

Product: Accountants Tax Liability

Manufacturer Information
<p>Product information</p> <p>InsureTax offers a specialized tax liability insurance product designed for small businesses and business owners in the US, with more efficient pricing and underwriting compared to existing market solutions.</p> <p>The insurance product covers a tax return for potential costs incurred during an IRS audit, in particular accountant / tax preparer fees and defense costs.</p> <p>The policy excludes coverage for negligence, mistakes, and fraud.</p> <p>The product is currently inappropriate for all domiciles outside of the USA as the product is based on specific knowledge and expertise of US tax laws.</p>
<p>Target market</p> <p>Small to mid-commercial businesses with annual turnover under \$100m who are paying tax in the USA, have their tax filings prepared for them by a registered Chartered Professional Accountant (CPA), and are worried about the costs of defending an IRS Audit.</p>
<p>Types of customer for whom the product would be unsuitable</p> <p>Individuals, micro enterprises, large corporations, estates and trusts, farms, excises, cooperatives and every entity that is not submitting an annual tax return to the IRS (any entity outside of the US).</p>
<p>Any notable exclusions or circumstances where the product will not respond</p> <p>Exclusions:</p> <p>Policy terms sets a list of exclusions, including (but not limited to):</p> <ul style="list-style-type: none"> • Omissions (losses arising from not reporting specific income or transaction on the tax return) • Mistakes (losses from resulting from errors in the information provided in the tax return) • Fraudulent acts • Undisclosed information (that was required to be reported) • Failure to perform by the insured <p>Limit of Liability:</p> <ul style="list-style-type: none"> • The coverage is limited to \$250,000 per tax return. the insured can change the requested coverage between \$25,000 and up to \$250,000. <p>Excesses:</p> <ul style="list-style-type: none"> • A deductible of either 15% or \$2,000, whichever is higher, applies to every claim
<p>Other information which may be relevant to distributors</p> <p>This product should be sold in line with FCA regulations or local regulations and can only be sold by a regulated insurance distributor.</p> <p>Distributors are expected to fully understand the eligibility criteria, covers and exclusions of the product.</p> <p>This product can be sold face to face, via email/online calls, online system, or a mix of these methods, as long as customers are provided with sufficient information to make an informed decision regarding the suitability of the product.</p> <p>Where Distributor 1 sells this Product via multiple other distributors (via sub-delegation or sub-brokering), it is their responsibility to ensure all distributors have been provided this document, have reviewed it and understand the content. If there is any additional remuneration, including commissions, fees or other 'non-standard' remuneration charged to the customer by other</p>

distributors, it is the responsibility of Distributor 1 to inform TMK of these details accurately and in full.

Commission & Fees

Brokers are reminded of their own regulatory obligations in relation to remuneration under PROD 4.3.6 as well as the requirements to make all necessary disclosures to the customer.

Where there are any fees charged by any member of the distribution chain these should be:

- commensurate with the service provided by the distribution.
- not have an adverse impact on customer value; and
- distributor should ensure that TMKS is made aware of the fee amount and/ or method of calculation.

How value is assessed

Value is assessed based on a number of metrics, including underwriting, claims and complaints information as well as through broker and coverholder engagement.

Remuneration paid as set out in our agreements with distributors has been considered as part of the value assessment.

If additional add-ons (including premium finance) are sold alongside this product or additional remuneration is charged, this may affect the value for the customer.

Further information on our product approval processes can be obtained on request.

Date Fair Value assessment completed	May 2024
Expected date of next assessment	November 2024