

TAX TIME IS AROUND THE CORNER

Contact us for your Tax Preparer's Bond and Professional Liability

Use our application to obtain your Tax Preparer's Bond

See the information and application for Tax Preparers Professional Liability

AGENT USE ONLY
BOND NUMBER

CALIFORNIA SPEEDY APPLICATION

A BOND INFORMATION			
<i>Select bond type, effective date and provide the additional information</i> REQUESTED EFFECTIVE DATE : _____			
<input type="checkbox"/> TAX PREPARER BOND Bond Amount of \$5,000 <i>Select Term of Bond</i> <input type="checkbox"/> \$45.00 for 1 year <input type="checkbox"/> \$55.00 for 2 years <input type="checkbox"/> \$70.00 for 3 years <input type="checkbox"/> \$80.00 for 4 years			
B BUSINESS INFORMATION			
NAME (MUST BE EXACTLY AS IT IS TO APPEAR ON BOND)		<input type="checkbox"/> Individual <input type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> LLC/LLP	
ADDRESS		BUSINESS PHONE	
CITY/STATE/ZIP		BUSINESS FAX	
C INDEMNITOR INFORMATION			
FIRST NAME/ MIDDLE NAME/ LAST NAME		DRIVER'S LICENSE NUMBER	DATE OF BIRTH
HOME ADDRESS		EMAIL ADDRESS	
CITY/STATE/ZIP		HOME PHONE NUMBER	HOME FAX NUMBER

INDEMNITY AGREEMENT - READ CAREFULLY. Your signature creates legal consequences to you.

In consideration of American Contractors Indemnity Company, U. S. Specialty Insurance Company, and/or United States Surety Company referred to hereafter as "Surety," issuing the bond applied for, the undersigned agrees for themselves, their heirs, successors and assigns, jointly and severally:

1. **PREMIUM:** To pay Surety an annual premium in advance each year during which liability under the bond shall continue in force and until satisfactory evidence of termination of the Surety's liability is furnished to the Surety.
2. **INDEMNITY:** To exonerate, indemnify, reimburse and hold Surety harmless from and against all demands, liabilities, losses, costs, damages, attorneys' fees and expenses of whatever kind or nature which arise by reason of, or in consequence of, the Surety's issuance of the bond applied for, whether or not the Surety shall have paid any sums in partial or complete payment thereof, including but not limited to: sums paid including interest; liabilities incurred in settlement of claims; expenses paid or incurred in connection with claims, suits, or judgments under such bond, in enforcing the terms of this agreement, in procuring or attempting to procure release from liability by Surety, and in recovering or attempting to recover losses or expenses paid or incurred; and attorneys fees and all legal or professional services.
3. **COLLATERAL:** If a claim or demand is made against Surety, whether disputed or not, or Surety deems it necessary to establish a reserve for potential claims, and upon demand from Surety, the undersigned shall deposit with Surety cash or other property acceptable to Surety as collateral security, in a sufficient amount to protect Surety with respect to such claim or potential claims and others amounts which may become due under this agreement. Such collateral may be held or utilized by Surety until it has received evidence of its complete exoneration and discharge, and until it has been fully reimbursed for all amounts which may become due under this agreement.
4. **CREDIT RELATIONSHIP:** The undersigned hereby authorizes the Surety or its representatives to examine the credit history, department of motor vehicle records, employment history, books and records of the undersigned or the assets covered by the bond, or the assets pledged as collateral for the bond.
5. **GENERAL PROVISIONS:** Surety and undersigned agree that the place of performance of this agreement, including the promise to pay Surety, shall be in Los Angeles County, California, and venue for any suit, arbitration, mediation or any other form of dispute resolution shall be in Los Angeles County, California. Surety shall, at its option and in its sole discretion, have the right to issue, decline to issue, renew or cancel the bond. This agreement is a continuing obligation of the undersigned until Surety is exonerated and released from any liability under the bond. The obligations of the undersigned hereunder are joint and several. Surety may bring separate suits hereunder against any of the undersigned as causes of action may accrue hereunder. Undersigned warrant that each of them is specifically and beneficially interested in obtaining the bond. The invalidity of any provision of this agreement by reason of the law of any state or by any other reason shall not affect the validity of any other provision of this agreement. This agreement may not be changed or modified without the written consent of Surety. The undersigned agree to hold all money or other proceeds derived from the undersigned's actions covered by the bond for the purpose of performing the duties owed under the bond and discharging the obligations of the bond, and for no other purpose until the bond is completed exonerated.

