



# Tax Probe<sup>®</sup> Plus

Policy Wording

vero 



# Tax Probe<sup>®</sup> Plus Policy Wording

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# Welcome to Vero

Supported by over 180 years of experience, Vero provides market leading insurance products and solutions to businesses of all sizes. From small start-ups right through to some of Australia's largest corporations, **our** focus is to help **you** succeed in business.

Through a strong network of brokers, agents and corporate partners, **we** offer insurance products in property, small business, commercial motor, professional indemnity, construction and engineering, liability, travel, marine and personal insurance.

At Vero, **we** cover the risks today so **you** can focus on **your** future.

Vero Insurance is a member of the Suncorp Group of companies.

## 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: 13 18 13
- ▼ 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 the **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 the **policy schedule**, unless **we** state otherwise in the **policy**.

The Policy Conditions listed on pages [insert #] and Claims Conditions listed on pages [insert #] 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 the **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 29 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.

# 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 cancel and return the insurance **policy** by notifying **us** in writing within 30 days of the date it was issued to **you** ("cooling off period"), unless **you** wish to make or have made a claim under the **policy** within the cooling off period.

If **you** cancel **your policy** during the cooling off period, **we** will return the amount **you** have paid.

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

If **you** cancel the variation during the additional cooling off period, **we** will return the amount **you** have paid for that variation.

To cancel **your policy** at other times, please see "Cancellations" on page 6.

## The amount of your premium

The premium is the amount **you** pay **us** for this insurance and is specified in the **policy schedule**. It includes stamp duty, Goods and Services Tax (GST) and other government charges that apply. The amount of these taxes and charges will be specified in the **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** can withdraw a discount at any time. Changes will not affect the premium for an existing **policy** during its current **period of insurance**.

## Paying your premium

**You** can pay in one annual payment or, if **we** agree, by instalments.

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

**You** must pay the premium and other charges by the due date to obtain this insurance cover.

Any payment reminder **we** send **you** does not change the expiry or due date, unless **we** tell **you** otherwise. If **you** do not pay the premium and other charges in full, **we** may reduce the **period of insurance** so it is in line with the amount **you** paid.

Where **you** do not pay **your** premium by the due date for the first period of insurance with **us**, **we** can cancel **your policy**. Where **you** do not pay the premium for renewal by the due date, then the renewal **policy** will not commence and **your** cover will end at the expiry of the previous period of insurance.

If **we** accept **your** late payment, **we** may recommence **your** cover from the date **we** received **your** payment. If so, **you** will not have any cover from the expiry of the previous period of insurance until the date of payment.

If **you** change **your policy** **you** may be required to pay an additional premium. Where a change to **your policy** results in a premium increase, **you** will have to pay the amount by which **your** premium has increased by the due date to obtain the varied insurance cover.

## Cancellations

**You** can cancel **your policy** at any time by telling **us you** want to cancel it. 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 portion of the period of insurance less any non-refundable government charges if the refund is more than \$10.

**We** can cancel **your policy** at any time according to law. If **we** cancel **your policy**, **we** will refund the proportion of **your** premium for the unexpired period of insurance less any non-refundable government charges if the refund is more than \$10. If **we** cancel **your policy** due to fraud, **we** will not refund any money to **you**.

If **you** pay by monthly instalments and an instalment is unpaid for more than 1 month, **we** can cancel **your policy**. **We** will send **you** a notice in writing regarding **your** non-payment at least 14 days before any cancellation by **us** for non-payment. If after sending the above notice **we** do not receive the instalment payment, **we** will send **you** a second notice in writing either:

- ▼ prior to cancellation, informing **you** that **your** instalment policy is being cancelled for non-payment; or
- ▼ within 14 days after cancellation by **us**, confirming our cancellation of **your** instalment policy.

## 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 the **policy schedule**.

**You** may be required to pay one or more **excesses**. For example, an **endorsement** may have its own **excess** which may be in addition to any other **excess** that applies to a claim.

## Fraudulent claims

If **you**, or anyone acting on **your** behalf, or with **your** knowledge, makes a claim that is false or causes loss or damage 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, Income Tax Regulations 1936, Tax Administration Act 1953, Tax Administration Regulations 1976, 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 Financial Ombudsman Service Australia 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.

## 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.

## 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.

## 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 [claims@vero.com.au](mailto:claims@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.

If **you** have a complaint concerning this product or **our** services, please tell the people who provided **your** initial service or contact **us** by:

Telephone: 1800 689 762

Mail: Reply Paid 1453  
Customer Relations Unit RE058,  
GPO Box 1453 Brisbane QLD 4001 or

Email: [customer.relations@suncorp.com.au](mailto:customer.relations@suncorp.com.au)

## What we will do to resolve your complaint

When **you** first let **us** know about **your** complaint or concern, **we** will review **your** complaint, consider the facts and attempt to resolve it by the end of the next working day.

