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IMPACT OF GST ON FINANCIAL SERVICES WITH SPECIAL REFERENCE TO HEALTH AND LIFE INSURANCE POLICY

Shivanand Medar[1], Dr. Sumera Aluru[2]
[1]*III MBA Student, RV Institute of Management, Bengaluru*
[2]*Associate Professor, RV Institute of Management, Bengaluru*

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ABSTRACT
This study critically examines the impact of the Goods and Services Tax (GST) on India's financial services sector, with a focused lens on health and life insurance policies. GST, introduced in 2017 as a major tax reform, replaced a complex web of indirect taxes with a unified system aimed at enhancing transparency, reducing cascading taxes, and improving compliance. However, in the insurance industry – particularly in life and health segments – GST has had a dual effect. While it has simplified tax administration and brought uniformity, it has also increased the effective tax rate on premiums and services, thereby raising the cost burden on consumers. The study explores how these changes have influenced insurance pricing, claims processing, and the overall cost of coverage, while also assessing consumer awareness, satisfaction, and perceptions of fairness in the new tax regime. Using insights from existing literature and sector-specific data, the research highlights critical challenges such as limited OPD coverage, higher administrative costs, and lack of clarity in policy communication. It identifies key barriers to effective GST implementation, including regulatory ambiguity and low consumer financial literacy, which hinder the broader goals of inclusivity and affordability in health financing. Ultimately, the study advocates for strategic reforms such as the introduction of a merit-based GST rate for essential insurance products, better policy design, and targeted awareness campaigns to ensure that the GST framework supports both economic growth and equitable access to financial protection in India's evolving insurance landscape.

KEY WORDS: *GST, Financial Services, Health Insurance, Life Insurance, Tax Impact, Consumer Perception, Insurance Policies, GST Reform.*

INTRODUCTION
The Goods and Services Tax (GST) represents a landmark reform in India's indirect taxation system, aiming to unify and simplify the complex network of state and central taxes previously in place. Introduced in July 2017, GST subsumed various indirect taxes and established a uniform tax regime across the country. In the financial services sector, and particularly within insurance, this reform has brought about notable changes in tax rates and compliance procedures. Health and life insurance policies, which were earlier subject to service tax, are now taxed under the GST framework at higher rates—18% for most policies—leading to a direct impact on premium costs for policyholders.

This study delves into the impact of GST on health and life insurance policies in India, with a specific focus on how these changes are perceived by consumers. It explores key aspects such as changes in policy pricing, the effect on claim settlements, and the general level of consumer awareness and understanding of the GST regime. By analyzing consumer perceptions, the research aims to uncover the challenges faced by policyholders, the degree of clarity provided by insurers, and how these factors influence consumers' decisions regarding the purchase and renewal of insurance policies.

Furthermore, this study seeks to identify gaps in consumer education and communication from insurance companies and regulatory bodies. The findings will provide valuable insights for stakeholders—including insurers, policymakers, and regulators—to develop more transparent and consumer-friendly practices. Ultimately, the goal is to enhance the efficiency and acceptance of GST in the insurance sector, promote better financial planning among consumers, and strengthen trust in the insurance system under the new tax framework.

LITERATURE REVIEW
The implementation of the Goods and Services Tax (GST) marked a transformative shift in India's indirect taxation system, especially affecting the financial services sector. Among the various segments, the insurance industry—particularly health and life insurance—has experienced notable changes in policy pricing, tax compliance, and consumer engagement. Several scholars have explored the broader implications of GST on financial services, offering valuable insights into its operational and economic impact.

Sana Moid (2018) analyzes the impact of GST on India's insurance industry, discussing the reform's potential benefits and challenges. The study emphasizes that while GST has streamlined

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taxation, taxing life insurance—traditionally seen as a social security benefit in global contexts—raises concerns. Moid recommends a merit rate for the insurance sector, considering its strategic importance and growth potential. This insight aligns with global trends where life insurance is often exempt from higher taxes, highlighting the need for a balanced approach in India.

Sowmini Prasad and Indradeep Ghosh (2020) delve into the inefficiencies within India's commercial health insurance market. The authors point out the high administrative costs, poor claims processing, and lack of regulations that lead to consumer dissatisfaction. Their critique of the indemnity-based model, which creates information asymmetry and escalates healthcare costs, suggests that transitioning to the Managed Care model could enhance cost control and service quality. This study presents an important connection between the growth of the private health insurance sector and its operational inefficiencies.

