry as a whole in Fiscal 2021 compared to Fiscal 2020. In addition to procuring new business each year, they have also had a steady stream of customers coming back to them, with approximately 97.9% renewals by GWP value for retail health business in Fiscal 2021, as well as approximately 63.4% higher inward portability compared to Fiscal 2020.

Average retail health sum insured for the company grew at a CAGR of 11.7% from Fiscal 2019 to Fiscal 2021, indicating that the company selling new policies with higher sum insured. As a result, their overall retail health insurance market share by GWP, increased from 28.6% in Fiscal 2019 to 31.3% in Fiscal 2021, resulting in growth of 40.5% in Fiscal 2021 compared to growth in the overall retail health insurance industry of only 28% in Fiscal 2021.

- ***One of the largest and well spread distribution networks in the health insurance industry and an integrated ecosystem***

- ***Pan India Presence:*** Star Health has a pan-India distribution network that is one of the largest and well spread in the health insurance industry. Their distribution network includes the largest branch network among non-public health insurance providers in India, which as of September 30, 2021 included 779 health insurance branches spread across 25 states and 5 union territories in India. Their branch network is supplemented by an extensive network of over 562 SMS and over 6,892 in-house sales managers as of September 30, 2021. Their branches act as a hub to their SMS and agents, which enable them to access a geographically and demographically broad Indian customer base, facilitating future expansion.
- ***Agency distribution channel:*** As of March 31, 2021, STAR Health had the largest number of individual agents among SAHI insurers, at approximately 3 times that of the SAHI Company with the next highest number of agents. Their agents accounted for 59.9% of all the agents in the SAHI sector in India as of March 31, 2021. Their total number of individual agents grew at a CAGR of 27.3% from 0.29 million as of March 31, 2019 to 0.46 million as of March 31, 2021 and was 0.51 million as of September 30, 2021. In addition, as of September 30, 2021, 0.07 million of their agents were engaged directly by them to sell health insurance policies. The number of their agents engaged directly by them to sell health insurance grew at a CAGR of 44.7% from Fiscal 2019 to Fiscal 2021.
- ***Other Distribution Channels:*** In addition to their individual, corporate agent banks and other corporate agents, Star Health maintains diversified channels of distribution to complement their agency network, which include distribution by direct online sales through telemarketing, their website and interactive applications, brokers, insurance marketing firms and web aggregators. They also have 8 dedicated telemarketing units for telemarketing and website sales as of September 30, 2021.

- ***The diversified product suite with a focus on innovative and specialized products***

Star Health offers a range of flexible and comprehensive coverage options primarily for retail health, group health, personal accident and overseas travel. From Fiscal 2018 to September 30, 2021, they introduced 56 new products (including all variations of policies). They develop their products through innovation-driven product development process, which includes extensive market research in which they analyse market demand and coverage gaps, and profitability analyses. In developing products, they focus primarily on the family and economic profile, the age profile, the disease profile and the geographic profile of their customers.

Their products include family floater products, such as the Family Health Optima Insurance Plan, in which the sum insured covers the entire family on the payment of a single annual premium; individual products, such as Medi classic Insurance Policy (Individual) and Accident Care Individual Insurance Policy, which are tailored to the needs of the individual; and specialized products based on the age of their customers, such as Senior Citizens Red Carpet Healthy Insurance Policy and Young Star Insurance Policy, as well as on the disease-profile of their customers with pre-existing conditions, such as Diabetes Safe Insurance Policy, Star Net Plus and Star Cardiac Care Insurance Policy.

- ***Strong risk management focus with domain expertise driving a superior claims ratio and quality customer service***

- ***In-house Claims Management System:*** The claims process is the most sensitive part of a customer's experience with health insurance, and company's approach to claims management is a key part of their customer service proposition. To reduce the costs associated with claims, they engage with the customers through their in-house tele-medicine service, TALK TO STAR, which provides customers with access to experienced doctors that can give second opinions and alternative medical solutions over the telephone or internet.

Since their inception until September 30, 2021, they have **processed approximately 6.7 million claims**. In Fiscal 2021 and in the 6 months ended September 30, 2021, approximately 94.1% and 89.9%, respectively, of their health claims settled were processed within 30 days.

- ***In-house Medical Expertise:*** Star Health follows a differentiated strategy of employing a large number of medical professionals in various key business functions, including product introduction and innovation, underwriting, hospital network management, claims processing and verification. As of September 30, 2021, they employed 590 in-house full-time medical professionals.
- ***Extensive Hospital Network:*** Star Health's hospital network enables them to monitor the quality of medical service provided to their customers and provides access to competitive pricing at attractive, pre-negotiated rates, which lowers claims costs and increases customer engagement. Their **hospital network includes 11,778 hospitals**, 65.7% of which had agreed packages with them as of September 30, 2021.

