

LIFE INSURANCE TO MITIGATE INHERITANCE TAX ON LIFETIME GIFTS

APRIL 2025

COSTS FOR £1 MILLION OF COVER ON A LIFETIME GIFT OF £2.5 MILLION

Age 40

Policy Year	Sum Assured	Annual Premium
1 to 3	£1,000,000	£461
4	£800,000	£371
5	£600,000	£282
6	£400,000	£192
7	£200,000	£98
Total Premiums Over 7 Year Period		£2,326
Effective IHT Rate		0.09%

Age 70

Policy Year	Sum Assured	Annual Premium
1 to 3	£1,000,000	£7,592
4	£800,000	£6,172
5	£600,000	£4,748
6	£400,000	£3,321
7	£200,000	£1,743
Total Premiums Over 7 Year Period		£38,759
Effective IHT Rate		1.55%

Age 50

Policy Year	Sum Assured	Annual Premium
1 to 3	£1,000,000	£1,059
4	£800,000	£880
5	£600,000	£691
6	£400,000	£481
7	£200,000	£260
Total Premiums Over 7 Year Period		£5,489
Effective IHT Rate		0.22%

Age 75

Policy Year	Sum Assured	Annual Premium
1 to 3	£1,000,000	£13,591
4	£800,000	£11,314
5	£600,000	£8,903
6	£400,000	£6,224
7	£200,000	£3,268
Total Premiums Over 7 Year Period		£70,482
Effective IHT Rate		2.82%

Age 60

Policy Year	Sum Assured	Annual Premium
1 to 3	£1,000,000	£2,666
4	£800,000	£2,158
5	£600,000	£1,649
6	£400,000	£1,141
7	£200,000	£591
Total Premiums Over 7 Year Period		£13,536
Effective IHT Rate		0.54%

Age 80

Policy Year	Sum Assured	Annual Premium
1 to 3	£1,000,000	£30,309
4	£800,000	£25,127
5	£600,000	£19,640
6	£400,000	£13,543
7	£200,000	£7,012
Total Premiums Over 7 Year Period		£156,249
Effective IHT Rate		6.25%

Effective IHT Rate calculated by expressing total premiums payable as a percentage of the lifetime gift.

All premiums are indicative only and assume standard rates for a client that is a non-smoker and UK resident. This information is intended for professional advisers only. Source Iress.