TAX PREPARER BUSINESS INSURANCE BUYING WORKSHEET

Fill this out before or while requesting quotes. Give every insurer the same description of your services, filing volume and client types so you can compare policies fairly.

1 Identify Risks | 2 Match Coverage | 3 Check Requirements | 4 Compare Fit | 5 Review Quotes

1. IDENTIFY THE RISKS IN YOUR TAX PREPARATION WORK

Record the return types you file, the clients you serve, and how your practice handles peak season.

TIP: Include seasonal and overflow work you outsource. An insurer may price or exclude returns prepared by temporary staff differently.

Business name:	**State(s) where you file:**	**Annual revenue:**
Primary credential (EA, CPA, AFSP):	**Years in business:**	**Annual payroll:**
Employees (including seasonal):	**Outsourced preparation costs:**	**Claims in past 5 years:**

Return Types and Services You Handle

- ☐ Individual income tax returns
- ☐ Business entity returns (S-corp, LLC)
- ☐ Partnership and trust returns
- ☐ Amended returns and prior-year filings
- ☐ IRS and state audit representation
- ☐ Tax planning or advisory services
- ☐ Payroll tax filings for clients
- ☐ Bookkeeping tied to return prep
- ☐ Refund advance or bank product facilitation

How Your Practice Operates

- ☐ Serve walk-in clients at a storefront
- ☐ Operate from a home office
- ☐ Accept clients remotely or by mail
- ☐ Hire seasonal preparers for tax season
- ☐ Use tax preparation software (e.g. Drake, Lacerte)
- ☐ Transmit returns via IRS e-file
- ☐ Store client records electronically
- ☐ Collect and handle bank product applications
- ☐ Outsource overflow returns to other preparers

Compare Two Client Engagements

ENGAGEMENT	SCOPE AND VALUE	CLIENT DATA HANDLED	OUTSOURCED WORK	WHAT COULD DISRUP
Routine				
Larger / Unusual				

Anything an insurer should know about your practice:

2. MATCH YOUR PRACTICE RISKS TO COVERAGE

Check each trigger that describes your business, then record what the insurer needs to confirm.

APPLIES?	BUSINESS TRIGGER	COVERAGE TO ASK ABOUT	DETAILS TO CONFIRM
☐	You prepare tax returns that clients file with the IRS or state agencies.	**Professional liability**	Covered services, retroactive date and prior acts coverage
☐	Your systems store Social Security numbers, W-2s, bank details and prior-year returns.	**Cyber insurance**	Data types covered, breach notification and ransomware response
☐	Clients visit your office or storefront for appointments.	**General liability**	Covered premises, limits and exclusions
☐	You hire seasonal preparers or part-time staff during filing season.	**Workers' compensation**	Payroll, job classifications and state rules
☐	You lease or own a storefront with computers, printers and client files on-site.	**Commercial property**	Covered equipment, replacement cost and business interruption
☐	You or staff drive to client homes or drop-off locations.	**Commercial auto**	Drivers, business use and physical damage
☐	A bank product agreement or client contract requires limits above your base policies.	**Commercial umbrella**	Underlying policies and added limit
☐	You want to bundle general liability with storefront or office property coverage.	**Business owner's policy**	Included coverages, sublimits and endorsements
☐	You facilitate refund advances or bank products that carry separate liability.	**Professional liability (bank product rider)**	Covered products, indemnification terms and exclusions

KEEP IN MIND: A trigger tells you when to ask about coverage. It does not guarantee that every loss will be paid. Confirm the policy's limits, deductible and exclusions.

My Coverage Questions:

3. CHECK LICENSING AND FILING REQUIREMENTS

Use the written rules for your PTIN, credential and any bank product or franchise agreements.

Documents to Gather

- [ ] IRS PTIN renewal confirmation
- [ ] State tax preparer registration rules
- [ ] Existing certificates & endorsements
- [ ] EA, CPA or AFSP credential proof
- [ ] Bank product or franchise agreement
- [ ] Office lease or storefront agreement

Licensing and Agreement Requirements

REQUIREMENT	REQUIRED AMOUNT OR WORDING	WHO REQUIRES IT?	DEADLINE
Professional liability limit			
Cyber insurance minimum			
General liability limit			
Workers compensation proof			
State preparer registration bond			
Bank product indemnification coverage			
Franchise insurance requirement			
Certificate of insurance (COI)			
IRS e-file provider requirements			

Details That Affect Your Limits and Quote

Total returns filed per season:	**Total client records stored:**
Revenue from bank products:	**Number of seasonal preparers hired:**
Annual payroll:	**Deductible you can pay:**

Verification Checklist

- [ ] Insurer reviewed bank product agreement terms
- [ ] Named insured matches legal business name
- [ ] Seasonal preparer coverage confirmed
- [ ] COI matches policy after all changes
- [ ] Prior acts coverage extends to first filing season
- [ ] Policy starts before tax season begins

> **DO NOT STOP AT THE AGREEMENT MINIMUM:** Bank product and franchise requirements protect them, not you. Check whether your client data exposure, seasonal staff errors and prior-year returns also have the protection your practice needs.

4. CHOOSE AN INSURER THAT COVERS YOUR PRACTICE

Confirm that each insurer accepts tax preparers and the return types and services you offer.

Provider Eligibility and Fit

QUESTION	RESPONSE (A / B / C)	NOTES
Does the insurer specifically cover tax preparation professionals?		
Will it cover returns filed by seasonal or temporary staff under your EFIN?		
Does the policy extend to IRS or state audit representation services?		
Are bank product and refund advance liabilities covered or excluded?		
Can it provide adequate cyber coverage for the volume of SSNs and returns you store?		
Does it offer prior acts coverage back to your first filing season?		
Can you obtain a revised COI quickly enough to meet a bank product deadline?		
How does the insurer handle claims from IRS penalties assessed to your client?		
Who manages the claim if both a client and a bank product provider bring separate complaints?		

Rank Your Priorities - Choose Your Top Four

- ☐ Professional liability for tax errors
- ☐ Affordable premiums for seasonal work
- ☐ Prior acts for past filing seasons
- ☐ Coverage for seasonal preparers
- ☐ Cyber coverage for client SSNs and returns
- ☐ Fast COIs for bank product agreements
- ☐ Claims support for IRS penalty disputes
- ☐ Bundling options across policy types

My Must-Have Provider Features:

5. COMPARE QUOTES AND POLICY TERMS BEFORE BUYING

Compare quotes built from the same return volume, client count, revenue and requested limits.

Side-by-Side Quote Comparison

COMPARISON POINT	QUOTE A	QUOTE B	QUOTE C
Provider / underwriting insurer			
Monthly and annual premium			
Professional liability limit/deductible			
Retroactive date and prior acts coverage			
Cyber insurance limit and sublimits			
General liability limit/deductible			
Workers' comp payroll and classifications			
Commercial property covered items			
Bank product liability coverage			
Seasonal preparer coverage terms			
Covered return types and services			
Major excluded services or operations			
COI and endorsement process			
Claims contact and reporting method			

Final Policy Verification

- ☐ All return types and services are described correctly
- ☐ Client data volume and storage method accounted for
- ☐ You understand audit and cancellation terms
- ☐ Payroll and seasonal staff costs match quote
- ☐ Bank product terms and endorsements included
- ☐ You know insurer and how to report a claim

Final Selection

Chosen provider:	Why this provider fits:	Policy #:	Next review:

REVIEW YOUR COVERAGE WHEN: You add new bank products or franchise agreements, hire additional seasonal preparers, begin offering audit representation, start filing business entity returns, or expand to a new state.