

Audit Insure

QBE Insurance (Australia) Limited

Commercial Accident Insurance Policy



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About this booklet

There are two parts to this booklet. The first part is Important Information about this Policy including information about how we'll protect your privacy and how to make a complaint or access our dispute resolution service.

The second part is your Policy Wording which sets out the detailed terms, conditions and exclusions of the Policy.

Because we don't know your own personal circumstances, you should treat any advice in this booklet as purely general in nature. It doesn't consider your objectives, financial situation or needs. You should carefully consider the information provided with regard to your personal circumstances to decide if it's right for you.

For more information or to make a claim

Please take the time to read through this booklet and if you have any questions, need more information or to confirm a transaction, please contact:

- your financial services provider. The contact details for your financial services provider are set out in the documentation they give you.

The section titled 'Claims' at the end of this booklet tells you the full details about what you need to do in the event of a claim. If you'd like to make a claim or to enquire about an existing claim please contact:

- your financial services provider.

About QBE Australia

QBE Insurance (Australia) Limited ABN 78 003 191 035 AFSL 239545 is a member of the QBE Insurance Group Limited ABN 28 008 485 014 (ASX: QBE). QBE Insurance Group is Australia's largest international general insurance and reinsurance group, and one of the top 25 insurers and reinsurers in the world.

General Information for Audit Insure Policy

In this first part of the booklet we explain important information about this Policy including how we'll protect your privacy and how to make a complaint or access our dispute resolution service.

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, 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; or
- is common knowledge; or
- 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.

The General Insurance Code of Practice

QBE Australia is a signatory to the General Insurance Code of Practice.

The Code aims to:

- Commit us to high standards of service
- Promote better, more informed relations between us and you
- Maintain and promote trust and confidence in the general insurance industry
- Provide fair and effective mechanisms for the resolution of complaints and disputes between us and you
- Promote continuous improvement of the general insurance industry through education and training.

Privacy

We'll collect personal information when you deal with us, our agents, other companies in the QBE group or suppliers acting on our behalf. We use your personal information so we can do business with you, which includes issuing and administering our products and services and processing claims. Sometimes we might send your personal information overseas. The locations we send it to can vary but include the Philippines, India, Ireland, the UK, the US, China and countries within the European Union.

Our Privacy Policy describes in detail where and from whom we collect personal information, as well as where we store it and the full list of ways we could use it. To get a free copy of it please visit qbe.com.au/privacy or contact QBE Customer Care.

It's up to you to decide whether to give us your personal information, but without it we might not be able to do business with you, including not paying your claim.

Resolving complaints & disputes

At QBE we're committed to providing you with quality products and delivering the highest level of service.

We also do everything we can to safeguard your privacy and the confidentiality of your personal information.

Something not right?

We know sometimes there might be something you're not totally happy about, whether it be about our staff, representatives, products, services or how we've handled your personal information.

Step 1 - Talk to us

If there's something you'd like to talk to us about, or if you'd like to make a complaint, speak to one of our staff. When you make your complaint please provide as much information as possible. They're ready to help resolve your issue.

You can also contact our Customer Care Unit directly to make your complaint. Our aim is to resolve all complaints within 15 business days.

Step 2 - Escalate your complaint

If we haven't responded to your complaint within 15 days, or if you're not happy with how we've tried to resolve it, you can ask for your complaint to be escalated for an Internal Dispute Resolution (IDR) review by a Dispute Resolution Specialist.

The Dispute Resolution Specialist will provide QBE's final decision within 15 business days of your complaint being escalated, unless they've requested and you've agreed to give us more time.

Step 3 - Still not resolved?

If you're not happy with the final decision, or if we've taken more than 45 days to respond to you from the date you first made your complaint, you can contact the Financial Ombudsman Service Australia (FOS Australia). FOS Australia is an ASIC approved external dispute resolution body.

FOS Australia resolves insurance disputes between consumers and insurers, at no cost to you. QBE is bound by FOS Australia's decisions - but you're not. You can contact FOS Australia directly and they'll advise you if your dispute falls within their Terms of Reference.

Disputes not covered by the FOS Australia Terms of Reference

If your dispute doesn't fall within the FOS Australia Terms of Reference, and you're not satisfied with our decision then you may wish to seek independent legal advice.

