



EXCELLENT &
ECONOMICAL
insurance cover.



DEAR READER,

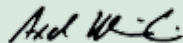
You are most likely insured in some shape or form. For a start, health insurance is mandatory for everyone in Germany. Moreover, anyone who drives a car needs motor vehicle insurance. That is why you probably belong to the sizeable contingent of those who regularly pay money to insurers.

The insurance business revolves around money. There is nothing wrong with that, in fact it's standard practice for any business organisation. However, sometimes insurers act as if they were charities and motivated purely by altruism. They aren't. Insurers want to make a profit out of your money.

That's why you need to know what you're signing up for before you conclude an insurance contract. There are some types of cover that you definitely need, liability insurance for example. There are other types of cover that may prove useful, too, such as home content insurance, depending on your personal circumstances. Some insurance contracts, however, you won't need and should therefore avoid.

In this brochure, we aim to provide you with a guide to insurance issues in Germany, so you can decide for yourself what insurance you need. It may not answer all your questions, in which case you should seek independent advice. The BdV offers such advice to its members so far only in German language. We will be pleased to assist you.

Best regards

A handwritten signature in black ink, appearing to read 'Axel Kleinlein'.

Axel Kleinlein

CONTENTS

Needs assessment	6
Liability insurance	10
Term life insurance	14
Occupational disability insurance	18
Accident insurance	22
Insurance for your home	26
Home content insurance	32
Motor vehicle insurance	36
Legal protection insurance	42
Travel insurance	44

Health insurance	50
Private supplementary health insurance	58
Long-term care insurance	60
Endowment insurance	64
State-subsidized retirement provision	70
Unnecessary insurance	76
Termination options	80
Important contact data	84
BdV – Who we are	86
Publication details	87



WHAT

TO

DO?

LEGEND

+++ extremely important
++ important
+ less important

- unimportant

NEEDS ASSESSMENT

Please note: The right retirement product for you depends on many individual factors, e.g. your tax situation. It would therefore not be helpful to make one-size-fits-all recommendations in this brochure.

- +++ Liability, occupational disability insurance
- ++ Accident insurance
- + Home content insurance

- Term life, supplementary longtime care insurance

PUPILS, STUDENTS, APPRENTICES/TRAINEES

...are normally covered through their parents until they complete their professional training. This at least applies to personal liability and home content insurance – if you don't yet have any family of your own and still live with your parents. If you have left the parental home, it is worth taking out home content insurance if you own valuable items of property that are worth insuring. We also recommend occupational disability insurance.

- +++ Liability, occupational disability insurance
- ++ Accident, home content insurance
- + Supplementary long-term care insurance

- Term life insurance

SINGLE PEOPLE

...should prioritise personal liability and occupational disability cover. You should only think about supplementary long-term care insurance once you have taken out occupational disability cover. If you don't qualify for occupational disability insurance (Berufsunfähigkeitsversicherung) there is no alternative offering the same level of protection. Depending on your specific circumstances, total disability (Erwerbsunfähigkeit), regular disability (Funktionsinvalidität), multi-risk, insurance against the loss of basic sensory and motor skills (Grundfähigkeit), or accident insurance could prove a worthy investment. Term life insurance is not necessary as you wouldn't have any surviving dependants to look after. You should, however, also make provision for your future needs – security for your family or securing a loan. If you already have your own household, you should consider taking out home content insurance.

- +++ Liability, occupational disability insurance
- ++ Term life, accident, home content insurance
- ++ Supplementary long-term care insurance

COUPLES

...only need one personal liability policy as it covers both partners. The same applies to home content insurance. Each partner needs occupational disability cover, which you can combine with term life insurance. Private supplementary long-term care would be a valuable addition to your insurance cover.

- +++ Liability, occupational disability, term life, accident, homeowners insurance
- ++ Home content insurance
- ++ Supplementary long-term care insurance

COUPLES WITH CHILDREN

...should take out term life insurance to secure each other. Occupational disability insurance is a must, you can also extend your cover with private supplementary long-term care insurance. You should insure your children from a young age against the consequences of an accident through accident or child disability insurance. This is also advisable for the parents. You should organise those contracts first plus personal liability, before taking out home content insurance. As a homeowner, don't forget to take out homeowners insurance!

SINGLE PARENTS

...need similar cover to couples with children. You would be well advised to take out occupational disability insurance to maintain your standard of living in the event you are no longer able to work. You can also add independent term life insurance to the package. Additional private supplementary long-term care insurance could be another attractive complement to your portfolio. You need accident or child disability insurance for your children, and personal liability insurance is a must. Only when you have organised those should you think about your home content insurance. As a homeowner, don't forget to take out homeowners insurance!

- +++ Liability, occupational disability, term life, accident, homeowners insurance
- ++ Home content insurance
- + Supplementary long-term care insurance

RETIRED PEOPLE AND PENSIONERS

...have stopped working. You no longer have to worry about caring for those you leave behind. Nonetheless, you should take out accident insurance for your own benefit. Please don't forego your personal liability cover either. Moreover, statutory care/nursing funds will be insufficient so you should take out supplementary long-term care insurance. Homeowners also ought to take out homeowners insurance.

- +++ Liability, homeowners insurance
- ++ Home content, accident, supplementary long-term care insurance

- Occupational disability, term life insurance



LIABILITY

If you knock a cup off your neighbour's table, you just buy them a new one. However, if you injure someone you may find yourself liable for a lifelong pension. That can mean financial ruin as you are liable including all your assets and income, provided it is distrainable. You are also exposed to a liability risk if you own a dog, horse, property, oil tank or boat. That is why liability cover is an indispensable part of your insurance provision.

PERSONAL LIABILITY INSURANCE

Personal liability covers any losses for which you are legally liable. The best way to organise it is to define an insured flat-rate sum of EUR 5 million minimum for personal injury and property damage. You can save on premiums by having a deductible.

The policy usually also covers your spouse, partner and children. However, it only covers children before

they marry and until they complete their first vocational training programme or course of study. Unmarried partners living together can take out one contract as joint cover. However, in some instances two contracts may prove advantageous, for example if one partner causes losses to the other one through negligent behaviour.

By the way: do you have children under seven? They cannot be held liable for a loss event. They are also only liable for road traffic incidents from the age of ten, provided they didn't intentionally cause an incident leading to a loss. However, injured parties can pursue you. If you haven't breached your supervisory duties, you will not be held liable for damages and your insurer won't have to pay. Your insurer will also defend you from unwarranted compensation claims including associated court proceedings. Many contracts

will also pay out in circumstances where your child isn't actually liable so as to avoid, for example, a dispute with your neighbour. So, make sure you include "Deliktunfähigkeit von Kindern" in your cover so you are covered for any losses caused by your children, even if they cannot be held responsible for those losses.

PROFESSIONAL INDEMNITY FOR PEOPLE IN PUBLIC SERVICE

Are you a public official (Beamter) or member of the civil service? If so, you can take out professional indemnity (Dienst- oder Amtshaftpflichtversicherung) for a surcharge in addition to your personal liability insurance. This will protect you from compensation claims from your employer in the event of personal injury or material loss. You may be exposed to such claims if you are guilty of gross negligence.

PECUNIARY LIABILITY INSURANCE

Do you want protection in your capacity as a public official or civil servant from compensation claims launched by your employer relating to financial losses? If so, you should consider pecuniary liability insurance. Such claims could arise if, for example, you were to miss a deadline or charge unwarranted fees.

