



Volume 10, Issue 1, January 2022
**International Journal of
Advance Research in
Computer Science and
Management Studies**
Research Article / Survey Paper / Case Study
Available online at: www.ijarcsms.com



Special Issue: National Conference on "Self Reliant India (Atmanirbhar Bharat) Opportunities & Challenges"
Organised by: Department of Commerce in association with IQAC of Sheth T.J. Education Society's, Sheth N.K.T.T. College of Commerce and Sheth J.T.T. College of Arts, (Reaccredited by NAAC B+ (2.62), 3rd Cycle, ISO Certified: 9001:2015).
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Study of Consumers Awareness and Perception towards GST Rates on Health Insurance

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Abstract: *In today's Contemporary world there is a lot of uncertainty about emergence of new diseases. As we all know for last almost two years the whole world is suffering from Covid-19 disease. Many families lost their dear ones due to Covid-19. Advanced technology is available to overcome the problem of various critical diseases, but cost wise it is very expensive. Health insurance is the best solution to manage pre-admission and post-admission hospitalization charges. Before GST, 15 % Service tax was there which included 14% Basic Service Tax, Swachh Bharat Cess 0.5% and Krishi Kalyan Cess 5%. The Goods and Service Tax Act was passed in the parliament on 29th March 2017 and came into effect on 1st July 2017. At present GST Rate is 18% charged on health insurance. The objective of research study is to find out whether consumers are aware about the GST rate or not against health insurance and their perception towards GST rate. And also to see whether it has positive impact or negative as the insurance premium is increasing due to GST rate.*

Keyword: *Health Insurance, GST.*

I. INTRODUCTION

Health insurance in a narrow sense would be 'an individual or group purchase health care coverage in advance by paying a fee called premium. Today's market scenario showing that limited population is purchasing health coverage plan. About 10 % population covered by health insurance. The objective of research study is to find out whether consumers are aware about health insurance coverage or not and also to find out whether the people are aware about the GST rate or not against health insurance and their perception towards GST rate. And also to see whether it has positive impact or negative as the insurance premium is increasing due to GST rate.

Background: - As far India is concern, health insurance is growing segment of the Indian economy. According to World Health Organization (WHO), this is among the lowest of the BRICS (Brazil, Russia, India, China and South Africa) economies. Launched in 1986, the health insurance industry has grown significantly mainly due to liberalization of economy and general awareness.

Recently, to improve the awareness for buying health insurance, the General Insurance corporation of India and the Insurance Regulatory and Development Authority had launched an awareness campaign for all segments of the population. But still in India there is a need of creating awareness among the people about health insurance coverage plan especially among the less qualified and not qualified people.

Statement of the Problem:-

The growth of health insurance in India requires a better understanding of the perceptions of healthcare providers and the stakeholders. It is very necessary to educate the people that health insurance coverage is not an expenditure but it is an investment. And in today's life health insurance plan is one of the essential product which everyone should have. Therefore my research is based on the "Study of Consumers Awareness and Perception towards GST Rates on Health Insurance."

Scope of the study: -

The present study is concerned about awareness of health issuance plan among the people and also to find out positive and negative impact of GST rate while purchasing health insurance plan.

II. OBJECTIVES OF THE STUDY

1. To study about consumers awareness about GST applicable in case of health Insurance Policy.
2. To study about consumers perception towards GST Rates on Health Insurance.
3. To study the impact of GST rate on consumers while purchasing Health Insurance Policy.

Hypothesis:-

1. H0:- There is no significant impact of GST rate on consumer's perception while purchasing Health Insurance.
- H1:- There is significant impact of GST rate on consumer's perception while purchasing Health Insurance.
2. H0:- Consumers are not aware about GST rate applicable in case of Health Insurance.
- H1:- Consumers are aware about GST rate applicable in case of Health Insurance

III. METHODOLOGY OF THE STUDY

Sample and sample size: - The sample size of my research study was 51 respondents selected on the basis of convenience sampling method. Primary data was the main source in this research study.

Sources of Data: - With the help of structured questionnaire through google form data has been collected.