- ***Substantial investment in technology and innovative business processes***

Company's investments in information technology in digital technologies, data platform and automation are key drivers that have improved the effectiveness, efficiencies and innovations within their business. They have invested in advanced technologies to develop a flexible and integrated information technology platform across their business processes. Their in-house built digital platform helps them interact with their customers, agents, sales teams, hospitals, diagnostics centres, employees, web aggregator partners, corporate agents, as well as corporate agent banks and other intermediaries, seamlessly.

They have built these platforms based on their prior claims experience and include an auto-underwriting engine that facilitates the quick on-boarding of customers. They also have developed omni-channel applications, such as their agent application **STAR ATOM**, which allows agents to process proposals and issue receipts using their smart phone tablets and digitizes the customer acquisition process; their customer self-service application **STAR POWER**, which enables them to deliver, in a consistent and personalized way, a customer experience that meets customers' insurance needs through a seemingly single channel regardless of customer entry points, and allows customers to enter into zero-contact new policy purchases, renew policies online and complete claim business process through the channel applications; and **"Twinkle bot"**, their intelligent bot that acts as a reference point for customers for frequently asked questions, including in relation to COVID-19, in order to reduce customer call volume and human error and increase efficiency and customer satisfaction.

In Fiscal 2021 and the 6 months ended September 30, 2021, they settled and paid 0.15 million and 0.19 million claims, respectively, related to COVID-19 amounting to gross paid claims of ₹1,528.64 crore and ₹1,786.47 crore in Fiscal 2021 and the 6 months ended September 30, 2021, respectively.

- **Consistently demonstrated superior operating and financial performance**

- **Profitability and return:** Star Health has undertaken initiatives involving both investments targeted at increasing their profitability and cost reduction measures in order to create an efficient, scalable platform across their pan-India multi-channel distribution network that helps position their business for profitable growth with limited additional investment. Their initiatives have also focused on investing in processes, technology, training and people to achieve higher GWP growth with limited additional net investment.

As a result of the initiatives, their Combined Ratio has historically been stable, amounting to 94.3% in Fiscal 2019 and 93.2% in Fiscal 2020. In Fiscal 2021, the Combined Ratio increased to 114.8% primarily due to certain exceptional accounting adjustments primarily related to their withdrawal from a reinsurance treaty in Fiscal 2021, and the exceptional impact of the COVID-19 crisis in Fiscal 2021. The Combined Ratio increased from 91.9% in the 6 months ended September 30, 2020, which was impacted by a decrease in non-COVID-19-related claims due to lockdowns and other restrictions, compared to 119.2% in the 6 months ended September 30, 2021, when the impact of COVID-19-related lockdowns and other restrictions on non-COVID-19-related claims was less pronounced and India experienced a resurgence in COVID-19 cases, in particular in April and May 2021.

- **Investment Income Performance:** Company's investment strategy is driven by the regulatory investment guidelines, the liability profile of their company and their risk appetite. Their investment assets are divided into long-term and short-term assets. They have diversified their investment portfolio using internal exposure norms based on its risk appetite in order to improve investment yields while maintaining portfolio quality.
- **Solvency:** As of September 30, 2021, they had a solvency ratio of 1.52x, compared to the IRDAI prescribed control level of 1.50x.

- **An experienced senior management team with strong sponsorship**

Company's senior management team includes their founder, Venkatasamy Jagannathan, and Subbarayan Prakash and Anand Shankar Roy, who have been with them since their first year after inception and played a critical role in achieving their strong business performance through their thought leadership and industry expertise. Venkatasamy Jagannathan has over 47 years of experience in the insurance industry and prior to founding the company, served as United India Insurance Company's chairman and managing director and is currently serving on the IRDAI advisory council, a position which he has held since its inception. Subbarayan Prakash has a number of years of experience in the health insurance industry and prior to founding the company, was a practicing general surgeon and has been instrumental in creating their large health insurance hospital network. Anand Shankar Roy is an expert in the health insurance business with over 21 years of experience in the health, non-life insurance and banking sectors and manages the sales, distribution and marketing.

As of March 31, 2021, they had the highest number of senior management personnel of any SAHI company based on the average years of total experience. The company is supported by their Promoters, which include **Rakesh Jhunjhunwala, Safecrop Investments India LLP and WestBridge AIF I**.

