

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES
RAJYA SABHA
UNSTARRED QUESTION No. 862

TO BE ANSWERED ON TUESDAY, 11 FEBRUARY, 2025/ 22 MAGHA, 1946 (SAKA)

FDI IN INSURANCE SECTOR

862. Shri Saket Gokhale:

Will the Minister of Finance be pleased to state:

- (a) whether the Ministry has plans to raise the Foreign Direct Investment (FDI) limit in the insurance sector to 100 per cent, if so, the reasons therefor; and
- (b) whether it is a fact that the Group of Ministers (GoM) of the GST Rate Rationalization Committee has recommended changes in the current 18 per cent GST being charged on health and medical insurance premia in the country, if so, the details thereof and by when the recommendations shall be implemented?

ANSWER

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

(a): In the Budget speech 2025-26, the Government has announced to raise the FDI limit for the insurance sector from 74% to 100%, to attract stable and sustainable investment in the insurance sector, facilitate technology transfer and accelerate the growth of the sector by increasing the number of players and strengthening the current players.

(b): 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. During the 55th meeting of the GST Council held on 21st December 2024, 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.
