



FUTURE GENERALI INDIA

Insurance Company Limited

SERVICE TAX ON CASHLESS SERVICES AND HEALTH CHECK UPS

The Central Government has introduced service tax on cashless services in Hospitals & Nursing Homes for Health checkups & treatments w.e.f 01-07-2010 as per Notification No. 24/2010 - Service Tax dated 22-06-2010.

Keeping in mind the above, hospitals will henceforth be required to add Service Tax @ 10.3% to the hospital bill on all bills for cashless treatment generated on or after 1st July, 2010. Since Service Tax liability will be borne by the Insurance Company, the amount towards Service Tax will be authorized by us as a part of the Authorization Letter amount.

The Service Tax component shall thus be considered as a part of the sum insured and sub limits in the policy, if any, and the service tax amount shall be deducted from the Sum Insured available or any benefit limit available to the member.

Examples of payments under different circumstances are illustrated below for reference:

Scenario 1		
Sum Insured	100000	
Total Hospital Bill	85000	
Service Tax @ 10.3%	8240	Service Tax is applicable on certain components only
Total Amount asked for by Hospital	93240	
Authorized Amount for Cashless	95000	
Amount Paid by Insurance Company	93240	
Balance Sum Insured	6760	
Scenario 2		
Sum Insured	100000	
Total Hospital Bill	85000	
Service Tax @ 10.3%	8240	
Total Amount asked for by Hospital	93240	
Authorized Amount for Cashless	90000	
Amount Paid by Insurance Company	90000	
Balance Sum Insured	10000	
Amount to be paid by Member	3240	



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Scenario 3		
Sum Insured	100000	
Total Hospital Bill	85000	
Service Tax @ 10.3%	8240	
Total Amount asked for by Hospital	93240	
Authorized Amount for Cashless	95000	
Amount Paid by Insurance Company	85000	After deductions for non payable items
Balance Sum Insured	15000	
Amount to be paid by Member	8240	
Scenario 4		
Sum Insured	100000	
Maternity Limit	35000	Assuming hospitalization is for maternity
Total Hospital Bill	40000	
Service Tax @ 10.3%	3500	
Total Amount asked for by Hospital	43500	
Authorized Amount for Cashless	35000	
Amount Paid by Insurance Company	35000	
Balance Sum Insured	65000	
Amount to be paid by Member	8500	



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