LIABILITY INSURANCE FOR HOUSEOWNERS AND LANDOWNERS

If you own land or a house, you must make every effort to ensure your property does not pose a hazard in any way. If other people incur an injury because you failed to perform your duty, you are liable. That includes the obligation to grit the path and keep the property clean. Your liability cover will pay any legitimate claims against you in your capacity as a house and/or landowner and any illegitimate claims will be rejected.

You need this insurance if you don't use the property solely as a place for you to live or if you own an undeveloped plot. If you own a flat, this insurance will cover risks associated with the collective property, which your personal liability insurance does not cover.

BdV-TIP

If only you and your family live in your family home, personal liability cover is usually sufficient.

INSURANCE COVER FOR YOUR ANIMALS

If your dog or horse causes a loss, you are held liable even if you are not actually responsible for the incident in question. You therefore urgently need insurance cover against

such an eventuality. In most German states it is obligatory (sometimes restricted to specific dangerous breeds) to take out dog liability insurance.

BdV-TIP

Do you just have a cat or another small, tame animal? They are covered by your personal liability insurance.

OIL TANK LIABILITY INSURANCE

If you have a heating oil tank, we recommend you take out oil tank liability insurance. If the oil runs into the ground, it will contaminate the water and groundwater, which can become expensive. The sum of the premium depends on the holding capacity of your tank and where it is located.

BdV-TIP

Oil tanks up to a certain holding capacity are usually included in your personal liability cover and are not subject to any additional contribution. Ask your insurer for further details.

BOAT/SURFBOARD LIABILITY INSURANCE

If you captain a boat in your leisure time, you should have boat liability insurance. It covers you if, for example, you hit the neighbouring boat when trying to moor your craft to a bollard.

You should also have insurance if you are a keen surfer. If your personal liability cover is insufficient, you can take out surfboard liability insurance. It will pay for any damage you may cause if you drift off course.



BdV-TIP

The BdV will help its members in finding a suitable liability insurance offer.



TERM LIFE INSURANCE

If you want to make sure your family is at least financially secure in the event of your death, the best way to do it is through term life insurance. You need to think about the duration of your policy and the sum insured. The money will be paid out if you die during the policy term. You can select anyone as your beneficiary: dependants, friends or your partner. If you wish, the insured sum can also be paid to an institution, such as a church or other charitable organisation.

Take account of your financial and family situation when defining the insured sum. If you have a big family with small children, you should have a higher insured sum. It would also be a good idea to secure property loans. At the very least, your death shouldn't force your family to sell your property in haste because they can't keep up with the loan payments.

When determining the contract term, you need to base it on how long your family will depend on your income. If your children become independent earlier than you thought or if their dependence on you lessens due to other reasons, you can reduce the insured sum or cancel the contract. On the other hand, you can only extend the term if expressly provided for in the contract. Moreover, if you want to retrospectively increase the sum insured, you will probably have to undergo another medical examination.

There is not much difference between the conditions stipulated by the different companies, so you can focus on the premium costs. It could prove expedient to include an option to increase your contributions. That would allow you to increase your cover in response to such events as marriage or the birth of a child without having to undergo another medical examination.

Select the "immediate vesting participation" (Sofortgewinnbeteiligung) as the form for your share of the bonus. This will reduce the amount you actually have to pay. Otherwise, the bonuses will be used to increase your death benefit, which you should have fixed at the right amount when you took out the policy.



Important: the right level of security.

BdV-TIP

Save on inheritance tax. This is of particular interest to those living in common-law partnership, as they only have a low tax exempt amount. This is how you solve the problem: he is the insured person, she is the policyholder and entitled beneficiary. If he dies, she gets the money.

Bottom line: In this case the tax authorities are not entitled to anything, as the policyholder is also the entitled beneficiary and does not receive the death benefit as an heir. It's the same if the roles are reversed, i.e. he is the policyholder and the beneficiary and she is the insured person.



TERM LIFE INSURANCE FOR TWO LIVES

You should be aware of this option: two persons are insured. It could be, for example, you and your life partner or business partner. This type of insurance is cheaper than two separate contracts. However, the benefit only falls due once when one of the two persons dies. Please note: the surviving partner is no longer covered afterwards.

TERM LIFE INSURANCE WITH A FALLING INSURED SUM

This particular form of insurance is often used in connection with the securing of construction financing or other types of financing. That is why it is often referred to as payment protection insurance or housing finance insurance (Bauspar-Risikolebensversicherung). The sum insured is reduced at regular intervals during the contract term. When the contract matures, it is at zero. It is a practical means of securing loans.

You can choose between two models:

- With a “linearly decreasing” contract, the sum falls by a fixed amount at regular intervals. However, there is also the disadvantage of the residual debt temporarily not matching the insured sum.
- Another variant is the solution “adapted to the residual debt” (decreasing on an annuity basis). In this case the insurance is linked to the interest and repayment rate of the loan.

BdV-TIP

Before you take out term life insurance via your bank, check whether another provider can make you a better offer.

The BdV will help its members in finding a suitable term life insurance offer.

LIFE BUOYS



OCCUPATIONAL DISABILITY INSURANCE

Occupational disability cover is one of the most important types of insurance you can have. That is why you should take out a policy as soon as possible while you are in good health. You can take out the insurance from your 15th birthday. If you decide to wait before taking disability insurance, your situation may become complicated if you develop an illness. In fact, you could even become ineligible. On the other hand, it is expensive to acquire cover for someone who is still at school. If you are not a manual worker, you should take out the insurance when you finish your studies.

Occupational disability benefits are paid out when you are not able to work for an extended period due to illness or accident. In such an event, you receive a monthly pension, which should be sufficient to maintain your standard of living. Your statutory pension benefits are insufficient and hard to obtain. Moreover, school pupils,

university students, apprentices/trainees, housewives/husbands and the self-employed are not normally eligible for statutory cover.

The contract should remain in force until you stop working. That is usually your 67th birthday these days. If you decide on a shorter duration and subsequently wish to extend it, you are only allowed to do so if explicitly provided for under the contract. The extension often comes with certain conditions.

Your disability pension should be equivalent to your monthly outgoings (living expenses, insurance, savings etc.) minus any income which you don't actually earn through your work. It's important that you don't set it too low. You can also pay a dynamic premium to cover any salary increases. As a result, you increase your disability pension and premium payments.

BdV-TIP

You can take out occupational disability cover either separately or as a supplement to term life insurance. This combination may provide better value than separate disability cover. Make the death benefit as low as possible. What we wouldn't recommend are solutions whereby the disability is added as a supplement to endowment insurance policies or retirement products, such as a Rürup pension or direct insurance.

You should also make sure to opt for dynamic benefits, i.e. in the event of an occupational disability your benefit payments will be increased at regular intervals, so that your pension won't lose value through inflation. However, this kind of cover may entail a higher contribution.

Are you a civil servant or in public service (Beamte)? If so, you should be aware of the following: if you are obliged to take early retirement because you are unfit to work (dienstunfähig), that doesn't necessarily mean you are classified as occupationally disabled (berufsunfähig). That means you might not receive benefits from your occupational disability insurance. However, you can plan for that contingency with a special clause in your contract related to the occupational disability in the civil service (Dienstunfähigkeitsklausel).

Make sure you read your insurance conditions carefully. Our information sheet on occupational disability details what you need to watch out for when selecting your policy. You can find it in German at:
www.bunddersicherten.de/Berufsunfaehigkeit





BdV-TIP

The BdV will help its members in finding a suitable occupational disability insurance offer.



