

LIFE INSURANCE TO MITIGATE INHERITANCE TAX ON LIFETIME GIFTS FOR BPR/APR ASSETS

APRIL 2026

£1 MILLION OF TAX AT 20% ON A GIFT OF £5 MILLION

Age 40

Policy Year	Sum Assured	Annual Premium
1 to 3	£1,000,000	£437
4	£800,000	£352
5	£600,000	£267
6	£400,000	£181
7	£200,000	£93
Total Premiums Over 7 Year Period		£2,203
Effective IHT Rate		0.04%

Age 70

Policy Year	Sum Assured	Annual Premium
1 to 3	£1,000,000	£6,242
4	£800,000	£5,168
5	£600,000	£4,037
6	£400,000	£2,802
7	£200,000	£1,471
Total Premiums Over 7 Year Period		£32,202
Effective IHT Rate		0.64%

Age 50

Policy Year	Sum Assured	Annual Premium
1 to 3	£1,000,000	£1,050
4	£800,000	£856
5	£600,000	£656
6	£400,000	£453
7	£200,000	£232
Total Premiums Over 7 Year Period		£5,346
Effective IHT Rate		0.11%

Age 75

Policy Year	Sum Assured	Annual Premium
1 to 3	£1,000,000	£11,278
4	£800,000	£9,377
5	£600,000	£7,363
6	£400,000	£5,117
7	£200,000	£2,682
Total Premiums Over 7 Year Period		£58,373
Effective IHT Rate		1.17%

Age 60

Policy Year	Sum Assured	Annual Premium
1 to 3	£1,000,000	£2,417
4	£800,000	£1,954
5	£600,000	£1,492
6	£400,000	£1,029
7	£200,000	£532
Total Premiums Over 7 Year Period		£12,259
Effective IHT Rate		0.25%

Age 80

Policy Year	Sum Assured	Annual Premium
1 to 3	£1,000,000	£27,066
4	£800,000	£22,496
5	£600,000	£17,657
6	£400,000	£12,279
7	£200,000	£6,413
Total Premiums Over 7 Year Period		£140,042
Effective IHT Rate		2.80%

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.