

# Impact of Zero Percent GST on Mediclaim Insurance in India: A Customer-Centric Study with Special Reference to Amravati

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## Abstract

The Indian healthcare financing system is largely characterized by high out-of-pocket expenditure, which continues to place significant financial pressure on households, particularly in semi-urban and rural regions. A major policy intervention aimed at addressing this issue was the decision of the GST Council in September 2025 to exempt individual Mediclaim and health insurance premiums from the previously applicable 18 percent Goods and Services Tax (GST). The objective of this reform was to improve affordability, enhance insurance penetration, and provide financial security to the population segments commonly referred to as the “missing middle.”

The present study examines the impact of zero percent GST on Mediclaim insurance from a customer-centric perspective, with special reference to Amravati district, a Tier-II city in Maharashtra. The study adopts a descriptive and analytical research design to evaluate investor awareness, perceptions of affordability, and the influence of GST exemption on insurance adoption decisions. Primary data were collected from respondents in Amravati using a structured questionnaire, while secondary data were sourced from government notifications, IRDAI reports, GST Council releases, academic journals, and industry publications.

The findings indicate that the removal of GST has positively influenced the perceived affordability of Mediclaim insurance, making policies more financially attractive to customers. However, the study also reveals that factors such as lack of awareness, trust issues, and limited understanding of insurance products continue to act as barriers to wider adoption. From an industry perspective, insurers face challenges related to increased operational costs due to the loss of Input Tax Credit, which has implications for long-term financial sustainability.

The study concludes that while zero percent GST is a significant step toward improving health insurance penetration, complementary efforts in customer education, awareness building, and policy refinement are essential to achieve the broader goal of inclusive health coverage. The research provides valuable insights for policymakers, insurance companies, and academicians by linking taxation reforms with consumer behavior in semi-urban markets like Amravati.

**Keywords:** GST Exemption, Mediclaim Insurance, Investor Behavior, Health Policy, Amravati, Financial Inclusion

## 1.INTRODUCTION

Healthcare financing in India has traditionally been dominated by high out-of-pocket expenditure (OOPC), which places a significant financial burden on individuals and families. A large proportion of Indian households continue to depend on personal savings or borrowings to meet medical expenses, often resulting in financial distress and long-term indebtedness. According to various government and policy reports, more than 60 percent of total healthcare expenditure in India is paid directly by households. This situation highlights the critical importance of health insurance as a risk mitigation tool for ensuring financial protection against unexpected medical emergencies.

Mediclaime insurance, as a component of health insurance, plays a vital role in reducing the economic impact of healthcare costs by providing coverage for hospitalization and related medical expenses. However, despite its importance, the penetration of Mediclaime insurance in India has remained relatively low compared to global standards. One of the major factors contributing to this low penetration has been the issue of affordability, especially among middle-income and lower-middle-income groups. The presence of indirect taxes on insurance premiums has historically increased the cost of coverage, discouraging potential policyholders from purchasing or renewing Mediclaime policies.

In this context, the Goods and Services Tax (GST), which was introduced as a comprehensive indirect tax reform in India, significantly influenced the insurance sector. Prior to the recent reform, Mediclaime insurance premiums attracted an 18 percent GST, thereby increasing the financial burden on policyholders. Recognizing the adverse impact of this tax on insurance affordability, the GST Council announced a landmark policy decision in September 2025 to exempt individual Mediclaime and health insurance premiums from GST, effectively reducing the tax rate to zero percent. This reform was aimed at making health insurance more accessible and affordable for a wider section of the population.

### 1.2 Concept of Zero Percent GST on Mediclaime Insurance

The exemption of Mediclaime insurance premiums from GST represents a significant fiscal policy initiative focused on social welfare and financial inclusion. Zero percent GST implies that policyholders are no longer required to pay indirect tax on their insurance premiums, leading to an immediate reduction in the overall cost of coverage. For customers, this translates into direct savings and improved affordability, particularly for price-sensitive segments of the population.

