

# Tax Probe® Plus

Policy Wording



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# Tax Probe® Plus Policy Wording

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# Welcome to Vero

Vero is a specialist provider of quality business insurance products and packages in Australia. **Our** mission is to help ensure **your** business' success – whether **you** run a small business or a large corporation.

With over 180 years of experience providing quality insurance products in Australia, **we're** experts at helping business owners cover their risks and helping to secure the future of their business.

**We** offer **our** products exclusively through insurance brokers and authorised agents, because **we** believe that impartial, specialist advice is paramount when it comes to selecting business insurance. Vero has a great reputation in the industry, and **we** work closely with insurance brokers to help ensure **we** meet the unique needs of **our** many, varied clients.

Help protect **your** business, and **your** future, with an insurer that understands business.

Vero is a member of the Suncorp Group.

This **Policy wording** is an important legal document that contains details of **your** Tax Probe Plus insurance. If **you** decide to buy insurance from **us**, please read it through, then keep this **Policy wording**, together with **your policy schedule** in a safe place.

## Who is the insurer?

This insurance is issued by AAI Limited ABN 48 005 297 807 AFSL 230859 trading as Vero Insurance.

## How to contact us

**You** may contact **us** by:

- ▼ Telephone: 1300 888 071
- ▼ Email: via the "Contact Us" page on **our** website [www.vero.com.au](http://www.vero.com.au)
- ▼ Mail: Vero Insurance  
GPO Box 3999  
Sydney NSW 2001

## About your insurance policy

**Your policy** is a legal contract between **you** and **us**. The contract is based on the information **you** gave **us** when **you** applied for the insurance, and any subsequent information which **you** have supplied.

**Your policy** is made up of this policy wording, any **endorsements** and **your policy schedule**. **You** should read all these documents together to tell **you** what **we** cover, what **we** exclude, what **we** pay to settle claims and other important information. **We** will not pay more than the **insured amount** specified in **your policy schedule**, unless **we** state otherwise in the **policy**.

The Policy Conditions listed on pages 15 to 18 and Claims Conditions listed on page 19 apply to the whole **policy** including any Extra Cover or **endorsement** unless expressly stated otherwise.

Subject to **you** paying the premium by the due date, **we** agree to insure **you** during the **period of insurance**. The commencement date and expiry date of the **period of insurance** is specified in **your policy schedule**.

## Interpretation

Some words used in this **policy** have special defined meanings. These words are in **bold**. Most of the words **we** have defined are listed in the Definitions on pages 28 to 32.

Headings have been included for ease of reference only and the terms, conditions, provisions, exclusions of this **policy** are not to be construed, interpreted, or limited by any reference to such headings.

## Communicating with you electronically

**We** may send **your policy** documents and **policy** related communications electronically. This will be by email and/or other types of electronic communication methods (e.g. SMS). **We** will obtain **your** express or inferred consent to do so.

Each electronic communication will be deemed to be received by **you** at the time it leaves **our** information system.

# Part A: Important Information

## Your duty of disclosure

Before **you** enter into an insurance contract, **you** have a duty to tell **us** anything that **you** know, or could reasonably be expected to know, that may affect **our** decision to insure **you** and on what terms.

**You** have this duty until **we** agree to insure **you**.

**You** have the same duty before **you** renew, extend, vary or reinstate an insurance contract.

**You** do not need to tell **us** anything that:

- ▼ reduces the risk **we** insure **you** for;
- ▼ is common knowledge;
- ▼ **we** know or should know as an insurer; or
- ▼ **we** waive **your** duty to tell **us** about.

### If you do not tell us something

If **you** do not tell **us** anything **you** are required to, **we** may cancel **your** contract or reduce the amount **we** will pay **you** if **you** make a claim, or both.

If **your** failure to tell **us** is fraudulent, **we** may refuse to pay a claim and treat the contract as if it never existed.

## Cooling off period

**You** have the right to return the insurance **policy** by notifying **us** in writing within thirty (30) days of the date it was issued to **you** ("cooling off period"), unless **you** have made a claim under the **policy** within the cooling off period.

If **you** return **your policy** during the cooling off period, **we** will return the amount **you** have paid (including GST if applicable) for the **policy**.

In addition, if **you** vary **your policy** (for example, by adding an **endorsement** or increasing the **insured amount**) **you** have the right to remove that variation within thirty (30) days of the date it was added by notifying **us** in writing ("additional cooling off period") unless **you** make a claim under the variation within the additional cooling off period.

If **you** remove the variation during the additional cooling off period, **we** will return the amount **you** have paid (including GST if applicable) for that variation.

To cancel **your policy** at other times, please see "Cancellations" on pages 5.

## The amount of your premium

The premium is the amount **you** pay **us** for this insurance. It includes stamp duty, GST and any other government charge or levy that applies. **Your** premium is shown on **your policy schedule**.

The premium does not include any service or administration fee charged to **you** by **your** insurance intermediary.

In addition to the factors **we** use to calculate **your** premium, the discounts **you** qualify for also affect **your** premium. **Your** premium includes any discounts **you** qualify for and these are applied before adding applicable government charges. **We** might also advertise special short term offers and benefits from time to time.

