

Changes to legislation: Finance Act 1994, Paragraph 2 is up to date with all changes known to be in force on or before 09 June 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) View outstanding changes

SCHEDULES

[^{F1}SCHEDULE 7A

INSURANCE PREMIUM TAX: CONTRACTS THAT ARE NOT TAXABLE

Textual Amendments

F1 Sch. 7A inserted (1.10.1994) by S.I. 1994/1698, art. 5

PART I

DESCRIPTIONS OF CONTRACT

Contracts constituting long term business

- 2 (1) [^{F2}Subject to sub-paragraph (3) below, a contract falls]] within this paragraph [^{F3}if it is exclusively a contract of long-term insurance.]
- [^{F4}(2) In deciding whether a contract is exclusively a contract of long-term insurance, as is mentioned in sub-paragraph (1) above, where—
- (a) the contract includes cover for risks relating to accident or sickness;
 - (b) the contract contains related and subsidiary provisions such that it might also be regarded as a contract of general insurance, but is treated as a contract of long-term insurance for the purposes of any relevant order made under section 22 of the Financial Services and Markets Act 2000; and
 - (c) the contract was not entered into after 30th November 1993, the inclusion of such cover shall be ignored.]

[^{F5}(3) A contract which would otherwise fall within this paragraph does not do so if it is for medical insurance.

(4) Subject to sub-paragraph (5) below, for the purposes of this paragraph a contract is a contract for medical insurance if it provides one or more of the following benefits, whether or not their provision is subject to conditions or limitations—

 - (a) medical, dental or optical, consultation, diagnosis or treatment;
 - (b) alternative or complementary medical treatment or therapy;
 - (c) convalescent care;
 - (d) goods or services related to any of the above;
 - (e) payment or reimbursement of, or a grant towards, the whole or part of the cost of any of the above;
 - (f) payment of a specified sum for optical, dental or medical appointments;
 - (g) payment of a specified sum for each specified period of treatment as a hospital in-patient;
 - (h) payment of a specified sum for each specified period of convalescent care; or

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- (i) payment of a specified sum, except one to which sub-paragraph (6) below applies, when a person is diagnosed as requiring or has undergone a specified medical procedure.
- (5) A benefit which would apart from this sub-paragraph fall within sub-paragraph (4) above shall not do so if, before he can become entitled to the benefit, the insured is required—
- (a) to be suffering from a disability which so impairs his ability to carry out normal activities of daily living that he requires long term care, supervision or assistance; and
 - (b) to have been suffering from the disability for a continuous period of not less than 4 weeks.
- (6) This sub-paragraph applies to a payment of a specified sum if the contract under which it is payable provides that only one such payment in relation to each specified medical procedure will be made in respect of each person in relation to whom benefit is payable under the contract.]

Textual Amendments

- F2** Words in Sch. 7A para. 2(1) substituted (1.10.1997) by [S.I. 1997/1627](#), **art. 2(a)**
- F3** Words in Sch. 7A para. 2(1) substituted (1.12.2001) by [S.I. 2001/3649](#), **arts. 1, 346(2)**
- F4** Sch. 7A, para. 2(2) substituted (1.12.2001) by [S.I. 2001/3649](#), **arts. 1, 346(3)**
- F5** Sch. 7A para. 2(3)-(6) inserted (1.10.1997) by [S.I. 1997/1627](#), **art. 2(b)**

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 16A(2)(g) inserted by [2023 c. 30 Sch. 13 para. 28](#)
- s. 160(2)-(7) modified by 2010 c. 8 s. 464(6) (as inserted) by [2017 c. 32 Sch. 5 para. 1](#)
- Sch. 5 para. 2(1)(pa) inserted by [S.I. 2022/109 reg. 4](#) (This amendment not applied to [legislation.gov.uk](#). The affecting statutory instrument has no legal effect. It was made under a procedure which meant that it ceased to have effect 28 days after signing unless it was debated and approved in Parliament within that time. It was not debated and approved within 28 days, so it has expired with no effect.)