



# ACCOUNTANTS PROFESSIONAL LIABILITY

## WHY PHLI?

- 20+ years of operating experience in the Management and Professional Liability market with superior service and coverage
- Superior financial strength from AM Best (A++ XV) and Standard & Poor's (A+)
- Dedicated team with over 100 underwriters & claims professionals located across 13 Regional Offices
- Broad definition of professional services
- Comprehensive Professional Liability coverage tailored to meet the needs of accounting professionals

## TARGET CLASSES

- CPA
- Bookkeeper
- Enrolled Agent
- Non-CPA
- Tax Preparer

## PROHIBITED CLASSES

- Business Valuator
- Firms providing primarily attestation services
- Firms providing services to entertainment/sports clients, real estate clients, construction clients, and investment companies/mutual funds/hedge funds/venture capital firms
- Public Audit Firm

## RISK MANAGEMENT TIPS

1. Always use engagement letters with clients which clearly list the following:
  - what you will be doing
  - what you will not be doing
  - when you will be doing it
  - what the client's responsibilities will be
  - what the services cannot be relied upon to be accomplished (i.e. detect fraud)
2. Ensure that you have formal client screening procedures in place. Higher risk clients will increase the exposure for even the most careful accounting firms.
3. Create a document retention policy. A practical and systematically implemented document retention policy is of the utmost importance to protect the accounting firm and your client. Destroying or discarding client files may cause an accountant to face serious and adverse legal consequences if the destruction occurs in bad faith.



## CLAIM SCENARIOS

### **\$3M Audit Services**

A lender relied on the Insured's audit when lending money to a borrower who ultimately defaulted on the loan.

### **\$525,000 Trustee/Estate Tax**

Beneficiaries of a trust filed a suit against the Insured when they realized the value of the trust was not what they expected.

### **\$300,000 Business Tax Preparation**

The Insured failed to file S Corp. paperwork for a client and the client's tax return was rejected leading to interest and penalties.

### **\$400,000 Individual Tax Preparation/Tax Consulting**

The client was taxed more due to the Insured's choice of tax write-off methods.

### **\$136,000 Bookkeeping/Payroll**

The Insured provided bookkeeping and payroll services for a client who failed to pay payroll taxes for 10 years. The client was assessed penalties and interest and filed a suit against the Insured.

### **\$95,000 Individual Tax**

The client failed to include foreign income when filing taxes for several years. The Client brought a suit against the Insured for negligence claiming the Insured never asked if they had foreign income.

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## KEY FEATURES

- Limits available up to \$3M per claim/aggregate
- Broad definition of professional services including services as a trustee, receiver, executor, and notary public
- Coverage includes independent contractors working on the Insured's behalf
- Defendants Reimbursement coverage
- Available coverages for select risks:
  - First Dollar Defense
  - Defense Costs in addition to the Limit of Liability
  - Aggregate Deductible
  - Subpoena Assistance
  - Consulting and Personal Financial Planning
- Availability of complementary coverages to provide broader risk management solutions including Business Owner's Policy (BOP), Directors & Officers, Employment Practices, Fiduciary, Crime, and Cyber Liability
- Quick turnaround times for proposals and policy issuance

## SUBMISSION REQUIREMENTS

- Completed application
- Completed supplemental applications (if applicable)
- Currently valued insurance company loss runs for the current policy period and four (4) prior years
- Supplemental claim form, if applicable

## RISK MANAGEMENT SERVICES

Management and Professional Liability Risk Management Gateway (PHLYGateway)

- PHLY has partnered with The McCalmom Group to offer our web-enabled PHLYGateway, which includes:
  - An online training platform for employees and managers, providing training on preventing harassment, identifying discrimination, and more
  - A Best Practices Help Line, where insureds can schedule a consultation to discuss workplace risks
  - Access to sample forms and documents that can help draft employee handbooks, formal policies, written procedures, checklists, and more
  - An expansive library of weekly articles that cover a wide range of topics, including Employee Relations and Human Resources, Leadership and Ethics, Loss and Litigation, and much more

## ABOUT US

### Company Profile

Philadelphia Insurance Companies (PHLY) headquartered in Bala Cynwyd, PA, designs, markets, and underwrites commercial property/casualty and professional liability insurance products, incorporating value-added coverages and services for select industries. By maintaining a disciplined approach to business, we provide greater security for our policyholders and superior value for our shareholder. PHLY has field offices strategically located across the United States to provide superior service. Rated "A++" (Superior) by AM Best Company. Rated "A+" by Standard & Poor's. PHLY is a member of the Tokio Marine Group, Japan's oldest and leading property/casualty insurer.

PHLY has three underwriting divisions:

Commercial Lines | Management & Professional Liability | Personal Lines

### AM Best Rating

The Company's two insurance subsidiaries are pooled for risk assumption and accumulated surplus. AM Best Company has assigned the insurance subsidiaries an "A++" (Superior) rating.

### Standard & Poor's

Assigned "A+" for counterpart credit and financial strength.

### Ward's 50®

Nationally recognized as a member of Ward's 50 Benchmark Group of Property/Casualty insurance companies for outstanding achievement in the areas of financial strength, claims performance, and consistently favorable underwriting results.

## CONTACT US:

**RISK MANAGEMENT SERVICES: 800.873.4552**

**CLAIMS REPORTING: 800.765.9749**

800.685.9238 Fax | E-mail: [claimsreport@phly.com](mailto:claimsreport@phly.com)

Gather facts, mitigate loss, inventory damage

**PAYMENT OPTIONS: 877.438.7459**

E-mail: [service@phly.com](mailto:service@phly.com) | Direct billed |

MasterCard, Visa, Discover, American Express, electronic checks



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*To Be a Good Company*

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