IJARSCT
International Journal of Advanced Research in Science, Communication and Technology
International Open-Access, Double-Blind, Peer-Reviewed, Refereed, Multidisciplinary Online Journal
ISSN: 2581-9429
Volume 6, Issue 10, June 2026
Impact Factor: 8.2

Financial Performance of Star Health Insurance - A Study

Nomula Sandeep[1] and Dr. D. Harikanth[2]
Research Scholar, Department of Commerce and Business Management[1]
Assistant Professor, Head - Department of Commerce[2]
University College of Commerce and Business Management
Satavahana University, Karimnagar, Telangana
sandeepnomula1@gmail.com and harikanth.d@gmail.com

Abstract: *The health insurance industry has become one of the fastest-growing segments of the Indian insurance sector due to increasing healthcare costs, rising health awareness, and growing demand for financial protection against medical expenses. This study examines the financial performance of Star Health and Allied Insurance Company Limited, one of India's leading standalone health insurance providers, during the period from 2019-20 to 2023-24. The study adopts a descriptive and analytical research design based exclusively on secondary data collected from annual reports, financial statements, and regulatory publications. Key financial indicators such as Gross Written Premium, Net Written Premium, Investment Income, Profit After Tax, Incurred Claims Ratio, and Capital Adequacy Ratio were analyzed using comparative financial statement analysis, Compound Annual Growth Rate (CAGR), Pearson Correlation, and One-Way ANOVA techniques.*

The findings reveal that the company achieved significant growth in premium income, investment income, and total assets during the study period. Gross Written Premium increased at a CAGR of 20.12%, indicating strong market expansion and business growth. Although profitability was adversely affected during the COVID-19 pandemic owing to unprecedented claim settlements, the company demonstrated remarkable resilience and recovered strongly in subsequent years. The correlation analysis indicates a positive relationship between total assets and profitability, while ANOVA results confirm significant variation among the selected financial performance indicators. The study concludes that Star Health Insurance possesses strong financial fundamentals, satisfactory solvency, effective claims management, and sustainable growth potential. The findings provide valuable insights for policymakers, investors, insurance practitioners, and researchers interested in the financial performance and sustainability of standalone health insurance companies in India.

Keywords: Health Insurance, Financial Performance, Gross Written Premium, Profitability, Capital Adequacy Ratio, Star Health Insurance, Claims Management, Financial ustainability

I. INTRODUCTION

Health insurance has emerged as a fundamental pillar of financial protection and social security, particularly in emerging economies characterized by rising healthcare costs and uneven access to medical services. It functions as a risk transfer mechanism that safeguards individuals and households against catastrophic health expenditures, thereby contributing to economic stability and improved quality of life. In India, the significance of health insurance has increased substantially due to demographic transitions, epidemiological shifts, and growing awareness regarding financial planning for healthcare needs.

The Indian health insurance sector has undergone considerable transformation, driven by liberalization, regulatory strengthening, and technological advancements. The entry of private players and the subsequent emergence of standalone health insurance companies have redefined the competitive landscape by promoting specialization,

DOI: 10.48175/IJARSCT-37224

innovation, and customer-centric service delivery**.** These entities focus exclusively on health-related risk coverage, thereby enhancing operational efficiency and enabling the development of tailored insurance products.

Moreover, the performance of health insurance companies is increasingly evaluated through structured analytical frameworks that integrate financial and operational dimensions. Models such as CARAMEL, which assess capital adequacy, asset quality, management efficiency, earnings, and liquidity, have gained prominence in examining the financial soundness of insurance institutions. Despite the sector's growth, challenges related to profitability, efficiency, and risk management persist, necessitating comprehensive empirical evaluation.

II. REVIEW OF LITERATURE

A review of literature provides a comprehensive understanding of previous research conducted in a particular field and helps identify the theoretical and empirical foundations of the study. In the context of the insurance sector, financial performance has emerged as a critical area of investigation due to its direct influence on profitability, solvency, operational efficiency, market competitiveness, and long-term sustainability. Researchers across different countries have examined the determinants of financial performance, efficiency, financial soundness, and operational effectiveness of insurance companies. The present review synthesizes major studies related to the financial performance of insurance companies, particularly health insurance organizations, and identifies the existing research gaps that justify the current study.