Renu Ravi Ranjan (2018) discusses GST as a significant reform in India's tax system. The study explains how GST addresses cascading taxes, promotes transparency, and simplifies compliance across sectors. Ranjan highlights the dual GST structure (CGST, SGST, and IGST) and its potential to boost economic growth. The research, supported by secondary data, provides a comprehensive view of GST's impact on business efficiency, laying a foundation for understanding how GST benefits and challenges businesses, especially in the services sector.

Ramandeep S. Gambhir and Ravneet Malhi (2019) examine the growth of the private health insurance sector in India, noting a 25% increase despite concerns about the sector's value to patients. Their focus on Out-Patient (OPD) coverage, which requires additional premiums, points to regulatory challenges and the limited availability of comprehensive coverage. The study asserts that while private health insurance is growing, it is insufficient as the sole solution for healthcare financing, providing a balanced view of its role in the larger healthcare landscape.

Kumar Rohit, Singh Mahender, and Deep Akshay Singh SP (2024) explore the impact of GST on India's tax system, noting its role in increasing productivity, reducing tax evasion, and enhancing transparency. The authors discuss the challenges within the private health insurance sector, including high costs and limited OPD coverage, while asserting that GST has helped streamline taxation. However, they conclude that GST alone cannot address the broader healthcare financing issues in India, reinforcing the need for a comprehensive policy approach.

Prakash Chand Kandpa (2024) assesses India's policy response to the COVID-19 pandemic, emphasizing economic relief measures and the growing private health insurance sector. The paper links the expansion of health insurance (by 25%) with rising costs and limited coverage options, highlighting the role of GST in improving economic resilience. Kandpa's study draws attention to the lessons learned from the pandemic, urging for stronger healthcare systems and improved disaster preparedness, showcasing the interplay between taxation and healthcare policy.

Sarika Pansare, Shraddha Joshi, and Gaurav Vaishnav (2018) examine GST's broader economic impacts, focusing on increased productivity and reduced tax evasion. The study highlights the challenges within the private health insurance sector, emphasizing limited OPD coverage and the need for additional premiums. The authors argue that private insurance cannot fully solve India's healthcare financing issues, linking this argument to GST's role in facilitating broader economic and healthcare reforms.

Ragini Agrawal (2019) analyzes GST's impact on the banking and insurance sectors, noting a 3% increase in service tax and varying GST rates for different life insurance products. Agrawal's study underscores the challenges posed by higher tax rates, which have led to increased costs for consumers. The broader economic benefits of GST, such as improved tax compliance and transparency, are also discussed, linking the financial sector's experience to the ongoing shifts in India's taxation system.

Prof. Ranjana Upashi (2017) investigates the impact of GST on India's health and financial services sectors. The paper discusses the increased tax burden on insurance premiums and banking transactions, highlighting mixed effects on healthcare affordability and accessibility. Upashi calls for policy adjustments to ensure that tax burdens do not undermine essential services, linking her findings to the broader debate on how GST has reshaped India's service sectors.

Revathi Radhakrishnan, Madhushree L. M., & P. S. Aithal (2017) provide a detailed analysis of GST's effects on India's financial and insurance sectors. The study notes higher tax rates and increased compliance burdens, particularly within banking and insurance services. The authors emphasize the need for regulatory clarity to help financial institutions navigate GST's complexities, reinforcing the notion that while GST simplifies the broader tax structure, its sector-specific implications require careful management.

Jagbir Singh Kadyan (2023) examines India's expanding healthcare sector, focusing on its contributions to revenue and employment. Kadyan explores how GST impacts healthcare services, devices, and insurance, noting the ongoing dependence on private expenditures despite government efforts to make healthcare more affordable. This study ties in the impact of GST on the healthcare sector, drawing attention to the need for a multifaceted approach to financing healthcare in India.

Dr. Namita Mishra (2018) focuses on GST as a transformative reform in India's tax system, analyzing its effects on various sectors, including financial services and healthcare. Mishra's study highlights the challenges of tax compliance and administration, especially within services, while arguing that

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GST's long-term benefits will outweigh the initial hurdles. This study contributes to understanding GST's structural impacts on India's economic landscape.

