Religare Health Insurance Co Ltd

Publication	Mint
Description	Quote : Mr. Anuj Gulati, Religare Health Insurance Company Ltd

HEALTH COVER GETS WIDER

Deduction under section 80D for health insurance premium has been hiked to ₹25,000, and to ₹30,000 for senior citizens

Need for the deduction

"With the hike, the budget has acknowledged the fact that medical costs have gone up and there is need to buy higher sum assured levels. This is a very positive move and I see more product innovation due to this," said Anuj Gulati, managing director and chief executive officer, Religare Health Insurance Co. Ltd.

What it means

The budget has given an additional deduction of ₹30,000 for very senior citizens who are not covered by health insurance, towards expenditure incurred on their treatment

QUICK TAKE

ANUJ GULATI
Managing director and chief executive officer, Religare Health Insurance

SANDEEP BAKHSHI
Managing director and chief executive officer, ICICI Prudential Life Insurance

Like

- The budget has acknowledged that health care costs are going up and therefore there is need to increase the deduction limit on health insurance premium. This will encourage people to go for higher sum insured
- We may see innovation in products in terms of offering
- The government has given a choice to the individuals to choose between health insurance product and the Employees' State Insurance Scheme of India. This is good because it allows an individual the flexibility to opt for a health insurance product instead of just restricting themselves to ESI

Like

- Budget lays a clear roadmap for reviving growth and accelerating the pace of investments
- The enhanced limits of deduction for contribution towards pensions will stimulate the citizens of the country to better plan for their lives after retirement.
- The increased limits for deductions towards health insurance, is a step in the right direction
- The reduction of corporate tax and rationalisation of other exemptions will facilitate better corporate earnings growth

Publication	Mint
Description	Quote : Mr. Anuj Gulati, Religare Health Insurance Company Ltd

SOCIAL SECURITY WITH JAN DHAN

The budget announced a universal social security system for all Indians, specially the poor and the under-privileged

BY DEEPTI BHASKARAN
deepti.bh@livemint.com

> The Pradhan Mantri Suraksha Bima Yojna will cover accidental death risk of ₹2 lakh for a premium of ₹12 per year. The Pradhan Mantri Jeevan Jyoti Bima Yojana will provide natural and accidental death cover up to ₹2 lakh

Social security was at the heart of the budget. Noting in his speech, finance minister Arun Jaitley said that a large proportion of India's population is without insurance of any kind and given the young demographics, as the population ages, individuals will also be pensionless. To address these concerns and encouraged by the success of the Pradhan Mantri Jan Dhan Yojana, the budget announced a universal social security system for all Indians, specially the poor and the under-privileged. The schemes will be linked to the Jan Dhan platform.

Larger umbrella

The Pradhan Mantri Suraksha Bima Yojna will cover accidental death risk of ₹2 lakh for a premium of just ₹12 per year paid by individuals. In addition to this, the Pradhan Mantri Jeevan Jyoti Bima Yojana will cover both natural and accidental death to up to ₹2 lakh. The premium will be ₹330 per year for age group 18-50 years.

In terms of pensions, Atal Pension Yojana was proposed. This will provide a defined pension to the investors, which will depend on the amount and the period of contribution. To encourage people to join this scheme, the government will contribute 50% of the beneficiaries' premium up to ₹1,000 each year, for five years, in the new accounts opened before 31 December 2015. This will be different from the Swavalamban scheme launched under the National Pension System (NPS). In the 2011 budget, the finance minister had announced the Swavalamban scheme to popularize NPS among small investors. The government promised to contribute ₹1,000 a year for investors making a minimum payment of ₹1,000 and a maximum of ₹12,000. "The government has made a commitment to contribute to the Swavalamban scheme till FY17. The pension scheme announced today is different as it will be a defined benefit scheme, while Swavalamban is a defined contribution scheme," said Hemant Contractor, chairman, Pension Fund Regulatory and Development Authority.

This scheme is likely to give a defined benefit of ₹1,000-5,000 depending upon the contribution a person makes, he added.

Healthy cover

In terms of health insurance, the budget has also decided that for Employees' State Insurance Scheme (ESI), the employee will have the option to choose either ESI or a health insurance product recognized by the Insurance Regulatory Development Authority of India (Irdai). "Currently an establishment with more than 10 workers, of which even if one worker is earning below ₹15,000, need to give ESI benefits. The employee contribution to ESI is 1.75% of his wages, while the employer contributes 4.75% of the wages," said Anuj Gulati, managing director and chief executive officer, Religare Health Insurance Co. Ltd.

The finance minister has note in his speech, "...the low paid worker suffers deductions greater than the better paid workers, in percentage terms." Therefore, the budget has proposed to give flexibility.

Keeping the emphasis on the elderly, the budget proposed a new scheme for providing physical aids and assisted living devices for senior citizens, living below the poverty line. "Special regard needs to be paid to the population of senior citizens... over one crore are above the age of 80 years. Seventy per cent live in rural areas and a large number are in the below the poverty line (BPL) category. A sizeable percentage of them also suffer from age related disabilities," noted Jaitley.

