

PROVINCIAL SALES TAX INSURANCE EXEMPTIONS

Changes to this Information Notice are indicated by a bar (|) in the left margin.

Effective retroactively to April 1, 2017, Provincial Sales Tax (PST) no longer applies to insurance premiums for the following types of insurance contracts:

- Individual and group life insurance;
- Individual and group health, disability, accident and sickness insurance; and,
- Crop and livestock insurance, hail insurance and margin/income insurance.

The application of PST to these insurance products is further clarified in the sections below.

Insurance Products with Taxable and Exempt Components

When an insurance contract or policy includes both taxable and exempt coverages, the value of the taxable and exempt components must be listed and identified separately in the insurance contract with PST applied to the taxable portions.

If these amounts are not shown separately in the contract or on the invoices issued pursuant to that contract, with tax applied to the taxable portions, PST applies to the total premium charged to the customer.

Creditor Protection Insurance

Creditor protection insurance, including creditor's group insurance, providing coverage for mortgage or loan payments in the event that the insured's ability to make those payments is affected because of accident, sickness, death or disability, is exempt from PST.

Note: Credit insurance that protects the lender from default is taxable (e.g. lender's mortgage insurance or mortgage default insurance).

Travel Insurance

Travel emergency medical insurance is exempt from PST.

Travel insurance, such as trip cancellation, trip interruption, trip delay and lost or delayed baggage insurance is subject to tax. As noted above, if taxable and exempt coverages are included together in the policy or contract, and the value of taxable and exempt components are not listed and identified separately, the total premium is subject to PST.

Agriculture Insurance

Taxable Agriculture Insurance

General agricultural policies including coverages such as general liability, farmer's liability, business interruption, aerial application or agricultural aircraft, farm implements and farm machinery, farm buildings and structures etc. are subject to PST.

Exempt Agriculture Insurance

Dedicated policies for crop insurance, agricultural product insurance and livestock insurance are exempt from PST, including the following:

- Contracts of insurance subject to *The Saskatchewan Crop Insurance Corporation Act*, and any insurance product providing similar coverage.
- Contracts of insurance subject to *The Municipal Hail Insurance Act*, and any insurance product providing similar coverage.
- AgriStability and any similar margin support insurance.
- Livestock price insurance protecting against unexpected price declines.
- Livestock insurance to insure livestock against loss through death, sickness, accident and theft.
- Agricultural product insurance covering the product in storage or in transit.

Note: Livestock generally means any animal raised or bred as a commercially produced product for sale or raised or bred for the commercial sale of the products they produce. Agricultural product means a product raised or produced through primary farming activity for the purpose of resale.

As noted above, if taxable and exempt coverages are included together in the policy or contract, and the value of taxable and exempt components are not listed and identified separately, the total premium is subject to PST.

Questions relating to insurance policy coverage and potential refunds or credits of PST should be directed to the insurance provider. Please see Information Notice [IN 2018-05, Provincial Sales Tax Refunds on Insurance Premiums](#) for information regarding the PST refund process.

For further information regarding the application of PST to insurance contracts please contact the Ministry of Finance or refer to Information Bulletin [PST-73, Information for Vendors of Insurance Contracts](#).

FOR FURTHER INFORMATION

Write: Ministry of Finance
Revenue Division
PO Box 200
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Telephone: Toll Free 1-800-667-6102
Regina 306-787-6645

Email: sasktaxinfo@gov.sk.ca

Internet: Tax bulletins, forms and information are available at www.sets.saskatchewan.ca/taxinfo.

To receive automatic email notifications when this or any other bulletin is revised, go to www.sets.saskatchewan.ca/subscribe.

Government website: Saskatchewan.ca