



FG INSURANCE
AGENTS & BROKERS

VALUE ADDED TAX (V.A.T.) INCREASE EFFECTIVE JULY 1, 2018

Dear Valued Client:

Effective July 1st, 2018, Value Added Tax (VAT) will increase from 7.5% to 12% on the following general insurance policies: Motor, Commercial, Marine, Liability, Contractors All Risk and Aircraft.

All Residential Property Insurance policies will be VAT exempt, as of July 1, 2018. However, all claims on private dwellings covered under a Homeowners Policy will be subject to the inclusion of a 12% VAT charge on repair costs.

Should you have any questions, please feel free to contact our office at 396-1490.

FREQUENTLY ASKED QUESTIONS (FAQs)

Will VAT be charged on all General Insurance Products? VAT will be charged on the following General Insurance Products (Motor, Commercial, Marine, Liability, and Aircraft) however Residential Property Insurance policies will be VAT exempt.

When will the VAT increase of 12% begin on General Insurance Products? The VAT increase of 12% on General Insurance Products will become effective as of July 1, 2018.

Will I be charged VAT on my Homeowners Claims after July 1, 2018? Yes, all claims on private dwellings covered under a Homeowner's Policy will be subject to the inclusion of the 12% VAT charge on repair cost.

How will I identify the amount of VAT I have paid on my Insurance Policy? The VAT amount that you have paid will be clearly outlined on your Policy Schedule so that you will be able to identify the premium from the VAT charges.

If my Policy is renewed before the VAT implementation date of July 1, 2018, would I still have to pay the Value Added Tax during that Policy year? Yes, if your Policy comes due for renewal during January 1 – June 30 2018, you will be required to pay VAT at 7.5%.

Disclaimer: The information provided above is subject to change contingent upon any subsequent revisions by the Government to the VAT guides and regulations relevant to the Insurance industry.