

IMPORTANT PROFESSIONAL LIABILITY PROTECTION FOR YOUR PRIVATE ACCOUNTING FIRM



You've built a successful accounting firm. Does your insurance coverage fully protect it?

CONSIDER THESE ACTUAL CLAIM SCENARIOS

- An accountant was contracted to prepare and file a tax return. After preparation the accountant was sure they had sent in the tax return. He later found it buried on his desk. When he finally filed the return, there were also mistakes. **The cost of the late filing and correction of the mistakes was \$350,000.**
- An accountant created a financial statement for a client in which she made a miscalculation resulting in a \$1.2M understatement. **The cost to have the error corrected by another firm was \$150,000.**

THE HARTFORD CAN HELP TO PROTECT YOU FROM THESE RISKS

Coverage Highlights

- Prior acts coverage available for qualified applicants
- Innocent Insured coverage
- Automatic coverage for newly acquired entities with five or fewer professionals and predecessor firms

Coverage Details

Limits - up to \$5 million

Minimum premium - \$500

Minimum deductible - \$1000

Availability - Countrywide (except AK & HI) on an admitted basis

- Claims-made and reported coverage form
- Broad definition of professional accounting services including advice given or services performed:
 - as an accounting professional, including but not limited to services performed or advice given in connection with the American Institute of Certified Public Accountants or any state society of certified public accountants
 - as a member of a formal accreditation, standards review, or other professional board or committee for the accounting profession
 - as a personal financial planner, consultant, arbitrator, mediator, notary public, trustee, receiver or executor
 - in training, consulting, sales, installation, integration, maintenance and development of hardware and packaged software products related to professional accounting services



- Worldwide coverage territory, provided claim is made and suit is brought within the U.S., its territories or possessions, Puerto Rico or Canada
- Multiple extended reporting periods including a 1, 3, 5 and unlimited period option
- Retiree extended reporting period available for qualifying sole proprietors
- Death & Disability extended reporting period for sole proprietors
- Defense costs are included within the limit of liability (may vary in some states due to regulatory requirements)
- Defense costs outside the limit of liability option for an additional premium

Coverage Enhancements

- Network Security and Theft of Data endorsement
- 50% deductible reduction for claims settled by alternative dispute resolution
- 50% deductible credit for the use of engagement letters in non-audit and non-attest engagement claims
- Defendants reimbursement coverage, \$500 a day per insured, \$5,000 maximum per insured, up to \$10,000 per policy period
- Disciplinary proceedings reimbursement up to \$10,000 per policy period
- Discrimination defense coverage, up to \$50,000 per policy period

Exclusions

Include but are not limited to:

- Bodily injury, property damage, breach of contract
- Antitrust violations, restraint of trade, unfair or deceptive business practices or competition or violations of other consumer protection laws
- Activities and/or capacity as a fiduciary under the ERISA Act of 1974
- Promotion, sale or solicitation for sales of securities, real estate or other investments
- Recommendations, representations, or opinions concerning specific investment advice or the performance or non-performance of securities, real estate or other investments
- Computer or electronic information technology services involving custom software development, Internet access, network design and installation, Web site design and hosting, systems facilities management, and application services

RISK MANAGEMENT HOTLINE

At The Hartford, we recognize that risk management is important for accounting firms. To assist our accounting firm clients with inquiries involving loss prevention, claims, ethics and professional responsibilities, The Hartford is pleased to offer a confidential risk management hotline to address any risk management concerns you may have. The hotline's toll-free number is 1-866-HARTPRO. This advisory hotline is administered by Lewis, Brisbois and Bisgaard, LLP.

LEARN MORE

For more information contact your agent today.