Analysis of data: - Tabular and graphical analysis has been done.

Limitation of the study:- This study is restricted only to find out the consumers awareness and their perception towards GST rates on Health Insurance Policy.

Table No. 1 : Table showing No. of respondents gender wise

| Gender | No. of Respondents |
|--------|--------------------|
| Male | 26 |
| Female | 25 |
| Total | 51 |

(Source:- Field work)

Gender

51 responses

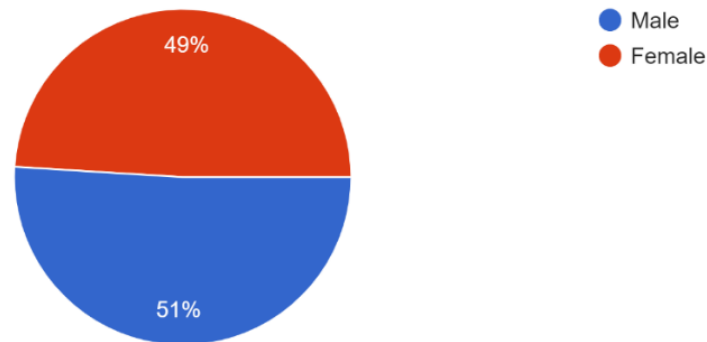


Diagram No. 1

Interpretation: - Out of 51 respondents, 26 respondents Male and 25 respondents are female.

Table No. 2: Table showing respondents age wise

| Age Group | No. of Respondents |
|------------|--------------------|
| 25 - 40 | 24 |
| 41 - 60 | 37 |
| 60 & above | Zero |
| Total | 51 |

(Source:- Field work)

Age Group

51 responses

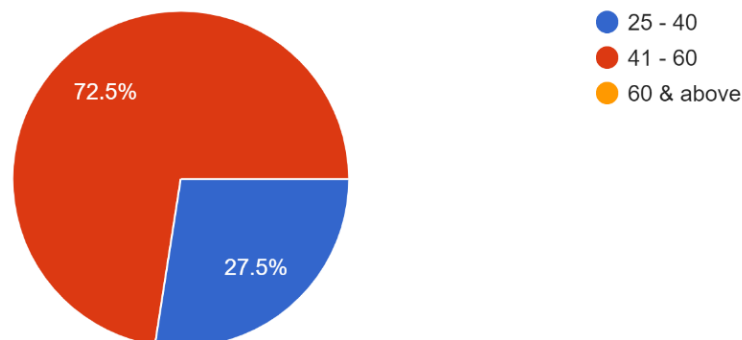


Diagram No. 2

Interpretation:- Out of 51 respondents, 24 respondents are in the age group of 25 to 40 years and 37 respondents are in the age group of 41-60 years.

Table No. 3 : Table showing respondents occupation

| Occupation | No. of Respondents |
|------------------------------|--------------------|
| Job / Service | 44 |
| Professional | 07 |
| Self employed / Entrepreneur | Zero |
| House wife | Zero |
| Total | 51 |

(Source:- Field work)

Occupation

51 responses

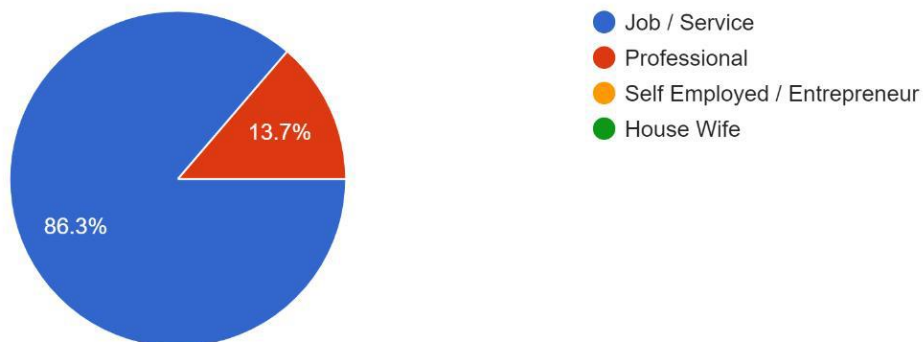


Diagram No. 3

Interpretation:- Out of 51 respondents, 44 respondents are doing job / service and 07 respondents are professional.

