



A VL real life claim example

# Professional Indemnity

## Accountant's Error – Depreciation

After an IRD seminar on earthquake related topics the Insured accountant realised that he may have misinterpreted the IRD rules on the treatment of depreciation on buildings damaged in the Canterbury earthquakes. He reported the circumstances as a possible claim under his Professional Indemnity Insurance.

With significant losses to 3 of the Insured's clients, a specialist taxation barrister was engaged. The lawyer was aware of some "grey areas" in the emergency tax rules and on his recommendation the three matters were reported to the IRD with his submissions on the questionable rules. The IRD accepted their position was arguable and the Insured's client's tax position was allowed to stand.

CEG 029-102019/000