

DIRECTORS AND OFFICERS (D&O) INSURANCE



Directors and Officers face potential legal action from various stakeholders, putting their personal assets in jeopardy.

Directors and Officers (D&O) insurance claims involving accounting firms can arise from a variety of situations where directors, officers, or employees of the firm are accused of wrongful acts or negligence in their professional duties. Here are some examples of D&O insurance claims that accounting firms might face:

- **Financial Misstatements** – Errors or omissions in financial reports causing losses.
- **Audit Failures** – Not detecting fraud or irregularities during audits.
- **Conflicts of Interest** – Compromised objectivity in service delivery.
- **Bad Tax Advice** – Negligent tax guidance leading to penalties.
- **Regulatory Issues** – Investigations into legal or ethical violations.
- **Fiduciary Breach** – Mismanagement of company assets or duties.
- **Employment Claims** – Allegations of discrimination, harassment, or wrongful termination.
- **Client Disputes** – Conflicts over fees or service quality.
- **Shareholder Lawsuits** – Claims of mismanagement or duty breaches.
- **Cyber Incidents** – Data breaches or poor handling of client info.
- **Insider Trading** – Securities violations by leadership.

D&O insurance protects directors' and officers' personal assets and covers legal costs from claims, which can vary based on a firm's size, services, and clients. Accounting firms rely on this coverage to manage legal and financial risks.

Coverage Details

Protection for Insured Persons

D&O insurance covers defense costs and settlements for individuals who are personally liable in court cases, even when the company cannot provide indemnification.

Protection for the Company

The insurance also extends coverage to the company itself if it is named in a lawsuit alongside its directors or officers.

Executive Coverage for Outside Boards

Additional policy extensions can offer similar protections for executives serving on the boards of external companies.

Coverage for Retired Directors

Some policies provide coverage for retired company directors, ensuring ongoing protection and peace of mind even after they leave the company.

Professions We Insure



Bookkeepers



Lawyers



Accountants



Investment Advisors

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