Regardless of the date of signature, this agreement is effective as of the date of execution and renewal of the aforementioned bond and is continuous until Surety is satisfactorily discharged from liability pursuant to the terms and conditions contained herein and in the bond(s).

Signed, sworn to and dated this _____ day of _____ . _____ .

X _____
 (Authorized Representative and Individually)

X _____
 (Authorized Representative and Individually)

Agent Name:	MISSION COUNTIES INSURANCE AGENCY INC.	Phone:	(408)979-2241
Address:	P.O. BOX 6717	Fax:	(408)978-6801
City, State, Zip	SAN JOSE, CA 95150	HCCS Prod No.	3378

Visit us at www.hccsurety.com for more information

Protection When You Need It Most

It's that time of year. Your clients wait until the last minute...and expect you to meet the IRS deadline. There aren't enough hours in the day. And when the pressure's on, it's easy to make mistakes.

More and more, tax preparers are finding they need protection against legal action. Even in an unjustified case, the legal fees incurred simply to defend oneself can be staggering.

For example:

- An insured mistakenly omitted Form-1099 interest income when preparing a tax return for a client. The claim was paid under terms of the policy for reimbursement of applicable IRS penalty of \$2,015 assessed to the taxpayer.
- An insured was responsible for a client's quarterly sales tax return being filed late, thus causing the state to assess the client a penalty of over \$3,500. The claim was paid under terms of the insured's policy.
- An insured with our optional bookkeeping coverage made a bookkeeping error in calculating the beginning accounts receivable balance, which resulted in an understatement of gross receipts, which was incidentally carried through to the tax return. The IRS assessed a penalty. Under the terms of the optional bookkeeping coverage, the claim was settled for over \$2,500.

Note: In cases where interest assessments are paid, the payment may represent a compromise due to the taxpayer having the use of the underpaid tax until the error is discovered.

Tax Preparers' Professional Liability Policy gives you the protection you need, when you need it most. You get the assurance of protection, and the peace of mind that comes from knowing you're covered. We now offer expanded limits and additional coverage options.

Tax Preparers' Policies:

- Cover claims against you and your clients up to the policy limit.
- Protect you against errors and omissions.
- Cover defense costs (subject to policy limitations).
- Cover both your full-time and part-time employees, even if they only work during the tax season.
- Include one year complimentary retroactive coverage with the option to buy a second year of retroactive coverage.
- Offer the option for bookkeeping coverage to protect more than tax work.

This brochure contains only a brief summary of coverage and policy provisions. All statements herein are subject to the provisions, exclusions, and conditions of the applicable policy. Coverages afforded are only those for which application is made and for which a premium charge is paid as indicated in the Declarations of the policy.

IRS penalties against insured are not covered. Also, this is a claims made policy.

TAX PREPARERS' PROFESSIONAL LIABILITY APPLICATION

PLEASE NOTE: THIS IS A CLAIMS MADE POLICY

\$250.00 Single Loss, \$500.00 Annual Aggregate Deductible Applies

Name of Business (Exact Name) _____

Address (include any branch location addresses) _____

Street and Number

City

State

Zip

Telephone Number _____

Fax Number _____

Email Address _____

Check all that apply:

- CPA Enrolled Agent (*discount applies)
 Financial Planner Attorney
 Accountant Independent Practitioner

Total Number of Owners and Employees (include part-time) _____

Number of Offices _____

Amount of Coverage Requested:

- \$10,000/\$20,000 \$25,000/\$50,000
 \$50,000/\$100,000 \$100,000/\$200,000

Are you a member of a tax preparers' association?

Yes No If yes, please specify which one. _____

Do you want optional bookkeeping coverage? Yes No

What percentage of your business is bookkeeping? _____ %

Policy includes one year complimentary retroactive coverage. Do you want to purchase a second year? Yes No

*Discounts Not Available in Hawaii or Tennessee

1. Have you sustained any prior losses? Yes No

Do you currently carry errors and omissions insurance?

