

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE**

LOK SABHA

UNSTARRED QUESTION NO.1940

TO BE ANSWERED ON MONDAY, DECEMBER 19, 2022/AGRAHAYANA 28, 1944 (SAKA)

GST ON INSURANCE PRODUCTS

1940. SHRI KESINENI SRINIVAS:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government is planning to reduce or waive off GST on Insurance products in order to increase the social security net across the country and if so, the details thereof and if not, the reasons therefor;
- (b) whether the Government is planning to create a welfare fund for the agents of LIC and if so, the details thereof and if not, the reasons therefor;
- (c) whether the term insurance for LIC agents has remained unrevised since 1956 and if so, the details thereof and the time by which the Government proposes to revise the same; and
- (d) whether the Government has not given approval to the increased Gratuity limit as suggested by the Board of Directors of LIC in 2018 and if so, the reasons therefor and the time by which the Government plans to give approval to the same?

ANSWER

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

(a): GST rates and exemptions on supply of all goods and services are prescribed on the recommendations of GST Council which is a constitutional body having representation of the Union and the States. Several life and general insurance products such as Janashree Bima Yojana, Aam Aadmi Bima Yojana, Life micro insurance products having maximum amount of cover of two lakhs rupees, Varishtha Pension Bima Yojana, Pradhan Mantri Jeevan Jyoti Bima Yojana, Pradhan Mantri Jan Dhan Yojana, Pradhan Mantri Vaya Vandan Yojana, Rashtriya Swasthya Bima Yojana (RSBY), Universal Health Insurance Scheme, Jan Arogya Bima Policy, Niramaya Health Insurance Scheme etc. have already been exempted from GST with a view to enhance social security.

(b): LIC is already providing many welfare benefits for its agents, viz. fully subsidized welfare schemes like Group Insurance Scheme for Club Member Agents and Group Personal Accident and Permanent Disability Benefit Scheme for all Agents, and partially subsidized welfare scheme like Group Mediclaim Insurance Scheme for Club Member Agents, Contributory scheme like Group Insurance Scheme for all Agents etc.

(c) and (d): LIC is a commercial entity operating in a competitive and regulated business. Any proposal which entails increase in cost has to be considered based on business principle and after assessing its impact on Regulatory operation inter-alia on Expenses of Management.
