

About Care Health (formerly Religare Health) Insurance Company Limited - Unlisted Equity

(i) Care Health (formerly Religare Health) Insurance, the health insurance division of Religare Enterprises Limited (REL), is a boutique health insurance company that provides health insurance benefits to corporate employees, and to individual customers and also provides financial inclusion. RHI commenced operations in 2012 and currently has three major shareholders: Religare Enterprises Limited, Union Bank of India, and Corporation Bank.

(ii) Care Health (formerly Religare Health) Insurance currently offers health, critical illness, and personal accident insurance products in the retail sector—additional insurances: international travel insurance, maternity insurance, corporate group health insurance, and group accident insurance.

(iii) Care Health Insurance (CARE) strengthened its position as a major player in the Indian health insurance sector. As of FY23, CARE is the second largest Standalone Health Insurance Company (SAHI) in the Indian health insurance market and eighth overall. Notably, in the private health insurance segment, CARE ranks 4th among all insurers and 2nd among SAHI.

(iv) From FY2018 to FY2023, CARE significantly expanded its market share in various health insurance segments. Notably, its share in total health insurance increased from 2.5% to 5.3%, and in the private health insurance segment risen from 4% to 7.7%. In the group health insurance, it was from 1.7% to 4.3%. This growth is reflected in impressive compound annual growth rates (CAGRs) of premiums for the total, retail, and group health insurance segments of 36%, 35%, and 45%.

(v) CARE's premium distribution channels have a diverse mix: 35% from individual representatives, 18% from company representatives, and 13% direct (also online). Over the last five years, the contributions of individuals and corporate representatives have increased. The company has a strong network infrastructure with 248 branches and 251,000 agents. Partnered with 149 corporate representatives and over 22,900 hospitals.

Health Insurance Segment:

(i) Only 4% of the population has individual or family insurance. If you include group health plans and government plans, the coverage rate rises to 38%.

(ii) High penetration in states such as Maharashtra, Gujarat, and Delhi. However, overall penetration remains low even in these states.

(iii) Potential to increase coverage by 2-4 times. The Compound annual growth rate (CAGR) of ticket size for existing customers is expected to be 10%. Ticket size for new customers is expected to be reduced by 20%. Projected industry growth: 4.5x to 7.6x. To reach Rs 1.6-2.6 trillion.

(iv) Market share growth:

a) FY23. SAHI held 28.1% market share of overall health insurance, up from 27.3% in FY22.

b) In the private health insurance segment, its market share increased from 51% in FY22 to 54% in FY23. This is a notable increase from 19% (universal health insurance) and 37% (private health insurance) in FY19.

(v) Growth Drivers:

a) The major factor contributing to this growth is the effective use of individual agents in distributing insurance policies.

b) By the end of FY23, SAHI had a total of 1,158,676 representatives, whereas the 24 integrated multi-insurers (both public and private) had 676,774 representatives.

(vi) Product Range and Distribution Network:

a) SAHIB offers a comparatively wider range of health insurance products than the private multi-insurers.

b) Insurance brokers and company representatives are now allowed to enter into collaborations with SAHI to expand their distribution network. Agents tend to sell health insurance products from SAHI while selling other general insurance products from multiple insurance companies.

(vii) Future Outlook:

Given these advantages, SAHIB is expected to continue dominating the retail health insurance market for the long term.

Business Development for FY 20-21

1. For the financial year ended March 2021, Care Health's Gross Domestic Premium Income (GDPI) increased to Rs 2,559 crore (excluding Ayushman Bharat) from Rs 1,975 crore, registering a growth of 29.5% over FY19-20.

2. Profit after Tax (PAT) for the year increased to Rs 102 crore. It grew by 55.7%.

3. The solvency ratio was 2.45, one of the highest in the industry and well above the statutory minimum requirement of 1.50. This indicates that the company is well-capitalized.

4. The company has launched some new products namely Care Advantage and Arogya Sanjeevani. Coronavirus Response. Covid Care. Group Support 360. Care Shield Addon. Explore V2.