## Paying your premium

**We** will tell **you** how much **you** have to pay and how much time **you** have for payment.

**You** must pay **your** premium by the due date. For the first **period of insurance**, if **you** do not pay the premium owing by the due date, **we** can cancel **your policy**.

For renewals of policies paid annually, if **you** do not pay **your** premium by the due date, then **you** have no cover from the due date.

If **you** change **your policy**, **you** may be entitled to a partial refund of premium or be required to pay an additional premium.

## Cancellations

**You** can cancel **your policy** at any time. **You** can specify a future date from which **you** would like to cancel **your policy**. If **you** do not specify a date then the cancellation takes effect on the date **we** receive **your** request. If **you** cancel **your policy**, **we** will refund the proportion of **your** premium for the unexpired **period of insurance** (including GST if applicable), less any non-refundable government charges, provided the refund is more than \$10 (GST inclusive).

**We** can cancel **your policy** when the law allows **us** to. If **we** cancel **your policy**, **we** will refund the proportion of **your** premium for the unexpired **period of insurance** (including GST if applicable), less any non-refundable government charges, provided the refund is more than \$10 (GST inclusive). If **we** cancel **your policy** due to fraud, **we** will not refund any money to **you**.

## Excess

This is the amount **you** have to pay if **you** suffer loss, damage or incur liability which leads to a claim under **your policy**. The **excess** that applies to **your policy** is specified in **your policy schedule**.

## Fraudulent claims

If **you**, or anyone **you** authorised to act on **your** behalf, or with **your** knowledge or consent, makes a claim that is false deliberately, **we** may do one or more of the following:

- ▼ refuse to pay a claim;
- ▼ cancel **your policy**; or
- ▼ take legal action against **you**.



## Part B: Privacy Statement

AAI Limited trading as Vero Insurance is the insurer and issuer of this product, and is a member of the Suncorp Group, which **we** refer to as “the Group”.

### Why do we collect personal information?

Personal information is information or an opinion about an identified individual, or an individual who is reasonably identifiable.

**We** collect personal information so that **we** can:

- ▼ identify **you** and conduct appropriate checks;
- ▼ understand **your** requirements and provide **you** with a product or service;
- ▼ set up, administer and manage **our** products and services and systems, including the management and administration of underwriting and claims;
- ▼ assess and investigate any claims **you** make under one or more of **our** products;
- ▼ manage, train and develop **our** employees and representatives;
- ▼ manage complaints and disputes, and report to dispute resolution bodies; and
- ▼ get a better understanding of **you**, **your** needs, **your** behaviours and how **you** interact with **us**, so **we** can engage in product and service research, development and business strategy including managing the delivery of **our** services and products via the ways **we** communicate with **you**.

### What happens if you don't give us your personal information?

If **we** ask for **your** personal information and **you** don't give it to **us**, **we** may not be able to provide **you** with any, some, or all of the features of **our** products or services.

# How we handle your personal information

**We** collect **your** personal information directly from **you** and, in some cases, from other people or organisations. **We** also provide **your** personal information to other related companies in the Group, and they may disclose or use **your** personal information for the purposes described in "Why do we collect personal information?" in relation to products and services they may provide to **you**. They may also use **your** personal information to help them provide products and services to other customers, but they'll never disclose **your** personal information to another customer without **your** consent.

Under various laws **we** will be (or may be) authorised or required to collect **your** personal information.

These laws include the:

- ▼ Anti-Money Laundering and Counter-Terrorism Financing Act 2006,
- ▼ Personal Property Securities Act 2009,
- ▼ Corporations Act 2001,
- ▼ Autonomous Sanctions Act 2011,
- ▼ Income Tax Assessment Act 1997,
- ▼ Income Tax Assessment Act 1936,
- ▼ Taxation Administration Act 1953,
- ▼ A New Tax System (Goods and Services Tax) Act 1999, and
- ▼ the Australian Securities and Investments Commission Act 2001,

as those laws are amended and include any associated regulations.

**We** will use and disclose **your** personal information for the purposes **we** collected it as **well** as purposes that are related, where **you** would reasonably expect **us** to. **We** may disclose **your** personal information to and/or collect **your** personal information from:

- ▼ other companies within the Group and other trading divisions or departments within the same company (please see **our** Group Privacy Policy for a list of brands/companies);
- ▼ any of **our** Group joint ventures where authorised or required;
- ▼ customer, product, business or strategic research and development organisations;

- ▼ data warehouse, strategic learning organisations, data partners, analytic consultants;
- ▼ social media and other virtual communities and networks where people create, share or exchange information;
- ▼ publicly available sources of information;
- ▼ clubs, associations, member loyalty or rewards programs and other industry relevant organisations;
- ▼ a third party that **we**'ve contracted to provide financial services, financial products or administrative services – for example:
  - ▼ information technology providers;
  - ▼ administration or business management services, consultancy firms, auditors and business management consultants;
  - ▼ marketing agencies and other marketing service providers;
  - ▼ claims management service providers;
  - ▼ print/mail/digital service providers; and
  - ▼ imaging and document management services.
- ▼ any intermediaries, including **your** agent, adviser, a broker, representative or person acting on **your** behalf, other Australian Financial Services Licensee or **our** authorised representatives, advisers and **our** agents;
- ▼ a third party claimant or witnesses in a claim;
- ▼ accounting or finance professionals and advisers;
- ▼ government, statutory, or regulatory bodies and enforcement bodies;
- ▼ policy or product holders or others who are authorised or noted on the **policy** as having a legal interest, including where **you** are an insured person but not the policy or product holder;
- ▼ in the case of a relationship with a corporate partner such as a bank or a credit union, the corporate partner and any new incoming insurer;
- ▼ the Australian Financial Complaints Authority or any other external dispute resolution body;
- ▼ credit reporting agencies;
- ▼ other insurers, reinsurers, insurance investigators and claims or insurance reference services, loss assessors, financiers;
- ▼ legal and any other professional advisers or consultants;

