

Belgium

Class of insurance	Premium tax	Parafiscal taxes		
		National institute for health disability (INAMI)	Belgian Red Cross	Security fund for fire and explosion
Life				
- individual ⁽²⁾ (2a)	2%			
- other than individual ⁽³⁾ (3a) (3b)	4.4%			
Liability (RC)	9.25%			3% ⁽⁴⁾
Motor liability				
- cars / 2-wheeled vehicles	9.25%	10%	7.5% ⁽¹⁾	0.35% ⁽⁶⁾
- authorised taxis, vehicles used solely for hire with chauffeur, buses, coaches and their trailers ⁽⁹⁾	1.4%	5%	7.5% ⁽¹⁾	0.35% ⁽⁶⁾
- motor vehicles of a minimum of 3.5 tonnes and less than 12 tonnes ⁽⁵⁾ (9)	1.4%	5%	7.5% ⁽¹⁾	0.35% ⁽⁶⁾
- motor vehicles or vehicles with trailers of at least 12 tonnes ⁽⁵⁾ (9)	Exempt	5%	7.5% ⁽¹⁾	0.35% ⁽⁶⁾
Motor insurance supplementary accidental				
- cars / 2-wheeled vehicles	9.25%	10%	7.5% ⁽¹⁾	
- authorised taxis, vehicles used solely for hire with chauffeur; buses, coaches and their trailers ⁽⁹⁾	1.4%	5%	7.5% ⁽¹⁾	
- motor vehicles of a minimum of 3.5 tonnes and less than 12 tonnes ⁽⁵⁾ (9)	1.4%	5%	7.5% ⁽¹⁾	
- motor vehicles or vehicles with trailers of at least 12 tonnes ⁽⁵⁾ (9)	Exempt	5%	7.5% ⁽¹⁾	
Motor legal expenses	9.25%		7.5% ⁽¹⁾	
Legal expenses	9.25%			
Fire	9.25%		6.5% ⁽¹⁾	
Accident / health	9.25%			
- hospitalisation costs ^(6a)	9.25%	10%		
- accident at work ^(7a)	Exempt		3.23% ⁽¹⁾	
- group industrial disablement	4.4%			
Credit insurance	Exempt ^(7b)			

Class of insurance	Premium tax	Parafiscal taxes		
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Goods in transit				
- carriers' liability, goods, freight				
. marine ⁽⁹⁾	1.4%			
. inland waterways ⁽⁹⁾	1.4%			
. land ⁽⁹⁾	1.4%			
. air ⁽⁹⁾	1.4%			
Marine (hull)				
- inland navigation	Exempt			
- sea	Exempt			
- shipbuilding risk	Exempt			
Aviation (hull) ⁽⁸⁾	9.25%			
Reinsurance	Exempt			
Other classes	9.25%			

- (1) + 0.06% payable by the insurer. The FRSH (National Fund for the Reclassification of Handicapped Persons) contribution has been taken over by INAMI since the FRSH was abolished.
- (2) Supplementary insurance follows the principal form.
- (2a) The tax is due on premiums and contributions which are due for payment from 1 January 2013. The savings insurance taken out within the framework of pension savings and the insurance taken out within the framework of optional supplementary pensions for self-employed workers are exempt. Life insurance contracts taken out to guarantee a mortgage loan intended for accommodation purposes are subject to a rate of 1.1%.
- (3) A special contribution of 8.86% on employers' premiums is envisaged for group insurance and pension funds (paid to the National Social Security Office - ONSS).
- (3a) When the insurance contract falls within the framework of a supplementary pension scheme with multiple benefits (endowment - whole life/ industrial disablement/ medical expenses), additional conditions are applicable in order to obtain the reduced rate under penalty of the full rate of 9.25% being applied.
- (3b) Social schemes benefit from exemption from the annual tax. The main characteristic of these schemes is that they include, along with the pension commitments, "solidarity" benefits which are defined by the Royal Decree of 14 November 2003.
- (4) On premiums relating to the operator's compulsory strict liability insurance for fire or explosion in premises open to the public.
- (5) These vehicles must be exclusively intended for transporting goods by road.
- (6) The law of 22 February 1998 on social provisions empowers the King to lower or raise this tax by a maximum of 1%. A Royal Order of 18 June 1998 increased the supplementary amount for the Belgian Red Cross from 0.25% to 0.35%.

