



# Of Mutual Interest

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### Risk Management

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#### 21st century accountants face growing risk

*"Becoming involved in a lawsuit is like being ground to bits in a slow mill; it's being roasted in a slow fire; it's being stung to death by single bees; it's being drowned by drops; it's going mad by grains." -- Charles Dickens (1853).*

A quick question ... does your practice face more or less risk today than it did five years ago?

I think most of you will agree with me without hesitation when I say, "MORE risk." There are several reasons I say this, but some stand out more than others.

First of all, since 2000 -- on the heels of the financial reporting fiascos that we all remember associated with Waste Management, Andersen/Enron, WorldCom, et al. -- it appears that judges have been less likely to throw out cases against CPAs than they once were. Judges grant fewer motions for summary judgment and seem to require additional discovery before rendering decisions on cases.

It seems that, in almost every case, we are required to perform an extensive amount of discovery before we can possibly reach a settlement. Of course, this entails subpoenas, depositions, hiring expert witnesses and countless hours of time spent by our member firms that happen to get sued.

CPA Mutual's claims experience bears this out.

Click to [read](#) more from Bill Thompson.

CPA Mutual was formed in 1986 to serve the accountants' professional liability sector. The company has expanded over the decades to include coverage for outside defense cost, aggregate limits and deductibles, electronic data coverage, employment practices liability, and limited liability for small firms that do not provide attestation services. Our focus is and has always been the CPA market. Our goal is to exceed your expectations! For more information, please contact William Thomson, bthomson@cpamutual.com, 800-543-3029.

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