ACCIDENT INSURANCE

Sometimes all you need to do is fall off a ladder to find yourself in financial difficulty, no one is immune to misfortune. Accident insurance provides benefits if you suffer a lasting disability and is mainly to cover your additional capital requirements, for example, for

- converting your car or apartment,
- any additional aids or therapy,
- home help or childcare.

If you can bear those costs yourself, you don't need accident insurance.

Accident insurance is not designed to substitute your earned income. Occupational disability insurance deals with that. Unlike occupational disability insurance, accident insurance doesn't provide a predefined level of benefits. Instead you receive a percentage of the selected disability sum, depending on the degree of your disability. This is measured by the extent of the physical or mental

impairment in question. Some body parts and sensory organs have fixed percentage rates (dismemberment schedule). For example, if you lose an eye, you are 50% disabled. However, the dismemberment schedule may vary among the different providers, as may the rates.

Establish a suitable basic disability sum. Young people and housewives/husbands should ask for at least EUR 200,000. If you are the provider for your family, you could set the amount according to your age and income.

You can use the following as a rule of thumb

30 years = six times your gross annual income

40 years = five times your gross annual income

50 years = four times your gross annual income

You should also set a progression, which usually starts from a degree of disability of 25%. The insured benefit then increases incrementally for higher degrees of disability. We recommend a progression of 225 to 350% for full disability. A higher progression is not advisable as the ratio between the basic and maximum sum would then no longer be optimal. Experience shows that many accident claims entail a degree of disability well below 50%.

Do you have extensive financial reserves? If so, you can reduce the disability sum correspondingly and possibly also forego the progression.

You should also consider taking out a small death benefit. We recommend making it 10% of the basic sum and EUR 10,000 as a minimum. The reason for that is that in the event of a serious disability resulting from an accident, there is a prepayment to the value of the death benefit in the first year following the accident.

BdV-TIP

We would advise against a dynamic component or other extras, such as daily accident allowance, daily hospital allowance or convalescence benefits.

Please see the chapter entitled “Unnecessary insurance” for more information on “Accident insurance with premium redemption”.

INSURING CHILDREN

The most comprehensive cover is normally provided by disability insurance for children (Kinderinvaliditätsversicherung). It is not restricted to accidents but also covers serious illness. However, the rates are extremely high. If you would rather not pay those premiums, you should at least take out accident insurance for your children.

The cover provided through child disability is nonetheless restricted and not comprehensive. Psychoses, neuroses or personality and behavioural disorders are excluded by most insurers. Moreover if, for example, eating disorders or autism result in a disability, you will not receive any insurance benefits. The child's first year of life is not covered by most insurers either. As a result, parents who want to attain financial security through insuring their children still end up retaining a significant portion of disability risk.

There are three variants of disability benefit:

- lifelong annuity,
- one-off payment,
- a combination of both.

Don't measure your insurance cover by probability of occurrence but by the gravity of the consequences. If you are afflicted by a disability, it makes no difference that you may have suffered a statistically unlikely outcome. Nevertheless, it is still worth having a look at the figures issued by the Federal Statistical Office. You will find that the shocking illnesses often referred to by insurers in their advertising and which cause parents considerable concern, rarely cause long-lasting and serious disability.

ACCIDENT INSURANCE FOR SENIOR CITIZENS

Reasons to take out or maintain accident insurance in retirement include

- engaging in sporting activities

which increase the probability of an accident;

- the fact that most accidents occur in the home and during leisure time instead of the workplace;
- accident-induced disability can prove costly.

Reasons not to have accident cover include

- the fact that age-related illnesses can often be the cause of disability following an accident, which means the insurer can reduce benefits correspondingly. This practice is potentially very controversial. Point of clarification: there is an unrestricted entitlement to benefits if the person only shows the effects of normal ageing and falls victim to an accident.

ASSISTANCE BENEFITS

Special accident insurance with assistance benefits comprises a combination of private accident cover and homecare or nursing services. The insurance also organises services for the customer beyond the scope of normal accident insurance cover.

Make sure the insurer doesn't just organise these services but also takes care of the costs. You should also check to see for how long the support services are provided after the accident.



BdV-TIP

Beware of contracts only paying benefits from a 50% degree of disability.

The BdV will help its members in finding a suitable accident insurance offer.



INSURANCE FOR
YOUR HOME

A house is a family's most significant investment. It entails financial commitments spanning many years with potentially major risks. In many cases you will find the right type of insurance cover helps manage those risks. You can find out here how best to cover your risks from when the first sod is cut until your house or apartment is complete.

HOMEOWNERS INSURANCE

You need homeowners insurance for your house. It isn't mandatory but nonetheless advisable. Banks normally insist on such a policy before they finance any construction.

It covers your home against fire, storm, hail, lightning and mains water damage. In a worst case scenario, the entire building will be replaced following a loss event, plus all the interior and exterior fittings. Select a policy that doesn't include gross negligence as a mitigating circumstance. Otherwise, if you demon-

strate a serious breach of due diligence the insurer may cut your benefits depending on how negligent you were. For example, if you were to leave the cooker on and your house subsequently burnt down.

BdV-TIP

You need to specifically add adjacent buildings, such as a garage or summer house. You should also remember to include value-adding installations, annexes and renovations in your cover.

Insist on your contract containing a clause specifying that the full replacement value will be paid. That means your house will be rebuilt us-

ing materials of like kind and quality, regardless of how old it may have been.

To link your compensation payments with construction cost development on an annual basis, the reconstruction value is converted into a so-called "Versicherungswert 1914" which translates literally as "1914 insured value". That means the year 1914 is used as the basis for calculating the year-on-year increases in construction costs, the idea being that the building in question doesn't lose value when it is rebuilt.

For example, imagine you built a house in 2007. The finished construction cost EUR 200,000 excluding the cost of the land. To calculate the 1914 value when applying for insurance cover, you divide the sum by the construction cost index, which was at 10.69 in 2007.

That gives you an insured value of about 18,700 Marks at 1914 prices. If your house were to burn down in 2016, the “1914 insured value” is multiplied by the construction cost index for 2016, which is 13.31. That comes to a reconstruction value of: $18,700 \times 13.31 = \text{EUR } 248,897$. That is the amount you will receive for the reconstruction.

An increasing number of insurers are moving away from this model and calculating the value by the living area or the building volume (umbauter Raum). This model does not normally have any upper limit on compensation.

NATURAL HAZARD INSURANCE

Your home is insured against mains water damage if you have taken out homeowners insurance. What happens if torrential rain or water from a nearby river floods your house, though? Only natural hazard insurance can cover you against such an

eventuality. However, it's not available to everyone. If you live in an area prone to flooding, you may find it hard to obtain natural hazard cover.

BdV-TIP

The BdV will help its members in finding suitable homeowners and natural hazard insurance

Those from the eastern part of Germany who still have the old household insurance (Haushaltsversicherung) from the days of the GDR are lucky as their cover is still valid and it extends to natural hazard protection.

Natural hazard insurance is a complement to residential building insurance. It covers losses stemming from the following hazards: flooding (except for storm surge or ground water flooding), earthquake, subsidence, landslide, snow pressure and avalanche. Backflow damage and volcano eruption are often covered as well. Don't be deterred by the exclusion criteria. Do check with your insurer.

INSURANCE FOR CONSTRUCTION PROJECTS

Owner builders should take precautions against the risk of incurring financial difficulties. There are ways of taking such precautions through insurance. We will list some of them for you. And they aren't restricted to the construction from the cellar to the roof ridge. We can also suggest solutions for annexes, renovations and extensions.