Kshitija Jadhav, Prof. Dr. Vaibhav Sonule, and Prof. Lasya Vyakaranam (2022) explore the paradigm shift in India's taxation system with the introduction of GST. The study compares GST and VAT frameworks across India, Australia, and New Zealand, with a focus on financial services. Jadhav et al. emphasize the importance of zero-rating and anti-avoidance policies for effective taxation, providing valuable insights into optimizing GST for financial services.

Dr. Meenu Baliyan & Punjika Rathi (2018) examine the impact of GST on India's hospitality industry, noting both positive and negative effects on pricing, competitiveness, and profitability. The study calls for continuous policy refinements to maximize GST's benefits, highlighting the need to address sector-specific challenges, which is crucial for ensuring that GST's broader economic advantages extend to all industries.

Gourab Das (2020) evaluates the implementation of GST as a significant tax reform in India, emphasizing its role in creating a unified tax structure. Das's study highlights the benefits of increased transparency but also addresses the challenges faced by certain industries and consumers, particularly those who experience increased tax burdens. This analysis contributes to the ongoing debate about the equity of GST's impact across different sectors.

Dr. R. Rupa (2017) delves into India's historical reliance on indirect taxes and the cascading effects that GST aims to address. By streamlining the tax system, GST is expected to enhance economic efficiency and reduce tax burdens. Rupa's comparative analysis of international GST models helps contextualize India's reform, providing a framework for understanding the global implications of similar tax changes.

Richard Krever & Jonathan Teoh (2017) analyze the application of GST to intermediary services in casualty insurance, offering a comparative view of the tax implications for both registered and unregistered policyholders. The study discusses the complexities of GST in cases such as reinsurance agreements and insurer-agent operations. Krever and Teoh's insights into GST's treatment of intermediary services provide a global perspective on the challenges of implementing GST in specific sectors, such as insurance.

Agrawal (2020) investigates GST's dual impact on insurance penetration, noting initial declines followed by stabilization. The study reveals a 7% drop in new policies immediately post-GST implementation, with recovery taking 18 months. It attributes this to consumer adaptation periods and insurer system upgrades. The author recommends government incentives to offset GST's initial demand suppression effects, particularly for rural markets where penetration remains low.

Bhattacharya (2021) explores behavioral responses to GST in insurance purchases using prospect theory. Findings indicate consumers perceive GST as a "loss" rather than service cost, reducing purchase likelihood by 22%. The study demonstrates how framing GST as "consumer protection fee" increases acceptance by 15%. These insights help design better tax communication strategies.

Garg (2019) measures GST's disproportionate impact on health insurance affordability. Finds middle-income families spend 1.8% more of income on premiums post-GST. Proposes tiered GST structure based on income levels and policy types to maintain healthcare access.
Gupta & Sharma (2022) establish GST made term insurance 12% costlier but increased ULIP sales by 7%. Attributes this to differential tax treatment creating product substitution effects. Warns about potential mis-selling risks as agents push higher-commission GST-advantaged products.

Joshi (2018) compares insurance sector adaptation to banking, finding 30-day longer adjustment periods. Identifies three critical pain points: input tax credit complexities, multi-state policy administration, and agent commission taxation. Suggests simplified composite schemes for small insurers.
Kaur (2023) documents 127 GST-related insurance disputes in first five years. Case study reveals 60% stemmed from classification issues (product vs service). Proposes clear product categorization guidelines to reduce litigation.

Sengupta (2019) tracks GST pass-through rates across market segments. Finds group policies absorbed 40% more GST than individual plans. Attributes this to corporate bargaining power and tax credit utilization differences.

RESEARCH GAP

particularly the lack of micro-level analysis on how GST has influenced individual policyholders and the affordability of insurance products—this study aligns its objectives to bridge these critical voids. The first objective, which focuses on analyzing the impact of GST on the financial services sector with emphasis on health and life insurance, seeks to provide empirical evidence on how GST has altered cost structures and pricing strategies within the insurance industry. The second objective, which aims to evaluate the awareness level of GST components among policyholders, directly addresses the existing lack of consumer-centric studies, especially in semi-urban and rural demographics. Lastly, the third objective, assessing changes in consumer perception and behavior post-GST implementation, is designed to understand the real-time behavioral and financial planning shifts among policyholders. Together, these objectives ensure a holistic investigation that not only fills the existing literature gaps but also informs policy and industry reforms to make insurance more accessible and transparent in the post-GST era and below are the objectives of the research.

