Rules – accounting for changes to IPT rates

Introduction

The IPT rate within a scheme can now be updated using a more simplified version of the rules that are currently in effect. This simplified format can now be applied because HMRC has not imposed a transitional period on the IPT rate increase due to come into effect, as they have done on the previous two increases.

The existing rules that are set up within your schemes will remain in effect for pre 01/06/2017 risks; the new rule will run after the existing rules to identify and apply the correct rate of IPT to new business risks, MTAs and renewals.

How to create the required rules

Select Admin ≻ Rule Builder

Use the first dropdown box to select the scheme that the rule is to apply to. Leave the second dropdown at the default option of 'Any Insurer' and the third dropdown as 'Any Type'. In the final dropdown box select the option 'More Info' – this option is the best to use as there are generally no other rules in this section, which means that the rules can easily be imported to all other status types to ensure that every status scenario is updated with the correct IPT rate:



Select the 'New Rule' option to the bottom right of the screen:



Two grey shaded boxes will become visible – these are used to set the conditions of when the rule should run, and the actions that need to be applied.

Conditions	Actions	
IF 🔶	THEN 🐥	× 🖬 ΰ

To set a condition, select the green plus icon:



From the dropdown menu that then appears in the 'Conditions' section, select the 'Formula' option:



Use the blank field after selecting 'Formula' to enter the required formula that will identify risks that need a rate of 12% applied:

[Policy.InceptionDate] >= #2017-06-01#

IF	Formula	•	Equal To	•		
	true				ŵ	

The next dropdown menu will already have defaulted to 'Equal to' and the final field to 'true' – leave these fields with their default values, they do not need changing:

IF	Formula	•	[Policy.InceptionDa Equal To	
$\left(\right)$	true			ŵ
				-

In the 'Actions' section, select the green plus icon:



In the first dropdown menu, select the 'Set Rate' option:



In the second dropdown menu, select 'IPT':

Actions



The final box is used to enter new IPT rate:

Actions

THEN Set Rate	IPT	12	ŵ
			<u></u>

Save the rule by clicking on the blue save icon – the entire section (conditions and actions) will shade out in grey:

Actions			
THEN Set Rate IPT 12		💼 🌾 🗔 한	
Conditions	Actions		
IF Formula [Policy.InceptionDate] >= #2017-06-01# Equal To True	THEN Set Rate IPT 12		X X

Finally, enable the rule by selecting the red X icon – the grey shading will be removed, the red X will be replaced by a green tick, and the rule will be effective:

Conditions	Actions	
IF Formula [Policy.InceptionDate] >= #2017-06-01# Equal To True	THEN Set Rate IPT 12	
Conditions	Actions	

Copying the rules to all other status types within the existing scheme

The new rule needs to be copied to all status options within the scheme so that the correct IPT rate is applied, regardless of the case status. The 'Import from another scheme' function is used to copy rules on a bulk basis from one status to another within a scheme, as well as to other schemes – it negates the need to create individual rules over and over again.

Stay on the same screen where the new rule has been created and select the 'Import from another scheme' option to the right of the screen:

Editing Rules	
Test Scheme ▼ Any Insurer (21) ▼ Any Type (21) ▼ More Info (3)	Import from another scheme

The following box will be visible:

NOTE: PULIES WIL			ES AND STATUSES VOU
SELECT BELOW (I	E.G FIRST PREMIUM, R	ENEWAL, ON CO	VER). Existing rules for
this scheme will b	pe left intact so you m	ay prefer to delet	e them first.
Filter options			
Specific Insurer	🛚 Specific Record Type 🕑	Specific Status	
Choose where to copy	rules FROM		
Scheme	Insurer	Туре	Status
	 Any 	 Any 	▼ More Info ▼
Test Scheme			
Test Scheme Choose where to copy	rules TO		
Test Scheme Choose where to copy Scheme	rules TO Insurer	Туре	Status
Test Scheme Choose where to copy Scheme Test Scheme	rules TO Insurer	Type • Any	Status ▼ More Info ▼