KEY BUSINESS STRATEGIES

- **Continue to leverage and enhance market leadership in the attractive retail health insurance segment**

The Indian health insurance market remains in the early stages of its life cycle and continues to be one of the most underpenetrated health insurance markets globally. A number of demographic factors are expected to continue to drive growth in the health insurance industry in India, with the retail health insurance segment in India is particularly attractive due to its lower penetration, density and claims ratio compared to other health insurance segments. The company intends to leverage their market leading position scale in the retail health insurance segment to expand their customer base in parallel with India's favourable demographics, while growing profitability and increasing their operating leverage.

- **Continue to enhance existing distribution channels and develop alternative channels**

The company intends to grow and diversify their distribution network to expand customer reach in order to generate new business and drive up-selling of their products to their large customer base, consistent with the profitability objectives.

- **Expand agency and branch networks:** The Company intends to continue to nurture and support the growth of their agent network, including their sponsored health insurance agents, through internal systems and processes that enhance agent productivity and retention, as well as their professional development. They intend to use their dedicated agency care cell to train and educate their agents on various products and underwriting principles, as well as other channels that promote retention, such as their agency club, which recognizes strong agent performance and facilitates networking among agents. They intend to continue to support the growth of their agency network by further expanding their branch network, in particular in the underpenetrated semi-urban and rural regions of India in order to continue to add to their customer base and grow their GWP.

They plan to strengthen their existing corporate agent bank relationships and entering into new corporate agent bank arrangements in order to expand their geographic and customer reach in order to generate new business. They also intend to continue to evaluate strategic opportunities with new corporate agent banks and pursue collaborations with other corporate agents, such as LIC Housing Finance and ICICI Securities. In addition, they plan to continue to use the technologies that they have invested in to drive productivity and leverage scale in their business to drive margins and profitability.

- **Digital sales:** The Company intends to continue to focus on growing their business through digital sales and web aggregators to continue to make their customer experience a more user-friendly and deliver a quality customer service experience.
- **Collaborations with Fintech and Insurtech companies:** The Company aims to collaborate with Fintech and Insurtech companies. The collaborations with digital wallets enables them to make and receive payments and distribute their products through their digital applications, as well as collaborating on smaller "bite-sized" insurance products, which are more affordable insurance offerings that can be purchased for specific health needs, in order to target underpenetrated markets.
- **Focus on SME Group sales:** The company intends to increase their focus on the SME segment of the Group health insurance sector, in which their GWP grew at a CAGR of 46.6% from Fiscal 2019 to Fiscal 2021 and for which they had a loss ratio of 77.3% in Fiscal 2021, compared to the loss ratio of 117.9% of the non-SME-Group segment in Fiscal 2021.

- **Utilize the digitization of the business to improve operational efficiencies and customer service**

The company intends to continue to build on their investments in the digitization of their business and any incremental investments they make in the future to improve operational efficiencies and customer service. Their digitization strategy focuses on 8 key target areas: intelligent automation; hyper-personalization; advanced analytics; omni-channel; micro-services; cloud; business process optimization and software development.

- **Drive profitability by leveraging scale and further improving financial performance**

For improving their operating and financial performance, the company intends to do the following:

- Continue to grow their agreed hospital network;
- Engage in fraud control and mitigation by studying customer behaviour and utilizing preventive fraud analytics;
- Reduce the net expense ratio by continuing to eliminate, standardise and automate internal processes;
- Enhance their end-to-end customer-centric service experience;
- Use advanced analytics of data on customer patterns and behaviours and claims to reduce claims costs;
- Make each branch across their network a profit centre;
- Continue to target under-penetrated rural markets.

- **Respond to the challenges posed by COVID-19 Pandemic and adapt to the post-COVID-19 environment**

The company intends to continue to utilize and launch applications and technologies that enable them to provide uninterrupted and quality customer service, such as electronic document submissions and the posting cashless approvals for claim payments, as well as the sharing of medical records and documentation through cloud technologies. They have implemented and launched a **Corona Kavach Policy** and a **Corona Rakshak Policy**, which cover the treatment cost of the coronavirus disease, based on guidelines issued by the IRDAI, and closely monitor claims relating to COVID-19 and provide daily reports of confirmed cases and suspected cases to the Indian General Insurance Council for onward transmission to the Ministry of Health and the IRDAI. In Fiscal 2021, they settled and paid 0.15 million claims related to COVID-19 amounting to gross paid claims of ₹1,528.64 crore. In the 6 months

ended September 30, 2021, they settled and paid 0.19 million claims related to COVID-19 amounting to gross paid claims of ₹1,786.47 crore.