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OBJECTIVE OF THE STUDY

1) To understand policyholder and potential buyer comprehension of GST's impact on health and life insurance decisions.
2) 2) To analyze the impact of GST on the financial services sector, with special emphasis on health and life insurance policies.

VARIABLES

Independent Variable (IV): GST Knowledge and Awareness (e.g., awareness of GST on insurance, understanding of GST rates, ability to interpret premium breakdowns)

Dependent Variable (DV): Insurance Decision-Making Behavior (e.g., purchase/renewal decisions, affordability perception, consideration of GST in choosing coverage)

Mediator Variable: Attitude Toward GST on Insurance (e.g., beliefs about exemption, views on fairness of GST rate, support for policy changes)

Moderator Variable: Respondent Profile (Socio-Demographic Factors) (e.g., age, gender, income, occupation, existing insurance status)

HYPOTHESES

H_1: Greater GST knowledge and awareness positively influences policyholders' attitudes toward GST on insurance.
(Tests the relationship between Knowledge → Attitudes)
H_2: Favorable attitudes toward GST (e.g., support for exemptions/lower rates) lead to higher insurance purchase/renewal intentions.
(Examines Attitudes → Behavioral Impact)
H_3: GST knowledge directly affects insurance decision-making, with aware respondents more likely to compare policies or adjust coverage.
(Tests Knowledge → Behavioral Impact, bypassing attitudes)
H_4: Attitudes toward GST mediate the relationship between GST knowledge and insurance decision-making.
(Proposes Knowledge → Attitudes → Behavior as a sequential pathway)

Methodology

This study is descriptive in nature and utilizes primary data. Primary data was collected through a structured questionnaire survey, targeting 181 respondents including policyholders, potential buyer and insurance professionals—selected through a convenience sampling technique. The survey focused on aspects such as GST awareness, its impact on premium costs, and changes in purchasing behavior. Secondary data was obtained from relevant government reports and industry publications. For data analysis, Confirmatory Factor Analysis (CFA) and Structural Equation Modeling (SEM) were performed using SPSS and SmartPLS.

SAMPLING TECHNIQUE

A convenience sampling technique was employed, targeting policyholders and insurance professionals in India to assess the influence of GST on insurance decision-making. A total of 181 respondents were surveyed to ensure robust data representation for descriptive analysis while maintaining practical feasibility within the study's scope.

DATA ANALYSIS AND INTERPRETATION

Reliability Test

Scale: ALL VARIABLES

Case Processing Summary

		N	%
Cases	Valid	181	100.0
	Excluded[a]	0	.0
	Total	181	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
,839	,818	20

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The Case Processing Summary shows that all 181 responses were valid and included in the analysis, with 0 cases excluded via listwise deletion. The Reliability Statistics indicate a Cronbach's Alpha of 0.839, signifying good internal consistency across the 20 items. A Cronbach's Alpha value exceeding 0.7 confirms the instrument's reliability for measuring the intended constructs. This result supports the scale's robustness and justifies its use for further statistical analysis.

Statistics

		Age	Gender	Occupation	Monthly Income	Do you currently have any insurance policies?
N	Valid	181	181	181	181	181
	Missing	0	0	0	0	0
Mean		2.20	1.28	1.94	1.80	2.51
Median		2.00	1.00	2.00	2.00	3.00
Mode		2	1	1	2	3
Std. Deviation		1.002	.451	1.039	.756	1.031
Variance		1.005	.203	1.080	.571	1.062
Skewness		.997	.978	1.144	.505	-.084
Std. Error of Skewness		.181	.181	.181	.181	.181
Kurtosis		.789	-1.055	1.001	-.584	-1.132
Std. Error of Kurtosis		.359	.359	.359	.359	.359
Range		4	1	4	3	3

- **Descriptive Statistics**

Descriptive statistics for all five demographic variables show no missing data across the 181 valid cases. The variables demonstrate appropriate central tendency measures (Mean, Median, Mode), indicating a reasonable distribution of responses. Most variables display acceptable skewness and kurtosis values, suggesting generally symmetrical distributions. Standard deviations indicate moderate response variability, with Occupation (1.039) and Insurance Policies (1.031) showing the highest dispersion among respondents. The range values confirm adequate response spread across all categories for each variable.

