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## PRACTICE NOTE

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**PN 45/93**

**Date: 13 April 1993**

### **Private Medical Insurance**

#### **Introduction**

In the Budget on 16 April 1991 a new extra statutory concession providing for income tax relief for premiums paid on private medical insurance contracts taken out for persons aged 60 years or over was introduced. Problems have arisen in that:

1. There is a requirement that policies should not contain any cash benefits other than £5 per night for in-patients. In the United Kingdom the insurers have provision for the individual to waive the cash benefit contained in the policy where the individual wishes to claim tax relief. This facility is not available to persons resident in the Isle of Man.
2. Individuals may not be able to obtain copies of a contract.

#### **Revised Conditions**

With effect from 6 April 1991:-

the wording "£5.00 per night while under going treatment in a private hospital bed" has now been changed to "reasonable sums such as £26.00 per night while undergoing treatment in a hospital bed".

the wording "You will need to send a copy of each contract to the Income Tax Division for approval and a certificate of the premiums paid" has now been changed to "You will need to send to the Income Tax Division details of the rules and a certificate of the premiums paid".

The leaflet on Private Medical Insurance is being revised and copies will be available in due course.