COMPETITION

| Public-sector Non-Life Insurers | Private-sector Non-Life Insurers | Other SAHI Companies |
|--|--|---|
| <ul style="list-style-type: none"> New India Assurance Co Ltd, United India Insurance Co Ltd, National Insurance Co Ltd and The Oriental Insurance Co Ltd. | <ul style="list-style-type: none"> ICICI Lombard General Insurance Ltd, HDFC Ergo General Insurance Ltd, TATA AIG General Insurance Ltd, Bajaj Allianz General Insurance Co Ltd, SBI General Insurance Co Ltd, Cholamandalam MS General Insurance Co Ltd, Reliance General Insurance Co Ltd | <ul style="list-style-type: none"> CARE Health Insurance Ltd, Manipal Cigna Health Insurance Ltd, Aditya Birla Health Insurance Ltd, Max Bupa Health Insurance Ltd. |

INDUSTRY OVERVIEW

Distribution trends and impact of digital channels

Comparison of number of agents in life insurance business vs SAHI

| Number of Individual agents | Fiscal 2021 | Fiscal 2020 | Fiscal 2019 | Fiscal 2018 |
|--------------------------------|------------------|------------------|------------------|------------------|
| Health insurance (SAHI) | 772,227 | 681,145 | 520,650 | 405,924 |
| Star Health | 462,502 | 359,341 | 383,829 | 238,240 |
| Religare | 156,669 | 124,340 | 85,544 | 55,520 |
| Apollo Munich* | - | 98,072 | 72,747 | 49,481 |
| Max Bupa | 68,290 | 39,998 | 31,540 | 25,368 |
| ManipalCigna | 41,935 | 34,335 | 27,655 | 21,490 |
| Aditya Birla | 42,831 | 25,059 | 18,811 | 15,825 |
| Reliance Health | - | - | 524 | - |
| Life insurance | 2,455,076 | 2,278,465 | 2,194,747 | 2,082,667 |
| LIC | 1,353,808 | 1,208,826 | 1,179,229 | 1,148,811 |
| Private | 1,101,268 | 1,069,639 | 1,015,518 | 933,856 |

* Merged with HDFC Ergo Health Insurance in January 2020

Player wise number of retail products

| Company | Individual | Senior Citizen | Family | Disease Specific | Critical Illness | Others | Total |
|--|------------|----------------|----------|------------------|------------------|----------|-----------|
| Star Health & Allied Insurance Co Ltd | 5 | 1 | 2 | 5 | 1 | 3 | 17 |
| HDFC Ergo General Insurance Co Ltd | 7 | 1 | | 3 | 1 | 4 | 16 |
| Bajaj Allianz General Insurance Co Ltd | 5 | 1 | 2 | | 2 | 1 | 11 |
| Care Health Insurance Ltd | 2 | 1 | 1 | 3 | 2 | 1 | 10 |
| Max Bupa Health Insurance Co Ltd | 5 | 1 | 1 | | 1 | 2 | 10 |
| The Oriental Insurance Co Ltd | 1 | 1 | | 2 | 1 | | 5 |
| National Insurance Co Ltd | 2 | | 1 | | | 1 | 4 |
| ICICI Lombard General Insurance Co Ltd | 2 | | 1 | | | 1 | 4 |
| United India Insurance Co Ltd | 1 | | 1 | | | 1 | 3 |