However, from an industry perspective, the zero percent GST structure also has important implications. While consumers benefit from lower premiums, insurance companies lose the advantage of claiming Input Tax Credit (ITC) on the GST paid on their operational expenses, such as commissions, brokerage fees, technology services, and administrative costs. This loss of ITC increases the cost burden on insurers and may affect their profitability and pricing strategies in the long run. Therefore, the zero percent GST reform creates a dual impact—beneficial for customers but challenging for insurers—making it an important area of academic and managerial investigation.

## 2. STATEMENT OF THE PROBLEM

Healthcare financing in India continues to be dominated by high out-of-pocket expenditure, making individuals and families financially vulnerable during medical emergencies. Although Mediclaime insurance serves as an important financial risk management tool, its adoption has remained limited, particularly in Tier-II cities and semi-urban regions. One of the major barriers to wider adoption has been the high cost of insurance premiums, which was further increased by the imposition of 18 percent Goods and Services Tax (GST) on health insurance policies.

In response to this challenge, the GST Council introduced a significant policy reform in September 2025 by exempting individual Mediclaime insurance premiums from GST, effectively reducing the tax rate to zero percent. The primary objective of this reform was to improve affordability, enhance insurance penetration, and provide financial protection to the “missing middle” population segment. However, the actual impact of this exemption on customer behavior remains uncertain, especially at the regional level.

Despite the reduction in premium costs, it is unclear whether zero percent GST alone is sufficient to influence customer awareness, perception of affordability, and adoption of Mediclaime insurance. In regions like Amravati, where income levels are moderate and price sensitivity is high, factors such as lack of awareness, trust issues, and limited understanding of insurance products may continue to restrict insurance uptake.

Therefore, the problem addressed in this study is to examine the extent to which zero percent GST on Mediclaime insurance has influenced customer awareness, affordability perception, and adoption behavior in Amravati district, while also assessing the associated implications for insurance providers. Understanding this issue is essential for

evaluating the effectiveness of the GST exemption as a policy tool and for identifying measures required to strengthen health insurance penetration in Tier-II cities.

### 3. REVIEW OF LITERATURE

Several researchers, policy analysts, and industry experts have examined the impact of taxation policies on insurance affordability and adoption in India. The following review highlights key studies relevant to the present research and establishes the research gap.

**Taxmann Experts (2025)** conducted an in-depth analysis of the zero percent GST reform on health insurance in India. The study explored the objectives behind the policy change and evaluated its potential benefits and risks. The authors highlighted that while the removal of GST improves affordability for customers, it simultaneously increases operational costs for insurers due to the loss of Input Tax Credit. The study emphasized the need for balanced policy implementation to ensure both consumer welfare and industry sustainability. This research is relevant to the present study as it provides a macro-level understanding of the policy reform.

**Economic Times Wealth Team (2025)** examined how insurance companies responded to the GST exemption and the extent to which the tax benefit was passed on to customers. The study reported that insurers faced transitional challenges in adjusting pricing structures and distribution commissions. It also noted that customer perception of reduced premiums played a significant role in influencing purchase decisions. This study supports the present research by highlighting the behavioral response of customers to price changes.

**Asia Insurance Review Desk (2025)** analyzed the expected impact of zero percent GST on health and life insurance penetration across different regions in India. The study predicted increased adoption, particularly in Tier-II and Tier-III cities, where affordability remains a major concern. The authors emphasized that semi-urban regions like Amravati could benefit significantly from the reform, provided awareness levels improve. This finding directly aligns with the geographical focus of the present study.

**Business Standard Analysts (2025)** discussed the broader implications of the GST reduction from 18 percent to zero percent on insurance products. The study highlighted that customers in smaller cities and rural areas are more price-sensitive and therefore more likely to respond positively to premium reductions. However, it also cautioned that insurers might gradually revise base premiums to offset increased costs. This research contributes to understanding the long-term sustainability concerns addressed in the present study.

**Niva Bupa Health Insurance Research Team (2025)** provided a customer-centric perspective on zero percent GST by analyzing its impact on household medical expenditure. The study concluded that reduced insurance premiums could encourage first-time buyers to enter the insurance market. However, it stressed the importance of simplifying policy terms and improving customer communication. This study reinforces the importance of awareness and trust, which are central variables in the present research.