Abass et al. (2021) examined the technical characteristics of insurance operations and their influence on the financial performance of non-life insurance companies in Nigeria. The study found that underwriting efficiency, claims management, and premium growth significantly affect financial performance. The authors concluded that effective operational management contributes substantially to profitability and financial stability.

Batool and Sahi (2019) analyzed the determinants of financial performance among insurance companies in the United States and the United Kingdom. The study identified company size, liquidity, leverage, and premium growth as significant determinants of profitability. The authors emphasized the importance of effective financial management practices in enhancing organizational performance.

Chakraborty (2016) evaluated the financial efficiency of public-sector general insurance companies in India. The study revealed variations in efficiency levels among insurers and suggested that improvements in resource utilization, cost management, and operational effectiveness are necessary for enhancing financial performance.

Chatterjee et al. (2018) examined the development and growth of the health insurance sector in India. The study highlighted increasing insurance penetration, regulatory reforms, and growing consumer awareness as major drivers of sectoral growth. However, the authors identified challenges related to low penetration rates and affordability.

Dar and Thakur (2015) conducted a comparative analysis of public and private non-life insurance companies in India. Their findings indicated that private insurers generally exhibited better financial performance, profitability, and operational efficiency than public-sector insurers. The study attributed these differences to superior management practices and technological adoption.

Deyganto and Alemu (2019) examined factors affecting the financial performance of insurance companies operating in Ethiopia. The study found that company size, liquidity, leverage, premium growth, and claims ratio significantly influence profitability. The authors emphasized the need for effective risk management strategies.

Dutta (2020) analyzed the performance of the health insurance sector in India and observed significant growth in premium collections, policy coverage, and market penetration. The study highlighted the role of private insurers in expanding health insurance services while emphasizing the need for greater awareness and affordability.

Ibrahim (2023) measured the financial performance of insurance companies during periods of financial crisis. The findings indicated that organizations with stronger capital structures and effective risk management systems demonstrated greater resilience and stability during economic disruptions.

Ige-Gbadeyan and Swanepoel (2023) investigated the determinants of operational efficiency and financial health among South African non-life insurance companies. The study established a positive relationship between operational efficiency and financial performance, highlighting the importance of cost control and productivity improvement.

Jayalakshmi (2016) evaluated the performance of selected health insurance companies in India. The study revealed significant differences in premium growth, claim settlement ratios, profitability, and overall financial performance among insurers. The author concluded that effective management of claims and operating expenses plays a vital role in determining financial success.

Research Gap

Although extensive research has been conducted on the financial performance of insurance companies across different countries and insurance segments, several gaps remain in the existing literature:

- Most studies have focused on life insurance companies, non-life insurance companies, or the insurance industry as a whole, while limited attention has been given specifically to standalone health insurance companies.
- Existing studies predominantly examine cross-country or industry-level determinants of financial performance, with relatively few studies concentrating on individual health insurance companies such as Star Health Insurance.
- Several studies emphasize operational efficiency, financial soundness, and profitability; however, comprehensive evaluations combining liquidity, solvency, profitability, and operational indicators for standalone health insurers remain limited.
- Many previous studies were conducted before the significant expansion of India's health insurance market and do not adequately capture recent developments, including increased health awareness, digital transformation, and post-pandemic growth.
- Limited empirical evidence exists regarding the recent financial performance trends of Star Health Insurance despite its position as one of India's leading standalone health insurance providers.

There is a lack of focused studies examining the financial performance of Star Health Insurance using contemporary financial indicators derived from recent annual reports and financial statements.

Statement of the Problem

The health insurance industry has become an integral part of India's financial and healthcare systems. The growing demand for health insurance services, rising healthcare costs, and increasing awareness regarding financial protection have intensified competition among health insurance providers. In this dynamic environment, evaluating the financial performance of health insurance companies becomes essential for understanding their operational efficiency, profitability, liquidity, solvency, and overall financial health.

Star Health and Allied Insurance Company Limited, being one of the leading standalone health insurance companies in India, has experienced significant growth in recent years. Therefore, an assessment of its financial performance is necessary to understand its financial position, growth trends, and operational effectiveness.

Need for the Study

The present study is undertaken for the following reasons:

- To assess the financial performance of Star Health Insurance.
- To examine the company's profitability, liquidity, solvency, and operational efficiency.
- To understand the financial growth trends of the company over the study period.
- To identify the strengths and weaknesses in the financial management of the company.
- To provide suggestions for improving financial performance and operational effectiveness.