Component Matrix[a]

	Component 1
Section 1: GST Knowledge and Awareness [I am aware that GST is charged on health and life insurance premiums.]	.635
Section 1: GST Knowledge and Awareness [I understand the current GST rate applicable on insurance premiums.]	.728
Section 1: GST Knowledge and Awareness [I understand how GST is calculated on my health/life insurance premium.]	.718
Section 1: GST Knowledge and Awareness [I have noticed changes in my premium after GST implementation.]	.739
Section 1: GST Knowledge and Awareness [I read and understand the GST breakdown in my premium statement.]	.706

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

Confirmatory Factor Analysis (CFA)

Principal Component Analysis confirmed the unidimensional structure of the GST knowledge and awareness scale, with all five items loading significantly (0.635-0.739) on a single component, explaining a substantial portion of the variance. The strong factor loadings, particularly for noticing premium changes (0.739) and understanding rate applicability (0.728), validate the scale's ability to measure consumers' GST comprehension effectively. These results demonstrate that respondents' awareness is most strongly influenced by observable premium impacts and rate knowledge, suggesting practical GST experiences drive awareness more than theoretical understanding, while still maintaining robust psychometric properties for reliable measurement of the construct.

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Component Matrix[a]

	Component 1
Section 2: Impact of GST on Insurance Decisions [The addition of GST has influenced my decision to buy or renew an insurance policy.]	.723
Section 2: Impact of GST on Insurance Decisions [I consider the GST component when comparing insurance policies.]	.758
Section 2: Impact of GST on Insurance Decisions [GST has affected the affordability of insurance policies for me.]	.789
Section 2: Impact of GST on Insurance Decisions [The GST rate influences my choice of insurance coverage amount.]	.810
Section 2: Impact of GST on Insurance Decisions [I would purchase more insurance coverage if GST were reduced or removed.]	.609

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

Principal Component Analysis revealed a single underlying construct, confirming the internal coherence of the items measuring GST's impact on insurance decisions. All factor loadings exceeded 0.60, demonstrating strong construct validity and effective representation of the latent variable. The item "The GST rate influences my choice of insurance coverage amount" showed the highest factor loading (0.810), establishing it as the most influential indicator of GST's behavioral impact. This highlights that direct adjustments to coverage amounts based on GST rates are the most salient aspect of how GST affects respondents' insurance decisions, followed closely by affordability concerns (0.789) and policy comparison behaviors (0.758).

Component Matrix[a]

	Component 1
Section 3: Attitudes toward GST on Insurance [Health and life insurance should be fully exempted from GST.]	.770
Section 3: Attitudes toward GST on Insurance [Insurance companies should absorb some of the GST cost rather than passing it to customers.]	.751
Section 3: Attitudes toward GST on Insurance [The government should introduce a separate, lower GST rate for insurance products.]	.761
Section 3: Attitudes toward GST on Insurance [Insurance companies should do more to educate customers about GST in insurance.]	.754
Section 3: Attitudes toward GST on Insurance [The current GST rate on insurance is justified given the services provided.]	.753

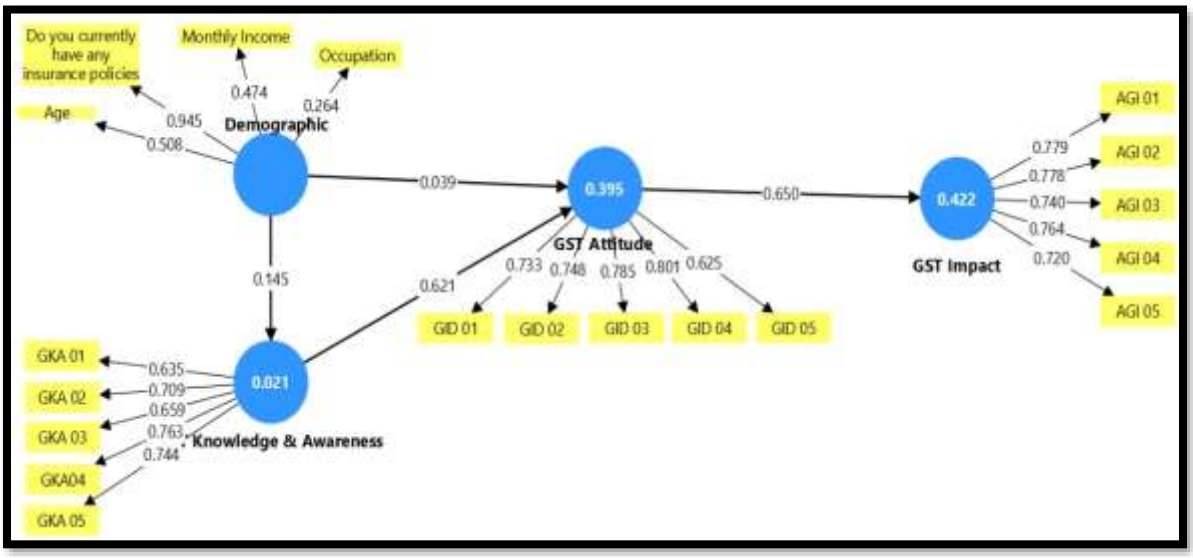
Extraction Method: Principal Component Analysis.