**ClearTax Editorial Team (2025)** focused on the technical and regulatory aspects of GST reforms affecting health insurance. The study explained the transition from taxable to exempt status and clarified how zero percent GST impacts premium calculations. The authors emphasized that clear communication of tax benefits is essential for customers to fully appreciate the reform. This study supports the need for investor education highlighted in the present research.

**NITI Aayog (2020)** provided a comprehensive assessment of GST implications on financial services, including insurance. Although conducted prior to the zero percent GST reform, the study offered valuable baseline data on how taxation affects insurance affordability and adoption. The findings serve as a benchmark for evaluating the effectiveness of recent policy changes in the present study.

**Razorpay Fintech Team (2025)** analyzed historical GST rates on health insurance and their effect on premium affordability. The study found that customers in Tier-II cities experienced greater financial strain due to higher tax

burdens, making them more responsive to tax relief measures. This research strengthens the rationale for selecting Amravati as the study area.

**Sharma et al. (2019)** conducted a sectoral analysis of GST's impact on insurance products in India. Using an exploratory research design, the study highlighted variations in customer response across different insurance products. The authors concluded that taxation reforms significantly influence customer behavior, particularly in price-sensitive markets. This study provides a theoretical foundation for examining customer response to zero percent GST.

#### 4. Objectives of the Study

1. To assess investor awareness regarding the impact of GST on Medici claim insurance premiums in Amravati.
2. To evaluate investor opinions on the affordability and financial attractiveness of Medici claim insurance policies under the current GST framework.
3. To gather investor opinions on whether zero percent GST could act as a financial incentive to improve Medici claim insurance penetration in Amravati.

#### 5. Statement of Hypotheses

Based on the research problem, the following hypotheses are proposed:

Null Hypothesis (Ho): The zero percent GST on Medici claim insurance does not significantly improve affordability for investors in Amravati.

#### 6. RESEARCH METHODOLOGY

##### 6.1 Research Design

The present study adopts a descriptive and analytical research design to examine the impact of zero percent GST on Medici claim insurance from a customer-centric perspective. The descriptive design is used to understand customer awareness, perceptions of affordability, and attitudes toward Medici claim insurance after the GST exemption. The analytical design helps in examining relationships between variables such as GST exemption, affordability perception, and adoption behavior. This research design is appropriate as the study aims to analyze existing conditions and customer responses without manipulating any variables.

##### 6.2 Sources of Data

The study is based on both primary and secondary sources of data, ensuring a comprehensive analysis of the research problem.

- Primary data were collected through a structured questionnaire administered to respondents in Amravati district. The questionnaire was designed to capture information related to customer awareness of zero percent GST, perception of premium affordability, and influence of GST exemption on Medici claim insurance adoption. Responses were obtained directly from customers, ensuring first-hand and reliable data.
- Secondary data were collected from government notifications, GST Council releases, reports published by IRDAI, insurance company publications, academic journals, research papers, and authentic online sources such as ShodhGanga, Google Scholar, and industry portals. These sources provided background information and supported the analysis of primary data.

##### 6.3 Sample Design

###### Population:

The population for the study includes customers from urban and semi-urban areas of Amravati district. The respondents represent different age groups, income levels, occupations, and educational backgrounds to ensure diversity in opinions and perceptions.

###### Sample Size

For the purpose of the study, a sample size of **30 respondents** was selected. This sample size was considered adequate for conducting a preliminary customer-centric analysis within the given time and resource constraints.

Sampling Technique: Stratified random sampling (quantitative investors) + purposive / stratified purposive sampling (agents, executives, experts) because in Amravati investor population is heterogeneous (urban vs rural, different income/occupation groups, varying insurance status). Stratification ensures adequate representation of each subgroup and more precise estimates within subgroups.

