

Re: Levy of Goods and service tax (GST)

We hereunder state the important changes related the GST that will come into force w.e.f. 01.07.2017.

1. Change in the name of Tax

Currently we are charging the Service Tax from the policyholders and showing the Service Tax separately on the premium receipt. Now words "Service Tax" shall be replaced by GST.

2. Tax rates

Tax rate will be changed under GST as under

Plans	Present service tax rates including SBC & KKC	Rates w.e.f. 1.7.2017
Term & Health Products and ULIP charges	15% (SBC 0.50%+ KKC 0.50 %)	18%
NB premium(including Single Premium) of Life and Pension products and First year premium of Annuity products	3.75% (SBC 0.125% +KKC 0.125%)	4.50%
Renewal premium	1.875% (SBC 0 .0625% +KKC.0625%)	2.25%
Single premium of Annuity Products	1.50% (SBC 0.05%+KKC0.05%)	1.80%

3. GST on Interest Charged for Delayed Premium i.e. late fees

GST will be applicable on Interest charged on delayed receipt of premium. Rate will be applicable according to the type of premium collected.

4. CDA Charges

GST will be applicable on CDA Charges including postage@ 18% rate

5. Following Service tax exemptions to be continued in GST as decided by GST council

- i) Services of life insurance business provided by way of annuity under the NPS regulated by PFRDA
- ii) Services provided by IRDAI to insurers under IRDAI
- iii) Services of life insurance business provided under following schemes
 - a) Janashree Bima Yojana(JBY)
 - b) Aam Aadmi Bima Yojana (AABY)

- c) Life micro-insurance product as approved by the Insurance Regulatory and Development Authority, having maximum amount of cover of fifty thousand rupees;
- d) Varishtha Pension Bima Yojana
- e) Pradhan Mantri Jeevan Jyoti Bima Yojana
- f) Pradhan Mantri Jan Dhan Yojana
- g) Pradhan Mantri Vaya Vanadan Yojana
- h) Any other insurance scheme of State Government as may be notified by Government of India on recommendation of GSTC

6. GST on charges recovered from policyholders:

- a) GST will be applicable on charges paid by policyholders as alteration fee/quotation fee /duplicate policy preparation charges as applicable.
- b) GST will be applicable on charges recovered for granting a written acknowledgement for receipt of notice of assignment/ registering cancellation or change of nomination.