
STATUTORY INSTRUMENTS

2011 No. 1037

The Enactment of Extra-Statutory Concessions Order 2011

Qualifying life assurance policies

15.—(1) In Schedule 15 to the Income and Corporation Taxes Act 1988⁽¹⁾ (qualifying policies), after paragraph 20⁽²⁾ insert—

“(viii) Policy reinstated after non-payment of premium

20ZA.—(1) This paragraph applies to a qualifying policy (“the original policy”) if conditions A to D are satisfied.

(2) Condition A is that one or more premiums due under the original policy are not paid on or before the date on which they become due.

(3) Condition B is that the original policy, in accordance with its terms, is treated as having lapsed or is converted into a paid-up policy—

- (a) by reason only of the failure to pay that premium or those premiums, and
- (b) within the period of 12 months beginning with the day following the day on which the earliest unpaid premium becomes due.

(4) Condition C is that the original policy—

- (a) is reinstated on the same terms, or
- (b) is replaced by another policy in the same terms (“the replacement policy”),

on or before the thirtieth day after the first anniversary of the day following the day on which the earliest unpaid premium becomes due.

(5) Condition D is that all unpaid premiums due under the original policy are paid on or before the date on which the policy is reinstated or replaced.

(6) Where condition C is satisfied by virtue of sub-paragraph (4)(b) the replacement policy is to be treated for the purposes of this Schedule as if it were the original policy.

(7) The policy is to be treated for the purposes of this Schedule as if the premiums payable under it had been paid on their due dates.”.

(2) The amendment made by this article has effect in any case where the policy is reinstated or (as the case may be) replaced on or after 1st April 2011.

⁽¹⁾ 1988 c. 1.

⁽²⁾ Paragraph 20 was amended by paragraphs 1, 9 and 18 of Schedule 14 to, the Finance Act 2008 (c. 9). Paragraph 20A was inserted into Schedule 15 by paragraphs 1 and 233 of Schedule 1 to the Income Tax Act 2007.