Gross Written Premium (overall health insurance) – Market share and Growth

| Players | CAGR Fiscal 2018-2021 | Market Share (%) | | | | | Gross Direct Premium Income (₹ Cr) | | | | |
|---------------------|-----------------------|-------------------------------|--------------|--------------|--------------|--------------|------------------------------------|----------------|----------------|----------------|----------------|
| | | First 6 months of Fiscal 2022 | FY21 | Fiscal 2020 | Fiscal 2019 | Fiscal 2018 | First 6 months of Fiscal 2022 | FY21 | Fiscal 2020 | Fiscal 2019 | Fiscal 2018 |
| New India Assurance | 15% | 21.2% | 18.4% | 19.2% | 18.4% | 18.9% | 7,846.9 | 10,723.8 | 9,381.8 | 8,241.2 | 6,995.9 |
| Star Health | 32% | 13.3% | 15.8% | 13.7% | 11.8% | 10.9% | 5,131.9 | 9,203.9 | 6,707.9 | 5,271.8 | 4,031.7 |
| United India | 4% | 8.6% | 10.7% | 10.9% | 12.0% | 15.1% | 3,189.2 | 6,240.2 | 5,329.8 | 5,357.0 | 5,606.0 |
| National Insurance | 1% | 9.0% | 9.5% | 10.8% | 13.2% | 14.4% | 3,325.7 | 5,549.2 | 5,277.6 | 5,890.0 | 5,329.1 |
| Oriental Insurance | 10% | 9.4% | 8.1% | 9.5% | 9.1% | 9.7% | 3,483.6 | 4,741.9 | 4,634.3 | 4,044.4 | 3,576.4 |
| HDFC Ergo General | 14% | 5.0% | 6.4% | 3.2% | 2.8% | 2.6% | 1,836.9 | 3,733.5 | 1,574.3 | 1,254.2 | 974.2 |
| HDFC Ergo Health | | NA | NA | 4.8% | 4.4% | 4.2% | NA | NA | 2,359.8 | 1,987.3 | 1,566.2 |
| ICICI Lombard | 13% | 4.8% | 4.5% | 5.5% | 5.1% | 5.0% | 1,786.8 | 2,639.2 | 2,695.2 | 2,267.2 | 1,848.8 |
| CARE Health | 35% | 4.1% | 4.0% | 4.4% | 3.6% | 2.5% | 1,519.2 | 2,310.1 | 2,151.3 | 1,611.2 | 932.0 |
| Bajaj Allianz | 15% | 5.3% | 3.6% | 4.3% | 4.9% | 3.7% | 1,960.1 | 2,074.6 | 2,086.9 | 2,206.2 | 1,369.5 |

| Players | CAGR Fiscal 2018-2021 | Market Share (%) | | | | | Gross Direct Premium Income (₹ Cr) | | | | |
|--------------------------|-----------------------|-------------------------------|------|-------------|-------------|-------------|------------------------------------|---------|-------------|-------------|-------------|
| | | First 6 months of Fiscal 2022 | FY21 | Fiscal 2020 | Fiscal 2019 | Fiscal 2018 | First 6 months of Fiscal 2022 | FY21 | Fiscal 2020 | Fiscal 2019 | Fiscal 2018 |
| Max Bupa Health | 31% | 3.3% | 2.9% | 2.4% | 2.0% | 2.0% | 1,224.3 | 1,666.0 | 1,177.6 | 914.5 | 743.3 |
| SBI General | 39% | 1.9% | 2.2% | 1.5% | 1.1% | 1.3% | 701.6 | 1,256.3 | 742.5 | 513.4 | 472.6 |
| Aditya Birla Health | 72% | 1.9% | 2.0% | 1.5% | 0.9% | 0.6% | 694.3 | 1,165.8 | 755.5 | 423.4 | 230.4 |
| TATA AIG General | 38% | 1.7% | 1.8% | 1.7% | 1.4% | 1.1% | 620.7 | 1,070.2 | 835.4 | 631.3 | 404.3 |
| Reliance General | 6% | 1.6% | 1.5% | 2.9% | 2.3% | 2.0% | 599.7 | 887.2 | 1,421.8 | 1,018.9 | 737.3 |
| Manipal Cigna Health | 32% | 1.2% | 1.3% | 1.2% | 1.0% | 0.9% | 433.5 | 744.5 | 567.3 | 468.8 | 326.5 |
| Cholamandalam MS General | 18% | 0.5% | 0.7% | 0.6% | 0.6% | 0.7% | 201.0 | 428.7 | 316.9 | 273.7 | 260.7 |

CAGR growth is for merged entity (HDFC Ergo General and HDFC Ergo Health);

