

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
LOK SABHA
UNSTARRED QUESTION NO.2188

TO BE ANSWERED ON MONDAY, AUGUST 5, 2024

SERVICE TAX ON LIFE AND HEALTH INSURANCE

2188. SHRI S VENKATESAN:

Will the Minister of FINANCE be pleased to state:

- (a) whether it has come to the notice of the Government that Service tax levied on Life insurance and Health insurance puts huge burden on customers, if so, the details thereof;
- (b) whether there is a demand from the industry for withdrawal of service tax;
- (c) if so, the details thereof; and
- (d) the rationale behind the Government stand in this regard?

ANSWER

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

(a): After the introduction of GST with effect from 01.07.2017, GST is leviable on life insurance and health insurance services. GST rates and exemptions are prescribed on the recommendations of the GST Council, which is a constitutional body comprising of representatives from both the Centre and the States/UTs. 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.

(b) & (c): Representations have been received requesting for exemption or reduction in the rate of GST on life insurance and health insurance.

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