

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
LOK SABHA
UNSTARRED QUESTION NO.3247

TO BE ANSWERED ON MONDAY, DECEMBER 16, 2024

REDUCED GST ON HEALTH INSURANCE PREMIUM

3247. SHRI RAMASAHAYAM RAGHURAM REDDY:

Will the Minister of FINANCE वित्त मंत्री be pleased to state:

- (a) whether there is any plan to reinstate or strengthen anti-profiteering measures to ensure that tax benefits are reflected in reduced premiums for health insurance policies;
- (b) if so, the details thereof;
- (c) whether the Government plans to address the potential revenue loss for States resulting in reduction of GST on health insurance;
- (d) if so, the details thereof; and
- (e) the measures being considered to balance this loss with the need for consumer relief?

ANSWER

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

(a): GST rates and exemptions are prescribed on the recommendations of GST Council, which is a Constitutional body comprising of representatives from States/UTs and Centre.

The issue of GST on life and health insurance was placed before the GST Council in its 54th Meeting held on 09th 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 Chairmanship of Sh. Samrat Chaudhary, Hon'ble Deputy CM, Bihar. The GoM on Life and Health Insurance has not yet submitted its report to the GST Council. In absence of any recommendation of the GST Council, no comments can be offered on tax benefits for health insurance policies.

(b), (c), (d) & (e): Does not arise in view of reply to (a) above.