Retail Health insurance business – Market share and Growth

| Players | CAGR Fiscal 2018-2021 | Market Share (%) | | | | | Retail Business Premium Income (₹ Cr) | | | | |
|--------------------------|-----------------------|-------------------------------|--------------|--------------|--------------|--------------|---------------------------------------|----------------|----------------|----------------|----------------|
| | | First 6 months of Fiscal 2022 | FY21 | Fiscal 2020 | Fiscal 2019 | Fiscal 2018 | First 6 months of Fiscal 2022 | FY21 | Fiscal 2020 | Fiscal 2019 | Fiscal 2018 |
| Star Health | 31% | 31.6% | 31.3% | 28.6% | 22.8% | 19.8% | 4,436.4 | 8,207.5 | 5,865.8 | 4,678.9 | 3,629.1 |
| HDFC Ergo General | 14% | 9.8% | 10.4% | 3.1% | 2.6% | 4.3% | 1,370.3 | 2,723.6 | 626.3 | 538.8 | 780.4 |
| HDFC Ergo Health | | NA | NA | 8.4% | 6.8% | 5.9% | NA | NA | 1,720.3 | 1,392.0 | 1,080.3 |
| New India Assurance | 7% | 9.3% | 9.9% | 11.5% | 11.4% | 11.7% | 1,299.2 | 2,599.7 | 2,367.0 | 2,338.6 | 2,142.3 |
| National Insurance | 12% | 7.7% | 7.9% | 8.5% | 8.0% | 8.2% | 1,077.4 | 2,083.0 | 1,738.0 | 1,634.3 | 1,493.5 |
| Oriental Insurance | 10% | 6.1% | 7.1% | 7.6% | 7.4% | 7.7% | 857.5 | 1,857.9 | 1,559.9 | 1,527.0 | 1,407.5 |
| CARE Health | 38% | 6.9% | 6.2% | 5.6% | 4.2% | 3.4% | 966.9 | 1,619.0 | 1,143.1 | 869.0 | 616.5 |
| United India | 10% | 4.7% | 5.2% | 5.9% | 5.2% | 5.5% | 663.5 | 1,364.6 | 1,214.0 | 1,057.7 | 1,016.0 |
| Max Bupa Health | 29% | 6.9% | 5.2% | 4.2% | 3.6% | 3.5% | 965.2 | 1,355.5 | 869.4 | 736.7 | 634.2 |
| Bajaj Allianz | 15% | 3.0% | 3.1% | 3.4% | 3.0% | 2.9% | 416.9 | 803.5 | 692.0 | 608.8 | 530.3 |
| ICICI Lombard | (12)% | 3.0% | 2.8% | 2.9% | 4.7% | 5.9% | 414.1 | 735.7 | 585.2 | 967.8 | 1,080.6 |
| Aditya Birla Health | 94% | 2.3% | 2.1% | 1.7% | 1.0% | 0.4% | 316.2 | 559.0 | 349.6 | 198.3 | 76.9 |
| Manipal Cigna Health | 21% | 1.5% | 1.5% | 1.5% | 1.3% | 1.2% | 216.8 | 393.6 | 312.3 | 266.5 | 219.9 |
| SBI General | 52% | 1.2% | 1.3% | 1.4% | 0.9% | 0.5% | 165.4 | 351.4 | 287.9 | 175.8 | 99.1 |
| TATA AIG General | 7% | 1.5% | 1.2% | 0.9% | 2.2% | 1.4% | 212.1 | 315.6 | 175.9 | 442.7 | 257.8 |
| Cholamandalam MS General | 4% | 1.0% | 0.9% | 1.2% | 1.1% | 1.2% | 136.3 | 247.9 | 236.1 | 229.5 | 219.3 |
| Reliance General | 25% | 0.6% | 0.5% | 0.5% | 0.4% | 0.4% | 82.1 | 143.2 | 99.8 | 86.3 | 73.4 |

Group Health insurance business – Market share and growth

| Players | CAGR Fiscal 2018-2021 | Market Share (%) | | | | | Group Business (₹ Cr) | | | | |
|--------------------------|-----------------------|-------------------------------|-------------|-------------|-------------|-------------|-------------------------------|--------------|--------------|--------------|--------------|
| | | First 6 months of Fiscal 2022 | Fiscal 2021 | Fiscal 2020 | Fiscal 2019 | Fiscal 2018 | First 6 months of Fiscal 2022 | Fiscal 2021 | Fiscal 2020 | Fiscal 2019 | Fiscal 2018 |
| New India Assurance | 25% | 28.5% | 27.7% | 25.3% | 22.4% | 22.0% | 5,451.7 | 7,697.2 | 6,395.7 | 4,589.9 | 3,972.5 |
| National Insurance | (4)% | 11.1% | 10.7% | 7.8% | 10.3% | 18.6% | 2,115.5 | 2,959.4 | 1,979.3 | 2,104.3 | 3,356.1 |
| Oriental Insurance | 8% | 11.1% | 9.6% | 10.8% | 11.4% | 11.9% | 2,123.9 | 2,660.5 | 2,723.8 | 2,339.7 | 2,139.1 |
| United India | (10)% | 8.4% | 8.7% | 12.9% | 15.7% | 18.4% | 1,597.8 | 2,408.5 | 3,250.7 | 3,226.8 | 3,313.0 |
| ICICI Lombard | 38% | 7.2% | 6.9% | 8.3% | 6.3% | 4.0% | 1,372.8 | 1,903.5 | 2,108.2 | 1,291.8 | 730.4 |
| Bajaj Allianz | 13% | 4.1% | 4.1% | 4.6% | 6.0% | 4.4% | 790.7 | 1,127.0 | 1,155.2 | 1,228.4 | 786.3 |
| SBI General | 34% | 2.1% | 3.3% | 1.8% | 1.6% | 2.1% | 392.9 | 905.0 | 454.5 | 337.6 | 373.5 |
| Star Health | 35% | 3.6% | 3.6% | 3.3% | 2.9% | 2.2% | 695.5 | 996.3 | 838.1 | 593.8 | 402.6 |
| HDFC Ergo General | 14% | 2.4% | 3.6% | 2.5% | 3.0% | 1.1% | 466.6 | 1,009.1 | 621.5 | 614.8 | 193.8 |
| HDFC Ergo Health | | NA | NA | 2.5% | 2.9% | 2.7% | NA | NA | 637.0 | 584.9 | 485.9 |
| TATA AIG General | 73% | 2.1% | 2.7% | 2.6% | 0.9% | 0.8% | 408.6 | 754.5 | 659.6 | 188.6 | 146.5 |
| CARE Health | 31% | 2.9% | 2.5% | 2.4% | 2.4% | 1.7% | 552.3 | 691.1 | 595.2 | 485.4 | 310.4 |
| Reliance General | 13% | 2.1% | 2.0% | 2.3% | 2.8% | 2.1% | 395.9 | 543.0 | 580.8 | 566.0 | 373.2 |
| Aditya Birla Health | 58% | 2.0% | 2.2% | 1.6% | 1.1% | 0.9% | 378.2 | 606.9 | 406.0 | 225.1 | 153.5 |
| Manipal Cigna Health | 49% | 1.1% | 1.3% | 1.0% | 1.0% | 0.6% | 216.7 | 350.9 | 255.0 | 202.3 | 106.6 |
| Max Bupa Health | 44% | 1.4% | 1.1% | 1.2% | 0.8% | 0.6% | 259.1 | 310.5 | 308.2 | 174.3 | 104.8 |
| Cholamandalam MS General | 64% | 0.3% | 0.7% | 0.3% | 0.2% | 0.2% | 64.8 | 180.8 | 86.4 | 44.2 | 41.3 |