If **we** cannot resolve **your** complaint to **your** satisfaction within 5 working days, **we** will contact **you** to agree to a reasonable alternative time frame. **We** will endeavour to send **you our** final decision within 15 working days from the date **you** first made **your** complaint provided **we** have all necessary information and have completed any investigations required.

If **you** are not satisfied with **our** decision, at **your** request **we** will refer **your** complaint to **our** Internal Dispute Resolution (IDR) team. **Our** IDR team will review **your** complaint and endeavour to send **you** their final decision within 15 working days from the date **your** complaint was referred to them. If **our** IDR team requires further information, assessment or investigation of **your** complaint, they will contact **you** to agree to a reasonable alternative timeframe to resolve **your** complaint.

For more information on **our** complaints handling process, please contact **us**.

## What if you are not satisfied with our final IDR decision?

**We** expect **our** procedures will provide **you** with a fair and prompt resolution to **your** complaint. If, **however** **you** are not satisfied with **our** final decision or if **we** have not been able to resolve the complaint to **your** satisfaction within 45 days, **you** may be able to take the complaint to the Financial Ombudsman Service Australia (“FOS”).

The FOS is an independent external dispute resolution scheme and its service is free to **our** customers.

**You** can contact the FOS by:

- ▼ Telephone: 1800 FOS AUS or 1800 367 287
- ▼ Mail: Financial Ombudsman Service Australia  
GPO Box 3  
Melbourne VIC 3001
- ▼ Email: [info@fos.org.au](mailto:info@fos.org.au) or
- ▼ Website: [www.fos.org.au](http://www.fos.org.au)

The FOS will tell **you** if they can help **you**.

**We** agree to accept a FOS determination, **however** **you** have the right to take legal action if **you** do not accept their decision.

If **you** want more information on the FOS, please ask **us** for a brochure.

## Part D: Other information

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

In addition to the premium, **we** will charge **you** an amount on account of GST.

**You** must inform **us** of the extent to which **you** are entitled to an **input tax credit** (ITC) for **your** premium and claim each time that **you** make a claim under this **policy**. No payment will be made to **you** for any GST liability, fine or charge that **you** may incur for your premium or on the settlement of a claim if **you** do not inform **us** of **your** entitlement or correct entitlement to an ITC.

GST has an impact on the way in which claim payments are calculated under **your policy**. **We** will calculate the amount of any payment **we** make to **you** having regard to **your** GST status. The amount **we** pay **you** for any claim 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 were **you** to have made a relevant acquisition.

If **you** are not entitled to an ITC on **your policy** premium, all **insured amounts** stated in **your policy** are GST inclusive (unless **your policy** states otherwise).

If **you** are entitled to an ITC on any part of **your policy** premium, the **insured amounts** stated in **your policy** are exclusive of GST to the extent of **your** ITC entitlement.

In respect of **your policy**, where **you** are registered for GST purposes, **you** should calculate the **insured amounts** having regard to **your** entitlement to **input tax credits**. **You** should, therefore, consider the net amount (after all **input tax credits** have been taken into account) which is to be insured and calculate and advise to **us** 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** particular 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. A copy of the Code can be obtained from the Insurance Council of Australia by:

▼ Telephone: (02) 9253 5100 or 1300 728 228

▼ Website: [www.insurancecouncil.com.au](http://www.insurancecouncil.com.au)

# Part E: Terms and Conditions

## Policy Conditions

These conditions apply to this 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 **business** is permanently discontinued;
- (b) the nature of or type of **business** carried on by **you**;
- (c) **your** interest in the **policy** ceases, including by operation of law; and
- (d) **you** or the **business** are insolvent, wound up or subject to external administration.

**You** must immediately notify **us** of any of the above changes or any other changes that may increase the risk insured under **your policy**.

If **we** agree to the changes **you** tell **us** about, **we** will confirm this in writing. In some cases, **we** may only agree to continue to insure **you** under this **policy** if **you** agree to pay **us** an additional premium.

### 2. Reasonable care and reducing risk

**You** must take all reasonable steps to ensure that **you**:

- (a) employ only competent employees;
- (b) comply with all laws, statutory obligations, by-laws, regulations, public authority requirements and safety requirements;
- (c) keep any account books, records or documents related to preparing your **return** for at least five years after they are prepared or the transaction is completed (whichever occurs last); and
- (d) keep accurate records of **your** tax or superannuation transactions.

