

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
LOK SABHA
UNSTARRED QUESTION NO. 2373**

**TO BE ANSWERED ON MONDAY, AUGUST 04, 2025/ SRAVANA 13,
1947(SAKA)**

IMPACT OF GST ON HEALTH INSURANCE PREMIUM

2373. MR PATHAN YUSUF:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government is aware of the impact of high GST rates on health insurance policies;**
- (b) if so, whether the Government has any proposal to abolish or reduce the 18 per cent GST on health insurance and term insurance; and**
- (c) if so, the details thereof and if not, the reasons therefor?**

ANSWER

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

(a) to (c): GST rates and exemptions on all services and goods are prescribed on the recommendations of the GST Council which is a Constitutional body comprising of members from both the Union and State/UT Governments. GST is leviable on health insurance policies at the standard rate of 18%. However, certain health insurance schemes catering to the economically weaker sections of the society and differently abled, such as Ayushman Bharat Pradhan Mantri Jan Arogya Yojana, Rashtriya Swasthya Bima Yojana , Universal Health Insurance Scheme, Jan Arogya Bima Policy and Niramaya Health Insurance Scheme are exempt from GST.

The issue of GST on health and life insurance was placed before the GST Council in its 54th Meeting held on 9th 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 Convenorship of Sh. Samrat Choudhary, Hon'ble Deputy CM, Bihar.

During the 55th meeting of the GST Council held on 21st December 2024 in Jaisalmer, the Convener of the Group of Ministers (GoM) on Life and Health Insurance sought more time for finalizing the GoM's recommendations and placing the same before the GST Council. The Council agreed to give more time to GoM to finalize its recommendations.