The options in the dropdown box will default to the scheme, insurer, type and status of the rules page that you were just working in. The only option that will need to be changed can be found to the bottom right on the box – the 'Status' dropdown:

inport rules for sch	eme		Switch accou
NOTE: RULES WII SELECT BELOW (E this scheme will b	L BE IMPORTED FOR T G.G FIRST PREMIUM, R De left intact so you ma	THE RECORD TYP ENEWAL, ON CO ay prefer to delete	ES AND STATUSES YOU /ER). Existing rules for e them first.
Filter options			
Specific Insurer	Specific Record Type 🕑	Specific Status	
Choose where to copy	rules FROM		
Scheme	Insurer	Type	Status
	• Δην	• Am/	
Test Scheme	· / / ny	· Ally	More Info
Test Scheme Choose where to copy	rules TO	Ally	▼ More Info ▼
Test Scheme Choose where to copy Scheme	rules TO Insurer	Туре	Status
Test Scheme Choose where to copy Scheme Test Scheme	rules TO Insurer	Type Type	More Info T More Info T
Test Scheme Choose where to copy Scheme Test Scheme	rules TO Insurer T	Type Any	More Info More Info Import Rules or Cang

Working through the statuses in order (to make it less likely that any one status will be overlooked and the rules not copied over) first select the option 'User Saved' from the 'Status' dropdown menu and then click on the 'Import Rules'' button:

Import rules for sch	eme		Switch account
NOTE: RULES WI SELECT BELOW (this scheme will Filter options	LL BE IMPORTED FOR E.G FIRST PREMIUM, R be left intact so you ma	THE RECORD TYPE ENEWAL, ON COV ay prefer to delete	S AND STATUSES YOU ER). Existing rules for them first.
Chapter where to serve	specific Record Type	specific status	
Choose where to copy	rules FROM		
Scheme	Insurer	Type	Status
Test Scheme	▼ Any	 Any 	More Info
Choose where to copy	rules TO		
Scheme	Insurer	Туре	Status
Test Scheme	▼ Any	▼ Any	More Info
			User Saved Quotation Pending Invited More Info Un Corca

The new rule created under the 'More Info' status will now be copied to the 'User Saved' status – a message will show at the top of the Import box to confirm if the import was successful:

	Rules imported from Test !	Scheme, Any, All More	e Info	
	Rules imported into Test S	cheme, Any, All User S	Saved	/
NOTE: RULES W SELECT BELOW this scheme wil	/ILL BE IMPORTED FOR (E.G FIRST PREMIUM, F I be left intact so you m	THE RECORD TYP RENEWAL, ON CO ay prefer to delete	ES AND STATUSES YO VER). Existing rules for e them first.	U
Filter options				
Specific Insurer	Specific Record Type	Specific Status		
Choose where to cop	py rules FROM			
Scheme	Insurer	Туре	Status	
Test Scheme	▼ Any	▼ Any	▼ More Info ▼	
Choose where to co	py rules TO			
Scheme	Insurer	Туре	Status	
Test Scheme	▼ Any	 Any 	▼ User Saved ▼	
			Import Rules or D	one

The rule that has been copied over will automatically populate after any existing rules i.e. it will appear at the bottom of the list. It will run after the existing rules when a quote is processed and, if the inception date of the new business or renewal risk is after 01/06/2017, it will apply the rate of 12%.

If the quote being processed is an MTA, the rule will look at the inception date of the risk that is being adjusted and, if that date is after 01/06/2017, it will apply the rate of 12%; if the inception date of the risk being adjusted is pre 01/06/2017, it will continue to apply the appropriate rate as per the existing rules.

Copying the rules to all other status types within other scheme types

Once all statuses within the current scheme have been updated, the process will need repeating to copy the rule to all other schemes.

Stay on the same screen where the new rule has been created and change the 'Scheme' dropdown to the new scheme that needs the rule imported, then select the 'Import from another scheme' option to the right of the screen:



When the import box opens, change the 'Scheme' dropdown in the 'Choose where to copy rules FROM' section to the scheme where the rules created using the above instructions have already been created.