- ▼ hospitals and medical, health or wellbeing professionals;
- ▼ debt collection agencies;
- ▼ any other organisation or person, where **you've** asked them to provide **your** personal information to **us** or asked **us** to obtain personal information from them, e.g. **your** mother.

**We'll** use a variety of methods to collect **your** personal information from, and disclose **your** personal information to, these persons or organisations, including written forms, telephone calls and via electronic delivery. **We** may collect and disclose **your** personal information to these persons and organisations during the information life cycle, regularly, or on an ad hoc basis, depending on the purpose of collection.

## How to access and correct your personal information or make a complaint

**You** have the right to access and correct **your** personal information held by **us** and **you** can find information about how to do this in the Suncorp Group Privacy Policy.

The Suncorp Group Privacy Policy also includes information about how **you** can complain about a breach of the Australian Privacy Principles and how **we'll** deal with such a complaint. **You** can get a copy of the Suncorp Group Privacy Policy. Please use the contact details in "Contact us" below.

## Overseas disclosure

Sometimes, **we** need to provide **your** personal information to – or get personal information about **you** from – persons or organisations located overseas, for the same purposes as in "Why do we collect personal information?"

The complete list of countries is contained in **our** Group Privacy Policy, which can be accessed at [www.vero.com.au/vero/privacy](http://www.vero.com.au/vero/privacy), or **you** can contact **us** for a copy.

From time to time, **we** may need to disclose **your** personal information to, and collect **your** personal information from, other countries not on this list. Nevertheless, **we** will always disclose and collect **your** personal information in accordance with privacy laws.

## Contact us

For more information about **our** privacy practices including accessing or correcting **your** personal information, making a complaint, or obtaining a list of overseas countries, **you** can:

- ▼ Visit [www.vero.com.au/vero/privacy](http://www.vero.com.au/vero/privacy)
- ▼ Speak to **us** directly by phoning one of **our** Sales & Service Consultants on: 1300 888 073 or
- ▼ Email **us** at [privacyaccessrequests@vero.com.au](mailto:privacyaccessrequests@vero.com.au)

# Part C: Complaints resolution

**We** are committed to:

- ▼ listening to what **you** tell **us**;
- ▼ being accurate and honest in telling **you** about **our** products and services;
- ▼ communicating with **you** clearly; and
- ▼ resolving any complaints or concerns **you** have in a fair, transparent and timely manner.

## How to contact us with a complaint

If **you** experience a problem, are not satisfied with **our** products or services or a decision **we** have made, please let **us** know so that **we** can help. Contact **us**:

**By phone:** 13 18 13

**By email:** [claims@vero.com.au](mailto:claims@vero.com.au)

Complaints can usually be resolved on the spot or within five (5) business days.

If **we** are not able to resolve **your** complaint or **you** would prefer not to contact the people who provided **your** initial service, **our** Customer Relations team can assist:

**By phone:** 1300 264 470

**By email:** [idr@vero.com.au](mailto:idr@vero.com.au)

**In writing:** Internal Dispute Resolution Vero,  
PO Box 14180 ,  
Melbourne City Mail Centre VIC 8001

Customer Relations will contact **you** if they require additional information or if they have reached a decision.

## Part D: Other information

### How the Goods and Services Tax (GST) affects this insurance

The premium will include an amount of GST.

**You** must tell **us** about the **input tax credit** (ITC) **you** are entitled to for **your** premium and **your** claim, each time **you** make a claim. If **you** do not give **us** this information or if **you** tell **us** an incorrect ITC, **we** will not pay any GST liability **you** incur.

**Our** liability to **you** will be calculated taking into account any ITC to which **you** are entitled for any acquisition which is relevant to **your** claim, or to which **you** would have been entitled had **you** made a relevant acquisition.

In respect of **your policy**, where **you** are registered for GST purposes **you** should calculate the **insured amount** having regard to **your** entitlement to **input tax credits**. **You** should, therefore, consider the net amount (after all **input tax credits**) which is to be insured and determine an **insured amount** on a GST exclusive basis.

This outline of the effect of the GST on **your policy** is for general information only. **You** should not rely on this information without first seeking expert advice on the application of the GST to **your** circumstances.

"GST", "input tax credit", "acquisition" and "supply" have the meaning given in A New Tax System (Goods and Services Tax) Act 1999.

## Financial Claims Scheme

This policy may be a "protected policy" under the Federal Government's Financial Claims Scheme (FCS) which is administered by the Australian Prudential Regulation Authority (APRA).

The FCS only applies in the unlikely event of an insurer becoming insolvent and the Federal Treasurer making a declaration that the FCS will apply to that insurer.