Owners' and contractors' protective liability insurance

As the owner, you must cover any losses arising from your construction and site if no other party can be held liable.

Owners' and contractors' protective liability insurance covers damages and defends you against unwarranted claims. You should have a sum insured of at least EUR 5 million.



Building entails obligations.

BdV-TIP

Smaller construction projects up to a defined sum are normally covered by your personal liability insurance. If you exceed the stipulated construction sum, the co-insurance becomes void and you need separate owners' and contractors' protective liability insurance.

Fire insurance for the building shell

The cover should be concluded by the time the project starts and be valid from that time. The building shell is insured against damage by fire, lightning and explosion. Building materials and parts which haven't been used, yet, are not covered.

BdV-TIP

Fire insurance for the building shell is often granted for a set period for free if you subsequently take out homeowners insurance with the same company. Homeowners insurance comes into force once you declare the building ready for occupancy.

Contractors' all risks insurance

Contractors' all risks provides you with protection from unforeseen damage to construction work, building materials, building parts, temporary supporting constructions and the building materials required for them. Cover extensions for losses resulting from theft, transit, water, groundwater, fire or damage to completed parts of buildings are also possible.

BdV-TIP

The BdV will help its members in finding suitable offers to cover insurance for the home.



HOUSEHOLD CONTENT INSURANCE

Suddenly your house is ablaze. By the time the fire brigade have put the fire out, all your possessions have been reduced to ashes. Not many people can cover that type of loss, which is why you should take out home content insurance against such a financial risk.

Following a loss caused by fire, mains water, storm, hail, theft, vandalism or burglary, the insurer will provide you with the funds you need to replace or repair the burnt, damaged or stolen household goods. All your belongings from furniture to clothes are covered at their replacement value. You can therefore replace all your belongings with brand new items.

This is, however, subject to the condition that the insured sum is not less than the replacement value (or new value) of your household contents. Insurers make it easy for you to manage this. You can fix a certain insured sum per square metre of living space,

which is usually EUR 650. In return, the insurer declares a waiver of underinsurance. However, this is subject to you calculating the correct number of square metres and declaring it to the insurer. If you, for example, only insure half of the actual value then you will only receive 50% of the value if there is no waiver of underinsurance.

If you think the space-based model does not suit you, you can also determine the value of your household contents individually. That would be recommendable, for example, if your household contents are very valuable and you have a small apartment. In that case you would need to prepare a list of all your household contents at their new value.

You need to be very precise with the calculation. On the one hand you should avoid being underinsured, on the other hand, if the insured sum exceeds the value of your household

BdV-TIP

Select a rate which excludes gross negligence as a mitigating circumstance. Otherwise, if you are grossly negligent, the insurer can make deductions from your benefits depending on the extent of your negligence. That would apply if, for example, you facilitate a break-in by leaving the window open.

contents, the compensation will still be restricted to the value of your belongings and you will just be paying more than you need to for the insurance.

You need to know the following for the loss event:

- Initiate immediately all the steps necessary to avoid or mitigate the loss.
- You need to report a loss to the insurer immediately. Keep the rest of the dismantled, destroyed or defective items until they are released by the insurance company.
- Prepare as detailed a list as possible of the damaged household contents for the insurer. If you still have receipts or video/photo material of your household contents prior to the loss event, you should add them to the list. Witnesses who can attest to your belongings are also helpful.
- Please note: in the event of a loss, the onus of proof lies on you as the insured party. You should
- therefore keep receipts for your valuable belongings separate

from your household contents, ideally outside your apartment. A bank safety deposit box would be a secure place, for example.

- In order not to jeopardise your insurance cover, you should notify the insurer of every increase in risk. That could be, for example, scaffolding on your house.

NATURAL HAZARD INSURANCE

If your household goods are damaged by flooding (excluding storm surge or ground water flooding), earthquake, subsidence, landslide, snow pressure, volcano eruption or avalanche and need to be replaced, you need natural hazard insurance. It's a supplement to your household contents insurance and often includes backflow damage.

GLASS INSURANCE

Glass insurance covers breakage of windows in buildings or glass in furniture. Scratches or surface damage are not covered by the insurance,

nor are leakages from glass constructions.

In many cases you may find it's easier for you to cover these losses yourself instead of paying high premiums for years. After all a broken windowpane will not bankrupt you. On the other hand, if you have large windows or a big conservatory, glass insurance might be worth having.

BdV-TIP

Covering ceramic hobs, aquariums or terrariums usually comes at an additional cost.

BICYCLE INSURANCE

If you own a valuable bicycle, you may want to consider having it insured. Your bicycle is covered under your home content insurance if it is stolen from your apartment. However, if you lock and park it outside and it is stolen, the insurer will not pay. You can insure your bicycle against simple theft for an additional premium of up to 3% of the sum insured.

You can also take out a separate policy if you have a very expensive bicycle. The insurance cover is not restricted to theft, it usually covers repair costs and accident-related benefits. However, these policies are very costly.

BdV-TIP

The BdV will help its members in finding suitable home content insurance plus supplementary cover.





MOTOR VEHICLE INSURANCE

When selecting motor vehicle insurance, you must choose between third-party liability, partially comprehensive or fully comprehensive cover. Third-party motor liability is a legal requirement, whereas partial or fully comprehensive cover is voluntary. Insurers also offer additional coverage for your car.

MOTOR VEHICLE LIABILITY

Motor vehicle liability insurance is mandatory. Every vehicle owner is obliged to have it. It covers losses resulting from use of the vehicle and caused by the keeper, owner or driver.

In the event of a loss, the insurer will ascertain whether the compensation claims made against the insured party are legitimate. The insurer will pay out for legitimate claims and reject those that are unfounded on behalf of the insured party, including court proceedings if necessary.

Personal injury, property and financial loss are all covered. The sums insured by law are a minimum of EUR 7.5 million for personal injury and EUR 1.12 million for property damage. Bear in mind that personal injury can include a lifelong annuity, which can prove very costly.

BdV-TIPP

Notify any change, for example when your mileage increases. If you fail to do that, you may not only lose out on discounts but also incur contractual penalties.

That is why we recommend setting an insured flat-rate sum of EUR 100 million (personal injury is limited per loss event/accident to EUR 8-15 million).

The cost of the motor vehicle insurance premium depends on many factors including:

- vehicle model and type
- the number of years where no claims were made (no-claims bonus)
- annual mileage
- drivers (who are they and how old are they)
- regional and model category

Are you a new driver? If so you will start at “no-claims level zero” (SFO), which is 100% according to the latest regulations. However, you can reduce the premium if the vehicle is insured with your parent’s insurer or as their second vehicle. There may also be offers for people who previously rode a moped, scooter or motorbike without having any accidents.

If you don't qualify for a no-claims discount, there are other ways in which you can lower your premium, for example if your spouse has an insured vehicle or if you have had your driving licence for at least three years. Better still, you may be able to take over someone else's no-claims bonus if they don't need their vehicle any more. You can only do that if you have also used the same vehicle. Moreover, you normally need to be closely related to the other person (child, parents).

COMPREHENSIVE INSURANCE

There are two types of comprehensive cover: partially and fully comprehensive. They will pay for damage to your own vehicle. Fully comprehensive cover is suited to new cars or expensive vehicles. You should consider fully comprehensive cover if you took out a loan to finance the purchase of your car or if you leased it. Comprehensive cover means you are insured up to the replacement value of your

vehicle. It can help if you would be unable to finance a similar vehicle from your cash reserves. That is also why you may find comprehensive insurance worth having even for older cars. Before taking out the insurance, you should check whether the premiums come to a reasonable proportion of the car's actual worth.