### 3. Other interests

**You** must tell **us** if **you** want **us** to insure the interests of any third party beneficiaries under this **policy**. If **we** agree to insure the interest of a third party beneficiary this will be specified in the **policy schedule**.

If a third party beneficiary's interest is not recorded in the **policy schedule**, insurance cover will not extend to their interest and they will not be able to make a claim under this **policy**. All third party beneficiaries must comply with all the terms and conditions of **your policy**, including without limitation, the obligation to notify **us** and give **us** details of any other insurance that insures any risk insured by this **policy**.

### 4. Transfer of interest

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

### 5. Notification of other insurance

**You** must notify **us** of any other insurance that insures any risk insured by this **policy** and provide **us** with the details of the other insurance.

### 6. 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.

### 7. Multiple insured parties

Where there is more than one person or organisation insured under this **policy**:

- (a) any notice given by **us** under this **policy** to any one of **you** specified in the **policy schedule** will be deemed to be notice given to all of **you**;
- (b) any misrepresentation or fraudulent actions or statements made by any person or organisation will be deemed to be made by all of **you**; and
- (c) any claim made by any person or organisation will be deemed to be a claim made by all of **you**.

### 8. Keeping us up to date

**You** must tell **us** at the commencement of the **policy** and at each renewal of any change to **your** business structure or if any persons covered by this **policy**, including **you**, has:

- (a) been charged with or convicted of any tax offence;
- (b) participated in any tax avoidance scheme or undertaking;

- (c) been subject to an audit or review by any Commonwealth, State or Territory department, body or agency for any matter;
- (d) 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;
- (e) incurred a culpability component imposed due to reckless or deliberate tax evasion or similar offence.

## 9. 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 reasonable 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.

## 10. 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:

- (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.

# Claims Conditions

**You** must comply with these conditions if an event occurs which may lead to or results in a claim. If **you** do not comply with these conditions, **we** may refuse **your** claim or reduce the amount **we** pay **you**.

## 1. Claim notification

For any claim:

- (a) **you** must notify **us** within thirty (30) 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 necessary and reasonable steps to minimise any delays and costs incurred or likely to be incurred;
- (d) **we** have the right to directly access **your tax agent** and lawyers and any documented advice they have given **you** relevant to the **tax audit**;
- (e) **you** must ensure **your tax agent** will assist **us** with any matter **we** may pursue with the **authority**; and
- (f) **you** must submit to **us** all accounts for **professional fees** that relate to **your** claim upon completion of the **tax audit**.

## 2. Cooperation

**You** must co-operate and provide **us** with all reasonable assistance in connection with any investigation, negotiation, recovery, defence, legal proceeding or settlement of any claim including doing all things necessary to allow **us** to take over legal proceedings **you** are party to.

## 3. Conduct of claims

**We** are entitled to conduct claims and proceedings. This includes the right to takeover and conduct in **your** name the defence or settlement of any claim or proceeding. At all times **we** have the right to make admissions, negotiate and settle a claim or proceeding on terms **we** consider appropriate. **You** are not permitted to make any admission of liability, offer, promise or payment without **our** written consent. **We** may engage legal or other representatives to assist in the conduct of a claim and proceedings.

## 4. 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 settlement of that claim.

**We** have no liability to **you** under this **policy** until **you** have paid the **excess**. If the **excess** has been requested but remains unpaid **we** may:

- (a) decline to settle the claim pending full payment of the **excess**; or
- (b) deduct the **excess** from the settlement.

The **excess** that applies will depend on the circumstances of the claim and is specified in the **policy schedule**. When multiple **excesses** apply, **you** might have to pay more than one type of **excess** when **you** make a claim. **We** will tell **you** how to pay **your excess** and who to pay it to.

## 5. Rights of recovery

If **you** have suffered loss or damage as a result of an event or occurrence covered, or partially covered by this **policy**, then **we** have the right and **you** permit **us** to take action or institute legal proceedings against any person, company or entity legally liable to **you** for the recovery of **your** insured, underinsured or uninsured losses, payments made and expenses in relation to the event or occurrence (Your Loss). Any action or legal proceeding will be commenced in **your** name. **You** must provide **us** with all information and reasonable assistance in the recovery of Your Loss, including providing **us** with any documents that prove Your Loss.

If **you** have commenced action or instituted legal proceedings against any person, company or entity legally liable to **you** for Your Loss, **we** have the right and **you** permit **us** to take over and continue that action or legal proceeding. **You** must provide **us** with all information and reasonable assistance in the recovery of Your Loss, including providing **us** with any documents that prove Your Loss.