5. Four new branches were opened last year taking the total number of branches to 158. The company employs around 9,904 permanent employees. The number of agents, who form the core of all insurance companies, has increased from 1,32,474 to 1,69,183 as compared to the previous financial year.

6. Care Health Insurance has partnered with over 16,000 healthcare network providers to provide cashless services to its customers.

Funding in FY20-21

1. Care Health has allotted 79,867,980 equity shares of Rs 10 per share to M/s Trishikhar Ventures LLP and other shareholders at a premium of Rs 27.89 per share to raise Rs 337 crore.

2. Care Health also issued ESOPs worth Rs 3,320 crore.

Current Unlisted Care Health Share Price:

Currently, Unlisted Care Health share price is 3175 with earnings per share of 32.61.

Note: Check the latest Unlisted Care Health Insurance share price on the UnlisteZone app for Android or iOS.

Unlisted Care Health Stock Results Analysis for FY23

1. Total Direct Premiums FY23 recorded a significant increase in total direct premiums. It reached Rs 31,495.46 Cr in FY23 compared to Rs 31,250.77 Cr in FY22. This growth trend is also reflected in the annual figures, with total direct premiums written reaching Rs 35,141.52 Cr in FY23, up significantly from Rs 33,880.91 Cr in FY22. This indicates that premium income generation for long-term care insurance is on a healthy growth curve.

2. Net Premium Earned Net premiums earned also showed a positive trend in FY23 ending April, reaching Rs 31,201.59 Cr. as against Rs 3969.61 Cr in FY22 ending March. Similarly, net premiums written increased to Rs 33,932.04 Cr. in FY23 as against Rs 510.84 Cr in FY22.

3. Operating Profit Operating profit increased significantly in Q4FY23, standing at Rs 3,519.27 Cr. as compared to Rs 347.20 Cr. in Q3FY23. Annual operating profit also increased significantly, reaching Rs 3,643.72 Cr. in FY23 against Rs 3,282.97 Cr. reported in FY22.

4. Net Profit Net profit stood at Rs 399.27 Cr. in Q4FY23, representing an increase of Rs 356.84 Cr. in Q3FY23. Annual net profit for FY23 stood at Rs 3,245.84 Cr, a significant improvement from Rs 311.50 Cr in FY22.

5. Total Net Assets Nursing Care Health Insurance's total net assets increased to Rs 31,349.17 Cr in FY23 from Rs 31,289.20 Cr in FY22.

6. Earnings Per Share (EPS) Annual EPS for FY23 stood at 32.61. This reflects significant growth compared to 3,013 in FY22. This suggests higher earnings available to shareholders per issued share, highlighting the company's profitability and return on capital potential.

7. Comparing Care Health to Star Health Care Health has a market capitalization of around Rs 14,000 crore and shares outstanding of around Rs 150 crore. Gross Written Premiums (GWP) remain at Rs 5,141 crore, implying a Mcap/GWP ratio of 2.74x. On the other hand, Star Health's market capitalization is around Rs 34,308 crore, its share price is Rs 590 and its shares outstanding are around 5.82 crore. Its GWP is around 11,000 crore, giving a Mcap/GWP ratio of 3.11 times. In comparison, Care Health is relatively cheaper than Star Health due to its lower Mcap/GWP ratio. This indicates a more favorable market capitalization about total premiums.

8. Conclusion Overall, Care Health has demonstrated stellar financial performance in the fourth quarter and throughout the fiscal year 2023. The company has seen significant increases in premium income, net income, operating income, and earnings per share. In addition, the significant increase in total net assets indicates a strengthening of the financial position. These positive indicators indicate an effective business strategy, solid operating performance, and an improved presence in the nursing care medical insurance market.