Partially comprehensive insurance covers damage, destruction and the loss of the vehicle and its enclosed or attached vehicle parts. The insurance covers fire, explosion, misappropriation, theft, robbery, storm, hail, lightning, flooding, collision with game animals, glass breakage/stone chipping, gnawing by martens or short circuit damage to the cabling.

BdV-TIP

There are no-claims categories for fully comprehensive cover but not for partially comprehensive cover. If you remain free of claims for many years, your premium for fully comprehensive cover may be similar, or sometimes even less, than with partially comprehensive insurance.

Fully comprehensive cover includes everything offered under partially comprehensive insurance plus damage to the vehicle caused by the policyholder, the other party involved in the accident leaving the scene or wilful and malicious damage by persons unknown (vandalism).

Many insurers offer lower premiums provided you use specific premises for your car repairs. When you incur an insured loss, the company tells you which garage to go to for repairs. This may not be in your best interests, particularly if you are leasing a vehicle or have it under guarantee.

WHAT OTHER COVER TYPES ARE WORTH CONSIDERING?

Accident and breakdown cover is worth thinking about if you drive a lot. Alternatively, you can check what support you are entitled to as a member of an automobile club or through a mobility warranty from the manufacturer, which you may al-



ready have or be entitled to.

Do you enjoy travelling and go abroad often? If so, you may find yourself involved in an accident abroad through no fault of your own. If the sums insured in whichever country the accident occurs prove insufficient, you will have to bear the extra cost yourself.

You can take out cover against the excess risk through foreign damage insurance, which is available from your motor vehicle insurer. If

you have foreign damage insurance, your insurer will take care of all correspondence with the other party in the accident and their insurer. The bottom line is that foreign damage insurance affords you the same level of cover as if you had been involved in an accident in Germany for which you were not responsible.

The advantage compared to financing the remaining amount through your fully comprehensive cover is that your no-claims bonus is not affected if you are involved in an accident outside

the country, and you don't have to pay any deductible either.

BdV-TIP

Ask your insurer before you travel whether you are covered for the country you are going to visit.

You can only have driver insurance (Fahrschutzversicherung) as a supplement to your motor vehicle insurance. It comprises accident and indemnity insurance and covers the

named driver of a vehicle against the consequences of personal injury resulting from an accident during which the named driver was driving the vehicle. An accident occurring while the driver was outside the vehicle is not covered (refuelling, loading/unloading, scraping off ice, setting up a warning triangle etc.).

The insurance can include loss of earnings, compensation for pain and suffering, follow-up costs resulting from the accident, converting the home for disability and benefits for survivors, depending on the premium you choose. Unlike with accident insurance, the insurer doesn't provide a fixed, pre-set insured sum. Instead the insurer will pay out the compensation required for the specific loss incurred up to the maximum stipulated amount.

Passenger accident insurance covers any passengers injured or killed

in an accident. This policy is unnecessary as it is already covered through your motor liability. If the accident is caused by someone else, their insurance will cover it.

Discount protection

If a claim occurs, the contract will remain in its current no-claims category in the following year. It is not downgraded, but it will also not be upgraded.

What you must bear in mind

If you change insurer, the discount protection is void, i.e. your next insurer will only give you the no-claims category you would have been eligible for without discount protection. In other words, your no-claims discount may be downgraded by the new motor vehicle insurer.

BdV-TIP

The BdV will help its members in finding a suitable motor vehicle insurance offer. Use our free comparison calculator on our internet page to find a good and well-priced motor vehicle insurer (www.bunddersicherten.de/Kfz-Versicherungsvergleich).

AID!



LEGAL PROTECTION
INSURANCE

Being right is one thing, getting justice is quite another. Obtaining legal assistance is usually expensive. Nevertheless, you should only acquire legal protection insurance once you have fulfilled all your other important insurance needs.

People who travel a lot by car or are concerned about problems in the workplace are positioned to gain the most benefit from this cover. They should definitely consider motorists' legal protection or professional legal expenses insurance with private legal protection. Otherwise, there are also contracts providing legal protection for drivers, homeowners and landowners.

Legal protection insurance can help you if you want to enforce your private interests in court. In that case, your insurance will assume your court, lawyer and expert witness costs.

BdV-TIP

If you want to take out legal expenses insurance, make sure you have a high deductible. That will reduce your premium. You should also only use your policy when engaged in costly proceedings.

Even if you have this cover, it doesn't mean you can launch court proceedings against anyone who annoys you. Family and inheritance law for example are not covered (although an initial consultation or allowance for mediation are usually included), neither are disputes relating to construction projects.

There is also no chance of your costs being covered if the event in question predates the inception of your cover or occurs during the waiting period. The waiting period for legal protection cover is normally three months, i.e. cover only incepts after this period. One exception to this rule is legal protection for motorists, which has no waiting period. You will also be liable for any fine or payment imposed on you if you are convicted in criminal or civil proceedings. Legal protection insurance doesn't cover such cases.

BdV-TIP

The BdV will help its members in finding a suitable offer for legal protection insurance.



TRAVEL INSURANCE

When you go travelling, you will have stories to tell – hopefully only about good experiences. All the more reason to check your travel insurance before you leave. It's easier to be a carefree traveller when you know you have adequate insurance. Find out here which types of insurance matter:

FOREIGN TRAVEL HEALTH INSURANCE

This is the only really important cover for travellers, and you should definitely not leave without it. It will cover any medical treatment costs incurred abroad which aren't covered under your statutory health insurance.

In most European countries you can use the European Health Insurance Card (EHIC) if you go to a contractually stipulated doctor or hospital. Your statutory health insurance will, however, only cover your treatment

costs up to the normal amount for the country you are visiting.

The European Health Insurance Card is valid in all EU member states, EEA states and countries which have signed a social security agreement. However, there are some European countries where it is not accepted. That is why you should seek clarification from your health insurer before your trip.

It is in your interests to take out foreign travel health insurance to avoid the possibility of having to cover such costs yourself. It is not expensive and it will (as a rule) cover the difference between the amount charged by the doctor and the benefits from your statutory health insurer. In those countries where a European Health Insurance Card is not recognised, your international cover should pay for all your treatment costs.

It is particularly important to have insurance for medical repatriation. If you fall seriously ill abroad, you may well find that you can't get the treatment you need and may even have to be taken home. Your statutory health insurer will not cover the repatriation costs. Depending on which country you find yourself in, you may find the cost quickly rising into the thousands of Euros. On the other hand, if you have foreign travel health insurance it will cover your medically "required" repatriation.

BdV-TIP

Students and trainees/
apprentices abroad
can benefit from special
rates.

Some insurers will accommodate their customers and finance their trip home if the medical diagnosis is that the required duration of hospital treatment is likely to exceed 14 days. The best kind of cover is when the insurer pays for the repatriation once it proves expedient and justifiable from a medical perspective.

Please note, the rules on dealing with prior illnesses need particular attention. Often foreseeable treatments are excluded from the cover. The way in which the insurer understands these treatments needs to be clearly defined in the insurance conditions. For example, treatment is deemed foreseeable if it was scheduled for the same time as the trip or if it had already been established by medical diagnosis prior to the trip. The conditions should not contain, however, any cover restrictions for "unforeseen", "unforeseeable" or "acute" illnesses. This undermines the cover,

particularly for people suffering from chronic illness, as they would reasonably expect to require treatment for their condition while abroad.

