

FAQs on Goods and Service Tax ('GST')

1. What is GST?

GST is Goods and Service Tax leviable on supply of goods and services from July 1, 2017. GST has replaced indirect taxes like VAT, Excise, additional custom duty etc. It is uniform indirect tax applicable across the nation.

2. What type of GST is levied on the transaction within states and outside state?

Central GST, (CGST) and States/ Union territory GST,(SGST)/ UTGST is levied on the intra state (within state) supplies of goods and services

Integrated GST (IGST) will be levied and administered by Centre on every inter-state(outside state) supply of goods and services.

3. How will Reliance Nippon Life Insurance Company determine the type of GST to be levied on my insurance policy

B2C Transactions: The computation of the SGST + CGST or IGST on the premium received will be based on your communication address on records of Reliance Nippon Life Insurance Company.

It is advisable to get your address updated time to time.

B2B Transactions: The computation of the SGST + CGST or IGST on the premium received will be based on GSTIN provided by customer.

4. What are the rates of taxes applicable under GST on various kind of insurance products?

Tax applicable on various products under GST and Service tax

Product Category	Effective GST Rate
Term Product	18%
Health Product	18%
ULIP charges	18%
Single Annuity Product	1.8%
Endowment Products - First Year	4.5%
Endowment Products - Second year onwards	2.25%
Interest on reinstatement of policy	18%
Rider Premium/charges	18%

5. When I surrender/withdraw/ cancel my policy, is my value pay-out subject to GST?

Your value pay-out is not subject to GST. However, any fee on surrender/withdrawal/ cancellation charged will be subject to GST at a standard rate, currently 18%

6. In case of a claim settlement, will the claim I receive from insurance company be subject to GST?

The claim pay-out made by insurance company will not be subject to GST.