The FCS entitles certain persons, who have valid claims connected with certain protected policies issued by that insurer to be paid certain amounts by APRA.

Information about the FCS can be obtained from [www.fcs.gov.au](http://www.fcs.gov.au)

## General Insurance Code of Practice

**We** support and adhere to the General Insurance Code of Practice. **You** can get a copy of the Code from the Insurance Council of Australia website ([www.insurancecouncil.com.au](http://www.insurancecouncil.com.au)) or by phoning (02) 9253 5100 or 1300 728 228.

## Updating information

The information in this **PDS** and Policy Wording was current at the date of preparation. **We** may update some of the information in the **PDS** and Policy Wording that is not materially adverse from time to time without needing to notify **you**.

**You** can obtain a copy of any updated information by contacting **us** on 1300 888 071. **We** will give **you** a free paper copy of any updates if **you** request them. If it becomes necessary, **we** will issue a supplementary or replacement **PDS** which **we** will give to **you**.



# Part E: Terms and Conditions

## Policy Conditions

These conditions apply to this **policy**.

If **you** do not comply with these Policy Conditions, **we** may:

- (a) refuse to pay a **claim** or reduce the amount **we** pay (to the extent to which **we** are prejudiced in respect of the claim as a result of **your** non-compliance); and/or
- (b) recover from **you** any costs and/or any monies **we** have paid; and/or
- (c) cancel **your policy**.

### 1. Change to risk

**Our** decision to insure **you**, and the premium that **we** charge **you**, is based on information provided by **you** about **your** business and the risks to be insured under this **policy**. **Your** insurance, including the amount of premium, may be affected if any of the facts or circumstances that existed at the start of the **policy** change during the **period of insurance**, including, for example:

- (a) the nature of or type of business carried on by **you** or change to your business structure;
- (b) **your** interest in the **policy** ceases, including by operation of law;
- (c) **you** are declared bankrupt or the business is wound up or carried on by an insolvency practitioner or permanently discontinued; and
- (d) If any persons covered by this **policy**, including **you**, has:
  - (i) been charged with or convicted of any tax offence;
  - (ii) participated in any tax avoidance scheme or undertaking;
  - (iii) been subject to an audit or review by any Commonwealth, State or Territory department, body or agency for any matter;
  - (iv) been made aware of any circumstances or incident which might give rise to any future claim that would fall within the scope of this **policy**; or
  - (v) incurred a culpability component imposed due to reckless or deliberate tax evasion or similar offence.

**You** must notify **us** as soon as possible of any of the above changes.

If **you** have not told **us** about any of the above matters having occurred in any other **period of insurance you** held this **policy** with **us**, **you** must also tell **us** as soon as possible.

If **you** do not notify **us** when **you** need to **we** may refuse to pay a claim or reduce the amount **we** pay (to the extent to which **we** are prejudiced in respect of the claim as a result of **your** delay in notifying **us**). If **we** agree to the changes **you** tell **us** about, **we** will confirm this in writing. When **you** contact **us** to inform **us** of any of these above matters occurring or having occurred, **we** may need to agree with **you** that one of the following changes is made in order to continue **your** cover:

- ▼ impose an additional excess,
- ▼ charge extra premium; or
- ▼ apply a special condition to **your policy**.

## 2. Your obligations

**You** must:

- (a) make a genuine attempt to comply with obligations enforced under taxation law;
- (b) lodge **your tax return** or statement on time;
- (c) engage a registered **tax agent** or BAS agent to lodge **your return** or statement;
- (d) not make any false or misleading statement;
- (e) provide your **tax agent** or BAS agent with details of all **your** assessable income; and
- (f) have the necessary records to prove expense claims.

## 3. Your obligations – Self Managed Superannuation Fund (SMSF)

**You** must:

- (a) lodge an annual **return** once the audit of **your SMSF** has been finalised;
- (b) lodge **your SMSF** annual **return** by the due date;
- (c) pay the supervisory levy with **your SMSF** annual **return**;
- (d) ensure **your SMSF** is set up and maintained correctly (NAT 71923);
- (e) ensure **your SMSF** has a trust deed that forms part of the governing rules for operating **your** fund;

- (f) prepare and implement an investment strategy and ensure it is reviewed regularly;
- (g) ensure **your** fund's assets are protected to provide benefits in retirement; and
- (h) seek independent financial advice from a qualified **SMSF** professional.

#### 4. Transfer of interest

No interest in this **policy** can be transferred without **our** written consent.

#### 5. Changes in or waivers of the policy

No changes in the **policy** will be valid unless agreed in writing by **us**.

No waiver of any requirements of the **policy** shall be valid unless it is given to **you** in writing.

#### 6. Authority matters

**You** must:

- (a) submit all taxation and other **returns** within the time limits prescribed by all relevant legislation or regulations or as requested by or on behalf of the relevant **authority** or within the extensions of time granted by the relevant **authority**;
- (b) make full and complete disclosure of all assessable income (including capital gains), as required by any relevant legislation or regulation, and **you** must take care to not omit from any such disclosure any matter or thing without which the disclosure is misleading or likely to mislead any person or **authority** who relies on that disclosure;
- (c) be registered for GST purposes, if required by legislation or regulations; and
- (d) ensure all correspondence, requests or inquiries from an **authority** are dealt with within the required time and where there is no required time, a reasonable time.

