

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES
LOK SABHA

UNSTARRED QUESTION NO. 1319

TO BE ANSWERED ON MONDAY, DECEMBER 6, 2021/ 15 AGRAHAYANA, 1943 (SAKA)

HEALTH INSURANCE PREMIUM

1319. SHRI GURJEET SINGH AUJLA:

Will the Minister of FINANCE be pleased to state:-

- (a) whether it is a fact that health insurance premium are increasing by 10-25 percent every year causing lot of hardship to poor and senior citizens and in the case of senior citizens, the increase is more than 50 per cent;
- (b) if so, the steps the Government is contemplating to reduce the insurance premium this year especially for middle aged, Senior citizens, etc.;
- (c) whether it is also a fact that GST on insurance premium is 18 percent at present which is very high as compared to other countries; and
- (d) if so, the steps being taken to reduce the GST on insurance premium from the present 18 per cent to 5 per cent?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(DR. BHAGWAT KARAD)

(a): No, sir. It has been informed by the Insurance Regulatory and Development Authority of India (IRDAI) that pricing of health insurance products offered by insurers is based on the age of the insured and other relevant risk factors, such as claims experience and the principles of pricing contained in the IRDAI (Health Insurance) Regulations, 2016 and the product filing guidelines issued by IRDAI.

(b): Question does not arise.

(c) and (d): The Goods and Services Tax (GST) levied on health insurance premium is 18%. The rate of GST is decided on the recommendations of the GST Council, which is a Constitutional body comprising members from the Central Government and State Governments. At present, no recommendation to reduce the GST rate on health insurance premium is under consideration of the GST Council.