Privacy complaints

If you're not satisfied with our final decision and it relates to your privacy or how we've handled your personal information, you can contact the Office of the Australian Information Commissioner (OAIC).

Contacting QBE Customer Care, FOS or the OAIC

How to contact QBE Customer Care

Phone	1300 650 503 (Monday to Friday from 9am to 5pm, Sydney time, except on public holidays). Calls from mobiles, public telephones or hotel rooms may attract additional charges.
Email	<ul style="list-style-type: none"> • complaints@qbe.com, to make a complaint. • privacy@qbe.com, to contact us about privacy or your personal information. • customercare@qbe.com, to give feedback or pay a compliment.
Post	Customer Care, GPO Box 219, PARRAMATTA NSW 2124

How to contact FOS Australia

Phone	1800 367 287 (Monday to Friday from 9am to 5pm, Melbourne time, except on public holidays)
Email	info@fos.org.au
Online	www.fos.org.au

How to contact the OAIC

Phone	1300 363 992 (Monday to Friday from 9am to 5pm, Sydney time, except on public holidays). Calls from mobiles, public telephones or hotel rooms may attract additional charges.
Email	enquiries@oaic.gov.au
Online	www.oaic.gov.au

Cooling-off information

If you change your mind within 21 days of buying your Policy, you can cancel it and receive a full refund. Naturally, this doesn't apply if you've made or are entitled to make a claim. Even after the cooling off period ends, you still have the right to cancel your Policy. However, we may deduct some costs from any refund, as set out in the Policy Wording under 'Cancelling your Policy'.

To cancel your Policy within the cooling-off period, contact your financial services provider electronically or in writing.

The information contained in this part is general information only and does not form part of your contract with us. The Policy Terms and Conditions in the rest of this booklet contain details of your contract.

Queries about this Policy

If you have any queries regarding this Policy, please visit the website: www.auditinsure.com or feel free to call Underwriting Australia Pty Ltd on (02) 9261 4221 and we will be happy to answer any questions you may have.

Please address any written correspondence to:

Underwriting Australia Pty Ltd
PO Box 20757
World Square NSW 2002.

Policy Terms and Conditions for Audit Insure Policy

Our agreement with you

This Policy is a legal contract between you and us. You pay us the premium, and we provide you with the cover you have chosen as set out in the Policy, occurring during the period of insurance or any renewal period.

The exclusions in the section(s) headed 'When you are not covered' and conditions in the section headed 'General Conditions' apply to all types of cover.

Your Policy

Your Audit Insure Policy consists of the Policy Terms and Conditions in this booklet and the Policy Schedule we give you. This Policy together with your Policy Schedule will provide a detailed description of the scope of cover, benefits and conditions that are applicable to the insurance protection provided to you. Once established, the Policy remains in force until it is terminated by you or us. Please refer to termination under the heading 'General Conditions'.

The Policy is structured to reimburse you for Professional fees incurred where your clients subscribe to your audit management service and are subject to an Audit by a government agency.

You may elect to offer whatever scope of inquiry, investigation, review or audit service to your clients as you wish, however, you may only recover under this Policy to the extent of the scope of cover provided.

On this basis, there could be gaps between the scope of service you may wish to provide to your clients and that recoverable under this Policy which means that you will have to self fund these gaps. You are not however providing insurance cover to your clients.

Please read your Policy carefully, and satisfy yourself that it provides the cover you require.

If you want more information about any part of your Policy, please ask us, or your Financial Services Provider.

The address and telephone number of your QBE branch are on your Policy Schedule.

You should keep your Policy Booklet and Policy Schedule together in a safe and convenient place for future reference.

Paying your premium

You must pay your premium by the due date. If we do not receive your premium by this date or your payment is dishonoured this Policy will not operate and there will be no cover.

Preventing our right of recovery

If you have agreed not to seek compensation from another person who is liable to compensate you for any loss, damage or liability which is covered by this Policy, we will not cover you under this Policy for that loss, damage or liability.

How Goods and Services Tax affects any payments we make

The amount of premium payable by you for this Policy includes an amount on account of the GST on the premium.

