

Sectoral

BFSI - Insurance

1. What is Health insurance?

The term health insurance is a type of insurance that covers your medical expenses. A health insurance policy is a contract between an insurer and an individual /group in which the insurer agrees to provide specified health insurance cover at a particular “ premium ” .

2. What are the factors that affect Health Insurance premium?

Age is a major factor that determines the premium, the older you are the premium cost will be higher because you are more prone to illnesses. Previous medical history is another major factor that determines the premium. If no prior medical history exists, the premium will automatically be lower. Claim free years can also be a factor in determining the cost of the premium as it might benefit you with a certain percentage of the discount. This will automatically help you reduce your premium.

3. Whether insurance policies issued to Non-Resident Indians, where the premium is paid through the Non Resident External Bank account, will be ‘ export of services ’ ?

No. The amounts paid from the Non-Resident External Accounts are paid in Indian Rupees and are not received in convertible foreign exchange. Therefore, the conditions for export of services as provided under section 2(6) of IGST Act, 2017 are not satisfied. Life Insurance services in such cases would be treated as inter-State supplies and subject to GST. For more information, [click here](#).

4. What are some of the Government Insurance schemes?

Some of the Government Sponsored Socially Oriented Insurance Schemes are: Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) Pradhan Mantri Suraksha Bima Yojana(PMSBY) Life Cover under Pradhan Mantri Jan Dhan Yojana (PMJDY) Varishtha Pension Bima Yojana Pradhan Mantri Fasal Bima Yojana(PMFBY) Pradhan Mantri Vaya Vandana Yojana(PMVVY) · Restructured Weather Based Crop Insurance Scheme (RWBCIS)

5. How can one commence an insurance business in India?

Any entity desiring to carry on insurance business in India should make an application to the Insurance Regulatory & Development Authority of India (IRDAI) for issuance of requisition for registration application form. For more information, please read the IRDAI (Registration of Indian Insurance Companies) Regulations, 2000 available [here](https://www.irdai.gov.in/). Further, for foreign investments, please refer to the Indian Insurance Companies (Foreign Investment) Rules, 2015 available on the IRDAI website <https://www.irdai.gov.in/>, and the FDI Policy related to insurance activities available [here](#).

6. What are the classes of insurance business for which a registration application can be made?

Life insurance business General insurance business Health insurance business exclusively Reinsurance business. For more information, please read the IRDAI (Registration of Indian Insurance Companies) Regulations, 2000 available [here](#).

7. How can a foreign reinsurer operate in India?

Foreign reinsurers, both Lloyd ' s and other reinsurers, can operate in India by registering under the IRDAI (Lloyds India) Regulations 2016 or IRDAI (Registration and Operations of Branch Offices of Foreign Reinsurers other than Lloyd ' s) Regulations, 2015, respectively. For more information, please access the regulations [here](#) and [here](#). Further, for foreign investments, please refer to the Indian Insurance Companies (Foreign Investment) Rules, 2015 available on the IRDAI website [here](#), and the FDI Policy related to insurance activities available [here](#).

8. What is the quantum of foreign investment allowed in Insurance business in India?

The FDI policy permits 74% foreign investment in Indian insurance companies. Further, all Indian insurance companies with foreign investment need to ensure compliance with the Indian Insurance Companies (Foreign Investment) Rules, 2015 (available on the IRDAI website [here](#)) and other applicable rules and regulations of the IRDAI. This includes the new resident directors/KMPs, additional independent directors and solvency requirements as mentioned in the Foreign Exchange Management (Non-Debt Instruments) Rules 2019, available on the RBI website [here](#).

9. Whether insurance policies issued to Non-Resident Indians, where the premium is paid through the Non Resident External Bank account, will be ‘ export of services ’ ?

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10. How can one operate as an Insurance Web Aggregator?

To operate as an Insurance Web Aggregator, one must conform to the eligibility requirements and file an application of registration as stated under the IRDAI (Insurance Web Aggregators) Regulations, 2017. The regulations are available [here](#).

11. Can insurance activities be undertaken at GIFT-IFSC?

Yes, the following can set up offices at GIFT-IFSC: Indian / Foreign Insurer Indian / Foreign Reinsurer Insurance Broker For more information, please read the IFSCA (Registration of Insurance Business) Regulations 2021 available [here](#). Further, for more guidance on this please [click here](#).