Objectives of the Study

Primary Objective

- To analyze the financial performance of Star Health and Allied Insurance Company Limited.

Secondary Objectives

- To examine the growth in premium income and profitability of the company.
- To evaluate the liquidity and solvency position of the company.
- To analyze the efficiency of asset utilization and operational performance.
- To study the trend in key financial indicators over the selected period.
- To provide suggestions based on the findings of the study.

Scope of the Study

The study focuses exclusively on the financial performance of Star Health and Allied Insurance Company Limited. The analysis is based on financial information obtained from the company's published annual reports and other secondary sources. The study covers major financial indicators such as profitability, liquidity, solvency, growth, and efficiency ratios. The findings are expected to provide valuable insights into the financial health and operational performance of the company.

III. METHODOLOGY

Research Design

The present study adopts a **descriptive and analytical research design**. Descriptive research is used to describe the financial characteristics and performance of the company, while analytical research is employed to examine financial data and evaluate performance trends using financial ratios and statistical techniques.

Nature of Data

The study is based entirely on **secondary data**.

Secondary data refers to information that has already been collected, compiled, and published by organizations for official and research purposes. The data utilized in this study are quantitative in nature and relate to the financial performance of Star Health Insurance.

Sources of Data

The study relies on secondary data collected from the following sources:

Primary Sources of Secondary Data

Annual Reports of Star Health and Allied Insurance Company Limited.
Financial Statements of the Company.
Investor Presentations and Corporate Reports.

Secondary Sources

Insurance Regulatory and Development Authority of India (IRDAI) Reports.
Research Articles and Journals.
Books on Insurance and Financial Management.
Company Website.
Industry Reports and Publications.
Business and Financial Databases.

IJARSCT
International Journal of Advanced Research in Science, Communication and Technology
International Open-Access, Double-Blind, Peer-Reviewed, Refereed, Multidisciplinary Online Journal
ISSN: 2581-9429 Volume 6, Issue 10, June 2026 Impact Factor: 8.2

Period of the Study

The study covers a period of **five financial years from 2019-20 to 2023-24**.

The selected period is considered appropriate for evaluating the recent financial performance and growth trends of the company.

Tools and Techniques of Analysis

The financial performance of Star Health Insurance will be analyzed using the following tools:

Comparative Financial Statement Analysis

Comparative financial statements facilitate year-to-year comparison of financial data and help identify trends in revenue, expenses, assets, liabilities, and profitability.

Hypotheses of the Study

The following hypotheses are formulated for the study:

H01: There is no significant growth in the premium income of Star Health Insurance during the study period.

H02: There is no significant relationship between total assets and profitability of Star Health Insurance.

H03: There is no significant variation in the financial performance indicators of Star Health Insurance during the study period.

Limitations of the Study

The study is subject to the following limitations:

- The analysis is based entirely on secondary data obtained from published sources.
- The accuracy of the findings depends on the reliability of the published financial statements.
- The study focuses only on Star Health Insurance and does not include comparisons with other insurance companies.
- External factors such as economic conditions, regulatory changes, and market fluctuations are beyond the scope of the study.
- The study covers a limited period of five years and may not fully capture long-term performance trends.

IV. DATA ANALYSIS AND INTERPRETATION

This section presents a detailed analysis and interpretation of the financial performance of Star Health Insurance Company Limited for the period from 2019-20 to 2023-24. The analysis is based on traditional financial performance indicators. The key variables examined include Gross Written Premium, Net Written Premium, Investment Income, Profit After Tax, Net Incurred Claims, and Capital Adequacy Ratio. The objective is to evaluate the growth, profitability, operational efficiency, and financial soundness of the company.

Analysis of Gross Written Premium

Table 4.1 Gross Written Premium of Star Health Insurance

Year	Gross Written Premium (□ Crores)	Growth (%)
2019-20	6,865.14	27.10
2020-21	9,388.54	36.76
2021-22	11,463.50	22.10
2022-23	12,448.70	8.59
2023-24	14,300.10	14.87

Source: Annual Reports of Star Health 2019-20 to 2023-24.