The sum insured and other limits of insurance cover shown on your Policy documentation are GST exclusive.

When we pay a claim, your GST status will determine the maximum amount we pay.

When you are:

- (a) not registered for GST, the maximum amount we pay is the sum insured or the other limits of insurance cover including GST;
- (b) registered for GST, the maximum amount we pay is the sum insured or the other limits of insurance cover less any Input Tax Credit to which you are entitled or would be entitled if you made a relevant acquisition. In these circumstances, the Input Tax Credit may be claimable through your Business Activity Statement (BAS).

You must tell us whether you were entitled to claim an Input Tax Credit on the premium at the time of making a claim under the policy.

Where the settlement of your claim is less than the sum insured or the other limits of insurance cover, we will only pay an amount for GST (less your entitlement for Input Tax Credit) applicable to the settlement. This means that if these amounts are not sufficient to cover your loss, we will only pay the GST relating to our settlement of the claim.

We will (where relevant) pay you on your claim by reference to the GST exclusive amount of any supply made by any business of yours which is relevant to your claim.

GST, Input Tax Credit, Business Activity Statement (BAS) and Acquisition have the same meaning as given to those expressions in *A New Tax System (Goods and Services Tax) Act 1999* and related legislation as amended from time to time.

Taxable Percentage is your entitlement to an Input Tax Credit on your premium as a percentage of the total GST on that premium.

Words with special meanings

Some key words and terms used in this Policy have a special meaning.

If words and terms are only used in just one (1) Section of the Policy, we will describe their special meaning in that Section.

Wherever the following words or terms are used in the Policy, they mean what is set out below:

Word or term	Meaning
Audit	<p>any form of examination, enquiry, investigation, review or audit of the insured party or the insured party's lodged returns initiated by a government agency that incurs professional fees.</p> <p>This definition does not include:</p> <ul style="list-style-type: none"> (a) any form of activity involving a review relevant to maintaining industry status, licence, membership, any form of occupational health and safety type compliance or similar requirements, or (b) any form of activity involving a review of how you undertake your professional duties, or (c) any form of practice or procedural audit of any of your files or those of the insured party, or (d) any activity involving a government agency gathering information or data that is not part of an audit, or (e) any activity involved in the familiarisation, education, training, application, implementation, process or operation of any amendments or changes to existing, or the introduction of new, government or industry regulation.
Audit Management Service	the service that you provide to insured parties in the event of an audit.

Word or term	Meaning
Government Agency	government department, authority or agency.
Insured listing	the monthly listing of the insured parties who have paid their premium.
Insured party	those parties whose returns you wish to cover under this Policy and are listed on the insured listing as an individual, individual with an investment portfolio or rental properties, Passive Trust, Private Superfund, a business or operating entity and BAS entities. With respect to a business or operating entity, cover extends to all entities within a common majority (50% or more) ownership structure unless the various entities wish to be separately listed. We will automatically cover any additional business or operating entities acquired during the period of insurance, however, the existing limit of liability will remain the same. All other acquired entities have to be listed and a separate limit of liability applied.
Limit of liability	the maximum amount payable for all claims that relate to an insured party during the period of insurance regardless of the number of claims. The maximum amount is that amount declared in the insured listing.
Notification date	the date when you or your representative were first made aware of a potential audit, either verbally or in writing.
Period of insurance	the twelve (12) month period from the date the insured party is listed on the insured listing.
Policy Schedule	the Coverage Summary we give you.
Premium	the premium your clients pay to obtain cover for audits under this Policy. Such amount includes GST, stamp duty and any administration fee.
Professional fees	reasonably incurred fees, costs and /or expenses of a practising accountant or any other professional you may need to engage such as a qualified advisor, solicitor, or other professional. Professional fees does not include fees, costs and/or expenses to complete relevant returns, questionnaires or documents required by a government agency that the insured party would ordinarily be required to complete and supply or costs associated with the reconstruction or rewriting of the insured party's records required for the purpose of the audit.
Return	any return legally required to be and actually lodged with a government agency.
Territorial limits	Australia, its States or Territories.
We, our or us	QBE Insurance (Australia) Limited, ABN 78 003 191 035.
Website	www.auditinsure.com
You or your	the person(s), companies or firms named as the Policyholder on the current Policy Schedule.

