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Don't Be a Loser: Claims, Occurrences and How to Report Them

Rollins Burdick Hunter

American Institute of Certified Public Accountants. Professional Liability Insurance Plan
Committee

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Don't be a loser

Claims, Occurrences
and
How to Report Them

Number 2 in a Series Prepared By:
AICPA Professional Liability
Insurance Plan Committee

ROLLINS BURDICK
HUNTER

Failure to comply with specific provisions of your Professional Liability Policy could jeopardize your insurance coverage. We wish to remind you that this policy contains obligations that must be met by both you and the insurance carrier.

As the Committee responsible for the AICPA Professional Liability Plan, we have directed the preparation of this pamphlet as a means of helping you get the full protection your Professional Liability Insurance Policy affords—and the peace of mind that comes from such protection. The following will help in determining events that could lead to future problems and the procedures to deal with them properly and expeditiously. Primarily, of course, our mutual goal is that you be adequately insured under the AICPA Professional Liability Insurance Plan and that you have an understanding of the following issues:

What is a Claim?

Any formal allegation of having performed professional services in a negligent manner.

EXAMPLES:

- Client or his attorney notifies by letter or otherwise that he feels you are negligent and expects you to make good.
- You are served with notice of lawsuit alleging negligence.

What is an Occurrence?

Your becoming AWARE of an error or omission on your part or that a client is dissatisfied with your work.

EXAMPLES:

- You know about an error—client does not.
- Client notifies you by writing or otherwise that an error may have been committed.

Are Claims or Occurrences always in the form of Suits or Summonses?

No.

An occurrence might be a letter or even the mere mention by a client of dissatisfaction because he doesn't think you did your job properly.

Do I Report All Claims or Occurrences?

Yes.

Remember: Your policy requires this notice of potential trouble no matter how informal its source.

When do I Report a Claim or Occurrence?

Immediately.

Why should I Report a Claim or Occurrence when I feel I can work out a fair settlement with my client?

Evaluation of the merits of a claim and negotiation of a fair settlement are best left to experts. Your policy provides you with such assistance.

You Could Be A Loser in that admission of obligation would be a breach of your policy which stipulates

- "...the insured shall not, except at his own cost, voluntarily make any payment, assume any obligation or incur any expense."

How to Report Claims and Occurrences:

Notify in Writing:

Crum & Forster Managers Corporation (Ill.)
200 South Wacker Drive
Chicago, Illinois 60606

If circumstances indicate the need for immediate advice, call Crum & Forster Managers Corporation, (Ill.) collect, at 312-993-6300.

Include in your notification:

Your firm name and address
Your policy number
A brief narrative of the circumstances
Original suit papers received, if any

REMEMBER

Do not make admissions.

Do not make statements like “my insurance company will take care of you.”

Do not tender or offer to pay the damages even if you feel responsible.



Rollins Burdick Hunter
4870 Street Road
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Call Toll Free:
800-221-3023

**ROLLINS BURDICK
HUNTER**