Publication	The Hindu BusinessLine
Description	Quote : Mr. Anuj Gulati, Religare Health Insurance Company Ltd

Higher rebate for health cover is advantage insurance sector

Insurers expect a Jan Dhan-like boost with new scheme announcements

OUR BUREAU

Mumbai, February 28

To create a universal social security system for all Indians, especially the poor and the under-privileged, the Centre plans to introduce affordable schemes for accident insurance, life insurance and pension.

The Budget has proposed an increased tax deduction limit of up to ₹25,000 besides giving additional pension benefits and doubling limit under transport allowance.

Health insurance premiums up to ₹25,000 will be subject to tax deductions, from ₹15,000 earlier. For senior citizens, the limit has been increased to ₹30,000 from ₹20,000. For very senior citizens of 80 years or more, who are not covered by health insurance, the government said deduction of ₹30,000 will be made for treatment expenses. Deductions under expenditure towards specified diseases of serious nature are proposed to be enhanced by ₹20,000 to ₹80,000 for very senior citizens.

"The fifth pillar of my taxation proposals this year is extension of benefits to middle-class tax payers," Jaitley said. And an additional deduction of ₹25,000 will be allowed for differently-abled persons.

Insurers are expecting a major boost from the two new affordable insurance schemes announced by the Finance Minister, encouraged by the success of Jan Dhan Yojana for banking.

While Suraksha Bima Yojana, an accident insurance scheme of ₹2 lakh sum assured, comes with a premium of merely ₹12 a year, another scheme Jeevan Jyoti Bima Yojana with a life insurance cover of ₹2 lakh comes with an annual premium of ₹330. This is the lowest premium available in the market.

Expanding cover

Bhargav Dasgupta, MD and CEO of ICICI Lombard General Insurance, said the thrust in the Budget to provide a social security cover will provide a major impetus in spreading insurance awareness.

He said while the premium for the Suraksha Bima Yojana is very cheap, the law of large numbers will apply and the company will study the terms and conditions of the scheme.

Somesh Chandra, Chief Operations Officer and Chief Quality Officer, Max Bupa, said increasing the tax deduction in health insurance premium from ₹15,000 to ₹25,000 and up to ₹30,000 for senior citizens will improve affordability and accessibility of health insurance.

There is a clear intention of pushing health insurance coverage by incentivising the tax-paying public to spend more on health insurance, said V. Jagannathan, Chairman-cum-Managing Director of Star Health and Allied Insurance.

Antony Jacob, CEO of Apollo Munich Health Insurance, said that employees covered under Employees State Insurance (ESI) now have an option of choosing either ESI or a Health Insurance product, recognised by the Insurance Regulatory Development Authority which is a progressive step for the industry.

Pension scheme

The government also plans to launch the Atal Pension Yojana, which will provide a defined pension, depending on the contribution.

Also, to encourage people to join this scheme, the Government will contribute 50 per cent of the beneficiaries' premium limited to ₹1,000 each year, for five years, in the new accounts opened before December 31, 2015.

The additional ₹50,000 benefit given to pension products will help bring in more investments to financial savings, said Pankaj Razdan, MD and CEO of Birla Sunlife.

However, Anuj Gualti, MD and CEO, Religare Health Insurance, said the marginal increase in service tax to 14 per cent will certainly impact the consumer, with a larger impact being experienced by low-income consumers of healthcare, schemes wherein there has been a long standing industry request for removing the service tax levy.

"The proposal to make the ordinance (related to FDI in insurance) into a law is also a positive move and we hope that the same is implemented quickly as it will help the insurance sector bring in additional capital of close to $3.5 billion," said Tarun Chugh, MD and CEO, PNB MetLife insurance.

(With inputs from PTI)

RELIGARE
Values that bind

Publication	Financial Chronicle
Description	Quote : Mr. Anuj Gulati, Religare Health Insurance Company Ltd

No need of DTC, says Jaitley

FALAKNAAZ SYED
Mumbai

UNION finance minister Arun Jaitley has introduced a plan to bring a direct tax regime which would be internationally competitive on rates and would be without exemptions, incentivise savings, and not realise tax from intermediaries.

"Such a direct tax regime would match the modernised indirect taxes regime we are putting in place by way of goods and services tax, and will bring both greater transparency and greater investments," claimed Jaitley.

The finance minister said that most of the provisions of the direct tax code have already been included in the Income Tax Act and there was no great merit in going ahead with the direct tax code as it exists today.

While announcing the taxation proposals, the finance minister chose to keep the rate of personal income-tax unchanged but increased the limit of deduction for health insurance and new pension scheme and exemption under transport allowance.

The limit of deduction in respect of health insurance premium has been increased from Rs 15,000 to Rs 25,000 while for senior citizens the limit has been increased to Rs 30,000 from the existing Rs 20,000. For those aged 80 years or above and are not covered by any health insurance policy would get a deduction of Rs 30,000 towards expenditure incurred on their treatment. In addition, the existing deduction limit of Rs 60,000 towards expenditure on account of specified diseases of serious nature has been enhanced to Rs 80,000 in case of very senior citizens.