Results of 9MFY24

Results of 9MFY24		
Particulars (In Cr)	9MFY24	9MFY23
GWP	4827	3646
NEP	4253	3257
Premium Earned	3731	2730
Pa on sale of investment	9	4
Interest, Dividend and Rent	181	124
Total Revenue	3922	2858
Claims Incurred	2241	1496
Commission	700	338
Operating Expenses	871	900
Operating Profit	109	124
Income from Investment	105	73
Other Income	215	198
Other Expenses	5	3
PBT	210	195
Tax	54	49
PAT	156	146
EPS	2	2

Fundamentals

Fundamentals			
Care Health (Previously Religare Health) Insurance Company Ltd.	195 Per Equity Share	Market Cap (in cr.)	19245.6
Limited Unlisted Shares Price		P/E Ratio	63.06
Lot Size	1000 Shares	P/B Ratio	19.8
52 Week High	210	Debt to Equity	-
52 Week Low	183	ROE (%)	31.38
Depository	NSDL & CDSL	Book Value	10
PAN Number	AADCR6281N	Face Value	10
ISIN Number	INE119J01011		
CIN Number	U6600DL2007PLC161503		
RTA	NA		

Financials (Figures in cr)

P&L Statement				
P&L Statement	2021	2022	2023	2024
GWP	2559	3880	5141	6864
NEP	1980	3088	4590	6047
Premium Earned	1729	2510	3932	5329
P&L on Sale of Investment	1.9	3.6	7	13
Interest, Dividend and Rent	103	446	172	255
Others Revenue	242	2	414	81
Total Revenue	2075.9	2961.6	4525	5678
Claims Incurred	953	1633	2116	3074
Commission	26	110	442	1070
Operating Expenses	721	1070	1322	1178
Others Revenue Account	111	-135	0	0
Operating Profit	264.9	283.6	645	356
Income for Investment	59	59	105	143
Other Income	0.8	0	0	0
Other Expenses	247	325	420	89
PBT (%)	75	15	327	410
Tax	-26	4	82	105
PAT	101	11	245	305
EPS	1.2	0.12	2.6	3.14
Financial Ratios	2021	2022	2023	2024
Combined Ratio	98.32	112.07	98.68	99.87
Net-Loss Ratio	0.55	0.65	0.54	0.58
Mcap/ GWP	6.08	4.33	3.3	2.97

Balance Sheet				
Assets	2021	2022	2023	2024
Fixed Assets	48	94	56	42
Cash and Balances	45	78	99	96
Investment- Shareholder	909	1105	1921	2130
Investment- Policyholder	1725	2460	3155	4502
Advances & Other assestes	282	250	283	342
TotalAssets	3009	3987	5514	7112
Liabilities	2021	2022	2023	2024
Share Capital	841	908.5	942	972
FV	10	10	10	10
Reserves and Surplus	2291	380	806	1198
Current Liabilities	791	1161	1559	2002
Provisions	1088	1529	2213	2913
Other Liabilities	-1.7	0	-6	27
TotalLiabilities	3009.3	3978.5	5514	7112

Cash-Flow Statement				
Cash- Flow Statement	2021	2022	2023	2024
Premium from Policy-Shareholder	3023	4695	6215	8215
Payment to Re-insurers	-24	233	141	161
Payment to Co-insurers, net of recovery	-1.5	2.6	-14	-11
Payment of Claims	-1098	-2073	-2480	-3462
Payment of Commission	-315	-476	-788	-1428
Payment of Other Operating Expenses	-874	-1227	-1297	-1431
Other Changes	2	-4.6	-2	-5
TAX	-333	-482.7	-744	-991
Cash flow from Operations	379.5	667.3	1031	1048
Purchase of Fixed Assests	-14	30	-29	-13
Sale of Fixed assests	0.1	0.8	0.14	0
Purchase of Investments	-1050	-1136	-2102	-1956
Sale of Investments	226	0	46	57
Others	112	318	778	744
Cash flow from Investing	-725.9	-787.2	-1306.86	-1168
Sale of Equity Shares	337	153	296	116
Proceeds of Borrowing	0	0	0	0
Repayments from borrowings	0	0	0	0
Other	0	0	0	0
Cash Flow Financing	337	153	296	116
Net Cash Generated	-9.4	33.1	20.14	-4
Cash at the Start	55	45	79	100
Cash at the End	45.6	78.1	99.14	96