



EIGHTH ANNUAL REPORT

2012-13

Star Health and Allied Insurance Co. Ltd.

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STAR HEALTH AND ALLIED INSURANCE CO LIMITED
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DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Eighth Annual Report and the Audited Financial Statements for the year ended 31st March 2013, together with the Auditors' Report and the Management Report.

IRDA APPROVAL

The Company received the Certificate of Registration from the Insurance Regulatory and Development Authority of India dated 16th March 2006 to carry on General Insurance business to underwrite Health, Personal Accident and Travel Insurance.

COMPANY'S PERFORMANCE

During the year the Company procured a Gross Premium of Rs. 86,021 lakh as compared to Rs. 108,506 lakh during last year, registering a decline of Rs. 22,485 lakh. While the market segment showed a growth of 59.27% with a Gross premium of Rs. 80,718 lakh as compared to Rs. 50,681 lakh in the previous year, the negative growth is due to reduction in Government premium. The overall Government business came down from Rs. 57,825 lakh in the previous year to Rs. 5,304 lakh in the current year.

Overall net incurred claims ratio to net earned premium worked out to 63.18 %, whereas in the market segment it was only 61.6%. The loss after adjustment of tax for the Year was Rs.12,562 lakh.

With absolute thrust on the market business coupled with control on incurred claims ratio and rationalizing expenses, the company's outlook for future is positive.

The summary of the performance is as below:-

Particulars	2012-13	2011-12
	Rs in Lakh	
Gross Direct Premium	86,021.35	108,505.67
RI Premium Accepted	68.47	0.41
Net Premium	61,383.65	80,991.38
Net Earned Premium	51,122.86	80,850.78
Net Incurred Claims	32,297.33	77,423.22
Commission Earned (Net)	(1,375.42)	(464.71)
Operating Expenses	31,863.52	20,278.46
Investment income-Policy holders	1,404.83	1,214.77
Other income-Policy holders	57.31	-
Underwriting Profit/(Loss)	(12,951.27)	(16,100.84)
Investment income-Shareholders	373.43	654.13
Amortisation Expenses	(1.06)	(1.22)
Other income-Shareholders	15.24	-
Profit/(Loss) before Tax	(12,561.54)	(15,445.49)
Provision for Taxation	-	-
Deferred Tax Liability Adjustment	-	691.44
Net Profit/(Loss) for the year	(12,561.54)	(14,754.05)