

Claims examples

Criminal Legal Protection

Under German law, companies cannot be defendants in criminal proceedings, therefore criminal cases are always investigated against natural persons (e.g. managing directors or board members). It can be observed that accusations and charges have been increasing recently. Among other things, this is due to growing complexity of compliance requirements. In addition, the law enforcement authorities have become more aware of the issue because of many scandals that have attracted media attention, such as Wirecard and VW. As a result, more investigations are also being initiated against company managers and employees of small and medium-sized companies.

In addition to a possible damage to the reputation of the company and the persons concerned, the defence costs also create a high financial risk: expert opinions and proceedings can quickly reach a six-figure sum, even in the case of medium-sized companies.

Criminal law protection insurance covers all areas of action of the company and insures all responsible persons and employees against whom criminal or administrative offence proceedings are initiated in the course of their activities. Many loss scenarios exist in connection with criminal or regulatory offence proceedings that can trigger the insurance cover of corporate criminal legal protection. We have compiled below a selection of typical claims in which the criminal legal protection insurer has provided cover.

→ Operational safety:

An employee was seriously injured in an work-related accident. He had not used the prescribed safety guard on a machine in order to be able to complete his work in the given time. The public prosecutor's office initiated criminal proceedings against the managing director for violations of operational safety.

→ Environmental protection:

A river was polluted by chemicals. Several companies located along the river were suspected of having discharged the chemicals. As the question of who was responsible

was initially unresolved, all the companies in question and their managers were investigated on suspicion of committing environmental crimes.

→ **Tax evasion:**

During a company audit, irregularities were found in the accounts, which aroused the suspicion of tax evasion among the tax authorities. Criminal tax proceedings were initiated against the responsible Executive Board member.

→ **Bribery:**

An engineering firm was awarded the contract for the planning of a bridge in a public tender. Shortly afterwards, the public prosecutor's office received an anonymous complaint accusing the owner of the engineering firm of bribing the public decision-makers. The public prosecutor's office initiated an investigation against the owner.

→ **Compliance:**

The managing director of a financial services provider was accused by the prosecution authorities of having done nothing against „slush funds“ in his company. With the advice of a specialised law firm, charges were prevented.

→ **Assault:**

A employed taxi driver caused an accident during a taxi ride in which his passenger was injured. The public prosecutor's office investigated the taxi driver for bodily injury caused by negligence.

→ **Witness statement:**

Customers of an online retailer were investigated on suspicion of fraud. The purchasing manager of the online retailer was then questioned by the public prosecutor's office as a witness. The costs of the witness counsel were covered by the insurer.