#### 6.4 Tools of Data Collection

A **structured questionnaire** was used as the primary tool for data collection. The questionnaire consisted of multiple-choice, Likert-scale, and closed-ended questions focusing on awareness of GST exemption, perception of Mediclaim insurance affordability, and purchase intentions. The questionnaire was designed to be simple and easy to understand to ensure accurate responses from respondents.

#### 6.5 Tools of Data Analysis

The collected data were analyzed using simple statistical tools such as percentage analysis, averages, tables, charts, and graphs. These tools were used to present data in a clear and systematic manner. The analysis helped in interpreting customer responses and drawing meaningful conclusions regarding the impact of zero percent GST on Mediclaim insurance.

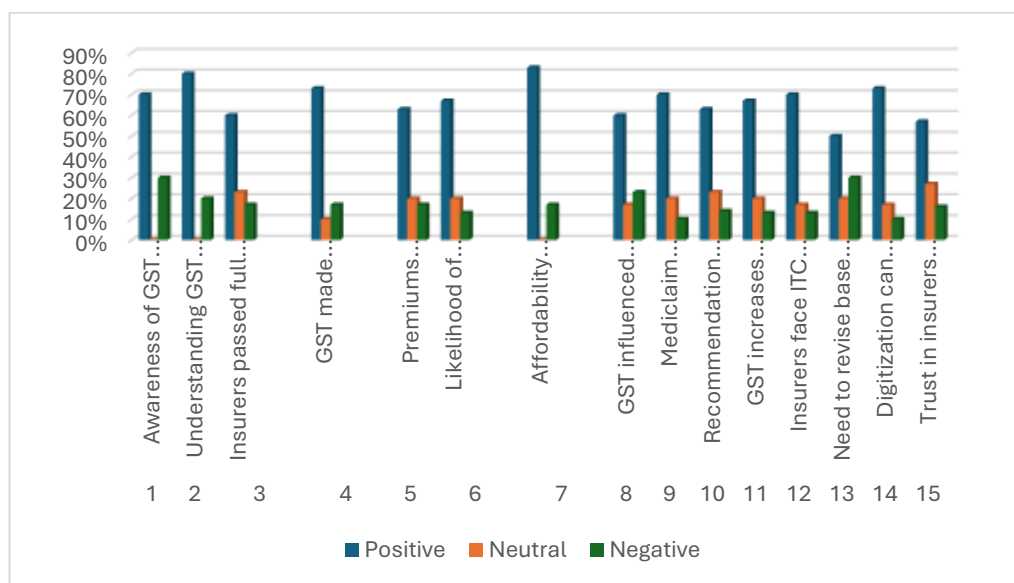
### 7. Data analysis and Interpretation

Sr. No.	Indicator	Positive	Neutral	Negative
1	Awareness of GST exemption on Mediclaim	70%	-	30%
2	Understanding GST impact on premium	80%	-	20%
3	Insurers passed full GST benefit	60%	23%	17%
4	GST made Mediclaim affordable	73%	10%	17%
5	Premiums reasonable post-GST	63%	20%	17%
6	Likelihood of purchase due to GST	67%	20%	13%
7	Affordability influences renewal	83%	-	17%
8	GST influenced purchase decision	60%	17%	23%
9	Mediclaim necessary post-GST	70%	20%	10%
10	Recommendation to peers	63%	23%	14%
11	GST increases penetration in Amravati	67%	20%	13%
12	Insurers face ITC challenges	70%	17%	13%



13	Need to revise base premiums	50%	20%	30%
14	Digitization can offset costs	73%	17%	10%
15	Trust in insurers long-term	57%	27%	16%

Table 1: Tabular Representation of Survey Sentiments on GST Impact in Insurance



Graph 1: Sentiment Analysis of GST Impact on Insurance

## INTERPRETATIONS

The consolidated analysis of responses collected from 30 respondents provides a comprehensive understanding of customer perceptions regarding the zero percent GST exemption on Medclaim insurance. The overall findings indicate that the GST reform has been largely viewed as a positive and beneficial policy intervention, particularly in terms of improving affordability and influencing customer behavior in a price-sensitive market such as Amravati.