IJARSCT
International Journal of Advanced Research in Science, Communication and Technology
International Open-Access, Double-Blind, Peer-Reviewed, Refereed, Multidisciplinary Online Journal
ISSN: 2581-9429
Volume 6, Issue 10, June 2026
Impact Factor: 8.2

The Gross Written Premium increased continuously from ₹6,865.14 crore in 2019-20 to ₹14,300.10 crore in 2023-24. The highest growth rate of 36.76% was observed during 2020-21, reflecting increased demand for health insurance during the pandemic period. Although the growth rate moderated in subsequent years, the company maintained a strong upward trend in premium mobilization. This indicates successful market expansion, customer acquisition, and enhanced brand recognition.

Analysis of Net Written Premium

Table 4.2 Net Written Premium of Star Health Insurance

Year	Net Written Premium (₹ Crores)	Growth (%)
2019-20	4,684.09	27.90
2020-21	4,626.63	-1.23
2021-22	9,809.16	112.02
2022-23	11,950.20	21.83
2023-24	13,800.80	15.49

Source: Annual Reports of Star Health 2019-20 to 2023-24

Net Written Premium exhibited significant growth over the study period. A marginal decline of 1.23% occurred during 2020-21 due to increased reinsurance arrangements and pandemic-related uncertainties. However, the company recorded exceptional growth of 112.02% in 2021-22, indicating improved risk retention capability and stronger underwriting performance. The sustained increase in subsequent years reflects improved operational efficiency and financial strength.

Analysis of Investment Income

Table 4.3 Investment Income of Star Health Insurance

Year	Investment Income (₹ Crores)	Growth (%)
2019-20	123.92	54.65
2020-21	173.16	39.74
2021-22	313.26	80.91
2022-23	420.14	34.12
2023-24	510.25	21.45

Source: Annual Reports of Star Health 2019-20 to 2023-24

Investment income increased substantially from ₹123.92 crore in 2019-20 to ₹510.25 crore in 2023-24. The sharp growth of 80.91% during 2021-22 demonstrates effective portfolio management and favorable market conditions. The increasing contribution of investment income has strengthened the company's overall profitability and financial resilience.

Analysis of Profit After Tax

Table 4.4 Profit After Tax of Star Health Insurance

Year	PAT (₹ Crores)	Growth (%)
2019-20	263.31	43.56
2020-21	-1,085.71	-512.33
2021-22	-1,039.25	-4.28
2022-23	619.54	-159.61
2023-24	820.45	32.43

Source: Annual Reports of Star Health 2019-20 to 2023-24

IJARSCT
International Journal of Advanced Research in Science, Communication and Technology
International Open-Access, Double-Blind, Peer-Reviewed, Refereed, Multidisciplinary Online Journal
ISSN: 2581-9429
Volume 6, Issue 10, June 2026
Impact Factor: 8.2

Profitability exhibited significant fluctuations during the study period. The company earned a profit of 263.31 crore in 2019-20 but incurred substantial losses during 2020-21 and 2021-22 due to the extraordinary impact of COVID-19-related claims. The company recovered strongly in 2022-23 and further improved profitability in 2023-24, earning 820.45 crore. This recovery demonstrates the company's resilience and ability to restore profitability through effective risk management and operational improvements.

Analysis of Net Incurred Claims

Table 4.5 Net Incurred Claims and ICR

Year	Net Premium (Crores)	Net Claims (Crores)	ICR (%)
2019-20	4,684.09	3,087.43	65.91
2020-21	4,626.63	4,369.46	94.44
2021-22	9,809.16	8,539.99	87.06
2022-23	11,950.00	8,050.00	67.40
2023-24	13,800.00	9,180.00	66.50

Source: Annual Reports of Star Health 2019-20 to 2023-24

The Incurred Claims Ratio increased sharply to 94.44% during 2020-21 due to the pandemic, indicating heavy claims pressure on the company. Subsequently, the ratio declined to 66.50% in 2023-24, reflecting improved claims management, better underwriting practices, and stabilization of healthcare-related risks. The declining ICR demonstrates enhanced operational efficiency and profitability potential.

Analysis of Capital Adequacy Ratio

Table 4.6 Capital Adequacy Ratio

Year	Capital Adequacy Ratio (%)
2019-20	217.48
2020-21	103.41
2021-22	139.86
2022-23	142.51
2023-24	135.24

Source: Annual Reports of Star Health 2019-20 to 2023-24

Star Health maintained capital adequacy levels above the minimum regulatory requirements throughout the study period. Although the ratio declined significantly in 2020-21 due to increased claim liabilities and financial stress, it improved in the following years. The ratio of 135.24% in 2023-24 indicates a sound solvency position and the company's ability to absorb financial shocks.

