

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

**JULY 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
<b>Total Premiums Over 7 Year Period</b>		<b>£2,203</b>
<b>Effective IHT Rate</b>		<b>0.04%</b>

**Age 70**

Policy Year	Sum Assured	Annual Premium
1 to 3	£1,000,000	£6,543
4	£800,000	£5,405
5	£600,000	£4,210
6	£400,000	£2,902
7	£200,000	£1,499
<b>Total Premiums Over 7 Year Period</b>		<b>£33,645</b>
<b>Effective IHT Rate</b>		<b>0.67%</b>

**Age 50**

Policy Year	Sum Assured	Annual Premium
1 to 3	£1,000,000	£1,039
4	£800,000	£855
5	£600,000	£659
6	£400,000	£452
7	£200,000	£233
<b>Total Premiums Over 7 Year Period</b>		<b>£5,317</b>
<b>Effective IHT Rate</b>		<b>0.11%</b>

**Age 75**

Policy Year	Sum Assured	Annual Premium
1 to 3	£1,000,000	£10,987
4	£800,000	£9,214
5	£600,000	£7,273
6	£400,000	£5,119
7	£200,000	£2,703
<b>Total Premiums Over 7 Year Period</b>		<b>£57,270</b>
<b>Effective IHT Rate</b>		<b>1.15%</b>

**Age 60**

Policy Year	Sum Assured	Annual Premium
1 to 3	£1,000,000	£2,412
4	£800,000	£1,937
5	£600,000	£1,462
6	£400,000	£986
7	£200,000	£511
<b>Total Premiums Over 7 Year Period</b>		<b>£12,133</b>
<b>Effective IHT Rate</b>		<b>0.24%</b>

**Age 80**

Policy Year	Sum Assured	Annual Premium
1 to 3	£1,000,000	£27,840
4	£800,000	£23,139
5	£600,000	£18,161
6	£400,000	£12,630
7	£200,000	£6,595
<b>Total Premiums Over 7 Year Period</b>		<b>£144,045</b>
<b>Effective IHT Rate</b>		<b>2.88%</b>

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.