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Insurers Expect More Tax Sops for Health Insurance

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New Delhi: More tax benefits for health insurance under the new tax regime, relaxation in payment norms for MSMEs and incentives for the agri-tech sector are among the expectations of stakeholders from the first budget of the Modi 3.0 government. Finance Minister Nirmala Sitharaman is scheduled to present the full Budget for fiscal 2024-25 on July 23, which will be the first major policy document of the new government.

Anup Rau, managing director and chief executive officer of Future Generali India Insurance Company, said the deduction limit on health insurance premiums under Section 80D of the Income Tax Act has remained unchanged for the past nine years despite the fact that there has been a significant rise in healthcare costs across the country.

"It would be best if the limit for medical insurance is linked to inflation and gets revised automatically every year or once in a couple of years. Also, the benefits need to be extended to the New Tax regime since increasing health insurance penetration is critical. So, we hope the upcoming Budget to announce some hike in the deduction limit on health insurance premiums," Rau said.

Tapan Singhel, MD & CEO of Bajaj Allianz General Insurance, said reforms like offering health insurance to employees at negotiated rates, reducing GST on health insurance premiums, and offering tax benefits like increased Section 80D exemption limits would make health insurance more affordable and accessible, especially for the 'missing middle' segment of our population.