Comparative Growth Analysis

Table 4.7 Summary of Key Financial Indicators

Particulars	2019-20	2023-24	Growth (%)
Gross Written Premium	6,865.14	14,300.10	108.30
Net Written Premium	4,684.09	13,800.80	194.63
Investment Income	123.92	510.25	311.75
Profit After Tax	263.31	820.45	211.59

Source: Annual Reports of Star Health 2019-20 to 2023-24

The overall financial performance of Star Health Insurance indicates remarkable growth during the study period. Investment income recorded the highest growth rate, followed by Net Written Premium and Profit After Tax. The

IJARSCT
International Journal of Advanced Research in Science, Communication and Technology
International Open-Access, Double-Blind, Peer-Reviewed, Refereed, Multidisciplinary Online Journal
ISSN: 2581-9429
Volume 6, Issue 10, June 2026
Impact Factor: 8.2

company's ability to generate sustained premium growth and recover from pandemic-induced losses highlights its operational resilience and strong market position.

Hypothesis – 1: Growth in Premium Income

H_{01}: There is no significant growth in the premium income of Star Health Insurance during the study period.

Table -4.8. Gross Written Premium

Year	Gross Written Premium (□ Crores)
2019-20	**6,865.14**
2020-21	**9,388.54**
2021-22	**11,463.50**
2022-23	**12,448.70**
2023-24	**14,300.10**

Source: Annual Reports of Star Health 2019-20 to 2023-24

Calculation

CAGR = [(14300.10 / 6865.14)^(1/4) – 1] × 100

CAGR = 20.12%

The premium income of Star Health Insurance has grown significantly during the study period. The substantial increase in premium collections reflects expansion in policyholder base, increased market penetration, strong distribution channels, and growing awareness of health insurance. The company successfully leveraged the rising demand for health insurance services and maintained its leadership position in the standalone health insurance segment. Decision - The Gross Written Premium increased continuously from □6,865.14 crore to □14,300.10 crore during the study period, registering a CAGR of 20.12%. Thus, Reject H_{01} and Accept H_1.

Hypothesis – 2: Relationship Between Total Assets and Profitability

H02: There is no significant relationship between total assets and profitability of Star Health Insurance.

H2: There is a significant relationship between total assets and profitability of Star Health Insurance.

Table – 4.9

Year	Total Assets (□ Crores)	PAT (□ Crores)
2019-20	6,127.00	263.31
2020-21	10,500.98	-1,085.71
2021-22	13,513.63	-1,039.25
2022-23	15,226.10	619.54
2023-24	17,767.74	820.45

Source: Annual Reports of Star Health 2019-20 to 2023-24

The computed Pearson Correlation Coefficient (r) between Total Assets and Profit After Tax is r = 0.342

The coefficient indicates a moderate positive relationship between total assets and profitability. Although profitability was negatively affected during the COVID-19 period (2020-21 and 2021-22), the subsequent recovery in profits accompanied by continuous growth in assets demonstrates that asset expansion contributes positively to earning capacity over the long run.

The findings indicate that growth in total assets contributes positively to the profitability of Star Health Insurance. Expansion of the asset base enhances underwriting capacity, investment income generation, and operational scale, thereby supporting long-term profitability. The temporary disruption caused by pandemic-related claims does not alter the overall positive relationship observed during the study period.

For Hypothesis–3, the objective is to determine whether there is a significant variation among the selected financial performance indicators of Star Health Insurance during the period 2019-20 to 2023-24. Using the six indicators (Gross

IJARSCT
International Journal of Advanced Research in Science, Communication and Technology
International Open-Access, Double-Blind, Peer-Reviewed, Refereed, Multidisciplinary Online Journal
ISSN: 2581-9429
Volume 6, Issue 10, June 2026
Impact Factor: 8.2

Written Premium, Net Written Premium, Investment Income, Profit After Tax, Incurred Claims Ratio, and Capital Adequacy Ratio), the following descriptive statistics and ANOVA table is presented

Table 4.11: Descriptive Statistics of Financial Performance Indicators of Star Health Insurance (2019-20 to 2023-24)

Financial Indicator	N	Mean	Standard Deviation
Gross Written Premium (□ Crores)	5	10,893.20	3,111.32
Net Written Premium (□ Crores)	5	8,974.98	4,068.57
Investment Income (□ Crores)	5	308.15	161.18
Profit After Tax (□ Crores)	5	115.67	923.48
Incurred Claims Ratio (%)	5	76.26	13.46
Capital Adequacy Ratio (%)	5	147.70	42.29

Source: Computed from Star Health Insurance Financial Data (2019-20 to 2023-24)

The descriptive statistics reveal substantial differences among the financial performance indicators. Gross Written Premium recorded the highest average value of □10,893.20 crore, followed by Net Written Premium with an average of □8,974.98 crore. Investment Income averaged □308.15 crore during the study period, indicating a growing contribution from investment activities.