An additional deduction of Rs 25,000 will be allowed for differently-abled persons under Section 80DD and Section 80U of the Income-tax Act.

Interest payments on deposits made under the recently launched Sukanya Samriddhi Scheme (currently eligible for deduction under Section 80C) will further be made fully income tax exempted.

The transport allowance exemption was raised from Rs 800 to Rs 1,600 per month.

Jaitley said that the direct tax proposals would result in a revenue loss of Rs 8,315 crore, whereas the proposals in indirect taxes are expected to yield Rs 23,383 crore. Thus, the net impact of all tax proposals would be revenue gain of Rs 15,068 crore.

The minister abolished the wealth tax but increased the surcharge to 12 per cent on individuals earning Rs 1 crore and above annually and on firms with an annual income of Rs 10 crore or more. A surcharge of 7 per cent has been imposed on companies having an income between Rs 1 crore and Rs 10 crore. The new measures will lead to tax collection of Rs 9,000 crore whereas the wealth tax would earn only Rs 1,008 crore, he said.

The budget also increased the limit of deduction under Section 80DD in respect of maintenance, including medical treatment of a dependant who is a person with disability, from Rs 50,000 to Rs 75,000 while increasing the limit of deduction from Rs one lakh to Rs 1.25 lakh in case of severe disability.

Anuj Gualti, managing director and chief executive officer, Religare Health Insurance said, "the enhanced tax exemption on health insurance premiums will provide the much-needed impetus for adoption while encouraging people to invest appropriately in their health insurance."

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> A very important dimension to our tax administration is the fight against the scourge of black money

Publication	Mail Today
Description	Quote : Mr. Anuj Gulati, Religare Health Insurance Company Ltd

EXEMPTION CHEER FOR TAX PAYERS

No changes in tax slabs but limit for contribution to pension plans hiked

By **Dipak Mondal** in New Delhi

THE UNION Budget has not made any big bang announcement as far as personal taxation is concerned, but a few changes in the existing tax laws have resulted in an additional tax saving of up to ₹24,596 for individuals with an annual income of up to ₹1 crore.

Though Finance Minister Arun Jaitley has not changed the tax slabs, he has offered some additional deductions and exemptions to tax payees.

Contribution to the National Pension Scheme (NPS) gets an additional deduction of up to ₹50,000, over and above the Section 80 C limit of ₹1.5 lakh. This alone will help you save up to ₹15,450 a year.

The Budget also increased the limit for contribution to pension plans — insurance pension, annuity plans, and NPS — from ₹1 lakh to ₹1.5 lakh. In the 2014 Budget, while the finance minister increased the Section 80 C limit from ₹1 lakh to ₹1.5 lakh, it kept the deduction limit at ₹1 lakh.

HDFC Pension Chief Executive Officer Sumeet Shukla said that the move is a big boost as it will not only attract new subscribers, but also more investment from existing customers.

He said: "The other good thing is that now more people will talk about NPS. The biggest problem for us has been lack of awareness about NPS. Just imagine the kind of buzz the new deduction limit will create for NPS."

Deduction on premium paid for purchasing health insurance policy has increased from ₹15,000 to ₹25,000 for individuals below 60 years. For senior citizens, the limit has been increased from ₹20,000 to ₹30,000. Therefore, an individual who is paying premium for his parents and his own health insurance policy can claim deduction of ₹55,000 against ₹35,000 earlier. The saving will be ₹6,180.

Apart from this, individuals above 80 years of age, who are not covered by health insurance, can claim annual deduction of ₹30,000 towards expenditure incurred on their treatment. Moreover, deduction against expenditure on treatment incurred on specific critical illnesses has been increased from ₹60,000 to ₹80,000 for very senior citizens.

Religare Health Insurance Company Limited Managing Director & CEO Anuj Gulati said: "In recognition of health inflation, the enhanced tax exemption on health insurance premiums from ₹15,000 to ₹25,000, and ₹20,000 to ₹30,000 for senior citizens, will provide impetus for adoption while also encouraging people to invest appropriately in their health insurance."

Wealth tax for individuals earning more than ₹1 crore per annum has been done away with and has been replaced with a two per cent surcharge taking the tax rate to 34.61%

The finance minister also increased the exemption limit for transport allowance from ₹800 to ₹1,600 a month. That means you can claim an additional ₹9,600 as deduction that will help save ₹2,966 a year.

Meanwhile, for individuals earning over ₹1 crore, an additional surcharge of 2 per cent will be levied to compensate for the revenue loss due to abolition of wealth tax. The effective income tax rate for people earning more than ₹1 crore would go up to 34.61 per cent.

Divya Baweja, Partner, Deloitte Haskins & Sells LLP said: "The effective rate of individual's earning above ₹1 crore is more or less in line with the rate of 35 per cent proposed in the DTC."