



HM Revenue  
& Customs

## Life insurance qualifying policies: information requirements following assignment

---

### Who is likely to be affected?

Individuals who are assigned a qualifying life insurance policy and insurance companies with whom the policy in question is held.

### General description of the measure

The measure will remove the requirement for beneficiaries under a qualifying life insurance policy to provide a statement containing prescribed information. The measure will apply if the policy has no further premiums payable and beneficial ownership is transferred in certain circumstances. These circumstances include assignment between spouses or civil partners, following a court order, in pursuance of a court order following divorce or dissolution of a civil partnership, into or out of trust and following death of the original beneficiary under the policy. The exception will apply to policies issued before 21 March 2012.

### Policy objective

The objective of this measure is to support the market by removing a legislative requirement. This will reduce an administrative burden on beneficiaries of policies and insurers. The measure does this by removing the requirement for a statement in certain circumstances.

### Background to the measure

Relevant stakeholders were informed of the proposed measure in November 2014.

## Detailed proposal

### Operative date

The measure will have effect for assignments on or after the date the regulations come into force.

### Current law

The current law is included in Schedule 15 of the Income and Corporation Taxes Act 1988 (ICTA) and in The Life Insurance Qualifying Policies (Statements and Reporting Requirements) Regulations 2013 (SI2013/1820).

### Proposed revisions

The new regulations will amend the Life Insurance Qualifying Policies (Statement and Reporting Requirements) Regulations 2013 (SI2013/1820) to remove the requirement for beneficiaries to make a statement for protected policies that are paid up policies following certain assignments. The assignments in question are those within Paragraph B3(1)(e) or (f) of Schedule 15 of ICTA.

The government will lay the regulations on 4 March 2015.

## Summary of impacts

<b>Exchequer impact (£m)</b>	2015 to 2016	2016 to 2017	2017 to 2018	2018 to 2019	2019 to 2020	2020 to 2021
	Nil	Nil	Nil	Nil	Nil	Nil
This measure is not expected to have an Exchequer impact.						
<b>Economic impact</b>	This measure is not expected to have any significant economic impacts.					
<b>Impact on individuals, households and families</b>	<p>This measure will impact a relatively small number of individuals who are assigned a policy with no further premiums payable in certain circumstances. These circumstances include assignment between spouses or civil partners, following a court order, in pursuance of a court order following divorce or dissolution of a civil partnership, into or out of trust and following death of the original beneficiary under the policy.</p> <p>The measure is not expected to impact on family formation, stability or breakdown.</p>					
<b>Equalities impacts</b>	There is no evidence that this impacts on any group sharing a protected characteristic set out in the Equality Act.					
<b>Impact on business including civil society organisations</b>	This measure is expected to have a negligible impact on businesses and civil society organisations. It will support insurers who no longer need to process statements following such events, removing an administrative burden.					
<b>Operational impact (£m) (HMRC or other)</b>	It is not anticipated that making this change will incur any additional costs for HM Revenue and Customs.					
<b>Other impacts</b>	Other impacts have been considered and none have been identified.					

## Monitoring and evaluation

This measure will be kept under review through regular communication with the relevant business sector.

## Further advice

If you have any questions about this change, please contact John Stokes on Telephone: 03000 588827 (email: [john.stokes@hmrc.gsi.gov.uk](mailto:john.stokes@hmrc.gsi.gov.uk)).

## Declaration

Andrea Leadsom MP, Economic Secretary to the Treasury has read this tax information and impact note and is satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impacts of the measure.