

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

LOK SABHA

UNSTARRED QUESTION NO.2852

TO BE ANSWERED ON MONDAY, AUGUST 7, 2023/SRAVANA 16, 1945 (SAKA)

GST ON HEALTH INSURANCE

2852. DR. SANJEEV KUMAR SINGARI:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government is charging 18 per cent GST on health insurance;
- (b) if so, the details thereof and the reasons for such high GST on health insurance;
- (c) whether the Government proposes to reduce this GST to make health insurance more affordable especially for lower and middle income classes; and
- (d) if so, the details thereof and if not, the reasons therefor?

ANSWER

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

(a) & (b): At present, Goods and Services Tax (GST) on health insurance services is levied at standard rate, i.e., 18 per cent. However, certain insurance schemes catering to poor sections of the society and differently abled, such as Rashtriya Swasthya Bima Yojana (RSBY), Universal Health Insurance Scheme, Jan Arogya Bima Policy and Niramaya Health Insurance Scheme are exempt from GST. These rates have been prescribed on the recommendations of the GST Council which is a constitutional body.

(c) & (d): GST rates and exemptions on all services (including GST on health insurance premium) are prescribed on the recommendations of GST Council which is a constitutional body comprising members from Union Government and State/UT Governments. Health insurance, like majority of other taxable supplies is standard rated at 18% as stated above. In pre-GST regime also, health insurance was standard rated. The GST Council in its 31st and 37th meetings examined similar requests but did not make any recommendation to reduce GST on insurance service from 18% and on health care insurance policies from 18% to 5%. The matter was examined again and placed before the GST Council in its 47th meeting held on 28th and 29th June, 2022, wherein the Council did not recommend any change.