Privately insured people can also benefit from foreign travel health insurance, especially if their private health insurer doesn't assume any repatriation costs. It can also be useful if you don't want to jeopardise your premium refund. Even if you have a high deductible, you may find that cover for treatment when abroad is worth having.

Please note: if you intend to spend several months or years abroad, you will need special foreign travel health insurance.

Departure

BdV-TIP

Check whether you can also take out travel interruption insurance. This cover pays out after the trip has started if you have to interrupt your stay and it covers additional costs arising from returning early. If you have to interrupt the trip during the first few days (usually the first eight days) some insurers will even refund the full cost of the trip.

TRAVEL CANCELLATION INSURANCE

If you are unable to go on a trip once you have booked it, you may find it an expensive business. Even if you have good reason for doing so, the tour operator will demand a cancellation fee. That's why travel cancellation insurance is worth thinking about when booking an expensive trip. Reasonable grounds for cancellation include: unexpected serious illness, serious accident, pregnancy, immunisation intolerance and damage to property, e.g. through fire in the home or prosthesis breakage. It will also pay out if you lose your job unexpectedly or if you unexpectedly land a new job following a spell of unemployment.

Please note: the insurer will, as a rule, only pay if the cancellation is due to an unforeseen event and it is unreasonable to expect the insured party to complete the trip.

Notice for dog owners: you can also co-insure your dogs.

ACCIDENT AND BREAKDOWN COVER

This is worth having if you spend a lot of time on the road. You can get it through your motor vehicle insurance or an automobile club may provide you with a more extensive offer.

This insurance entitles you to assistance if you break down or have an accident with your car. For example, you can have your vehicle towed away and receive a rental car or replacement parts if you need them. It also entitles you to personal services, such as medical return transport, reimbursement of costs if you must interrupt your journey or assistance in the event of death in another country.

Are you exploring your holiday destination in a rental car? If so, you should make sure your motor vehicle



Watch your luggage!

insurance in Germany contains the “Mallorca Police” (Majorca policy). Otherwise it can get expensive if you take a rental car elsewhere in Europe and cause an accident. The sum insured for a rental car will probably not cover the loss. That is where the “Mallorca Police” comes in, as it covers the difference between the actual loss and the sum insured under your German policy. If it isn’t covered under your motor insurance you can also access the “Mallorca Police” through an automobile club and it doesn’t cost much.

LUGGAGE INSURANCE

Do you always keep a grip on your suitcase or wedge it between your legs at the airport or in the station? It’s probably the only way you’ll get paid through your luggage insurance. Luggage insurers often only pay some of the loss or even none if they claim you were guilty of gross negligence in looking after your luggage. Moreover, valuables such as

BdV-TIP

The counterpart to the “Mallorca Police” outside Europe is the “Traveller-Police” (traveller policy).

jewellery and valuable items including film and cameras are often insufficiently covered or not even insured at all. In addition, under certain conditions your luggage will be covered through your home content insur-

ance under your external cover, e.g. if there is a break-in in your hotel room and theft in Europe (worldwide in more recent conditions).

BdV-TIP

The BdV will help its members in finding a suitable offer for legal protection insurance.



HEALTH INSURANCE

Since 2009, health insurance has been mandatory for everyone living in Germany. You can choose between statutory or private health insurance (PHI). People with significant pre-existing conditions who are not medically insured and assigned to the PHI, are only eligible for the basic tariff (Basistarif) which is a standard industry-wide tariff. The benefits are broadly identical to those under statutory health insurance. The health insurer is obliged to accept you without imposing any risk premiums or benefit exclusions.

CHANGING YOUR STATUTORY HEALTH INSURER

If you are unhappy with your statutory health insurer, you have a broad selection of alternative providers to choose from. That applies to policyholders with any form of statutory health fund in Germany, be it the AOK, Betriebs-, Innungs- or Ersatzkassen, or the Knappschaft.

The premiums are basically the same for all statutory health insurers. Currently (2016) the rate is 14.6% plus an additional contribution of 1.1% on average of your gross monthly income subject to contributions (beitragspflichtiges Bruttoeinkommen). The amount of that additional part, which is financed entirely by you without any contribution from your employer, depends on how profitable the health fund is.

It is up to you to choose a health insurer. It is worth knowing that all statutory providers offer a legally mandated benefits package, which means about 95% of your benefits will be identical whatever your insurer. Where they differ is in terms of convenience (e.g. proximity of their offices) and the array of additional services, for example consultants visiting you at home, better health-care at home, naturopathic therapies or rules governing household help. If you have particular requirements,

it pays to compare. Once you have selected an insurer, you must remain with them for a minimum of 18 months. After that time you are free to terminate your cover subject to a two-month notice period at the end of the month and change your insurer. The 18 month lock-up period also applies to self-employed citizens who voluntarily chose a statutory health insurance, civil servants and employees with a gross annual salary above the limit for mandatory statutory health insurance (Jahresarbeitsentgeltgrenze) of EUR 56,250 in 2016. There is one exception, though: Members of the Landwirtschaftliche Krankenkasse (an agricultural health insurer) are not free to choose their insurer.

By the way: if and when your health insurer imposes an additional contribution or increases it, you have a special right of termination, which enables you to terminate your contract within two months and exempts

you from having to remain for the full 18 months. However, this exemption only applies the first time the additional or higher contribution falls due. Your insurer must inform you of this special right of termination at least one month in advance. If it fails to do so, your right of termination will be extended by the corresponding period.

Your termination rights are restricted if you decide to take an optional tariff (Wahltarif). In some instances, the optional tariff will bind you to your health insurer for one year, in other cases for three years. The optional tariff with a one-year commitment include premium reimbursement and cost reimbursement deals and those with a three-year commitment include, for example, retention and sick-pay rates.

If you decide to take an optional tariff, you can only terminate your membership on expiry of the minimum

BdV-TIP

Before transferring back from a private health insurer to a statutory one, you should take neutral and independent advice as to whether it is possible for you to do so and, if so, subject to which conditions you would remain with the statutory insurer. As these issues are regulated by social security law, you may want to consult with a social security expert, i.e. court approved pension advisor (www.rentenberater.de) or lawyer specialising in social law. Statutory health insurers will also advise you for free.

subscription period for the deal you have chosen, and not before expiry of the general minimum subscription period of 18 months. You are not obliged to observe the 18-month minimum subscription period if your health insurer levies an additional contribution or increases it. However, the special termination right does not apply if you have chosen an optional tariff with sickness benefit.

STATUTORY OR PRIVATE COVER?

You are an employee with a gross annual income in excess of the limit for mandatory statutory health insurance in a calendar year (EUR 56,250 in 2016) and you will probably also earn in excess of that sum in the following year? In this case, you have the choice of remaining with your statutory health insurer or going private. As a self-employed person you

are entitled to switch to a private insurer no matter what your income. The same applies to civil servants (Beamte).

Private insurance is often a good choice for civil servants due to their aid entitlement (Beihilfeanspruch), especially if they have children. Private insurance also benefits childless single people, couples without children and the very wealthy. Nevertheless, these people shouldn't just leave their statutory insurer without giving it careful thought. All other categories of insured person should remain with their statutory insurer, particularly families where only one parent is earning and/or there are several children.

That is because a private insurer will require you to pay extra per insured family member. In other words you pay a separate premium for non-working spouses, partners or children. Your statutory insurer, on the other

hand, will allow you to insure your children and spouse/partner for free provided the stipulated conditions are met, for example not having their own income.

