

Place:

Date:

Shri Arun Jaitley  
Hon'ble Minister for Finance  
Government of India  
North Block  
New Delhi 110001

Dear Sir

### **GST on Life Insurance Premium**

We, the policy holders of the Life Insurance Corporation of India (LIC), express our anguish and disappointment over the imposition of 18% GST on life insurance premium. While the 15% Service Tax imposed earlier was itself punishingly expensive, we are deeply saddened that rather than doing away with the Service Tax altogether it has been replaced with a more punishing 18% GST. We feel particularly disheartened that the GST has been imposed on the risk portion of the premium.

Life Insurance premium mobilises small savings of the people and makes them available for long term investment. Life insurance premium is therefore of seminal importance from the point of view of our economic development and in our opinion, it should be encouraged and incentivised by the government. The GST, unfortunately, does exactly the opposite. While it would be immoral to tax someone's efforts at securing one's future, the GST will also be a great disincentive to savings by way of life insurance. Apart from making life insurance expensive, the GST on life insurance premium will also place life insurance in a disadvantageous position vis a vis other savings instruments like bank deposits and mutual funds that have been kept out of the purview of the GST.

We would therefore request you to kindly consider withdrawal of GST from life insurance premium and help policy holders like us and also help mobilise resources for the economy in a big way. We look forward to a positive response from you for which we shall be thankful to you.

Sl. No.	Name of the Policy Holder	Place	Signature