

Property Insurance

Insurance Premium Tax Act

What classes of insurance must be reported as property insurance?

How is tax on property insurance premiums reported?

This bulletin provides specific information for taxable insurers on how the *Insurance Premium Tax Act* (Act) applies to premiums received or receivable under contracts of property insurance.

For general information on the application of the Act to taxable insurers, please refer to [Bulletin IPT 001](#), *Insurance Premium Tax for Taxable Insurers*.

This bulletin does not apply to insurance purchased from unlicensed insurers. For information regarding the application of the Act to unlicensed insurance, please refer to [Bulletin IPT 002](#), *Insurance Purchased from an Unlicensed Insurer*.

Application of the Act to Property Insurance

For each taxation year, defined in the Act as calendar year, taxable insurers must pay a tax in respect of premiums received or receivable under contracts of property insurance at a rate of 4.4%.

Property insurance is insurance against the loss of or damage to property but does not include aircraft insurance, automobile insurance, and hail insurance.

Property insurance includes, but is not limited to, the following classes of insurance:

- personal property
- commercial property
- boiler and machinery
- fidelity

- product warranty
- title
- marine, if it is exclusively pleasure craft insurance
- multi-peril policies (which cover property and liability)

These classes of insurance are in accordance with the *Insurance Classes Regulation* under the *Insurance Act*.

Reporting Property Insurance Premiums

Policy premiums or any premiums received or receivable under all of the above classes of property insurance must be reported under the section titled “Calculation of Tax on Property and Automobile Premiums” of the *Insurance Premium Tax Return of Taxable Premiums* form ([FIN 527](#)).

Need more info?

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The information in this bulletin is for your convenience and guidance and is not a replacement for the legislation. The *Insurance Premium Tax Act* and Regulations are on our website at www.sbr.gov.bc.ca/itb

References: *Insurance Premium Tax Act*, Sections 1, 3(a.1), and 6(1)