

This Determination, to the extent that it is capable of being a 'public ruling' in terms of Part IVAAA of the *Taxation Administration Act 1953*, is a public ruling for the purposes of that Part. Taxation Ruling TR 92/1 explains when a Determination is a public ruling and how it is binding on the Commissioner. Unless otherwise stated, this Determination applies to years commencing both before and after its date of issue. However, this Determination does not apply to taxpayers to the extent that it conflicts with the terms of a settlement of a dispute agreed to before the date of issue of the Determination (see paragraphs 21 and 22 of Taxation Ruling TR 92/20).

Taxation Determination

Income tax: is a trauma insurance policy issued by a life assurance company an accident or disability policy for the purposes of Division 8 of the *Income Tax Assessment Act 1936* (the Act)?

1. Yes. A trauma insurance policy is an accident or disability policy for the purposes of Division 8 of the Act. It is not a life assurance policy.
2. A trauma insurance policy pays an amount to the insured if the insured suffers a condition specified in the particular policy such as a heart attack, cancer, stroke, etc.
3. Those conditions may constitute disabilities, and therefore the premiums are properly characterised as accident or disability premiums which are to be included in the assessable income of the AD/RLA class for the purposes of Division 8 of the Act (paragraph 116 CE(3)(c)).

Commissioner of Taxation

9 August 1995

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Related Determinations: TD 95/40; TD 95/41; TD 95/42; TD 95/43

Related Rulings:

Subject Ref: accident and disability insurance policies; life assurance companies; trauma insurance policies

Legislative Ref: ITAA Division 8; ITAA 116 CE(3)(c)

Case Ref:

ATO Ref: Insurance Industry Cell; NAT 95/5952-3

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