- (6a) *The individual continuation of a professional health insurance without prior medical acceptance can, under certain conditions, benefit from annual tax as from 1 July 2011 (Law of 18 April 2010, Moniteur Belge of 11 June 2010).*
- (7a) *Insurance taken out in the framework of the legislation relating to compensation for damage resulting from accidents at work and on the way to and from work and annuities set up under this same legislation are tax exempt.*
- (7b) *Exemption only applicable to credit insurance covering commercial risks, country risks or both.*
- (8) *Only aircraft-hull registered in Belgium, used principally for international public transport, as well as hulls and liability for aircraft registered outside Belgium, are tax exempt.*
- (9) *Law of 22 April 2003, Moniteur Belge of 14 May 2003.*

Unofficial translations	
Impôt sur cotisations	Premium tax
Institut National d'Assurance Maladie-Invalidité (INAMI)	National institute for health/disability
Croix Rouge de Belgique	Belgian Red Cross
Fonds de Sécurité contre l'Incendie et l'Explosion	Security fund for fire and explosion

General rules applicable to all insurance companies

1. Tax basis

1.1 Premium used to calculate tax

Tax is calculated on total premium to be paid by the insured over the tax year, plus any costs borne by the latter. The tax basis is therefore the commercial premium which includes commission and collection charges when the premium is payable to the company.

On the other hand, costs and expenditure devolving on the insured, such as policy and receipt costs and collection charges where the premium is payable by the insured by virtue of a contractual stipulation are not included in the taxable basis.

1.2 Fees of insurance related services used to calculate tax

Tax is due on fees of insurance-related services paid directly by the policyholder to brokers or other insurance intermediaries, if these services are exempt from VAT.

1.3 Premium used to calculate parafiscal taxes

The amount used to calculate these taxes does not include premium tax. Generally speaking, it can be said that the basis is the (commercial) premium written (The terminology of the regulations concerning parafiscal taxes is not always the same).

2. Informing the policyholder

Taxes and parafiscal taxes are shown separately from the premium in motor insurance (cf. Art. 14 of the RO of 3 February 1992). There are no specific provisions for other classes. Assuralia has however recommended that a breakdown be shown (*Union professionnelle des Entreprises d'Assurances*).

3. Frequency of payment

3.1 Premium tax

Annually, and no later than the last working day of the month following that during which a premium, an employer's contribution or a personal contribution falls due. On the other hand, foreign undertakings with neither a branch, agency or head office in Belgium must pay the tax on the last working day of the second month following that during which a premium or contribution falls due.

3.2 National institute for health/disability (INAMI)

3.2.1 The additional premium of 10% or 5% in motor liability and material damage is levied on premiums written

This additional amount is paid by insurers to INAMI on the first day of each month in the form of a provisional payment. A final settlement is made at the close of each year and by no later than 31 March of the following year. The additional premium in supplementary motor accident insurance of 10% or 5% is levied by insurers at the premium due date or when the policy comes up for renewal with premiums relating to the additions. Additional amounts are paid by insurers to INAMI on the first of each month, in the form of a provisional payment. A final settlement is made at the close of the year and by no later than 31 March of the following year.

3.2.2 The 10% rate on commercial premiums, in the case of "hospital expenses", is paid to INAMI

An automatic levy by each institution makes it possible to take out or subscribe additional insurance in the event of hospitalisation. Amounts are paid to INAMI at the end of the six-month period in which the premium was paid.

3.2.3 The rates of 7.5%, 6.5% and 0.35% are calculated per calendar year

Provisional payments are made to the INAMI every month.

3.2.4 The rate of 5.5% is calculated quarterly

Payments are made within two months following the end of the quarter.