You will only be able to transfer back from a private to a statutory insurer in exceptional circumstances. Two examples of exceptional circumstances are as follows:

- Your gross income falls below the annual limit for mandatory statutory health insurance, in which case you must re-join the statutory insurer if you are in employment.
- Self-employed people can only return to a statutory insurer if they become an employee as their main occupation and earn a gross income below the annual limit.
- If they are past the age of 55, they are not normally allowed to switch back to a statutory insurer, even as an unemployed or re-

tired person. There are, however, certain exceptions to that rule.



Private or statutory insurance?

With the statutory insurance your contributions are defined by your gross income. The maximum contribution is calculated from the contribution measurement limit of EUR 4,237.50 per month (2016). It is currently at around EUR 665 per month without compulsory long-term care insurance but including the average additional contribution, which is currently 1.1%. Your contributions under statutory insurance decrease if you start to earn less, become unemployed or retire. If, for example, you earn EUR 4,300 gross per month as the single earner, you pay a total of EUR 665 for you, your co-insured spouse or partner and your two children (including employee sickness benefit after the sixth week of sick leave).

If, on the other hand, you have private cover your contributions depend on your age and health and have nothing to do with your income.

If you join a private health insurance scheme you need to be aware of the risk that you won't be able to maintain your premium payments.

Private health insurers attract clients with low initial premiums, then they raise the stakes, sometimes significantly so. You need to factor in an increase of 5% and higher as an annual premium increase. In some

cases you may even experience rate increases of 10% or more. Imagine you are a 30-year-old with private cover who starts out paying about EUR 500 a month. If the premium rises by 5% per year, for example, the monthly contribution when you reach 50 will be EUR 1,325. By the time you reach 60 it will have gone up to EUR 2,160.



Watch out for pitfalls!

If you were a 30-year-old father insuring your wife (who doesn't work) and two children, you would pay EUR 1,350 every month for your private health cover (average sum of EUR 500 for your wife and EUR 175 per child).

BdV-TIP

Opting for a private health insurer is almost invariably a lifelong decision. That is why you need to consider it carefully and weigh up the pros and cons. The BdV is available to assist its members in making this decision.

If you find you can no longer pay the high premium required by your private health insurer, you will be allowed to change your tariff. You may find the insurer offers another tariff with similar benefits at a lower premium. If the insurer doesn't offer a comparable tariff, you can alternatively accept a reduced level of benefits or a higher deductible. This will not affect your ageing provision (Alterungsrückstellungen). If there is no such offer, your only option is to switch to the so-called standard tariff (Standardtarif) and accept lower benefits. This is subject to you having been privately insured prior to 2009. If that is not the case, your only other option is the basic tariff (Basistarif).

Changing insurers is normally not advisable. If you were to do that, your premium would be recalculated according to your age and current state of health. This would make it more expensive for you. More importantly

still, your ageing provisions would be totally lost if you were privately insured prior to 2009. Even people who joined a private health insurance scheme from 2009 only get to take part of their ageing provision with them.

Do you think the normal benefits offered by your statutory health insurer are insufficient? Do you want better hospital care? If so, you can take out private supplementary insurance at your own cost. That applies to many other situations as well. For example, you can improve your dental care or obtain short-term sickness benefit. However, by no means all private supplementary health cover is to be recommended. Some only pay out in the event of a specific scenario. The ones that really have something to offer are outlined below.

PRIVATE DAILY SICKNESS BENEFIT

If you fall ill or have an accident, you need to be able to bear the financial consequences.

Employees are entitled to a minimum of six weeks' sick pay from the employer. People with private insurance subsequently need private daily sickness benefit which should amount to their net income.

People with statutory insurance may also find it worth their while to take out private daily sickness benefit in addition to their statutory allowance.

The statutory sickness benefit is only 70% of your gross income and no more than 90% of your net salary, subject to the contribution measurement limit of EUR 4,237.50 per month (2016). Therefore anyone who earns a salary above that threshold has an additional gap to fill.

Private short-term sickness benefit is a must for self-employed people with private insurance cover as they don't have an employer granting them sick pay.

If you are self-employed or a freelancer and chose to stay with a statutory insurer, you can get sickness benefit through an optional tariff (Wahltarif), which requires payment of an additional contribution. Also, if you make that choice, you are tied in for three years. Self-employed people and freelancers who have not secured their income through sickness benefit cover with their statutory insurer, need private short-term sickness cover. If you are a civil servant (Beamter), you don't need to worry about this because your employer will keep paying your salary.

PRIVATE SUPPLEMENTARY HOSPITAL INSURANCE

You want to be seen by the senior consultant in the hospital and to stay in a one or two-bed room? You can arrange that through private supplementary hospital insurance, which will pay for the cost incurred.

When selecting your tariff, make sure you at least have the following: if you want to go to another hospital than the one to which you were referred by your doctor, your insurance should cover the cost difference. Another important point is for the cost of the senior consultant to be covered beyond the 3.5 times maximum rate. Outpatient operations in the hospital should also be refundable and the insurer should forego its ordinary right of cancellation.

PRIVATE SUPPLEMENTARY DENTAL INSURANCE

As far as dentures are concerned, your statutory insurer will pay a fixed sum for standard treatment, such as simple crowns, bridges or prostheses. If you haven't skipped your regular check-ups, you will also receive a bonus.

If you want a higher level of dental treatment, you will have to pay a supplement, for example if you want a gold or ceramic crown, implants or inlays. You can also take out supplementary dental insurance to cover a further portion of your costs. That way you can cover up to 90% of your costs in combination with the statutory cover. Nonetheless, you will still have to pay something with most types of supplementary dental cover.

If you take out supplementary insurance after treatment has already been recommended or a diagnosis has been made, the insurance will not cover that treatment.

BdV-TIP

The BdV will help its members in finding a suitable offer for private supplementary health insurance.

You want more?



PRIVATE SUPPLEMENTARY
HEALTH INSURANCE

SUPPLEMENTARY OUTPATIENT INSURANCE

You are insured with a statutory health fund but you would to be treated as if you were privately insured when you need medical care as an outpatient? That is possible, but it isn't cheap and it won't necessarily cover all your costs. If you do opt for this model, you must commit to it for at least one calendar year.

The first thing to do is establish the general cost reimbursement model for outpatient medical care with your statutory health insurer. You can then be treated as a private patient. After your treatment, you will receive an invoice from your doctor which you submit to your statutory health insurer. The insurer will pay the statutory share and deduct administrative costs and you take care of the remaining amount through your private supplementary cover. Be aware that you may still have to

finance some of the costs from your own pocket. That is why private supplementary outpatient insurance is usually not really a good deal.

COMPLEMENTARY RATES

Private health insurers offer a range of benefit packages covering glasses, alternative medicine and dental care through complementary insurance. Some rates even cover a daily hospital allowance, foreign travel health insurance and other benefits.

These offers do initially appear interesting. However, you must ask yourself whether the benefit package offered is really what you need. You can't take specific types of cover and cobble them together into a customised deal, you have to take the package as it is. Moreover, you will often find that the bundled solutions offer a lower level of benefits than if you purchased the different elements individually.

For example, if you are mainly interested in dentures, you will find that separate private dental insurance is almost always better than the complementary package solution. The same applies to foreign travel health insurance. Do you want to be treated by an alternative practitioner? If so, you may be interested in complementary rates focusing on alternative medicine, but you will still be paying for the other benefits in the package. Only some rates offer a good premium/benefit ratio.