Table No. 4 : Table showing respondents qualification wise

| Qualification | No. of Respondents |
|-----------------|--------------------|
| Less than SSC | Zero |
| HSC | Zero |
| Graduation | 01 |
| Post Graduation | 50 |
| Total | 51 |

(Source:- Field work)

Educational Qualification

51 responses

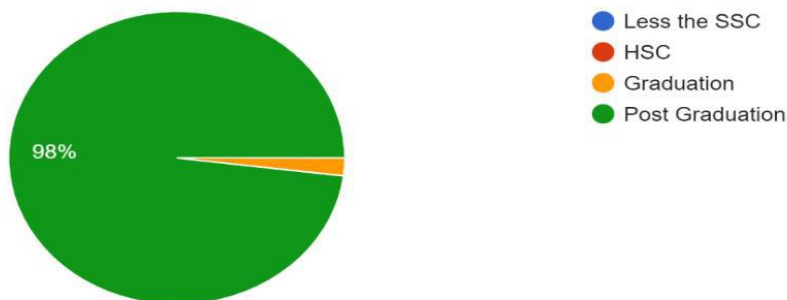


Diagram No. 4

Interpretation:- Out of 51 respondents, 50 are postgraduate and 01 respondent is graduate.

Do you have Health Insurance Policy?

51 responses

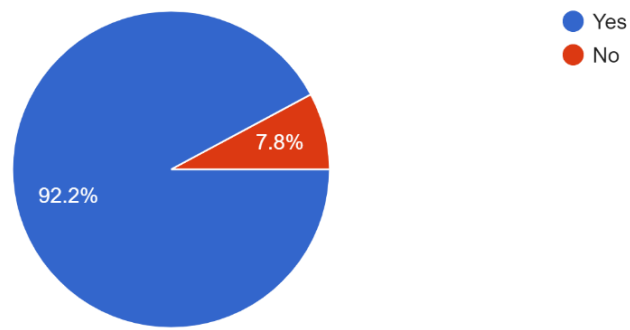
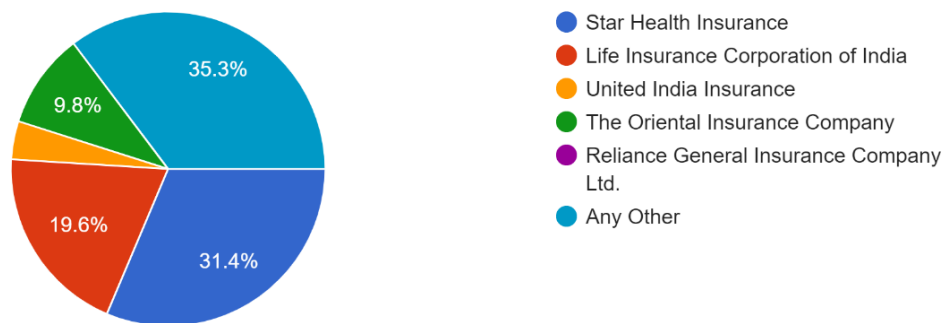


Diagram No. 5

Interpretation:- Out of 51 respondents, 92.20 % respondents i.e. 47 respondents are having health insurance policy.

Which company Health Insurance Policy you have purchased?

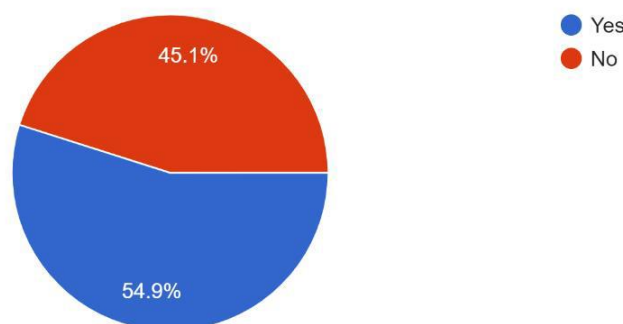
51 responses



Interpretation: Out of 51 respondents, 31.40 % i.e. 16 respondents are having Star Health Insurance, 19.60 % i.e. 10 respondents are having Life Insurance Corporation Of India Health Insurance, 02 respondents are having United India Insurance Policy, 9.8 % i.e. 05 respondents are having The Oriental Insurance Company Policy, 35.3 % i.e. 18 respondents are having other insurance company health insurance policy.