#### 7. Commencement and completion of a tax audit

A **tax audit** commences at the time **you** or **your tax agent** first receive notice (verbal or written) of an audit, inquiry, investigation, examination or review.

A **tax audit** is complete when, the earliest of the following occurs:

- (a) the officer authorised by the **authority** has given written notice to that effect;
- (b) the officer authorised by the **authority** notifies **us** in writing of its decision in connection with **your returns** including any written statement which is

intended by such officer to be its findings in connection with a **return** or the basis upon which it proposes to act in connection with a **return**;

- (c) when the officer authorised by the **authority** has issued an assessment or amended assessment of **your returns**; or
- (d) in the absence of subparagraphs (a), (b) or (c), where **your tax agent** declares in writing that such a **tax audit** has been concluded.

## 8. Governing law

The construction, interpretation and meaning of the terms of this **policy** will be determined in accordance with the laws of Australia and the State or Territory where the **policy** was issued. Any disputes relating to the construction, interpretation and meaning of the terms of this **policy** will be submitted to the exclusive jurisdiction of the courts of Australia.

## 9. If your contact details change

**You** must keep **your** contact details, including **your** Australian mobile number, postal address and email address up to date. If **we** do not have up to date contact details **you** might not receive **your** important **policy** documents which could impact whether **you** have cover in place.

# Claims Conditions

These conditions apply to this **policy**.

## 1. Claim notification

For any claim:

- (a) **you** must notify **us** within ninety (90) days of **you** first becoming aware of the first notice of a **tax audit**;
- (b) **you** must keep **us** informed of all developments as they occur;
- (c) **you** must take all reasonable steps to minimise any delays and costs incurred or likely to be incurred, for example by ensuring all correspondence, requests or inquiries from an **authority** is dealt with within the required time and where there is no required time, a reasonable time; and
- (d) **you** must submit to **us** all accounts for **professional fees** that relate to **your** claim upon completion of the tax audit.

## 2. Paying your excess

**You** must pay the excess that applies to claims under this **policy**. Any excess that is applied to **your** claim must be paid in full prior to final settlement of that claim.

## 3. Notification of other insurance

In the event of a claim **you** must provide **us** with the details of any other insurance that provides cover for the claim to enable **us** to exercise **our** right to seek contribution from the insurer of that other insurance.

## 4. Conduct towards us

**You** must not behave in a way that is abusive, dangerous, hostile, improper or threatening when engaging with **us** and **our** service providers.

## When we may refuse a claim /reduce what we pay/ cancel your policy

**We** may refuse to pay a claim, or **we** may reduce the amount **we** pay **you** if:

- (a) **you** have not complied with **your** duty of disclosure;
- (b) **you**:
  - (i) are not truthful;
  - (ii) have not given **us** full and complete details; or
  - (iii) have not told **us** something when **you** should have, when applying for the insurance, or when making a claim.
- (c) **you** have not complied with any of the conditions of **your policy**; or
- (d) cover is excluded by the **policy**.

## Part F: Your Tax Probe Plus Insurance Cover

This **policy** provides cover for **professional fees** (such as accountant's fees) incurred by **you** in connection with a **tax audit**, review or investigation of a **return** by the Australian Taxation Office, or by a Commonwealth, State or Territory department, body or agency.

**You** can claim for **professional fees** as described under "Insuring Clause – What we cover" if:

- ▼ the **tax audit** was commenced and is notified to **us** during the **period of insurance**; and
- ▼ the claim is not excluded under "What we exclude"

### ✓ Insuring Clause – What we cover

**We** cover **professional fees** reasonably and necessarily incurred by **you** in connection with a **tax audit** by an **authority**, which is commenced and notified to **us** during the **period of insurance**.

The type and extent of cover under this **policy** will depend on whether **you** select:

- (a) Business Audit Only – with Investigation Cover (which provides cover under this **policy** excluding Extra Cover 2 – Directors' Personal Tax Returns and Extra Cover 3 – Self Managed Superannuation Fund); or
- (b) Business AND Directors Audit – with Investigation Cover (which provides cover under this **policy** including Extra Cover 2 – Directors' Personal Tax Returns but excludes Extra Cover 3 – Self Managed Superannuation Fund); or
- (c) Individual Cover (which provides cover under this **policy** for **insureds** who are not companies but excludes Extra Cover 2 – Directors' Personal Tax Returns and Extra Cover 3 – Self Managed Superannuation Fund); or
- (d) Self Managed Superannuation Fund Cover (which provides cover under this **policy** excluding Extra Cover 2 – Directors' Personal Tax Returns but includes Extra Cover 3 – Self Managed Superannuation Fund).

## **x What we exclude**

### **1. Returns not prepared by a tax agent**

Any **professional fees** relating to, arising from or in connection with any income **return** that has not been prepared or reviewed prior to dispatch by **your tax agent**. However, this exclusion does not apply to any **return** for:

- (a) Goods and Services Tax;
- (b) income derived from:
  - (i) any payment under a contract of employment of service between **you** and any other person, company or entity, other than when that payment is paid by a company for which **you** are a director or have a controlling interest;
  - (ii) any payment from superannuation, pension or other retirement benefit; or
  - (iii) personal investments that **you** are not wholly or mainly dependent on.

