



ALL INDIA LIC AGENTS' FEDERATION

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Date: 08/02/2023

To,

Smt. Nirmala Sitharaman

Hon'ble Union Minister for Finance

Room No: 134, North Block, Raisina Hills

New Delhi-110001.

Esteemed Madam,

Sub: Budget proposal to restrict benefit of Sec 10(10 D) exemption for Life Insurance Policy maturity amount.

We Life Insurance agents community express our deep anguish and concern over the aforesaid budget proposal and wish to submit the following facts for your kind consideration.

As per 2023 Budget, the benefit Under the Section 10 (10D) of Income Tax Act, 1961 is restricted to Life Insurance policies where annual premium is less than 5 lakhs.

As per the relief available so far, **any income received from life insurance policy is exempted from income tax** and thereby Life insurance was beneficial to provide a financially secure future to one's family and save money through income tax exemptions.

It may be noted that such a change will badly affect the life insurance business and a section of customers may be disappointed by deprivation of this benefit to them.

Already premium is taxed with GST which is collected from customers. Again, taxing at the time of maturity will have doubling effect. The high-end customers who are major contributors to the revenue income of life Insurance will be deserted.

Now a days the average premium has gone up proportionate to inflation rates and minimum Sum Assured for new policies also enhanced accordingly.

For example, in Jeevan Shiromani plan, minimum Sum Assured is in 1 crore and premium starts from 6 lakhs.

So, the amendment in Sec 10 (10 D) proposed in the budget will have adverse implications and negative impact on already struggling Life Insurance industry. Moreover, that will have reversal effect on all concerted efforts to expedite insurance penetration in the country.

Hence this appeal to your good selves to review the budget proposal to restrict Sec 10 (10D) benefit.

Thanking you


Yours faithfully,

C. Radhakrishnan



Working President

K. Ramachandran



Secretary General

Copy to...

1. The Chairman, LIC of India, Central Office, Mumbai.
2. The Chairman, IRDA of India, Hyderabad.