Are you aware about the service tax amount which is being added in your insurance premium?

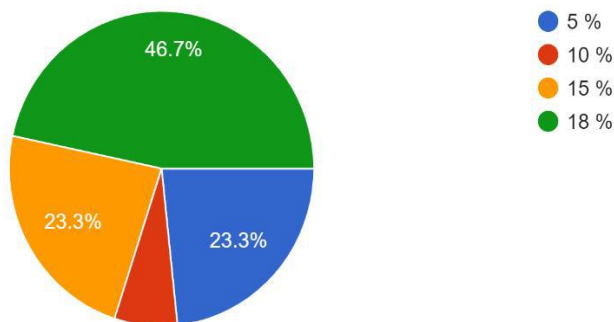
51 responses



Interpretation : Out of 51 respondents. 54.90 % i.e. 28 respondents are aware about service tax on insurance premium.

If Yes, that what is the percentage of service tax?

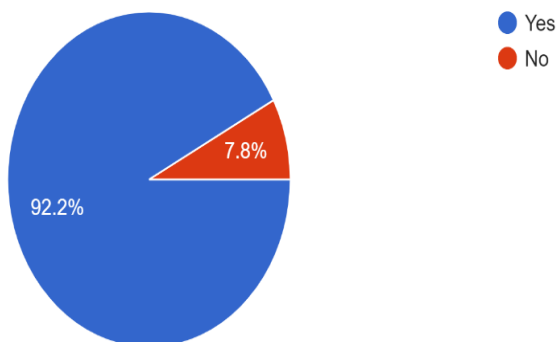
30 responses



Interpretation: Out of 51 respondents, 46.70 % i.e. 24 respondents are aware about charging 18 % of service tax on health insurance policy.

Since July 2017 service tax is being replaced by GST, are you aware about it?

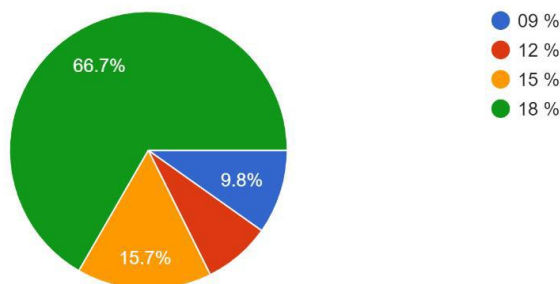
51 responses



Interpretation : Out of 51 respondents, 92.20 % i.e. 47 respondents are very much aware about replacing service tax by GST since July 2017.

What is the percentage of GST on Health Insurance Policy?

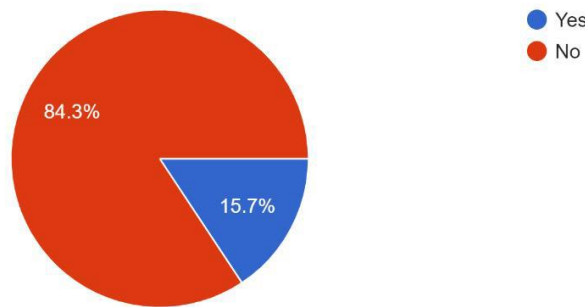
51 responses



Interpretation : Out of 51 respondents, 66.70 % i.e. 34 respondents confidently said that GST rate in Health Insurance policy is 18 %.

Are you satisfied with the increasing rate of tax from 15 % to 18 % ?