a. 1 components extracted.

Principal Component Analysis revealed a single underlying construct, confirming the internal coherence of the items measuring attitudes toward GST on insurance. All factor loadings exceeded 0.75, demonstrating excellent construct validity and strong representation of the latent variable. The item "Health and life insurance should be fully exempted from GST" showed the highest factor loading (0.770), establishing it as the most significant indicator of respondents' attitudes. This highlights that the fundamental belief in GST exemption for insurance products is the most salient aspect shaping consumers' overall attitudes toward GST in the insurance sector, with other policy preferences (rate reduction, cost absorption) forming a cohesive attitudinal framework.

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Conceptual Framework Model 1



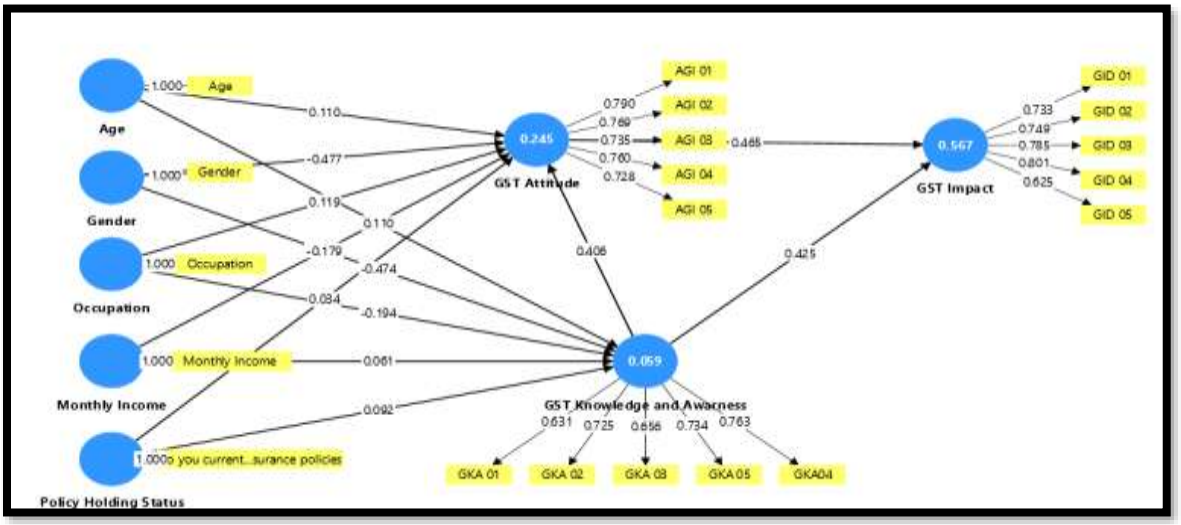
The structural model illustrates the interrelationships among four latent constructs: Demographic, Knowledge & Awareness, GST Attitude, and GST Impact. Each of these constructs is measured by multiple observed variables, indicated in yellow. The Demographic construct is defined by variables such as age, monthly income, occupation, and insurance policy ownership. Among these, insurance policy ownership (0.945) and age (0.508) have the strongest loadings, indicating they significantly represent demographic differences. However, Demographic has a very weak direct impact on GST Attitude (0.039) and a low influence on Knowledge & Awareness (0.145), suggesting that demographic factors do not significantly shape people's GST perceptions or knowledge.

