

INFORMATION ON INSURANCE TAXES

The applicable taxes for insurance services according to the legislation in force:

Law No. 92/2014 “On Value Added Tax in the Republic of Albania”
Article 53 “Exemptions for other activities”
The following transactions are supplies exempt from VAT:
a) insurance and reinsurance services, including the provision of insurance and reinsurance intermediation services by insurance agents and brokers.
Law No. 9975, dated 28.07.2008 “On National Taxes, as amended”
Article 4 “National tax level”
10. The tax on written premiums, excluding insurance premiums for life, travel health insurance and green card products, is 10 percent of the premium amount. (Amended by Law No. 127/2016, dated 15.12.2016. Published in the Official Gazette no. 250, dated 27.12.2016).
Law No. 8438, dated 28.12.1998 “On Income Tax”
Article 20 “Recognized expenses”
Employee life and health insurance costs are considered as recognized expenses for the employer.

For insurance products with savings elements:

- For the product “Life Insurance with Survival Benefits”, the benefits on insurance maturity are taxed only for the difference between the total value acquired and the invested value.
- For the product "Life Insurance with Savings" throughout the insurance period, the expenses for life insurance of employees are recognized to the employer (according to law No. 8438, dated 28.12.1998 "On Income Tax"), while the employee is taxed for the insurance benefit (investment + interest) only at maturity of the insurance period.

No fees/taxes are applied for claims payments, as they are not considered income.