### **2. Representations, errors in information and improper conduct**

Any **professional fees** relating to, arising from or in connection with:

- (a) **you** or **your tax agent** making a statement to the **authority** that is false or misleading except that this exclusion will not apply where a false or misleading statement results from **you** being misled by the **authority** or where **you** did not and could not be expected to know that a statement was false or misleading;
- (b) any fraudulent act or fraudulent omission or statement made to an **authority** arising from any act committed deliberately or with **your** wilful intent;
- (c) an **authority**, or its authorised representative, having assessed **your** behaviour as being a case of **intentional disregard** or **recklessness**;
- (d) any **return** lodged or submitted dishonestly or fraudulently where the supporting documents have been falsely created or collected; or
- (e) any error or deficiency with information already provided to the relevant **authority** which **you** do not notify to the relevant **authority** within ninety (90) days of **you** discovering the error or deficiency with the information.

## **x What we exclude (cont'd)**

### **3. Delay**

Any **professional fees** relating to, arising from or in connection with:

- (a) a **tax audit** which is commenced due to **your** failure to lodge taxation or any other **return** within the time limit prescribed by law or within the extended time granted by an **authority**;
- (b) a **tax audit** which is commenced due to **your** failure to pay all taxes by the due date or within any extension of time granted by the **authority**; or
- (c) **your** failure to respond to the **authority** within the time it has specified for **you** to give **your** response.

### **4. Imposition of penalties**

The imposition of or the seeking to impose any tax, penalty tax, costs, interest, fine or penalty by any **authority**, court or tribunal.

### **5. Shortfall tax audits**

Any **professional fees** relating to, arising from or in connection with a **tax audit** where an **authority** imposes or seeks to impose a penalty due to any **shortfall amount**, or part of that amount, resulting from:

- (a) **intentional disregard** of a **designated tax** by **you** or **your tax agent**; or
- (b) **recklessness** by **you** or **your tax agent** as to the operation of a **designated tax**.

### **6. Subrogation agreements**

Any amount that **you** are unable to recover because of a contract or agreement that **you** have entered into that excludes or limits **your** rights to recover that amount.

### **7. Territorial limitations**

- (a) Any tax **return**:
  - (i) prepared by a person who ordinarily resides outside Australia and its external territories; or
  - (ii) for a company, firm or entity which operates outside Australia and its external territories.
- (b) Any **professional fees** that are:
  - (i) associated with any **return** lodged outside Australia and its external territories; or



## x What we exclude (cont'd)

- (ii) in respect of any person or organisation ordinarily resident outside Australia and its external territories.

### 8. Prior tax audits

Any claim arising from or in connection with any **tax audit** for which verbal or written notice or information was received by **you** or **your tax agent** before the inception of this **policy**.

### 9. Unjustified refusal or failure to comply

Any claim or claims caused by or arising from any improper, unwarranted or unjustified refusal or failure to comply with any lawful request made by the **authority**.

### 10. Professional fees after completion of tax audit

Any **professional fees** incurred after the **tax audit** has been completed.

### 11. Other Matters

- (a) Any **professional fees** relating to, arising from or in connection with:
  - (i) any criminal prosecution;
  - (ii) any **tax audit** relating to customs legislation;
  - (iii) any **tax audit** conducted by the Australian Prudential Regulation Authority; or
  - (iv) any **tax audit** that includes a refund or claim for tax or duty relief arising out of an arrangement, facility, financial structure or the like adopted for the principal purpose of obtaining that refund or relief, unless the arrangement has received prior written approval from the relevant government or government authority or agency before being offered to **you** or the general public;
- (b) Any claim or claims caused by, arising from or in connection with:
  - (i) amounts sought by any amended notice of assessment, additional tax, duty government impost or the like;
  - (ii) costs to pursue or defend any legal actions against **you** or initiated by **you** (unless it is agreed to by **us**);

## **x What we exclude (cont'd)**

- (iii) any inquiry from an **authority** which is not related to either an identified intention to conduct a **tax audit** or is not directed at obtaining information or **data** for a possible future **tax audit**;
- (iv) any routine enquiries, or enquiries from a **tax agent** which are not identified as being either preliminary to, or relating to a **tax audit** of a **return**; or
- (v) any form of activity involving a periodic review, routine inquiry or compliance review relevant to **you** maintaining industry status, licence, compliance, membership, any form of workplace health and safety compliance or similar requirements.

### **12. Sanctions**

**We** will not provide any cover, pay any claim, make any payment (including any refund), or provide any benefit under this **policy**, if doing so will contravene or violate any sanction, prohibition, restriction, proscription or prevention under any sanctions, laws or regulations, including but not limited to sanctions, laws or regulations of Australia, New Zealand, the European Union, the United Kingdom or the United States of America or those set out in any United Nations resolutions.

# Extra Covers

If a claim for **professional fees** is covered by this **policy**, **we** will also pay or provide the following Extra Covers.

Subject to Extra Cover 1 – Reinstatement, the maximum **we** will pay for all claims under both the "Insuring Clause – What we cover" and Extra Covers in total in any one (1) **period of insurance** is the **insured amount** shown on **your policy schedule**.

