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INDIVIDUAL POLICIES OF INSURANCE OF PERSONS: CHANGE MADE TO THE TAX ON INSURANCE PREMIUMS SYSTEM

Generally, the tax on insurance premiums (TIP) applies to premiums paid for insurance of persons provided under a group insurance plan or a private-sector uninsured social benefits plan. It does not usually apply to premiums for individual policies of insurance of persons.

Since the individual insurance contracts referred to in section 42.2 of the *Act respecting prescription drug insurance* (APDI) are comparable to group insurance contracts, the TIP system will be changed so that all the premiums payable under such contracts will receive equivalent tax treatment.

Therefore, premiums for individual policies of insurance of persons that are payable under any individual insurance contracts referred to in section 42.2 of the APDI will be subject to the TIP when they are paid on or after January 1, 2016.

Individual insurance contracts referred to in section 42.2 of the APDI

Section 42.2 of the APDI provides that where a private plan consists of an individual policy of insurance of persons, such a policy must include coverage at least equivalent to the basic prescription drug insurance plan coverage if the policy meets the following conditions:

- It is offered to persons eligible for the basic prescription drug insurance plan who are part of a group with private coverage in accordance with section 15.1 of the APDI.
- It includes coverage for accident, illness or disability.
- It has one or more of the distinctive characteristics of group insurance.

Remittance of the TIP

If you are not required to remit such a premium to another person or if you are required to remit it to a person who is not a registrant for purposes of the TIP, you will be required to remit the tax collected in respect of the premium to us. In other cases, you will be required to remit the tax, at the same time as the premium, to the person to whom you are required to remit the premium.

If you are required to remit the tax to us and you are not a registrant for purposes of the TIP, you must register for the tax either:

- by using our [Registering for Revenu Québec Files](#) online service;
- by completing form [LM-1-V, Application for Registration](#); or
- by [contacting us](#).