Yes No Please provide us with details and amounts of any prior losses or claims and their status. (Use a separate sheet of paper if necessary.) \$ _____

2. Number of years of experience preparing tax returns? _____

3. What types of returns does your firm prepare?

- Personal Commercial

4. Have you and your other supervisors attended a continuing education course in the last year? Yes No

5. Does your firm subscribe to a tax reporter service or similar publication? Yes No If so, are they required reading for all preparers? Yes No

6. Does your firm regularly check the accuracy of your computer software? Yes No

7. a. Does your firm utilize an outside tax preparation service? Yes No

b. If yes, does the service hold you harmless for liability that may be incurred as a result of their performance? Yes No

8. Is there a review of all tax preparation by a supervisor who is not involved in that preparation prior to releasing the return? Yes No

9. Have you or any member of your firm been subject to a tax preparer's fine(s) or penalty levied by the Internal Revenue Service, or to disciplinary action by any state board of accountancy, AICPA, or state society? Yes No If yes, please list the dates, dollar amounts, and other specifics. _____

10. Has your firm had a peer review under the sponsorship of the AICPA, a state society, or any other professional association, in the last three (3) years? Yes No If yes, were any deficiencies found regarding tax preparation? If so, what steps have been taken to prevent recurrence? _____

11. The applicant hereby warrants that, to the best of his/her/its knowledge, no facts currently exist which could reasonably give rise to a claim against this policy.

Applicant's Signature _____

Applicant: please print or type your name here

Date _____

Check here if this has been previously taxed

Agent's Name _____

Address (Street & Number) _____

City

State

Zip

Agent's Code _____

TAX PREPARERS' ERRORS & OMISSIONS INSURANCE RATES (ANNUAL PREMIUM)

	# Employees	\$10,000 single/ \$20,000 aggregate	\$25,000/\$50,000	\$50,000/\$100,000	\$100,000/\$200,000
AL, AR, AZ, CA, CO, CT, DC, DE, GA, IA, ID, IL, IN, KS, KY, MA, MD, MI, MN, MO, MS, MT, NC, ND, NE, NJ, NM, NV, OH, OK, OR, PA, RI, SC, SD, TN, TX, UT, VT, WA, WI, WV, WY	1 — 3	\$182	\$363	\$556	\$737
	4	\$226	\$451	\$686	\$909
	5	\$270	\$539	\$817	\$1086
	6	\$314	\$627	\$947	\$1260
	7	\$358	\$715	\$1078	\$1434
	8	\$402	\$803	\$1209	\$1608
	Each Add'l Emp. over 8	\$44	\$88	\$131	\$174
	AK, HI	1 — 3	\$210	\$409	\$608
4		\$257	\$503	\$748	\$996
5		\$304	\$597	\$888	\$1,186
6		\$351	\$691	\$1,028	\$1,376
7		\$398	\$785	\$1,168	\$1,566
8		\$445	\$879	\$1,308	\$1,756
Each Add'l Emp. over 8		\$47	\$94	\$140	\$190

Rates subject to change at any time.

\$250.00 Single Loss, \$500.00 Annual Aggregate Deductible Applies

TAX PREPARERS' ERRORS & OMISSIONS DISCOUNTS*

Enrolled Agent	0.9 factor
Tax Preparer Association Member	0.9 factor
Enrolled Agent and Association Member	0.85 factor

*Discounts not available in Hawaii or Tennessee

TAX PREPARERS' ERRORS & OMISSIONS - ADDITIONAL COVERAGE OPTIONS

	\$10,000 single/ \$20,000 aggregate	\$25,000/\$50,000	\$50,000/\$100,000	\$100,000/\$200,000
1 Year Retroactive	complimentary	complimentary	complimentary	complimentary
2 Year Retroactive	\$125	\$250	\$375	\$500
Bookkeeping	1-10%	1.15 factor		
	11-25%	1.25 factor		
	26%+	1.33 factor		
Extended Reporting	0.5 factor	0.5 factor	0.5 factor	0.5 factor