

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

OCTOBER 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	£435
4	£800,000	£350
5	£600,000	£266
6	£400,000	£181
7	£200,000	£93
Total Premiums Over 7 Year Period		£2,194
Effective IHT Rate		0.04%

Age 50

Policy Year	Sum Assured	Annual Premium
1 to 3	£1,000,000	£1,035
4	£800,000	£853
5	£600,000	£659
6	£400,000	£453
7	£200,000	£233
Total Premiums Over 7 Year Period		£5,034
Effective IHT Rate		0.11%

Age 60

Policy Year	Sum Assured	Annual Premium
1 to 3	£1,000,000	£2,552
4	£800,000	£2,066
5	£600,000	£1,579
6	£400,000	£1,092
7	£200,000	£567
Total Premiums Over 7 Year Period		£12,960
Effective IHT Rate		0.26%

Age 70

Policy Year	Sum Assured	Annual Premium
1 to 3	£1,000,000	£6,325
4	£800,000	£5,225
5	£600,000	£4,069
6	£400,000	£2,805
7	£200,000	£1,499
Total Premiums Over 7 Year Period		£32,523
Effective IHT Rate		0.65%

Age 75

Policy Year	Sum Assured	Annual Premium
1 to 3	£1,000,000	£10,621
4	£800,000	£8,907
5	£600,000	£7,031
6	£400,000	£4,948
7	£200,000	£2,613
Total Premiums Over 7 Year Period		£55,361
Effective IHT Rate		1.11%

Age 80

Policy Year	Sum Assured	Annual Premium
1 to 3	£1,000,000	£20,639
4	£800,000	£17,248
5	£600,000	£13,684
6	£400,000	£9,665
7	£200,000	£5,070
Total Premiums Over 7 Year Period		£107,584
Effective IHT Rate		1.89%

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.