## 1. Reinstatement of insured amount

### ✓ What we cover

If **we** pay an amount for a claim under this **policy**, **we** will automatically reinstate the **insured amount** shown on **your policy schedule**. **You** will not have to pay any additional premium.

## 2. Directors' personal tax returns

### ✓ What we cover

If **your policy schedule** shows that **you** have selected "Business and Directors Audit – with Investigation Cover" and **you** are a company and the directors' work full time in the business, **we** will also pay for the **professional fees** reasonably and necessarily incurred by each director in connection with a **tax audit** by an **authority** of the director's personal income tax **return** that are lodged with that **authority**, respectively, which is commenced and notified to **us** during the **period of insurance**.

This Extra Cover only covers a **tax audit** of each director's personal income tax **return** that was prepared by the same **tax agent** that prepared the income tax **return** for the business for that same year.

The amounts payable under this Extra Cover are included in, and do not apply in addition to, the "Business and Directors Audit – with Investigation Cover" **insured amount**.

### ✗ What we exclude

This Extra Cover will not apply if **your policy schedule** shows that **you** have selected "Business Audit Only – with Investigation Cover", "Individual Cover" or "Self Managed Superannuation Fund Cover".

### 3. Self Managed Superannuation Fund

#### ✓ What we cover

If **your policy schedule** shows that **you** have selected "Self Managed Superannuation Fund Cover", **we** will also pay for the **professional fees** in connection with an appeal to reconsider a **reviewable decision** to the Administrative Appeals Tribunal provided that **you** supply **us** with:

- (a) written evidence that the appeal has reasonable prospects of success; and
- (b) any other documents and information **we** reasonably require in relation to the audit of the **self-managed superannuation fund** or the appeal.

The amounts payable under this Extra Cover are included in, and do not apply in addition to, the "Self Managed Superannuation Fund Cover" **insured amount**.

#### ✗ What we exclude

This Extra Cover will not apply if **your policy schedule** shows that **you** have selected "Business Audit Only – with Investigation Cover", "Business and Directors Audit – With Investigation Cover", or "Individual Cover".

### 4. Travel and accommodation expenses

#### ✓ What we cover

**We** will reimburse **you** for travel and accommodation expenses incurred by **you** or **your employees** if they are reasonably and necessarily incurred to substantiate a claim.

## What we will pay

Subject to Extra Cover 1 – Reinstatement of insured amount, if **your policy schedule** shows the cover **you** have selected is:

- (a) Business Audit Only – with Investigation Cover, then the most **we** will pay for a **tax audit** commenced during the **period of insurance** is the **insured amount** specified in **your policy schedule**; or
- (b) Business AND Directors Audit – with Investigation Cover, the most **we** will pay for a **tax audit** commenced during the **period of insurance** relating to a **tax audit** of:
  - (i) the **policyholder** named in **your policy schedule** or any company, firm, partnership or trust in which the **policyholder** named in **your policy schedule** holds 50% or more ownership, interest or shareholding; and
  - (ii) each director named in **your policy schedule**, is the **insured amount** specified in **your policy schedule**; or
- (c) Individual Cover, the most **we** will pay for a **tax audit** commenced during the **period of insurance** relating to the **individual** named in the **policy schedule** as **policyholder** is the **insured amount** specified in **your policy schedule**; or
- (d) Self Managed Superannuation Fund Cover, the most **we** will pay in respect of a **tax audit** commenced during the **period of insurance** (including the **professional fees** in connection with an appeal of a **reviewable decision**) relating to any or all of the **self managed superannuation funds** recorded in the **policy schedule** is the **insured amount** specified in **your policy schedule**.

## When we will pay

**We** will pay the **professional fees** reasonably and necessarily incurred by **you** in connection with assisting **you** to respond to an official **tax audit** by an **authority** where:

- (a) **your** claim is covered under “Insuring Clause – What we cover”;
- (b) **your** claim is not excluded under “What we exclude”; and
- (c) the **tax audit** has been completed (as defined in Policy Condition 7 - "Commencement and completion of a tax audit" above).

# Definitions

The following words have the following meanings for this **policy**.

## Authority

Means:

- (a) the Australian Taxation Office;
- (b) a revenue office of an Australian State or Territory;
- (c) a Commonwealth, State or Territory government department, body or agency, duly authorised to conduct a **tax audit**.

## Designated tax

Means any tax assessable in accordance with the provisions, as those laws are amended, and includes any associated regulations, of the following legislation:

- (a) Income Tax Assessment Act 1936 (Cth);
- (b) Income Tax Assessment Act 1997 (Cth);
- (c) Taxation Administration Act 1953 (Cth);
- (d) Fringe Benefits Tax Assessment Act 1986 (Cth);
- (e) A New Tax System (Goods and Services Tax) Act 1999 (Cth);
- (f) Superannuation Guarantee (Administration) Act 1992 (Cth); or
- (g) any legislation of an Australian State or Territory relating to payroll tax.

## Endorsement or Endorsements

Means a written change or addition made to the **policy**. Any endorsement or endorsements which apply to the **policy** will form part of the **policy** and be specified in **your policy schedule**, unless **we** send **you** the endorsement separately.