What you are insured against

The Policy covers audits on returns where the audits first occur, and are notified to us, during the period of insurance.

In consideration of the insured party being listed in the insured listing and the relevant premium having been paid, we agree to pay for professional fees reasonably and properly incurred, up to the limit of liability as represented in the insured listings, in connection with assisting in responding to or defending an audit of a return lodged with a government agency.

The words 'first occur, and are notified to us' means that, if during the period of insurance, you first become aware of an audit and you notify us during or within 30 days after the period of insurance, then we will acknowledge that a claim has been lodged with us. On the other hand, if you first become aware of an audit and you don't notify us during or within 30 days after the period of insurance, then there is no claim under this Policy.

In addition, if a claim occurs and was not notified to us during the last period of insurance and the policyholder has renewed their Policy with us and the specific client being audited has been re listed as an insured party for a further 12 months, we will accept the claim and settle 75% of the professional fees being claimed.

Cover does not apply to anything which, prior to the insured party being listed on the insured listing, you or the insured party knew, or ought reasonably to have known, was likely to give rise to a claim under this Policy.

Insured parties

Where your clients participate in your audit management service and you wish to be compensated by this Policy, your clients need to be listed as an insured party on the insured listing and reported to us on a monthly basis together with the relevant premium.

Premiums or premium changes will be advised to you from time to time and displayed on the website.

Insured parties will be insured for a period of 12 months (i.e. period of insurance) from the month of their details appearing on the insured listing. At the end of 12 months, insurance ceases for each insured party and they need to further participate in your audit management service to be re-listed again to ensure continuation of cover for a further twelve (12) months.

It is important to note that this Policy does not cover the costs of responding to audits of any insured party unless the Policy is current and the insured party is listed on the insured listing and we have received payment of the premium.

Conduct of an Audit

The insured party must assist you or any other professional you may engage on their behalf to provide any information and documentation reasonably required for the management and payment of claims under this Policy.

You must take all reasonable action, including the utilisation of relevant staff for the work to be undertaken and apply standard hourly rates, so that professional fees incurred are fair and reasonable for the type of audit being managed.

We will be entitled to obtain any information, report, document or advice relating to the audit from you or from the insured party or their representatives, subject however, to your and their right to refuse to agree on the grounds that to do so might prejudice your or their interest in any litigation subsequent to the audit or the information or documents are deemed sensitive information and are not relevant to assessing and administering a claim.

When you are not covered

General exclusions applying to this Policy

We will not be liable to make any payment:

- (a) in respect of returns lodged where the Insured party is seeking a refund of tax or duty that involves further substantiation between the Insured party and the relevant Government Agency. This exclusion does not apply where the relevant Government Agency submits the Insured party to an Audit;
- (b) in respect of any audit where a return has been prepared, lodged or submitted dishonestly or fraudulently;
- (c) in respect of any audit where the culpable behaviour of the insured party is assessed by the government agency as a case of deliberate evasion or recklessness;
- (d) for professional fees that are:
 - (i) associated with any criminal prosecution,
 - (ii) associated with any return lodged outside the territorial limits, or
 - (iii) for any return lodged more than three months outside the lodgment date prescribed or the date prescribed in an authorised extension of time for lodgment, approved in writing by the relevant government agency,
- (e) for any amounts payable pursuant to an amended notice of assessment or adjustment including but not limited to any additional tax, duty, government impost or similar payments;
- (f) for any fine or penalty imposed;
- (g) in respect of a fraudulent claim;
- (h) for a claim arising from any:
 - (i) circumstances known prior to you or the insured party with a notification date prior to the insured party being listed on the insured listing, or
 - (ii) verbal or written notice of an impending audit given to you or the insured party prior to the insured party being listed on the insured listing,
- (i) in respect of any audit of that part of a return that includes a deduction, rebate or claim for tax or duty relief arising out of a mass marketed arrangement adopted for the principal purpose of obtaining that deduction, rebate or claim for tax relief, unless the mass marketed arrangement has received a prior product ruling from the relevant government agency;
- (j) for any costs incurred for any legal action taken against the insured party;
- (k) for any costs incurred for any legal action instituted by the insured party;
- (l) for any audits of returns where the insured party volunteers, seeks to or has entered into any form of administration or receivership, liquidation, insolvency, winding up or similar process or are insolvent as defined in the *Corporations Act 2001* or are bankrupt within the meaning of the *Bankruptcy Act 1966*.

