[NAME OF MP]

The House of Commons

London

SW1A 0AA

[Date]

Dear [INSERT NAME OF MP]

[INSERT COMPANY NAME] insurance brokers is a firm that provides insurance in your constituency. Our firm helps to arrange insurance for business and consumers throughout the area and in our capacity as agent of the customer; we act in the best interests of insurance buyers, finding them the best policy for their needs.

We are greatly concerned by the sudden and sharp increases in Insurance Premium Tax that have happened since November 2015 – doubling the rate from 6% to 12%. Research shows that there is a clear correlation between increases in Insurance Premium Tax and reductions in business and personal protection; resulting in lower resilience.

Insurance Premium Tax was introduced in 1993. Before this, the purchase of insurance attracted no tax. Insurance allows people to take responsibility for themselves and their assets, and actually reduces the burden on the state should things go wrong.

Our trade body, The British Insurance Brokers’ Association, has made a comprehensive representation to HM Treasury around the application of Insurance Premium Tax, including a call for a freeze in the rate and targeted relief on certain classes of insurance. You can view the submission using this [link.](https://d10ou7l0uhgg4f.cloudfront.net/wp-content/uploads/2020/02/12152443/March-2020-Budget-BIBA-Submission.pdf)(or <http://bit.ly/BIBA20> )

As a regressive tax, Insurance Premium Tax penalises those who pay more for their insurance. This includes groups such as young drivers those facing cyber risks and communities in flood risk areas. For example, the tax contribution for a £1,500 young driver’s policy increased from £90 to £180 as a result of the increases. With young drivers more likely to drive without insurance, any further increases are likely to have an impact on the number of uninsured drivers on the UK’s roads.

HMRC’s policy objective IPT01300 states: *“that IPT should make the required contribution to UK Government revenue while minimising the effect on the take up of insurance”*. It is clear such significant increases are indeed likely to be to the detriment of uptake.

In your capacity as our local MP, I would be very grateful if you could take up this issue with the Economic Secretary to the Treasury, John Glen ahead of the Budget in March, calling for a freeze in any further increases for the term of this Parliament as well as targeted relief.

Yours sincerely,

[INSERT NAME]

[INSERT COMPANY]