



Opinion: GST Exemption on Personal Insurance Lines in India

The Government of India's recent decision to eliminate the 18% Goods and Services Tax on individual life and health insurance premiums came into effect from September 22, 2025. It represents one of the most significant policy reforms in India's insurance sector since the industry's liberalisation. While customers will experience immediate cost relief of approximately 10-15%, insurance companies face operational complexities that require strategic adaptation to maintain profitability and service quality.

At Insurance Directions, we believe that at customer level, it is beyond simple cost reduction. In addition to affordability, this will improve penetration of health and life insurance in India. For insurance companies, it is a huge opportunity because according to various estimates around 90 crore Indians still do not have health insurance.

The timing is particularly strategic given India's insurance market is expected to reach over \$200 billion by 2026. India will be the sixth-largest insurance market within a decade, leapfrogging Germany, Canada, Italy and South Korea. (Source: the Insurance Regulatory and Development Authority of India - IRDAI). The GST exemption could accelerate this growth trajectory by making insurance accessible to price-sensitive middle-class families who previously viewed premiums as prohibitively expensive.

Previously, insurance companies could offset the 18% GST collected from customers against taxes paid on operational expenses including distribution commissions, reinsurance costs, administrative services and technology infrastructure. Now, for them, the immediate challenge lies in converting this policy windfall into sustainable business growth while managing operational adjustments. We believe that the insurance companies that proactively adapt their pricing strategies, operational processes and can penetrate untapped population will fare well.

By Parul Mehta

Save the Date for our Upcoming Webinar on 29 October 2025

Exploring Transformative Power of Agentic AI in Insurance Workflows: A Deep Dive for Leaders

Join us on 29th October for our upcoming webinar, "Exploring Transformative Power of Agentic AI in Insurance Workflows: A Deep Dive for Leaders," designed exclusively for the insurance technology executives. We will cut through the noise to explore the transformative power of Agentic AI in various insurance workflows.

In this Insurance Directions webinar, you will learn about:

- Why Agentic AI matters, its definition, how it differs from traditional and generative AI, and its core capabilities such as autonomy, multi-step reasoning, adaptability and tool orchestration.
- Agentic AI in Underwriting and Risk Management: How Agentic AI revolutionises underwriting efficiency by automating tedious tasks, enabling dynamic risk assessment and monitoring, enhancing human expertise and facilitating automated and intelligent referrals.
- Agentic AI in Claims Processing and Fraud Detection: Transforming First Notice of Loss (FNOL), enabling end-to-end autonomous claims management and providing advanced fraud detection and investigation capabilities.
- Agentic AI in Policy Administration and Customer Engagement: Automating issuance and endorsements, streamlining renewal processes and fostering proactive customer support and lifecycle management.
- Measurable Business Outcomes and ROI: Discussing the financial and operational impact of Agentic AI, including improvements in claims speed, underwriting accuracy, cost reduction and customer experience.
- Essential Foundations: Challenges, Ethics and Governance: Addressing limitations and risks of agentic AI, emphasising the importance of governance and ethical imperatives and highlighting the crucial role of human oversight

Date: 29 October 2025
Time: 11:30 AM BST, 4PM IST
Duration: 30 minutes
Speaker: Parul Mehta, VP Research

New Publication Alert

Solution Advisory: Guidewire PolicyCenter

Guidewire PolicyCenter is one of the leading policy administration systems designed specifically for property and casualty (P&C) insurers. PolicyCenter offers a modern, flexible platform with a comprehensive suite of tools for managing the entire policy lifecycle, from product definition and underwriting to quotes, policy issuance and servicing. It is designed to help insurers streamline their operations, improve efficiency and provide a better customer experience. Latest Solution Advisory from Insurance Directions, provides an in-depth analysis of Guidewire PolicyCenter. It provides a detailed examination of PolicyCenter's capabilities, its role in modernising policy administration for Property & Casualty (P&C) insurers and its significant benefits.

Solution Advisory: Guidewire ClaimCenter

The path to a fully digitised and optimised claims process is not without its hurdles and puts pressure on insurers to adapt and innovate. Most of these challenges can be handled by a good claims management system. This advisory focuses on Guidewire ClaimCenter, which helps P&C insurers handle claims from the moment a claim is first reported to when it's settled. ClaimCenter offers end-to-end claims management capabilities, from FNOL to closure.



List of publications:

1. [Webinar: The State of the Indian Underwriting Workbench Market - A Deep Dive for Leaders](#)
2. [Understanding AI Maturity Among the Indian Insurance Companies – Current Investment and Future Spending](#)
3. [Executive Advisory : Zurich’s Acquisition of BOXX](#)
4. [Underwriting Workbench: Set to Take Centre Stage](#)
5. [GenAI in the Insurance Processes: Potential Risks to Look Out For](#)
6. [Five Ways Modern Claims Management Systems Are Transforming Claims](#)
7. [Direction Advisory: Underwriting Workbench](#)
8. [Understanding AI Maturity Among the Indian Insurance Companies: Current use of AI](#)
9. [Send Underwriting Workbench](#)
10. [An Eye on Imaginera ORCA Underwriting Platform](#)

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