Change the 'Status' option on the 'Choose where to copy rules TO' section to 'User Saved' then click the 'Import Rules' button. Leave all other fields with their default options selected:

Import rules for sch	eme		Switch account				
NOTE: RULES WIL SELECT BELOW (E this scheme will b	L BE IMPORTED FOR G FIRST PREMIUM, R e left intact so you m	THE RECORD TYPES ENEWAL, ON COVE ay prefer to delete t	AND STATUSES YOU (R). Existing rules for them first.				
Filter options Specific Insurer	Specific Record Type	Specific Status					
Choose where to copy	Choose where to copy rules FROM						
Scheme	Insurer	Туре	Status				
Test Scheme	▼ Any	▼ Any	▼ More Info ▼				
Choose where to copy	rules TO						
Scheme	Insurer	Туре	Status				
MB Test Copy	▼ Any	▼ Any	User Saved				
		(Import Rules or Cancel				

The rules created under scheme A under the 'More Info' status will now be copied to the 'User Saved' status of scheme B – a message will show at the top of the Import box to confirm if the import was successful:

×	Rules imported from Test S	cheme, Any, All More	e Info
F	ules imported into MB Tes	t Copy, Any, All User	Saved
NOTE: RULES WIL SELECT BELOW (E this scheme will b Filter options Specific Insurer @ Choose where to copy	L BE IMPORTED FOR G FIRST PREMIUM, R e left intact so you ma Specific Record Type rules FROM	THE RECORD TYP ENEWAL, ON CO' ay prefer to delete Specific Status	ES AND STATUSES YOU VER). Existing rules for e them first.
Scheme	Insurer	Туре	Status
Test Scheme	▼ Any	▼ Any	▼ More Info ▼
Choose where to copy	rules TO		
Scheme	Insurer	Туре	Status
MB Test Copy	▼ Any	▼ Any	▼ User Saved ▼
			Import Rules or Done

Repeat this process to copy the rule from scheme A to all statuses on scheme B, then repeat for all remaining schemes. You may find it useful to use the sheet found on Appendix A to check off the update of each status within every scheme as you update them.

Jersey, Guernsey and Isle of Man risks

If you have any existing rules within a scheme that apply a rate of zero percent IPT to any risks with a postcode commencing with JE, GY or IM, these rules will need to be moved to the bottom of the list of rules once they have all been updated and copied to every status. If not, when running a quote, the new rule will override the application of zero percent on any rule that precedes them.

Here is an incorrect example:

Conditions

IF Get Answer PostcodeLetters Equal To JE	THEN Set Rate IPT 0	✔ Ø 🖹
IF Get Answer PostcodeLetters Equal To GY	THEN Set Rate IPT 0] ⊻ ⊠ ⋑ †
IF Get Answer PostcodeLetters Equal To IM	THEN Set Rate IPT 0] 🗶 🚿 🖨 📩
IF Formula [Policy.InceptionDate] >= #2017-06-01# Equal To true	THEN Set Rate IPT 12] 🖌 🍯 🖨 📩

Actions

Here is a correct example:

Conditions	Actions	
IF Formula [Policy.InceptionDate] >= #2017-06-01# Equal To true	THEN Set Rate IPT 12	✓ Ø
IF Get Answer PostcodeLetters Equal To JE	THEN Set Rate IPT 0	✓ Ø
IF Get Answer PostcodeLetters Equal To GY	THEN Set Rate IPT 0	✓ Ø ♪
IF Get Answer PostcodeLetters Equal To IM	THEN Set Rate IPT 0	⊻ ⊠ ⊉

A rule can be dragged and dropped into the correct position by using the left click on your mouse to select it, then dragging it up to the correct position and releasing the left click.

Housekeeping on the master scheme record

Any rules set up and enabled will always run when the status of a risk is changed but, sometimes, a user may select the 'Update rates' option within a record without making a change to the status to see what effect there is on a premium when manually amending a rate or fee.

When this happens, the record will simply look at the IPT rate set within the overall scheme record – so whenever an IPT rate is increased, the rate set within the scheme record should always be updated as well as the rules:

To do this, go to the settings page of every scheme to update the IPT rate on the localisation tab:

Admin ≻ Schemes ≻ Select the scheme name ≻ Localisation

Source material

<u>https://www.gov.uk/government/publications/insurance-premium-tax-increase-of-standard-rate/insurance-premium-tax-increase-of-standard-rate</u>

APPENDIX A

SCHEME NAME	Und	alled Quot	and Paroling	wited word	ne onc	ad card	aled Deal	1.00 (B)	A HTU	