## Individual

Means:

- ▼ sole trader; or
- ▼ a partner in a partnership.

Note: Each "partner" will need to have a separate policy.

However, an **Individual** does not include:

- ▼ an employee; or
- ▼ any trust beneficiary; or
- ▼ any Director who is not covered under the "Business AND Directors Audit – with Investigation Cover".

### Input tax credit(s)

Means the amount **you** are entitled to claim as a credit against GST that **you** have paid.

### Insured amount

The amount shown as the insured amount in **your policy schedule**.

### Intentional disregard

Means **you** are fully aware of a clear tax obligation and **you** disregard the obligation with the intention of bringing about certain results (e.g. underpaying tax or over-claiming an entitlement).

### Period of insurance

Means the period of time specified in **your policy schedule** during which insurance is provided under the **policy**.

### Policy

Means your insurance contract. It consists of this policy wording, any **endorsements** and **your policy schedule**.

### Policyholder

Means the sole trader, a partner or a business entity named as such in **your policy schedule**.

### Policy schedule

Means the record of particulars of **your** insurance forms part of this **policy**. **Your policy schedule** is issued when we have accepted **your** insurance.

At each renewal of **your policy**, the renewal **policy schedule** becomes your current **policy schedule**.

Updated **policy schedules** or **endorsements** may also be sent to **you** showing alterations to **your policy**.

### Professional fees

Means fees, costs and disbursements payable to a **tax agent** or professional person (other than **you** or **your employee**) in connection with a **tax audit** by an **authority**.

Professional fees does not mean any fees, costs or disbursements:

- (a) charged by a **tax agent** for administrative services;
- (b) that relate to any subsequent objection lodged with an **authority** in respect of a **tax audit**;

- (c) that relate to, or are associated with the preparation of any accounts, financial statements or documents which would or should have been ordinarily or prudently prepared prior to or at the time that the lodgement of any **return** or documents was required to be lodged;
- (d) incurred after the **tax audit** has been completed; or
- (e) incurred 12 months or more after the commencement date of a **tax audit** other than when **you** can reasonably demonstrate that the delay in completing the **tax audit** was caused primarily by the **authority**.

### Recklessness

Means a reasonable person in the same circumstances would have been aware that there was a real risk of a **shortfall amount** arising and **you** or **your tax agent** disregarded, or showed indifference to, that risk.

### Return

Means any return legally required to be, and that is actually lodged with, an Australian Commonwealth, State or Territory government department, body or agency by **you** or on **your** behalf.

### Reviewable decision

Has the meaning given by section 10 of the Superannuation Industry (Supervision) Act 1993.

### Self-managed superannuation fund/SMSF

Has the meaning given by section 17A of the Superannuation Industry (Supervision) Act 1993.

### Shortfall amount

A shortfall amount arises when:

- (a) **your** tax related liability, worked out on the basis of **your** disclosure or statement, is less than it would be if the disclosure or statement was not false or misleading; or
- (b) an amount the **authority** must pay or credit to **you** under a **designated tax**, worked out on the basis of **your** disclosure or statement, is more than it would be if the disclosure or statement was not false or misleading.



## Tax agent

Means any person who is recognised by the **authority** as a registered tax agent, as appropriate to the type of **designated tax**, who prepares **returns** or statements required by that **authority** in respect of **your** liability to pay a **designated tax**, including supervision of the preparation of, and review prior to dispatch of, those **returns** or statements.

Tax agent does not mean **you** or a person working for **you** under a contract of employment.

## Tax audit

Means:

- (a) the audit by an **authority** of a **return** in respect of **your** liability to pay any **designated tax** (including the amount of tax payable or refundable) following lodgement of a **return** for that **designated tax**;
- (b) any official inquiry, investigation, examination or review undertaken by an **authority** in respect of **your** liability to pay any **designated tax** (including the amount of tax payable) following lodgement of a **return** for that **designated tax**;
- (c) a workers' compensation wage audit or investigation by an **authority** in respect of **your** liability to pay a workers' compensation premium; or
- (d) the audit by an **authority** of a director's personal income tax return only to the extent that Extra Cover 2 – "Directors' personal tax returns" applies.

If an official inquiry, investigation, examination or review referred to in paragraph (b) above escalates or results in an audit as referred to in paragraph (a) above, then this would be **viewed** as one **tax audit** for the purposes of this **policy**.

Where "Self Managed Superannuation Fund Cover" is specified in **your policy schedule**, **tax audit** will also mean any audit of a **self-managed superannuation fund** recorded in **your policy schedule** for the purpose of determining any matter relating to that fund, or its trustees' compliance with any of the provision of the Superannuation Industry (Supervision) Act 1993.

## We/us/our

Means AAI Limited ABN 48 005 297 807 AFSL 230859 trading as Vero Insurance.

## You/Your/Yours

Includes:

- (a) the business entity named as the **policyholder**;
- (b) any company, firm, partnership or trust in which **you** hold a 50% or more ownership, interest or shareholding; and
- (c) any director but only to the extent that Extra Cover 2 – "Directors" personal tax returns' applies.



AAI Limited ABN 48 005 297 807, AFSL 230859  
trading as Vero Insurance, is the insurer and issuer  
of this insurance.