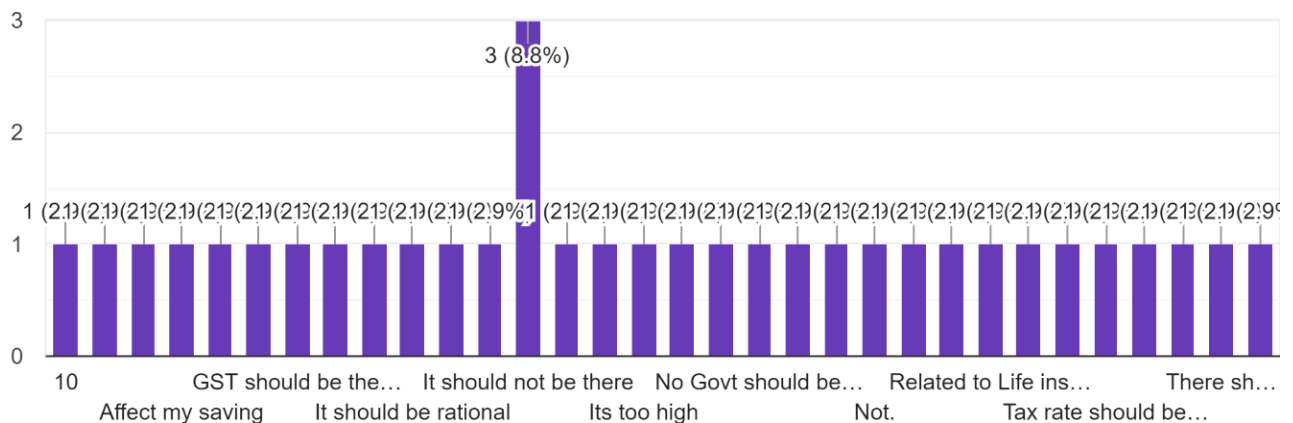
51 responses



Interpretation : Out of 51 respondents, 84.30 % i.e. 43 respondents are not satisfied with the increasing rate of tax from 15 % to 18 %.

If No, than what is your opinion whether it should be there or not?

34 responses



Interpretation : Out of 51 respondents, 34 respondents shared there opinion about GST rate against Health Insurance Policy in the following manner :-

According to 19 respondents GST rate should not be there on Health Insurance Policy because it is the necessity of every human being nowadays. 10 respondents are of the opinion that GSTY rate should be reduced to 6 %, 02 respondents said that GST rate should be revised and 03 respondents said that due to GST our saving is affecting.

Testing of Hypothesis :-

1. H0 :- There is no significant impact of GST rate on consumers perception while purchasing Health Insurance.

H1 :- There is significant impact of GST rate on consumers perception while purchasing

Health Insurance.

Comments :- As per the survey it is observed that out of 51 respondents, 92.20 % respondents i.e. 47 respondents are having health insurance policy. It means there is no negative impact on purchasing of Health Insurance policy due to 18 % GST rate. **So Null Hypothesis is accepted.**

2. H0 :- Consumers are not aware about GST rate applicable in case of Health Insurance.

H1 :- Consumers are aware about GST rate applicable in case of Health Insurance.

Comments :- As per the survey it is observed that out of 51 respondents, 92.20 % i.e. 47 respondents are very much aware about replacing service tax by GST since July 2017. **So Alternate Hypothesis is accepted.**

IV. FINDINGS

Following are the various findings based on the research study

1. 37.50 % respondents i.e. 19 respondents are of the opinion that GST rate should not be there on health Insurance Policy.
2. 19.60 % respondents i.e. 10 respondents said that GST rate should be reduced to 6 %.
3. 02 respondents are of the opinion that GST rate should be revised.
4. 03 respondents said that due to GST rate our savings are affected.
5. Some respondents stated that while GST generates revenue for the government, it places a financial burden on consumers.

V. SUGGESTIONS

1. The government should declare health insurance to be an essential product and cancel/remove the GST rate.
2. Since GST is a source of revenue for the government, at the very least the GST rate should be updated.

VI. CONCLUSION

According to the findings of the study, the government could either totally eliminate the GST rate or revise it up to 3 to 6% to encourage the greatest number of individuals to get health insurance policies. Consumers should not bear any additional financial burden as a result of this, and their savings should be unaffected.

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