General conditions

Changing your Policy

If you want to make a change to this Policy, the change becomes effective when:

- we agree to it; and
- we give you a new Policy Schedule detailing the change.

Other interests

You must not transfer any interests in this Policy without our written consent.

Any person whose interests you have told us about and we have noted on your Policy Schedule is bound by the terms of this Policy.

Termination

We may cancel this Policy in any of the circumstances permitted by law by informing you in writing.

In the event of termination of this Policy, all covers for the insured parties will continue until the period of insurance for each insured party expires.

Notices

Any notice we give you will be in writing, and it will be effective:

- if it is delivered to you personally, or
- if it is delivered or posted to your address last known to us.

It is important for you to tell your Financial Services Provider of any change of address as soon as possible.

Changes to information previously advised

You must tell us as soon as possible if circumstances occur, or if changes or alterations are intended or made which increase the risk of loss, damage or injury.

What you must do when you have an Audit Insure Policy

You must:

- (a) use your best endeavours and give due consideration to compliance with the various legislation, procedures or guidelines issued by the relevant government agency,
- (b) fully comply with all legal requirements in respect of the proper maintenance of records, books and other documents common for your profession,
- (c) use your best endeavours to properly respond to any audit being undertaken against any insured party,
- (d) ensure that you and your representatives assist us to settle any claim in a timely manner, and
- (e) tell us of any other insurance you have that may also cover any claim(s) under this Policy.

Claims

What you must do

1. Notification

You must:

- (a) give us written notice that an audit is to be conducted by a government agency within one month of being advised. The written notice must be the completed claim form and include a copy of the notice from the government agency that clearly identifies the type of audit to be conducted, or
- (b) where an audit has commenced in the absence of any notification being issued by the government agency, (e.g. upon a visit by an officer of a relevant authority), give us written notice verifying that an audit has in fact commenced, including details of the date of the first visit by the officer of the government agency, together with the officer's full name, title and telephone contact details.

Notification:

Underwriting Australia Pty Ltd
PO Box 20757
World Square NSW 2002
Telephone: 02 9261 4221

2. Claims Submissions

You must submit claims documentation for assessment by us as follows:

- (a) a completed claim form,
- (b) where a government agency has issued a notice informing the insured party of the commencement of an audit, a copy of that document,
- (c) a tax invoice in the name of:

'QBE Insurance (Australia) Limited'
Level 5, 2 Park Street
Sydney NSW 2000
- (d) where you engage other professionals, they must invoice you and you include their fees in your tax invoice and have them provide details as outlined in (e) below,
- (e) where over \$1,000, a detailed breakdown of the professional fees incurred identifying partners and employees involved; work undertaken; the number of hours involved; the hourly rate; the total of disbursement costs and the total of professional fees incurred (typically this information is contained in standard 'work in progress' reports),
- (f) proof of lodgment dates that relevant returns were lodged with the government agency,
- (g) final written confirmation from the relevant government agency advising that the audit has been finalised.

3. Claims Payments

When we pay a claim we will make a payment to you.

Most audits are completed within a short period, thus the final payment may be submitted as part of the initial claim. Where the audit continues over an extended period, we may make progress payments.

What we do

We may take over and conduct the defence or settlement of any claim or issue legal proceedings for damages. If we do this we will do it in your name. We have full discretion in the conduct of any legal proceedings and in the settlement of any claim. You must co-operate by giving us any statements, documents or assistance we require. This may include giving evidence in any legal proceedings.

What can affect a claim

We may refuse to pay a claim if you are in breach of your Duty of Disclosure or any of the conditions of this Policy, including any endorsements noted on or attached to the Policy Schedule. We pay only once for loss or damage from the same event covered by this Policy. We may be entitled to refuse to pay or to reduce the amount of a claim if:

- it is in any way fraudulent; or
- any fraudulent means or devices are used by you or anyone acting on your behalf to obtain any benefits under this Policy.

