

Tax regimes for Life Insurance in Europe

Insurance Committee of AAE

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Forms of taxation in Europe

clients

- Tax on capital gains
- Tax on interest income
- Tax on income when maturities as difference between maturity amount and premium paid
- Insurance Premium Tax
- Stamps/ Fees

companies

- Tax on profit
- Fee to guaranteed schemes
- Insurance Premium Tax

IPT for Life insurance in 11 European countries

Country	IPT	%	Details
Austria	yes	4% /11%	For all. saving life contracts less than 15/10 years*
Belgium	yes	2% /4.4%	Life contracts less than 8 years or 30% sur. charge
Cyprus	yes	1.5%	2002- 2012, but surrender penaltly 30%
Greece	yes	4%/ 15% 1.5%	Life contracts less than 10 years, supplements, guaranteed scheme
Ireland	yes	1%	All premium with exception of pensions
Italy	yes	2.5%	Life contracts concluded before 2001
Malta	yes *	10%	For supplenetary annuity insurance single paid
Portugal	yes	2.5%	To national medical centre for risk covers
Romania	yes	0.3% 0.4%	Monthly guaranteed fund fee
Slovenia	yes	8.5%	Life contracts less than 10 years and % sur. charge
Sweden	Yes *	45%/95%	Only group occupational insurance paid by employers

No IPT Life Insurance in 18 European countries

Country	IPT Life	%	Detailes
Bulgaria	no		
Croatia	no		
Czech Republic	no		
Denmark	no		
Finland	no		
France	no		
Germany	no		
Hungary	no		
Iceland	no		
Italy	no		
Lichtenstein	no		
Luxembourg	no		
Netherland	no		
Poland	no		
Slovakia	no		
Spain	no		
Switzerland	no		
UK	no		

News of Premium Income Tax

Slovak Government announced the intention to introduce the Insurance Premium Tax (IPT) for Life Insurance and Non Life products as new tax from 1.10.2018

IPT was planned to be retroactively applied to already concluded Life policies as it should be the 45 from the paid premium

as of 1.1.2017 there was introduced the indirect hidden tax charges for Non Life insurance in form of the tax charges.

Insurance companies compensated partially new tax charge

For MTPL the tax charge is applied in amount of 8% for many years and this charges are dedicated to the Firemen stations equipments upgrades

Activities of Slovak Society of Actuaries

- Started to collect of the information on the Insurance Premium Tax
- Activated the members to sign for the Public comment of the new Law – need to obtain 2000 signatures of citizens as supporters to object the intention of IPT
- Cooperated with Slovak Association of Insurers, Conservative Institute
- Written article on consequences on introduction on profitability of the sector, clients, ect.
- Participated on the hearing in the Ministry of Finance to rise the concerns and objections

As result of cooperation of all market participants there was achieved the change

This week Ministry of Finance announced the PTI only for Non life insurance

Questions?

Thank you for contribution and attention.