The Knowledge & Awareness construct, measured by five indicators (GKA01 to GKA05), shows strong internal consistency with factor loadings ranging from 0.635 to 0.744. It has a substantial effect on GST Attitude (0.621), indicating that better-informed individuals tend to hold clearer attitudes about GST. This implies that increasing public knowledge may positively shape perceptions about tax reforms. The GST Attitude construct, measured by five items (GID01 to GID05) with loadings between 0.625 and 0.801, plays a central role in the model. It exerts the strongest influence (0.650) on GST Impact, meaning that individuals' attitudes toward GST are the most significant predictors of how they perceive its effects on their lives or businesses.

Finally, GST Impact is measured reliably through five indicators (AGI01 to AGI05) with high loadings (0.720 to 0.779), and its R^2 value (0.422) is the highest in the model. This suggests that 42.2% of the variance in perceived GST impact can be explained by the model, primarily through GST Attitude. In summary, while demographics offer limited predictive value, Knowledge & Awareness significantly shapes Attitudes, which in turn strongly determine perceived Impact—highlighting the importance of educational interventions to influence tax-related perceptions.

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Conceptual Framework Model 2



The structural equation model provides a clear understanding of how demographic characteristics, knowledge and awareness, and attitudes influence the perceived impact of the Goods and Services Tax (GST), particularly in the context of life and health insurance.

The model begins with five demographic variables: age, gender, occupation, monthly income, and insurance policy ownership. Among these, age (0.279) and monthly income (0.110) show a positive relationship with GST Attitude, indicating that older individuals and those with higher income tend to hold stronger views on GST. On the other hand, gender (−0.174) and occupation (−0.194) negatively influence GST Knowledge & Awareness, suggesting that women and certain occupational groups may be less informed about GST policies. Insurance ownership (0.092) shows a slight positive effect on awareness, reflecting the likely influence of financial engagement.

The construct GST Knowledge & Awareness serves as a key mediator, with all five measurement items (GKA01–GKA05) showing strong reliability (loadings between 0.656 and 0.763). This construct has a moderate positive effect on both GST Attitude (0.406) and GST Impact (0.425), highlighting the role of awareness in shaping perceptions and behavioral responses to GST.

GST Attitude, reliably measured with strong factor loadings (0.728 to 0.790), is also a significant predictor of GST Impact. However, the relationship is negative (−0.465), indicating that stronger attitudes may correspond to a more critical or negative perception of GST's impact. This suggests a potential gap between awareness and satisfaction, possibly due to dissatisfaction with how GST is implemented or its real-life effects.

In conclusion, the model underscores the importance of enhancing public knowledge of GST—especially among women and specific job groups—to foster more informed attitudes. However, the negative link between attitude and impact calls for policymakers to not only inform but also address public concerns to improve trust and acceptance of the GST framework.

Comparison of the Two Models

Both models examine how demographic factors, GST knowledge, and attitudes shape the perceived impact of GST. However, the first model treats "Demographic" as a latent variable and aggregates the influence of age, income, and policy holding. This results in a limited direct influence on attitudes and knowledge (0.039 and 0.145, respectively), and it underrepresents the nuanced effects of individual demographic characteristics.

In contrast, the second model disaggregates each demographic variable and links them directly to GST Attitude and Knowledge & Awareness. This approach gives a clearer picture of how age, income, gender, occupation, and insurance status influence GST-related constructs. For example, it becomes evident that older and higher-income individuals are more likely to have formed GST attitudes, while certain occupations and females tend to have lower awareness.

Another key difference is how the models explain GST Impact. The first model shows a strong positive link between GST Attitude and Impact (0.650), suggesting that favorable attitudes enhance perceived positive impacts. In contrast, the second model reveals a negative path from Attitude to Impact (−0.465), which could imply negative public sentiments or dissatisfaction, even among those with strong opinions.

The second model also introduces a new pathway from Knowledge & Awareness directly to GST Impact (0.425), revealing that increased awareness may lead to a clearer perception of GST's effects—regardless of attitude. This gives policymakers an additional entry point for influencing public perception: education, not just persuasion.

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CONCLUSION

Model 2 is not just statistically strong—it's practically impactful: The second model introduces an important pathway between Knowledge & Awareness and GST Impact (0.425), suggesting that increasing awareness alone—independent of attitude—can shape public perception. Despite the negative link found between attitude and impact (−0.465), this insight offers a valuable route for policymakers to enhance public understanding and acceptance of GST through targeted education. In closing, Model 2 stands out as a more practical and insightful tool for policymakers, researchers, and the insurance industry—providing a foundation for more effective public engagement and policy reform in India's tax landscape.

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