3.3 Security Fund for Fire and Explosion

- Insurance undertakings pay on the first day of each quarter a provisional payment of 3% on a quarter of total premiums, net of total or partial cancellations and rebates, written by them during the previous year. The final settlement is made at the close of each year and by no later than 31 March of the following year.
- Insurance undertakings which begin to cover risks referred to in the law of 30 July 1979, make payment to the Treasury within 15 days of the end of the quarter. This is done until the insurance undertaking's activities with regard to the risk have covered a complete year.

Special rules applicable depending on the method of establishment of the insurance company

4. Insurer established in Belgium

4.1 Person liable to tax

4.1.1 Tax on insurance premiums

Annual premium tax must be paid by all insurers with their principal establishment, agency, branch, representative or office of any sort for business in Belgium. Those insurers must in addition deposit a "declaration of profession" at the registration office designated for this.

4.1.2. Tax on insurance-related services

The tax is payable by all brokers and other intermediaries resident in Belgium, for insurance-related services, where these services are the subject of a separate contract with the policyholder and are exempt from VAT.

4.2 Nomination of a representative

Foreign insurers who have a branch, agency or office of any sort in Belgium are no longer obliged to designate a representative residing in Belgium.

4.3 Name and address of the tax authorities to which taxes must be remitted and from which further information can be obtained if necessary

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5. Insurer not established in Belgium and not established in the European Economic Area (EEA)

5.1 Nomination of a tax representative

Insurance undertakings implicitly covered by the Royal Order of 30 July 1994 are those established in the EEA operating in Belgium by way of Freedom of Services (FOS). Insurers not established in the EEA may not in principle operate on the Belgian market without having obtained authorisation to open a branch in Belgium. Tax legislation is applicable to all. In order to be authorised, the tax representative must:

- Be resident in Belgium.
- Personally undertake in writing vis-à-vis the Belgian State to pay the tax and, where appropriate, interest and fines which may be due on contracts relating to risks situated in Belgium, for the insurance undertaking represented.
- Be publicly solvent.

Undertakings do not have to seek authorisation for their representative when they only offer contracts which are exempt from annual premium tax (eg when a foreign undertaking only offers individual life insurance contracts).

5.2 Person liable to tax

- Brokers and other intermediaries residing in Belgium who are involved in concluding contracts relating to risks situated in Belgium.
- The tax representative of the abovementioned foreign insurer whose authorisation is compulsory if the insurer concludes the same contracts without the intervention of a broker or other intermediary residing in Belgium.
- Insurance undertakings not established in Belgium, which do not have a representative who is liable for tax and which are involved in concluding insurance operations relating to risks situated in Belgium, without using intermediaries residing in Belgium.
- The policyholder in the absence of authorisation for a tax representative or in the absence of a broker or any other intermediary residing in Belgium and when the insurer not established in Belgium has failed to pay the tax.

6. Insurer established in the EEA operating by way of Freedom of Services (FOS)

6.1 Nomination of a tax representative

Insurance undertakings may arrange for authorisation of a representative who is liable for tax but it is not obligatory. In order to be authorised, the tax representative must:

- Be resident in Belgium.
- Personally undertake in writing vis-à-vis the Belgian State to pay the tax and, where appropriate, interest and fines which may be due on contracts relating to risks situated in Belgium, for the insurance undertaking represented.
- Be publicly solvent.

6.2 Person liable to tax

- Brokers and other intermediaries residing in Belgium, who are involved in concluding contracts relating to risks situated in Belgium.
- The tax representative of the abovementioned foreign insurer whose authorisation is possible if the insurer concludes the same contracts without the intervention of a broker or other intermediary residing in Belgium.
- Insurance undertakings not established in Belgium, which do not have a representative who is liable for tax and which are involved in concluding insurance operations relating to risks situated in Belgium, without using intermediaries residing in Belgium.
- The policyholder in the absence of authorisation for a tax representative or in the absence of a broker or any other intermediary residing in Belgium and when the insurer not established in Belgium has failed to pay the tax.

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7. Co-insurance

There is no special provision organising the payment of taxes in case of co-insurance either if it concerns a risk related only to the national territory or to different EU countries.