



भारतीय बीमा विनियामक और विकास प्राधिकरण  
INSURANCE REGULATORY AND  
DEVELOPMENT AUTHORITY OF INDIA

IRDA/F&A/CIR/MISC/052/03/2018

March 27, 2018

To

All Insurers

**Sub: Exemption of reinsurance schemes, in respect of specified insurance schemes, from the purview of GST - Reg.**

It is informed that the proposal to exempt reinsurance schemes in respect of specified insurance schemes has been approved by the GST Council in its 25<sup>th</sup> meeting held on 18.01.2018 on the condition that the benefit of reduction in the premium on such Insurance schemes, must be passed on to the beneficiaries and the State and Central exchequers. Insurers shall avoid any undue enrichment on this account. Insurers may note that if necessary benefit on account of reduction in premium is not passed on to the insured / Govt., suitable action against the Insurance Companies may be initiated with National Anti-Profiteering Authority under Section 171 of the CGST Act.

In this regard, a copy of D.O. No. 354/12/2013-TRU dated 24.01.2018 from the Finance Secretary is enclosed herewith, for information and necessary action. All insurers are advised to comply with the above in letter and spirit.

(Pravin H Kutumbe)

Member (F & I)

Encl : a/a

**F. No. G-14017/20/2017-Ins.II**  
Government of India  
Ministry of Finance  
Department of Financial Services  
(Insurance Division)

2nd floor, Jeevan Deep Building,  
Parliament Street, New Delhi.  
Dated: 26th March, 2018

The Chairman  
IRDAI,  
Hyderabad

Sir,

**Sub: Exemption of reinsurance schemes, in respect of specified insurance schemes, from the purview of GST - reg.**

I am directed to inform that the proposal to exempt reinsurance schemes in respect of specified insurance schemes has been approved by the GST Council in its 25th meeting held on 18.01.2018 on the condition that the benefit of reduction in the premium on such Insurance schemes, must be passed on to the beneficiaries and the State and Central exchequers. A copy of DO No. 354/12/2018-TRU dated 24th January, 2018 from the Finance Secretary in this regard is enclosed herewith, for necessary action.

2. This is for information of IRDAI with a request to issue necessary instructions in this regard and submit a confirmatory report on the matter to this Department.

Encl.: as above

Yours faithfully,

*K. B. Nayyar*  
26/3/18

(K. B. Nayyar)

Under Secretary (Insurance-II)

Tel: 011-23748759

हरामुख अधिया, भारत.  
सचिव  
D. Hasmukh Adhia, IAS  
Finance Secretary



भारत सरकार, ७६  
वित्त मंत्रालय  
राजस्व विभाग  
Government of India  
Ministry of Finance  
Department of Revenue

D.O. No. 354/12/2018-TRU

24<sup>th</sup> January, 2018

Dear Rajiv,

Kindly refer to your D.O. letter No. 1/Secy (FS) /2017 dated 20.12.2017 seeking examination of proposals for ease of living of senior citizens and proposals relating to insurance, specifically Pradhan Mantri Fasal Bima Yojana (PMFBY).

2. Considering the fact that no GST is payable on insurance premium of such schemes and the GST paid on the re-insurance is included in the cost of insurance premium charged by the Insurance Companies from the beneficiaries and also shared between the Centre and State Governments, the proposal to exempt reinsurance schemes in respect of specified insurance schemes has been approved by the GST Council in its 25<sup>th</sup> meeting held at New Delhi on 18.01.2018. A list of the insurance schemes which are exempt under GST and whose reinsurance have also been exempted from GST is enclosed in the Annexure attached.

3. As you are well aware, re-insurance service is input service to the insurance company. So, the exemption to re-insurance would virtually zero rate the insurance services in respect of the above-mentioned schemes. The proposal was recommended by the Fitment Committee on the condition that the benefit of reduction in the premium on such Insurance Schemes, must be passed on to the beneficiaries and the State and Central exchequers. Since for payment of premium for the exempted Insurance Schemes, substantial budgetary allocation is made by the Government, it may be ensured that the insurance premia are reduced by Insurance Companies. This may be monitored by the Department and concerned nodal Ministry to avoid any undue enrichment to the Insurance Companies. If necessary benefit on account of reduction in premium is not passed on to the insured/ Govt., suitable action against the Insurance companies may be initiated with National Anti-Profiteering Authority under section 171 of the CGST Act.

With regards,

Encl. As above.

Yours sincerely,

  
( Hasmukh Adhia )

Shri Rajiv Kumar,  
Secretary,  
Department of Financial Services,  
3<sup>rd</sup> Floor, Jeevan Deep Building,  
Sansad Marg, New Delhi – 110001.

Annexure

Services of general insurance business provided under following schemes is exempted under GST

1. Janashree Bima Yojana
2. Aam Aadmi Bima Yojana
3. Life micro-insurance product as approved by the Insurance Regulatory and Development Authority, having maximum amount of cover of two lakh rupees
4. Varishtha Pension Bima Yojana
- ✓ 5. Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY)
6. Pradhan Mantri Jan Dhan Yojana (PMJDY)
7. Pradhan Mantri Vaya Vandana Yojana (PMVVY)
8. Hut Insurance Scheme
9. Cattle Insurance under Swarnajayanti Gram Swarozgar Yojna (earlier known as Integrated Rural Development Programme)
10. Scheme for Insurance of Tribals
11. Janata Personal Accident Policy and Gramin Accident Policy
12. Group Personal Accident Policy for Self-Employed Women
13. Agricultural Pumpset and Failed Well Insurance
14. premia collected on export credit insurance
15. Restructured Weather Based Crop Insurance Scheme (RWCIS), approved by the Government of India and implemented by the Ministry of Agriculture
16. Jan Arogya Bima Policy
- ✓ 17. Pradhan Mantri Fasal Bima Yojana (PMFBY)
18. Pilot Scheme on Seed Crop Insurance
19. Central Sector Scheme on Cattle Insurance
20. Universal Health Insurance Scheme
21. Rashtriya Swasthya Bima Yojana
22. Coconut Palm Insurance Scheme
- ✓ 23. Pradhan Mantri Suraksha Bima Yojana
24. Niramaya Health Insurance Scheme implemented by the Trust constituted under the provisions of the National Trust for the Welfare of Persons with Autism, Cerebral Palsy, Mental Retardation and Multiple Disabilities Act, 1999 (44 of 1999).