Number of policies issued and its growth

| Players | CAGR Fiscal 2018-2021 | Market Share (%) | | | | | Number of Policies (in '000) | | | | |
|--------------------------|-----------------------|------------------|---------------|---------------|---------------|-------------|------------------------------|--------------|--------------|--------------|--------------|
| | | Q1 Fiscal 2022 | Fiscal 2021 | Fiscal 2020 | Fiscal 2019 | Fiscal 2018 | Q1 Fiscal 2022 | Fiscal 2021 | Fiscal 2020 | Fiscal 2019 | Fiscal 2018 |
| Star Health | 27% | 26.83% | 15.00% | 12.40% | 13.80% | 1446 | 1,446 | 6,399 | 4,463 | 3,734 | 3,090 |
| Bajaj Allianz | 46% | 14.89% | 9.80% | 7.60% | 5.10% | 659 | 659 | 3,550 | 2,911 | 2,281 | 1,133 |
| TATA AIG General | (25)% | 1.46% | 10.30% | 7.50% | 3.70% | 97 | 97 | 349 | 3,058 | 2,270 | 821 |
| Oriental Insurance | 23% | 10.19% | 4.00% | 4.10% | 5.80% | 295 | 295 | 2,430 | 1,194 | 1,235 | 1,306 |
| New India Assurance | 2% | 8.05% | 5.80% | 5.80% | 8.00% | 477 | 477 | 1,919 | 1,709 | 1,732 | 1,788 |
| HDFC Ergo General | 9% | 8.24% | 3.30% | 2.80% | 3.20% | 470 | 470 | 1,965 | 989 | 831 | 724 |
| HDFC Ergo Health | | NA | 4.10% | 3.50% | 3.60% | NA | NA | NA | 1,207 | 1,063 | 809 |
| National Insurance | (5)% | 6.34% | 5.20% | 5.70% | 8.00% | NA | NA | 1,511 | 1,555 | 1,727 | 1,786 |
| CARE Health | 41% | 5.14% | 3.40% | 2.60% | 2.00% | 281 | 281 | 1,226 | 1,003 | 770 | 438 |
| ICICI Lombard | (54)% | 3.13% | 27.40% | 38.10% | 35.30% | 145 | 145 | 747 | 8,130 | 11,476 | 7,895 |
| Max Bupa Health | 36% | 3.30% | 2.80% | 1.20% | 1.40% | 275 | 275 | 788 | 822 | 360 | 310 |
| SBI General | 15% | 2.68% | 1.90% | 2.20% | 1.90% | 90 | 90 | 639 | 568 | 648 | 419 |
| Aditya Birla Health | 87% | 2.08% | 1.00% | 0.60% | 0.30% | 133 | 133 | 496 | 310 | 186 | 76 |
| United India | (4)% | 4.69% | 3.70% | 4.00% | 5.60% | NA | NA | 1,120 | 1,103 | 1,207 | 1,257 |
| Manipal Cigna Health | 18% | 1.21% | 0.80% | 0.70% | 0.80% | 70 | 70 | 289 | 226 | 216 | 177 |
| Cholamandalam MS General | 40% | 1.05% | 0.00% | 0.00% | 0.00% | 41 | 41 | 251 | 124 | 112 | 91 |
| Reliance General | (12)% | 0.72% | 1.10% | 0.90% | 1.10% | 53 | 53 | 171 | 312 | 272 | 249 |

