



## Introduction to Tax Investigation Insurance (TII)

Pursuing or defending a tax review or audit isn't always straightforward. Many Canadians (both business and personal tax filers) do not seek a tax professional for advice and guidance when dealing with their tax audit. Even if we think the law is on our side, it is all about tax law interpretation. The associated costs, stress and uncertainty simply mean this protection is well worth every penny.

*Don't let the complexities and cost of a tax review or audit stop you from pursuing your tax defence.*

TII coverage allows you to receive professional advice and guidance along with the security of knowing that your costs of pursuing a review or audit defence\* will be covered, whether your action is successful or not.

**You choose your representation .**

## Why purchase TII coverage?

**Expertise!** In today's complicated tax landscape, Canadians are not only facing legislative tax changes but a tax hungry Federal Government as well. The cost (and time required) to handle these issues will add up fast and the best way to deal with CRA is defending this correctly the first time. That's why you need the security and protection of a TII personal policy.

**Affordable!** For as little as \$115 per annum.

**Personal and Business!** PFP TII coverage is available for both business and or your personal taxes.

**Simplistic!** Professional, comprehensive support covered by this insurance simply begins with a call to your own professional tax service provider.

**Flexible Defence Options!** One of the most valuable features of a TII policy is the flexibility for you to choose who defends your file. This could be your own accountant, a tax specialist or even a Tax Lawyer.

**Complete Tax History Coverage!** When you purchase your TII Business policy your complete Tax History is automatically covered. Any audit or review that starts while your policy is in force - whether it is from 2017 or 2015, PFP has you covered.

### Did you know?

CRA review more than 171,000 corporate tax returns in 2013 and generated an extra \$9.4 Billion from the audits conducted.



# Tax Investigation Insurance (TII)

## TII *business*

Policy provided by PFP Inc.  
Underwritten and claims service by DAS

### Quick Reference Guide

A **TII *personal*** policy provides personal clients with up to \$50,000 worth of accountant’s cost and lawyer’s fees to defend the personal tax affairs if audited by CRA or Provincial authority, and appeal against a judgement for tax owed. There is a \$500 deductible on a Tax Appeal and Desk Audit and a \$2,000 deductible for a field audit.

<b>TII <i>personal</i></b>									
<b>Elements of coverage</b>	<ul style="list-style-type: none"> <li>■ Tax Investigation Insurance (TII) offers coverage for any tax investigation correspondence with Canada Revenue Agency (“CRA”) or a provincial tax authority – from a minor review to a full audit. Remember, the coverage pays for your accounting and other tax professional fees so you don’t pay out of pocket for their work.</li> <li>■ <b>We covers costs relating to:</b> <ul style="list-style-type: none"> <li>- Your personal tax affairs, as long as your taxes were complete, correct and submitted on time.</li> </ul> </li> </ul> <p>Coverage includes trusts and estates</p>								
<b>Exclusions</b>	<ul style="list-style-type: none"> <li>■ <b>We do not cover:</b> <ul style="list-style-type: none"> <li>- Tax avoidance</li> <li>- Gross negligence, dishonesty or criminal offences</li> </ul> </li> </ul>								
<b>Amount of coverage</b>	<ul style="list-style-type: none"> <li>■ <b>How much coverage?</b> Tax Investigation Insurance provides the following amounts to cover accounting and professional fees incurred when defending a tax review, appeal or audit.</li> </ul> <table border="1"> <thead> <tr> <th>Type of Review</th> <th>Coverage Up To</th> </tr> </thead> <tbody> <tr> <td>Tax Review</td> <td>\$10,000</td> </tr> <tr> <td>Tax Appeal and Desk Audit ((\$500 deductible)</td> <td>\$25,000</td> </tr> <tr> <td>Field Audit ((\$2,000 deductible)</td> <td>\$50,000</td> </tr> </tbody> </table>	Type of Review	Coverage Up To	Tax Review	\$10,000	Tax Appeal and Desk Audit ((\$500 deductible)	\$25,000	Field Audit ((\$2,000 deductible)	\$50,000
Type of Review	Coverage Up To								
Tax Review	\$10,000								
Tax Appeal and Desk Audit ((\$500 deductible)	\$25,000								
Field Audit ((\$2,000 deductible)	\$50,000								
<b>Annual Premiums</b>	<b>Premiums are flat rate starting at \$115/yr</b>								

**PFP Inc.**

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**IMPORTANT:**The information on this form has been summarized for reference purposes.  
For a complete understanding of the policy terms, definitions, conditions and exclusions, please refer to the appropriate policy wordings.

# Tax Investigation Descriptions

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## Tax review (coverage up to \$10k)

A request for further information by the CRA or a provincial tax authority, or a review by the CRA or a provincial tax authority to validate or verify information disclosed on your tax return.

## Tax appeal (coverage up to \$25k, \$500 deductible)

An appeal regarding an assessment, reassessment or determination made by the CRA or a provincial tax authority, including an administrative appeal to the CRA or a provincial tax authority and an appeal to the Tax Court of Canada or a superior court of a province.

## Tax desk audit (coverage up to \$25k, \$500 deductible)

An inspection and verification by the CRA or a provincial tax authority, not conducted at your premises, of your financial accounting records to determine whether or not you have paid the correct amount of tax.

## Tax field audit (coverage up to \$50k, \$2,000 deductible)

An inspection and verification by the CRA or a provincial tax authority, conducted at your premises, of your financial accounting records to determine whether or not you have paid the correct amount of tax.

### Why risk it?

#### Without TII



**\$250**

Average hourly cost of a Tax Accountant



**\$9,000**

Cost of an average Business CRA audit

#### With TII



**\$0**

Cost of an average Business CRA audit

**TII business** policies for as little as \$210/yr  
**TII personal** policy as little as \$115/yr  
Both provide cover up to **\$50,000** per claim.

Discounts available for firm, group and association members.