

## Sectoral

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### 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](#).