

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF REVENUE  
**RAJYA SABHA**  
**UNSTARRED QUESTION NO-228**  
ANSWERED ON – 04.02.2025

**GST ON HEALTH INSURANCE**

228. SHRI RAJEEV SHUKLA:

Will the Minister of **FINANCE** be pleased to state:-

- (a) whether the Ministry is aware of the impact of high GST rates on health insurance policies;
- (b) if so, whether there is any proposal to abolish or to drastically reduce the 18 per cent GST on health insurance;
- (c) if so, the details thereof and if not the reasons therefor;
- (d) whether there is any proposal to abolish GST on term insurance; and
- (e) if so, the details thereof and if not, the reasons therefor?

**ANSWER**

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE  
(SHRI PANKAJ CHAUDHARY)

(a), (b), (c), (d) & (e): GST rates and exemptions on all services and goods are prescribed on the recommendations of the GST Council which is a Constitutional body comprising of members from both the Union and State/UT Governments.

The issue of GST on life and health insurance was placed before the GST Council in its 54<sup>th</sup> Meeting held on 09<sup>th</sup> September 2024 at New Delhi. After detailed deliberations, the GST Council recommended to constitute a Group of Ministers (GoM) to holistically look into the issues pertaining to GST on life insurance and health insurance. Accordingly, a Group of Ministers (GoM) on Life and Health Insurance was constituted under the Convenership of Sh. Samrat Chaudhary, Hon'ble Deputy CM, Bihar.

During the 55<sup>th</sup> meeting of the GST Council held on 21<sup>st</sup> December 2024 in Jaisalmer, the Convener of the Group of Ministers (GoM) on Life and Health Insurance sought more time for finalizing the GoM's recommendations and placing the same before the GST Council. The Council agreed to give more time to GoM to finalize its recommendations.

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