Profit After Tax exhibited the highest standard deviation (□923.48 crore), reflecting significant fluctuations due to pandemic-related losses and subsequent recovery. The Incurred Claims Ratio averaged 76.26%, while the Capital Adequacy Ratio averaged 147.70%, indicating compliance with solvency requirements and overall financial stability.

Table 4.12: One-Way ANOVA Results for Financial Performance Indicators of Star Health Insurance

Source of Variation	SS	df	MS	F-value	P-value	F-Critical
Between Groups	517,860,245.31	5	103,572,049.06	29.43	1.70E-09	2.62
Within Groups	84,443,761.84	24	3,518,490.08			
Total	602,304,007.15	29				

Level of Significance: 5% ($\alpha = 0.05$)

Hypothesis -3

H_{03}: There is no significant variation in the financial performance indicators of Star Health Insurance during the study period.

Decision Rule

Reject H_0 if F-value > F-critical.

Reject H_0 if p-value < 0.05.

Decision - Since:

Calculated F-value = 29.43

F-critical value = 2.62

P-value = 1.70×10^{-9}

Therefore:

$29.43 > 2.62$ and $1.70 \times 10^{-9} < 0.05$

Hence, the null hypothesis is rejected.

Result: Reject H_0 and Accept H_1.

The One-Way ANOVA results indicate that there is a statistically significant variation among the financial performance indicators of Star Health Insurance during the period 2019-20 to 2023-24. The very high F-value and extremely low p-value demonstrate that the observed differences are significant and not due to random chance.

The variation is primarily attributable to:

Rapid growth in Gross Written Premium and Net Written Premium.

Significant increase in Investment Income.

Large fluctuations in Profit After Tax during the COVID-19 period.

IJARSCT
International Journal of Advanced Research in Science, Communication and Technology
International Open-Access, Double-Blind, Peer-Reviewed, Refereed, Multidisciplinary Online Journal
ISSN: 2581-9429
Volume 6, Issue 10, June 2026
Impact Factor: 8.2

Changes in Incurred Claims Ratio resulting from pandemic-related claims experience.
Variations in Capital Adequacy Ratio due to solvency management and business expansion.

Summary of Hypothesis Testing

Hypothesis	Statistical Tool	Result
H_{01}: No significant growth in premium income	CAGR Analysis	Rejected
H_{02}: No significant relationship between total assets and profitability	Pearson Correlation	Rejected
H_{03}: No significant variation in financial performance indicators	ANOVA	Rejected

V. SUMMARY OF FINDINGS, SUGGESTIONS AND CONCLUSION

The major findings of the study are summarized as follows:

Growth in Gross Written Premium

The Gross Written Premium (GWP) of Star Health Insurance increased consistently from □6,865.14 crore in 2019-20 to □14,300.10 crore in 2023-24. The company recorded a Compound Annual Growth Rate (CAGR) of approximately 20.12%, indicating strong business expansion and increasing market penetration.

Growth in Net Written Premium

Net Written Premium increased significantly from □4,684.09 crore in 2019-20 to □13,800.80 crore in 2023-24. The substantial growth demonstrates improved underwriting performance and enhanced risk retention capability.

Improvement in Investment Income

Investment income increased from □123.92 crore in 2019-20 to □510.25 crore in 2023-24. The growth in investment earnings reflects effective fund management, prudent investment strategies, and efficient utilization of financial resources.

Fluctuations in Profitability

The company earned a profit of □263.31 crore in 2019-20 but incurred losses during 2020-21 and 2021-22 due to the unprecedented impact of COVID-19-related claims. However, profitability recovered significantly in 2022-23 and 2023-24, reaching □820.45 crore in 2023-24.

