Insurance broking fundamentals

I10: 2025 edition

Web update 1: 16 May 2025

Please note the following update to your copy of the **I10** study text:

Chapter 1, section C4A, page 1/22

Example 1.2 and the preceding paragraph should be replaced with the following:

Insurance Premium Tax (IPT) is due on the gross premium, which includes the entire amount of commission paid. For most household insurance policies, IPT is set at 12%. However, for some classes of insurance, such as Travel Insurance, IPT is set at the higher rate of 2%, the same as Value Added Tax (VAT).

Example 1.2

The following is a simple example of how both commission and IPT are calculated.

An insurer charges a renewal premium of £500 for a client's home insurance policy.

The commission of 15% is then calculated as follows:

Net Premium × Rate of Commission

£500 × 15% = £75 commission

Gross premium = £575

IPT is then calculated as follows:

Gross written premium × IPT

£575 × 12% = £69

The total your client pays = Gross premium + IPT = £575 + £69 = £644

Chapter 7, section C3, page 7/11

The table in the bullet point beginning 'A '**money award**', telling the firm…' should read as follows (amendments in **bold**):

Limit of award	Date complaint referred to the FOS	Date act or omission occurred
£445,000	On or after 1 April **2025**	On or after 1 April 2019
£200,000	On or after 1 April **2025**	Before 1 April 2019

Notes

- This change will be examined from 1 July 2025.
- This update will be incorporated into the digital copies (printable PDF and ebook) of the study text, available on RevisionMate.