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## **Star Health Insurance looking to raise Rs 200 crore-250 crore from PE investors: V Jagannathan**

Q&A with chairman and managing director of Star Health Insurance  
M Saraswathy | Mumbai June 21, 2016 Last Updated at 18:06 IST



Standalone health insurance company Star Health and Allied Insurance which has recently tied-up with two large public sector banks is also looking to raise funds through private equity. In an interview with *M Saraswathy*, V Jagannathan, chairman and managing director of Star Health

Insurance talks about their future strategy. Edited excerpts-

**The company has seen an improvement in business performance posting profits in FY16 compared to loss in FY15. What were the strategies taken to reduce losses?**

We are a growing company; our management expenses have come down and the claims remain the same as also the procurement cost. This has led to profitability of the company. For this fiscal, we are targeting Rs 2,800 crore of gross written premium.

**Are you planning to raise funds via foreign direct investment or stake hike of foreign partner? Would you be exploring other routes of fund raising as well?**

We are thinking of raising money through FDI route. However, we may raise Rs 200 crore to Rs 250 crore through PE investors. We are currently in talks for this.

**Is group health a segment that you are writing business in?**

Normally we do not underwrite group health. If at all we underwrite, we ensure that we make profit. Our view is that there is no point underwriting something on a loss. Now we do not have any loss making segments.

**Bancassurance is an area where you have entered into new agreements. What is the business opportunity that you see here?**

We have signed an agreement with Bank of Baroda and also Bank of India. Currently, we are testing the waters with respect to bancassurance. Banks are very big distribution channel and we are looking to utilise this channel. We did not look into these areas so far, now we are going to look into these.

**You were the first player to offer combi or combination products in the insurance space. How is that performing?**

We have signed up with IndiaFirst Life Insurance to sell combi products. This is a good product and gives a life and health cover. If somebody falls sick, health takes care and if somebody goes to the hospital, something goes wrong, life cover takes care. This is to

ensure that the head of the family's loss will not be felt. It is a combination of health and life. Recently, we have done a soft launch of the product.

**Ailment-specific covers are in vogue in the industry. Will you also launch more products in this segment?**

We cover bariatric surgery and also offer cover after diagnosis of diabetes. Recently, we have offered cover for special (spastic) children. Wherever there is an opportunity, we will look into it.

**You have been the first insurer to offer cover for AIDS. How has the claims experience been, especially since the insurance industry considers this cover to be risky?**

We have been offering cover for AIDS. I do not know about other insurers but for us the claims experience is comfortable. The product has been performed well.