

Healthcare insurance products

IF7 2016–17 edition

Web update 01: 24 March 2016

Please note the following update (amendments in **bold**) to your copy of the 2016–17 edition of the IF7 study text:

Chapter 1, section E1, page 1/13

Please amend the second paragraph to read as follows:

With effect from 1 November 2015, the lower standard rate of IPT increased from 6% to 9.5. **On 1 October 2016 the lower standard rate of IPT will increase again from 9.5% to 10%.** The higher rate for travel insurance and some vehicles and domestic and electrical appliances remains at 20%.

Chapter 2, section F1, page 2/12

Please delete the last sentence of the third paragraph and replace with:

Travel insurance is subject to insurance premium tax at 20%.

Chapter 1, self-test answers, page i

Please delete question 4 and replace with:

Both individual and group healthcare insurance schemes are subject to IPT. The current standard rate of IPT is 9.5% of the annual premium, but from 1 October 2016 IPT will be charged at 10% of the annual premium.