



Taxation of Chargeable Gains Act 1992

1992 CHAPTER 12

PART VI

COMPANIES, OIL, INSURANCE ETC.

CHAPTER III

INSURANCE

[^{F1}204 Policies of insurance and non-deferred annuities

- (1) A gain accruing on a disposal of, or of an interest in, the rights conferred by a non-life policy of insurance is not a chargeable gain (but see subsection (2)).
- (2) If a disposal is of, or of an interest in, the rights conferred by a non-life policy of insurance of the risk of—
 - (a) any kind of damage to assets, or
 - (b) the loss or depreciation of assets,the exemption under subsection (1) does not apply so far as those rights relate to chargeable assets.
- (3) For this purpose “chargeable assets” means assets on the disposal of which a chargeable gain—
 - (a) may accrue, or
 - (b) might have accrued.
- (4) Nothing in subsections (1) and (2) prevents sums received under a non-life policy of insurance of the risk of—
 - (a) any kind of damage to assets, or
 - (b) the loss or depreciation of assets,from being sums derived from the assets for the purposes of this Act (and, in particular, for the purposes of section 22).

Status: Point in time view as at 19/07/2006. This version of this provision has been superseded.

Changes to legislation: Taxation of Chargeable Gains Act 1992, Section 204 is up to date with all changes known to be in force on or before 11 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

- (5) A gain accruing on a disposal of, or of an interest in, the rights conferred by a contract for an annuity is not a chargeable gain if the annuity is—
- (a) a non-deferred annuity, or
 - (b) an annuity granted (or deemed to be granted) under the Government Annuities Act 1929.
- (6) If any investments or other assets are, in accordance with a policy issued in the course of life assurance business carried on by an insurance company, transferred to the policy holder—
- (a) the policy holder's acquisition of the assets, and
 - (b) the disposal of the assets to the policy holder,
- are to be taken for the purposes of this Act to be for a consideration equal to the market value of the assets.
- (7) In this section “interest”, in relation to any rights, means an interest as a co-owner of the rights.
- (8) It does not matter—
- (a) whether the rights are owned jointly or in common, or
 - (b) whether or not the interests of the co-owners are equal.
- (9) In this section a “non-deferred annuity” means an annuity—
- (a) which is not granted under a contract for a deferred annuity, and
 - (b) which is granted in the ordinary course of a business of granting annuities on the life of any person,
- and it does not matter whether the annuity includes instalments of capital.
- (10) In this section a “non-life policy of insurance” means—
- (a) a contract made in the course of a capital redemption business, as defined in section 458(3) of the Taxes Act, and
 - (b) any other policy of insurance which is not a policy of insurance on the life of any person.]

Textual Amendments

- F1** S. 204 substituted (with effect in accordance with s. 73(4) of the amending Act) by [Finance Act 2006](#) (c. 25), [s. 73\(2\)](#)

Status:

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