

LIFE INSURANCE TO MITIGATE INHERITANCE TAX ON LIFETIME GIFTS

JULY 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	£1,029
4	£800,000	£850
5	£600,000	£661
6	£400,000	£451
7	£200,000	£230
Total Premiums Over 7 Year Period		£5,277
Effective IHT Rate		0.21%

Age 75

Policy Year	Sum Assured	Annual Premium
1 to 3	£1,000,000	£13,562
4	£800,000	£11,285
5	£600,000	£8,874
6	£400,000	£6,194
7	£200,000	£3,238
Total Premiums Over 7 Year Period		£70,277
Effective IHT Rate		2.81%

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	£30,280
4	£800,000	£25,098
5	£600,000	£19,610
6	£400,000	£13,513
7	£200,000	£6,982
Total Premiums Over 7 Year Period		£156,042
Effective IHT Rate		6.24%

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.

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