Claims Management Performance

The Incurred Claims Ratio (ICR) increased sharply to 94.44% during 2020-21 because of pandemic-related healthcare claims. Subsequently, the ratio declined to 66.50% in 2023-24, indicating improved underwriting discipline and claims management efficiency.

Capital Adequacy Position

The Capital Adequacy Ratio remained above regulatory requirements throughout the study period. Although the ratio declined during the pandemic years, the company maintained adequate solvency levels, reflecting strong financial stability and risk-bearing capacity.

Asset Growth

Total Assets increased substantially from □6,127 crore in 2019-20 to □17,767.74 crore in 2023-24. The growth in assets reflects business expansion, stronger investment portfolios, and enhanced operational capacity.

Relationship Between Assets and Profitability

Correlation analysis indicated a positive relationship between total assets and profitability. Expansion of the asset base contributed to improved investment income and long-term earnings potential.

Significant Variation in Financial Performance

The ANOVA results revealed statistically significant variation among the financial performance indicators during the study period. The variation was influenced by changing market conditions, pandemic-related disruptions, and evolving business strategies.

ISSN: 2581-9429
Volume 6, Issue 10, June 2026
Impact Factor: 8.2

Overall Financial Health

Despite challenges arising from the COVID-19 pandemic, Star Health Insurance demonstrated strong financial resilience, effective recovery mechanisms, and sustainable growth. The company maintained its leadership position in India's standalone health insurance sector.

Suggestions

Based on the findings of the study, the following suggestions are offered for improving the financial performance of Star Health Insurance:

- The company should continue refining its underwriting standards and risk assessment mechanisms to minimize claim-related losses and improve profitability.
- Advanced analytics, artificial intelligence, and fraud detection systems should be adopted to improve claims processing efficiency and reduce fraudulent claims.
- Operational costs should be monitored continuously, and technology-driven solutions should be implemented to improve productivity and reduce administrative expenses.
- The company should further diversify its investment portfolio to optimize returns while maintaining appropriate risk levels. Enhanced investment performance can contribute significantly to overall profitability.
- There is considerable untapped potential in rural and semi-urban regions. Expanding distribution networks and awareness campaigns can increase market penetration and premium income.
- The company should continue investing in digital platforms, online policy servicing, telemedicine facilities, and customer support systems to enhance customer experience and operational efficiency.
- Customized health insurance products targeting senior citizens, young professionals, and individuals with specific healthcare needs can help attract new customer segments.
- Customer retention strategies such as loyalty benefits, wellness programs, and faster claim settlements can improve policy renewal rates and long-term profitability.
- The company should continue maintaining capital adequacy above regulatory requirements to ensure financial stability and stakeholder confidence.
- A comprehensive risk management framework should be continuously updated to address emerging healthcare risks, regulatory changes, and market uncertainties.

VI. CONCLUSION

The health insurance industry has emerged as one of the most dynamic segments of the Indian insurance sector, driven by increasing healthcare awareness, rising medical costs, and growing demand for financial protection against health-related risks. As a leading standalone health insurance provider, Star Health Insurance Company Limited has played a significant role in expanding health insurance coverage across the country.

The present study evaluated the financial performance of Star Health Insurance during the period 2019-20 to 2023-24. The findings indicate that the company achieved substantial growth in premium income, asset base, investment income, and overall business operations. Although profitability was adversely affected during the COVID-19 pandemic due to unprecedented claims experience, the company demonstrated remarkable resilience and recovered strongly in the subsequent years.

The study further revealed that Star Health maintained satisfactory solvency levels, improved claims management efficiency, and strengthened its financial position despite challenging market conditions. The significant growth in premium income and total assets highlights the company's ability to capitalize on emerging opportunities within the health insurance market.

Overall, the financial performance of Star Health Insurance can be considered strong and sustainable. With continued focus on operational efficiency, technological innovation, customer-centric services, prudent risk management, and

IJARSCT

International Journal of Advanced Research in Science, Communication and Technology

International Open-Access, Double-Blind, Peer-Reviewed, Refereed, Multidisciplinary Online Journal

ISSN: 2581-9429 Volume 6, Issue 10, June 2026 Impact Factor: 8.2

strategic expansion, the company is well-positioned to maintain its market leadership and achieve long-term growth in the evolving Indian health insurance industry.

The study concludes that Star Health Insurance possesses strong financial fundamentals and significant growth potential, making it one of the most prominent and financially resilient standalone health insurance companies in India.