Product Approved by IRDAI since 2018

| Players | Type of Player | New Products Approved | | | | | Products Approved Since 2018 |
|--------------------------|----------------|-----------------------|-------------|-------------|-------------|-------------|------------------------------|
| | | Apr-Aug Fiscal 2022 | Fiscal 2021 | Fiscal 2020 | Fiscal 2019 | Fiscal 2018 | |
| Star Health | SAHI | 1 | 9 | 5 | 9 | 17 | 41 |
| HDFC Ergo General | Private | 4 | 8 | 7 | 5 | 10 | 34 |
| HDFC Ergo Health | SAHI | 0 | 3 | 5 | 2 | 8 | 18 |
| TATA AIG General | Private | 1 | 4 | 7 | 7 | 2 | 21 |
| Cholamandalam MS General | Private | 3 | 16 | 2 | 2 | 2 | 25 |
| ICICI Lombard | Private | 0 | 8 | 5 | 2 | 3 | 18 |
| CARE Health | SAHI | 1 | 5 | 1 | 4 | 3 | 14 |
| Max Bupa Health | SAHI | 4 | 8 | 4 | 0 | 4 | 17 |
| Aditya Birla Health | SAHI | 1 | 4 | 4 | 1 | 2 | 12 |
| Manipal Cigna Health | SAHI | 0 | 5 | 2 | 2 | 3 | 12 |
| Reliance General | Private | 0 | 8 | 1 | 2 | 4 | 15 |
| Bajaj Allianz | Private | 0 | 4 | 4 | 4 | 1 | 13 |
| United India | Public | 1 | 2 | 2 | 0 | 5 | 10 |
| New India Assurance | Public | 1 | 3 | 2 | 1 | 2 | 9 |
| National Insurance | Public | 1 | 5 | 3 | 1 | 1 | 11 |
| Oriental Insurance | Public | 2 | 3 | 1 | 3 | 1 | 10 |
| SBI General | Private | 1 | 12 | 1 | 0 | 0 | 14 |

COMPARISON WITH LISTED INDUSTRY PEERS (AS ON 31ST MARCH 2021)

| Name of the Company | Consolidated / Standalone | Face Value | Net Worth (₹ Cr) | Net Profit (₹ Cr) | Closing Price [^] | EPS (Basic) | NAV [^] | P/E [~] | RoNW (%) |
|--|---------------------------|------------|------------------|-------------------|----------------------------|----------------|------------------|------------------|-----------------|
| Star Health and Allied Insurance Co Ltd | Restated | 10 | 3,484.64 | (825.58) | [•] | (16.54) | 63.58 | [•] | (23.69)% |
| Peer Group | | | | | | | | | |
| ICICI Lombard General Insurance Co Ltd.* | Consolidated | 10 | 7,435.15 | 1,473.05 | 1,512.35 | 32.41 | 163.56 | 46.66 | 19.81% |
| New India Assurance Co Ltd | Consolidated | 5 | 18,485.38 | 1,627.75 | 152.20 | 9.95 | 112.17 | 15.30 | 8.81% |

Source: RHP; *ICICI Lombard General Insurance Company Ltd. is not strictly comparable with the Company as they operate under general insurance with health insurance not forming a significant component, whereas the Company is a standalone health insurance provider.

[^] Closing price as on Nov'18, 2021

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Star Health and Allied Insurance Company Limited is proposing, subject to receipt of requisite approvals, market conditions and other considerations, to make an initial public offer of its equity shares and has filed the RHP with the RoC and thereafter with SEBI and the Stock Exchanges. The RHP is available on the website of Securities and Exchange Board of India at www.sebi.gov.in, on the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com as well as on the websites of the BRLMs, Axis Capital Limited at www.axiscapital.co.in. Investors should note that investment in equity shares involves a high degree of risk and for details relating to such risk, see "Risk Factors" of the RHP. Potential investors should not rely on the DRHP filed with SEBI for making any investment decision.

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