

TYPES OF LAWSUITS COVERED BY PROFESSIONAL LIABILITY INSURANCE

Work Mistakes and Oversights

An accountant incorrectly enters a company's financial transactions, which leads to inaccurate budget projections. When the budget falls short, the company traces the mistake to the accountant and files a lawsuit. The accountant's professional liability policy covers the cost of hiring a lawyer and the eventual settlement.

Undelivered Services

A management consultant promises a company that it will improve its profits by 20% by a certain date. When the date arrives, profits have gone up, but not as much as projected. The company sues the consultant over its financial troubles. Professional liability insurance helps cover the consultant's legal defense costs.

Accusations of Negligence

An architect designs a building for a client, but the blueprint fails to meet the project's specifications. The client files a lawsuit, accusing the architect of negligence. The architect's professional liability insurance covers the cost of the eventual settlement.

Missed Deadlines

A tax preparer misses a filing deadline for a client's tax return and the IRS fines the client. The client sues the tax preparer to recoup the cost of the fine. The tax preparer's professional liability insurance pays for the cost of hiring a lawyer and the amount that the court rules he must pay the client.

**PURCHASE A PROFESSIONAL LIABILITY POLICY TO AVOID
THESE POTENTIAL OUT-OF-POCKET LOSSES.**