A significant majority of respondents demonstrated awareness of the GST exemption and acknowledged that the removal of GST has reduced the premium burden associated with Medclaim insurance. Even among those who were not fully aware of the technical details of the reform, the perception of reduced premium costs was evident. This suggests that while complete understanding of GST mechanisms may be limited, the financial benefit of the policy has reached customers at a practical level. Improved affordability has emerged as a key factor influencing purchase intentions, renewal decisions, and the overall attractiveness of Medclaim insurance.

The analysis further reveals that many respondents believe the GST exemption has encouraged a more positive attitude toward Medclaim insurance as a necessary financial protection tool. The likelihood of recommending Medclaim insurance to peers and family members has also increased, indicating the potential for positive word-of-mouth and wider insurance penetration in the region. Respondents largely agree that the reform can contribute to increased adoption of health insurance in Amravati, particularly among middle-income households who are highly sensitive to changes in premium costs.

However, the consolidated data also highlight certain areas of concern. A noticeable proportion of respondents expressed neutral or negative opinions regarding whether insurers have fully passed on the GST benefit and whether affordability can be maintained in the long run. These responses reflect underlying trust issues and uncertainty about insurer practices following the loss of Input Tax Credit. Customers appear to be aware that while premiums have reduced in the short term, insurers face increased operational costs, which may lead to future adjustments in base premiums.

Additionally, opinions regarding the revision of base premiums and long-term sustainability of the insurance business were mixed. While some respondents felt that insurers may need to revise premiums to remain financially viable, others were concerned that such revisions could dilute the benefits of the GST exemption. At the same time, a strong majority agreed that increased digitization and operational efficiency could help insurers manage costs without significantly affecting customer affordability.

In summary, the consolidated interpretation suggests that zero percent GST on Medici claim insurance has had a positive and meaningful impact on customer affordability, perception, and adoption behavior in Amravati. Nevertheless, the success of this policy in the long term depends on improving customer awareness, building trust, ensuring transparent communication, and adopting cost-efficient strategies by insurers. The findings underscore the importance of aligning fiscal policy benefits with effective industry practices to achieve sustainable growth in health insurance penetration.

## 8. FINDINGS OF THE STUDY

The study reveals that a majority of respondents are aware of the zero percent GST exemption on Medici claim insurance, indicating that the policy reform has reached a significant portion of customers in Amravati. However, complete understanding of the GST mechanism is still limited, as many respondents possess only partial knowledge about how the exemption affects premium calculations.

The removal of GST from Medici claim insurance premiums has significantly improved the perception of affordability among customers. Most respondents agreed that premiums have become more reasonable after the exemption, making Medici claim insurance financially attractive, especially for middle-income households.

Reduced premium cost has emerged as an important factor influencing purchase intention and renewal behavior. A large proportion of respondents stated that affordability plays a crucial role in their decision to buy or renew Medici claim insurance policies, highlighting the price-sensitive nature of customers in Amravati.

The GST exemption has positively influenced customer adoption behavior, with many respondents indicating a higher likelihood of purchasing Medici claim insurance and recommending it to peers and family members. This suggests that the policy has the potential to improve insurance penetration through positive word-of-mouth.

The study finds that customers increasingly perceive Medici claim insurance as a necessary financial protection tool in the post-GST exemption period. This reflects a gradual shift in customer attitude from viewing insurance as an optional expense to recognizing it as an essential financial safeguard.

Despite the positive impact on affordability, a section of respondents expressed concerns regarding whether insurance companies have fully passed on the GST benefit to customers. This indicates the presence of trust-related issues and the need for greater transparency in premium pricing and communication.

The findings highlight that customers are aware of the challenges faced by insurers due to the loss of Input Tax Credit under the zero percent GST regime. Many respondents acknowledged that insurers may experience increased operational costs, which could affect long-term pricing strategies.

Opinions regarding the revision of base premiums were mixed, reflecting uncertainty about the long-term sustainability of the GST exemption. While some respondents felt that premium revision may be necessary for insurer survival, others feared that such revisions could reduce the affordability benefits for customers.