Where recovery of Your Loss forms part of any representative proceeding which has not been instituted under **our** instructions, **we** have the right and **you** permit **us** to exclude Your Loss from that representative proceeding for the purpose of including Your Loss in a separate representative proceeding which is or will be instituted under **our** instructions (Our Representative Proceeding). **You** must provide **us** with all information and reasonable assistance in the recovery of Your Loss as part of Our Representative Proceeding, including providing **us** with any documents that prove Your Loss.

**You** must not enter into any agreement, make any admissions or take any action or step that has the effect of limiting or excluding **your** rights and **our** rights to recover Your Loss without first obtaining **our** approval in writing to do so.

## When we may refuse a claim

**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**:
  - ▼ are not truthful;
  - ▼ have not given **us** full and complete details; or
  - ▼ have not told **us** something when **you** should have,  
when applying for the insurance, or when making a claim.
- (c) **you** are paying by instalments and you are 14 days (or more) late in paying an instalment;
- (d) **you** have not complied with any of the conditions of **your policy**;
- (e) **you** do any of the following without **us** agreeing to it first:
  - ▼ make or accept any offer or payment or in any other way admit **you** are liable,
  - ▼ settle or attempt to settle any claim, or
  - ▼ defend any claim;
- (f) cover is excluded by the **policy**.

# Part F: Your Tax Probe Plus Insurance Cover

This **policy** covers **professional fees** (such as accountant's fees) incurred by **you** in connection with a **tax audit** 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 "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"

## ✓ 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 excludes 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 includes Extra Cover 2 – Directors' Personal Tax Returns but excludes Extra Cover 3 – Self Managed Superannuation Fund); or
- (c) Individual Cover (which provides cover 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 excludes 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) prescribed sales 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;
  - (i) any payment from superannuation, pension or other retirement benefit; or
  - (ii) 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 deliberate evasion 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 10 business days of **you** discovering the error or deficiency with the information.

## **x What we exclude (continued)**

### **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.

## **x What we exclude (continued)**

### **7. Territorial limitations**

#### **(a) Any tax return:**

- (i) prepared by a person who ordinarily resides outside Australia and its external territories; or
- (i) 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
- (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 Section.

### **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.

## x What we exclude (continued)

### 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**);
  - (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 occupational health and safety compliance or similar requirements.

# Extra Covers

If **we** agree to pay a claim for **professional fees**, **we** will also pay or provide the following Extra Covers.

## 1. Reinstatement of insured amount

### ✓ What we cover

If **we** pay an amount for a claim, **we** will automatically reinstate the **insured amount**. **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 cover 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 returns that are lodged with that **authority** which is commenced and notified to **us** during the **period of insurance**.

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

### x What we exclude

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**.

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 cover the **professional fees** in connection with an appeal to reconsider a **reviewable decision** to an administrative 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.

#### ✗ What we exclude

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**.

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 pay

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

## When we pay

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

- (a) **your** claim is covered under “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 10 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 amended, of the:

- (a) Income Tax Assessment Act 1936 (Cth);
- (b) Income Tax Assessment Act 1997 (Cth);
- (c) Fringe Benefits Tax Assessment Act 1986 (Cth);
- (d) A New Tax System (Goods and Services Tax) Act 1999 (Cth);
- (e) Superannuation Guarantee (Administration) Act 1992 (Cth);
- (f) Termination Payments Tax (Assessment and Collection Act ) 1997 (Cth);
- (g) Sales Tax Assessment Act 1930 (Cth);
- (h) Sales Tax Assessment Act 1992 (Cth); or
- (i) any law 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 the **policy schedule**, unless **we** send **you** the endorsement separately.

## Input tax credit

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

## Insured amount

The maximum amount that **we** will pay under the **policy** as specified in the **policy schedule**. The insured amount includes GST.

## Period of insurance

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

## Policy

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

## Policyholder

Means the person or entity named as such in the **policy schedule**.

## Policy schedule

Means the policy schedule forming part of the **policy**. If the **policy** is renewed, the renewal schedule becomes your current policy schedule.

## 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 after 12 months from the commencement date of a **tax audit** other than when **you** can demonstrate to **our** satisfaction that the delay in completing the **tax audit** was caused primarily by the **authority**.

## 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

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:
  - (i) was not false or misleading; or
  - (ii) did not treat a **designated tax** as applying in a way that was not reasonably arguable.
- (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:
  - (i) was not false or misleading; or
  - (ii) did not treat a **designated tax** as applying in a way that was not reasonably arguable.

## 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 the **policy schedule**, tax audit will also mean any audit of a **self-managed superannuation fund** recorded in the **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 **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.



PDS prepared 12 August 2016

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