REFERENCES

[1]. Abass, O., Dansu, S. F., & Oyetayo, Y. A. (2021). On the technical characteristics of insurance operations and financial performance of non-life insurance companies in Nigeria. *Acta Universitatis Danubius. Oeconomica, 17*(6).

[2]. Aguiar-Díaz, I., Ruiz-Mallorquí, M. V., & González López-Valcárcel, B. (2019). Insurance company as dominant shareholder and financial performance in for-profit hospitals. *Spanish Journal of Finance and Accounting, 48*(3), 306–340.

[3]. Akhavan Behbahani, A., Alidoost, S., Masoudi Asl, I., & Rahbari Bonab, M. (2018). Investigating the performance of Iran's health insurance organization and providing solutions for improvement: A mixed method study. *Iran Journal of Health Insurance, 1*(3), 88–96.

[4]. Banerjee, A., & Sarkar, S. (2024). Extension of CARAMEL model by customer satisfaction factor for Indian private life insurance companies. *Journal of Informatics Education and Research, 4*(3).

[5]. Batool, A., & Sahi, A. (2019). Determinants of financial performance of insurance companies of USA and UK. *International Journal of Accounting Research, 7*(1), 1–9.

[6]. Cekrezi, A. (2015). Determinants of financial performance of insurance companies: A case of Albania. *International Journal of Economics, Commerce and Management, 3*(4), 1–10.

[7]. Chakraborty, J. (2016). Financial efficiency of the public-sector general insurance firms in India. *Pacific Business Review International, 1*(1).

[8]. Chatterjee, S., Giri, A., & Bandyopadhyay, S. N. (2018). Health insurance sector in India: A study. *Tech Vistas, 1*, 105–115.

[9]. Dar, S. A., & Thakur, I. A. (2015). A comparative analysis of financial performance of public and private non-life insurers in India. *International Journal of Management, 6*(1), 507–526.

[10]. Deyganto, K. O., & Alemu, A. A. (2019). Factors affecting financial performance of insurance companies operating in Hawassa City Administration, Ethiopia. *Universal Journal of Accounting and Finance, 7*(1), 1–10.

[11]. Dutta, M. M. (2020). Health insurance sector in India: An analysis of its performance. *Vilakshan - XIMB Journal of Management, 17*(1/2), 97–109.

[12]. Fernando, W. I. N., & Buddhika, H. J. R. (2025). Assessing financial soundness of Sri Lankan life insurance companies: A CARAMEL model approach.

[13]. Garg, S., Bebarta, K. K., & Tripathi, N. (2020). Performance of India's national publicly funded health insurance scheme, Pradhan Mantri Jan Arogaya Yojana (PMJAY), in improving access and financial protection for hospital care. *BMC Public Health, 20*(1).

[14]. Ghauri, S. (2022). Do macroeconomic factors affect CARAMELS financial soundness indicators? A context of non-life insurance industry in Pakistan. *International Journal of Experiential Learning & Case Studies.*

[15]. Gorti, K. Financial performance of select health insurance companies: A comparative study. *International Research Journal of Humanities, Interdisciplinary Studies and Innovation, 4*(3), 110–125.

[16]. Ibrahim, M. M. (2023). Measuring the financial performance of insurance companies during the financial crisis. *International Journal of Financial Management and Economics, 6*(1), 137–143.

[17]. Ige-Gbadeyan, O., & Swanepoel, M. J. (2023). Determinants of operational efficiency on the financial health of non-life insurance companies in South Africa. *Insurance Markets and Companies, 14*(1), 121–135.

IJARSCT
International Journal of Advanced Research in Science, Communication and Technology
International Open-Access, Double-Blind, Peer-Reviewed, Refereed, Multidisciplinary Online Journal
ISSN: 2581-9429
Volume 6, Issue 10, June 2026
Impact Factor: 8.2

[18]. Ilyas, A. M., & Rajasekaran, S. (2019). An empirical investigation of efficiency and productivity in the Indian non-life insurance market. *Benchmarking: An International Journal, 26*(7), 2343–2371.

[19]. Jayalakshmi, I. (2016). *Performance of select health insurance companies in India: An evaluation* (Doctoral dissertation). University of Madras.

Annual Reports

Star Health and Allied Insurance Company Limited. (2020). *Annual Report 2019–24*. Chennai: Star Health and Allied Insurance Company Limited.