Overall, the study finds that zero percent GST on Medici claim insurance has had a favorable impact on customer perception, affordability, and adoption behavior in Amravati. However, sustained success of the policy depends on enhanced customer awareness, trust-building measures, and balanced strategies that address both customer welfare and insurer sustainability.

## 9. Managerial Implications

The findings of the study offer several important managerial implications for insurance companies operating in semi-urban and Tier-II markets such as Amravati. The zero percent GST exemption on Medici claim insurance has created both opportunities and challenges for insurance providers, requiring strategic adjustments at multiple managerial levels.

Firstly, improved affordability due to the GST exemption presents a significant opportunity for insurers to expand their customer base. Managers should focus on aggressive customer acquisition strategies by highlighting the reduced premium benefit in their marketing and communication campaigns. Targeted promotional efforts in price-sensitive segments, particularly middle-income households, can help increase insurance penetration and policy uptake.

Secondly, the study indicates that customer awareness and understanding of the GST exemption remain limited. From a managerial perspective, this underscores the need for effective customer education initiatives. Insurance managers should invest in awareness programs, simplified communication materials, and agent training to clearly explain the benefits of the GST exemption and policy features. Improved clarity can help build customer trust and positively influence purchase and renewal decisions.

Thirdly, the loss of Input Tax Credit under the zero percent GST regime has increased operational costs for insurers, posing a challenge to profitability. Managers must therefore focus on cost optimization strategies such as digitization of processes, reduction of dependency on high-cost distribution channels, and improved operational efficiency. Greater use of digital platforms for policy issuance, renewal, and claim settlement can help offset increased costs while maintaining service quality.

Additionally, the findings highlight customer concerns regarding long-term affordability and transparency in pricing. Insurance managers should ensure that pricing strategies are transparent and that any future premium adjustments are clearly communicated to customers. Transparent communication can help maintain trust and prevent negative customer perceptions regarding the misuse of GST benefits.

Finally, from a strategic standpoint, insurance managers must balance short-term gains from increased policy sales with long-term financial sustainability. This requires continuous monitoring of cost structures, customer behavior, and market dynamics. By aligning affordability-driven strategies with operational efficiency and customer-centric practices, insurers can successfully leverage the benefits of the zero percent GST reform while ensuring sustainable business growth.

## 10. LIMITATIONS OF THE STUDY

The study is based on responses collected from only 30 respondents, which may not fully represent the opinions and behavior of the entire population of Mediclaim insurance customers in Amravati. Due to the small sample size, the findings should be interpreted with caution.

The research is confined to Amravati district only. Customer perceptions, awareness levels, and insurance adoption behavior may vary across different regions, cities, or states. Therefore, the results cannot be generalized to other Tier-II or Tier-III cities in India.

The study largely depends on primary data collected through questionnaires. As the responses are self-reported, there is a possibility of personal bias, inaccurate recall, or socially desirable answers, which may affect the reliability of the data.

The study was conducted within a limited time frame. As a result, long-term effects of the zero percent GST exemption on Mediclaim insurance adoption and renewal behavior could not be examined in detail.

The research primarily focuses on affordability, awareness, and adoption behavior related to GST exemption. Other factors such as health status, previous claim experience, quality of service, and insurer reputation were not studied in depth.

Government tax policies and insurance regulations are subject to change. Any future amendments to GST rates or insurance rules may influence customer behavior differently, which may reduce the long-term relevance of the present findings.

## 11. RECOMMENDATIONS

Based on the findings of the study, the following recommendations are suggested for insurance companies, policymakers, and other stakeholders to enhance the effectiveness of the zero percent GST exemption on Mediclaim insurance and to improve insurance penetration in semi-urban regions like Amravati.

Insurance companies should conduct structured awareness campaigns to educate customers about the zero percent GST exemption and its direct impact on Mediclaim insurance premiums. Simplified communication through brochures, digital media, and insurance agents can help customers better understand the benefits of the reform and encourage informed decision-making.



Insurers should clearly communicate premium structures and explicitly highlight the GST exemption benefit in policy documents and marketing materials. Transparent pricing practices can help build customer trust and reduce skepticism regarding whether the tax benefit has been fully passed on to policyholders.

