

Legal Expenses

**Your protective shield
in worst-case scenarios**

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HDI

CRIMINAL LEGAL EXPENSES

for entrepreneurs and managers.

The best defence in critical cases.

Anyone in a position of responsibility quickly comes into the line of fire. This is nothing new. However, what is new is that the criminal law risks are increasing from year to year. The number of investigations launched – particularly in the area of commercial law – has increased significantly. This is primarily a consequence of numerous changes in the law which affect companies of all sizes during recent years. Financial crisis and scandals in the world of business have heightened public awareness. Prosecution authorities increasingly more proactive in the area of combating corruption especially. There is also an increased risk that innocent business people will come into the sights of the prosecution authorities.

Personal risks for managers

Criminal risks are personal risks. In many jurisdictions only natural persons can be punished under criminal law. The company does not, therefore, always provide the function of a protective shield. If things go wrong, managing directors have to bear personal responsibility. Even if the responsibility has been delegated to third parties, the concept of organisational fault is frequently applied. The consequences of criminal proceedings can become very unpleasant. Apart from major damage to reputation, the accused are often at risk of high financial penalties. An additional factor is that these proceedings frequently extend over long periods of time when the facts of the case are complex and difficult. A number of individuals are frequently involved in such

An example from business practice:

A company often needs to get a national license to market a product abroad. In order to avoid the time-consuming and complex approvable procedure, the Managing Director is alleged to have offered money to an employee of the approvable authority to grant a licence certifying the safe use of the product without approval. The responsible authorities have subsequently instituted proceedings. There is a risk of financial penalties amounting to several million euros.

Did you know that ...

... HDI protects companies, all members of the management board and supervisory board and all employees against the consequences of reputation damage resulting from an investigation proceeding – even if such proceedings were begun solely on the suspicion of a criminal act having been committed?

investigations and each of them requires a separate defence lawyer.

Tailored insurance cover for your company.

Criminal Legal Expenses from HDI Global SE provides you with excellent protection against the effects of criminal investigation proceedings. Criminal Legal Expenses will be concluded by the company. On request, all legal representatives, all members of the management board and supervisory board, and all employees of the company are insured against criminal proceedings instituted in conjunction with their professional activities. Furthermore, it is possible to take out Criminal Legal Expenses only for members of the management board as an individual solution. HDI offers all the advantages that make effective defence possible.

Cost risks in critical cases

Within the scope of Criminal Legal Expenses, HDI pays the costs incurred from the point when investigation proceedings are begun to the final appeal stage. These include fees for criminal defence lawyers and expert witnesses, procedural, court and private prosecutions, costs for company statements, and witness support, travel costs for the insured person and the defendant, and translation costs.

HDI also covers the costs for public relations work and costs incurred for investigative custody and all advances on these. Furthermore costs are covered for litigation services, such as forensic services, for reinstatement of reputation, and for assertion of claims originating from breach of personal rights.



Available right from the start

In a worst-case scenario, we are available to provide you with support quickly and without complex formalities. We help you to select appropriately qualified legal representatives and expert witnesses – an essential condition for optimum defence. Furthermore, we have produced a guideline for you giving important information for dealing with the police and prosecution authorities. If serious criminal charges are brought forward or search measures are instituted, we provide legal advice for you not only during normal business hours but also on Sundays and public holidays. Your defence can be organised professionally.

Things can happen quickly.

Criminal Legal Expenses from HDI provides you with necessary security. The following case studies confirm the high level of need for insurance cover.

Driving through a red traffic light

- An allegation is made that a managing director drove through a red traffic light at an intersection. A penalty notice is likely to be issued on account of this offence. The accused managing director consults a lawyer for legal advice on the matter.

Injury at a low-loader ramp

- Someone is seriously injured when a low-loader ramp was closed. An allegation was made against the manufacturer of the low-loader asserting that insufficient information had been provided about these hazards. The prosecutor initially began an investigation proceeding against person(s) unknown and did not retract the investigation despite a company statement issued by a lawyer and supported by an expert report. The proceeding was then extended to include the responsible managing director as the accused. The main department manager of the company was required to make a statement as a witness. The court passed a judgement levying a financial penalty on the managing director on account of bodily injury resulting from negligence. All costs for the defence and provision of witnesses were paid by HDI.

Water pollution with wilful intent

- During a routine inspection of a chemical production facility the trade supervisory board found that solvents were leaking into unpaved soil. It became apparent that in the past there had been frequent spills when transferring liquids of this nature. As a result, a criminal proceeding was instituted against five employees of the company charging them with polluting the water with wilful intent and seriously environmental hazard. In the course of the main trial, the proceedings against all the defendants were ultimately dropped, but a fine was imposed.

Expert advice

Make risks calculable

Protect your company against the risk of high costs and damage to reputation – with tailor-made legal protection. This will enable you to calculate the consequences of criminal proceedings as a result of a fixed business parameter and provide protection against the impact.

HDI Global SE – always at your side on legal issues.

Keep in mind that legal assistance may be necessary sooner than you think. HDI gives you a partner who will also be at your side in difficult times. As the number of laws increases, the risk of being involved in costly legal disputes rises with it – both in corporate areas and in the private sphere. HDI offers you tailor-made and needs-based insurance cover for typical disputes that arise in everyday circumstances.

Protection in many areas

A long track record of experience in the insurance business provides extensive protection – ranging from insurance cover for your company and your managers, to solutions for your vehicle fleet, to legal expenses for you privately. You can rely on special assistance and you can reduce the risk of incurring additional costs.

Your benefits at a glance

- Protection against the impact of criminal investigation proceedings
- Protection against costs in criminal proceedings, also in the case of offences due to wilful intent and accusations of criminal action
- Payment of fees which are far above the statutory legal fee
- Worldwide insurance cover provided on request
- Engagement of a number of criminal lawyers for members of governance boards and other designated persons
- Payment of costs for precautionary legal advice before criminal proceedings are instituted