[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 over the past 18 months – doubling the rate from 6% to 12%. Further, the Chancellor has indicated that further increases are not only possible – but are likely.

Insurance Premium Tax was introduced in 1993. Previous to this, there was no tax attached to this insurance as previous Governments viewed this as a social good. Insurance allows people to take responsibility for themselves and their assets, and 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, calling for a freeze in the rate of Insurance Premium Tax: <http://bit.ly/bibasubmission>.

As a regressive tax, Insurance Premium Tax penalises those who pay more for their insurance. This includes groups such as young drivers and communities in flood risk areas. For example, the tax contribution for a £1,500 young driver’s policy has increased from £90 to £180 in the last 18 months alone. 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 Financial Secretary to the Treasury, Mel Stride MP ahead of the Autumn Budget 2017, calling for a freeze in any further increases for the term of this Parliament.

Yours sincerely,

[INSERT NAME]

[INSERT COMPANY]