Insurance companies should design simplified Mediclaim insurance products with clear coverage terms, fewer exclusions, and affordable premiums tailored to middle-income and price-sensitive customers. This can help attract first-time buyers and improve adoption rates.

Greater use of digital platforms for policy purchase, renewal, and claim settlement can reduce operational costs and improve customer convenience. Digitization can also help insurers manage the financial impact of the loss of Input Tax Credit while maintaining service efficiency.

Insurers should prioritize efficient claim settlement processes and responsive customer service to strengthen trust among policyholders. Positive customer experiences can enhance satisfaction, encourage renewals, and generate favorable word-of-mouth recommendations.

Policymakers may periodically review the impact of the zero percent GST exemption to assess its effectiveness in improving insurance penetration. If required, alternative tax structures or supportive measures such as allowing partial input tax credit or targeted subsidies can be considered to balance customer affordability with insurer sustainability.

Insurance companies should adopt region-specific marketing and distribution strategies for Tier-II and semi-urban areas like Amravati. Community-based outreach programs and partnerships with local institutions can help reach underserved populations.

## 12.SCOPE FOR FUTURE RESEARCH

The present study provides insights into the impact of zero percent GST on Mediclaim insurance with special reference to Amravati district. However, the scope of the research can be extended in several directions to gain a broader and deeper understanding of the subject.

Future studies may be conducted with a larger sample size to improve the reliability and generalizability of findings. Including respondents from diverse demographic and socio-economic backgrounds can provide more comprehensive insights into customer behavior.

The geographical scope of future research can be expanded to include other Tier-II and Tier-III cities or rural regions across different states. Comparative studies between urban and semi-urban areas can help identify regional variations in awareness, affordability, and insurance adoption.

Longitudinal studies can be undertaken to examine the long-term impact of the zero percent GST exemption on Mediclaim insurance renewal behavior, claim experience, and insurer profitability over time. This would help assess the sustainability of the reform.

Future research can explore additional variables such as customer satisfaction, claim settlement experience, insurer reputation, and service quality to understand their influence on insurance adoption beyond affordability.

Comparative studies between different types of health insurance products, such as individual Mediclaim policies and group or employer-sponsored insurance, can offer valuable insights into how GST reforms affect various segments of the insurance market.

Further research may also examine the perspective of insurance companies in greater detail, focusing on cost structures, operational efficiency, and strategic responses to the loss of Input Tax Credit under the zero percent GST regime.

## 13. Conclusions

The study concludes that the implementation of zero percent GST on Mediclaim insurance has had a significant and positive impact on customer perception, affordability, and adoption behavior in Amravati district. The removal of GST has reduced the overall premium burden, making Mediclaim insurance more accessible to middle-income and price-sensitive customers. As a result, awareness levels, purchase intentions, and renewal tendencies have shown noticeable improvement among respondents.

The findings indicate that affordability plays a crucial role in influencing insurance adoption, and the GST exemption has strengthened the perception of Mediclaim insurance as an essential financial protection tool rather than an optional expense. The policy reform has also contributed to increased willingness among customers to recommend Mediclaim

insurance to peers and family members, suggesting potential growth in insurance penetration through positive word-of-mouth.

However, the study also highlights certain challenges associated with the zero percent GST regime. Concerns related to transparency, trust, and the long-term sustainability of premium pricing remain present among a section of respondents. Additionally, the loss of Input Tax Credit has increased operational costs for insurance providers, creating the need for strategic adjustments to maintain profitability without compromising customer affordability.

Overall, the study concludes that while zero percent GST on Mediclaim insurance is an effective policy measure for improving affordability and encouraging adoption, its long-term success depends on enhanced customer awareness, transparent pricing practices, operational efficiency, and supportive regulatory frameworks. By aligning fiscal policy benefits with customer-centric and cost-efficient strategies, insurance companies and policymakers can ensure sustainable growth in health insurance coverage, particularly in Tier-II cities like Amravati.

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