LONG-TERM CARE INSURANCE

Obligatory long-term care insurance in Germany is rarely sufficient to cover long-term care costs, even when combined with your salary or pension and assets. That's where private supplementary long-term care insurance can prove useful.

OBLIGATORY LONG-TERM CARE INSURANCE

If you have statutory health cover, your health insurer manages your obligatory long-term care insurance. Private insurers normally offer health and long-term care insurance as part of the same package, too.

Statutory obligatory long-term care insurance benefits are defined by care levels and the type of care. People who are unable to look after themselves due to physical, mental or psychological issues or a disability require care.

PRIVATE SUPPLEMENTARY LONG-TERM CARE INSURANCE

A place in a nursing home with Level III in-patient care can cost EUR 3,500 or more per month. If your reserves and assets are exhausted, the social welfare office will intervene initially.

If you are married or cohabiting or have grown-up children, your spouse, partner or children may be asked to pay maintenance by the social welfare office in exceptional cases.

RETIREMENT PROVISION BEFORE SUPPLEMENTARY LONG-TERM CARE

If your needs assessment reveals a financial shortfall for the event of long-term care, you should increase your retirement savings so you close the gap by the time you retire. It's only when your own finances in addition to the obligatory long-term care insurance are insufficient that you need supplementary long-term care insurance.

BdV-TIP

Before you think about taking out supplementary long-term care insurance, you should make sure that you are covered in all other respects, first. For example you should have private occupational disability insurance while you are working, you should cover your family through a term life insurance, and you should definitely have personal liability cover. If you have children you should also take out accident insurance for them first. Disability insurance for your children might also prove a worthy component in your insurance portfolio.

The following types of supplementary long-term care insurance are available from private health or life insurers:

- **Long-term care pension insurance** (Pflegerentenversicherung) is an opaque combination of insurance cover and an unprofitable savings contract. It would be better to cover the long-term care risk separately. If you have capital, you should invest it separately to your insurance and we wouldn't recommend that you take out long-term care pension cover.
- **Pure long-term care pension insurance** (selbstständige Pflegerentenversicherung) has no savings component and pays out a monthly annuity. The full long-term care pension only applies from Care Level III. For the other levels, you will only receive a portion of it. This is better value than the version above because

it has no savings component. However, in many cases it is still too expensive.

- **Long-term care cost insurance** (Pflegekostenversicherung) covers the actual costs up to a certain maximum amount or a fixed percentage. You have to produce invoices to confirm your expenditure, so the insurance automatically fits the costs incurred. However, often you have to cover accommodation and catering costs yourself.
- **With long-term care daily allowance insurance** (Pflegetagegeldversicherung) you receive a daily specific sum. You are entitled to this benefit for every day during which you have a doctor's certificate confirming your need for care. This money is paid out regardless of the level of cost actually incurred. The sum of the daily benefit depends

solely on your care level. You usually only receive the full rate at Care Level III.

"PFLEGE-BAHR"

On 1 January 2013, a state-sponsored, private supplementary long-term care insurance programme known as the "Pflege-Bahr" came into force. It takes the form of an allowance and is voluntary. The rationale behind the "Pflege-Bahr" is that more people are going to need long-term care. Therefore the legislator wants to broaden the underlying financial foundation.

State support is allocated in the form of financial allowances for daily long-term care allowance policies subject to certain criteria: the minimum contribution is EUR 120 annually (EUR 10 per month), the annual subsidy of EUR 60 (EUR 5 per month) comes on top of that. The minimum allowance level is EUR 600 per month at Care Level III. Benefits

must be available for all care levels from 0 to III, including people suffering from dementia in Care Level 0. There is also what is known as an obligation to contract, which means if you make an application you cannot be turned down due to previ-

ous illnesses. You must also be over 18 years of age and you may not already be in need of care or at Care Level 0. Risk premiums or benefit exclusions are not permitted. However, there is a waiting period that can last up to five years.

As invalids and high-risk people are included in the cover, the actuarial calculation of the “Pflege-Bahr” policies has to be adjusted accordingly. As per usual in insurance, that is done by significantly increasing premiums. As a result, people who are in good health will most likely stick with the better value offers available on the open market even though they are not supported by the state. It follows therefore that people suffering from illness and those classified as high-risk will be the main buyers of “Pflege-Bahr” so a risk supplement will have to be factored into the premiums. This may well offset the low government-sponsored incentive.

That's why you should only consider these contracts if you are ineligible for any other type of policy due to health issues.



BdV-TIP

Make sure your contract provides benefits from Care Level I and home care. The contract should also cover Care Level 0 (dementia). The BdV will help its members in finding a suitable offer for private supplementary long-term care insurance.



ENDOWMENT INSURANCE

Endowment insurance comprises capital life insurance, private pension insurance and unit-linked policies. These contracts are rarely suited to retirement provision as they are based on a sub-optimal combination of insurance benefits and investments. Have you taken out such a contract and would like to get out of it? We show you how in this section.

CAPITAL LIFE INSURANCE

Capital life insurance comprises whole life insurance with a savings plan. A contract of this type is usually for a very long term and you arrange a specific date for the payout. If you die before this time, your survivors will receive the death benefit. The problem with this type of insurance is that the death benefit and savings plan are rarely adequate because it is likely to fall short of the requisite death benefit. You would need to set an extremely high insured sum to meet your needs and then you might find it hard to pay the premium.

Term life insurance is a much more cost-effective way of offsetting the mortality risk. The death cover often costs just 7% of the capital life premium for an equivalent level of benefit.

Moreover, you will rarely receive a good return at the end of your capital life savings plan. This is because the insurer deducts high acquisition and administrative costs from your contributions plus a deduction to cover your death benefit. Only the

remaining amount earns a guaranteed rate of interest, which is currently a maximum of 1.25% (for contracts concluded from 2015). As a result, the guaranteed interest on the entire premium is considerably reduced.

insurance agents will often try to persuade you to sign this type of contract. Remember that you can only rely on the guaranteed benefits. The bonuses they present you with are only window dressing. They are just forecasts and you will not necessarily see those sums credited to your account. In the recent past the bonuses have been reduced drastically at times.

BdV-TIP

Separate insurance from investment. Invest the 7% for term life insurance and apply the other 93% in the most profitable way you can find.

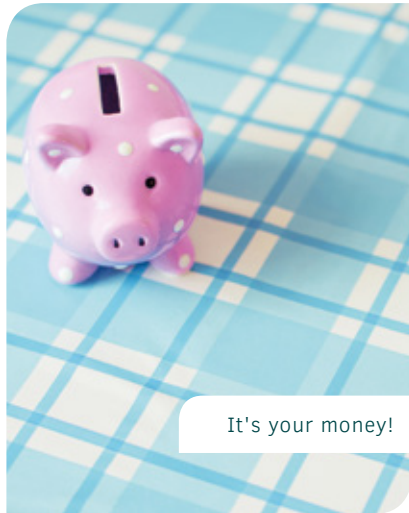
Dynamic component

If you establish a dynamic component for your contract, your insured sum and premium will increase at regular intervals. At the same time, however, the return on your capital life insurance will decrease. The rea-

son for that is the insurer takes a cut as a commission or acquisition fee after every increase.

Supplements

In many cases you will be offered supplementary accident insurance, which would guarantee death cover, albeit only when caused by an accident. If you die through illness, your



survivors receive nothing. Therefore it is preferable to take out term life insurance.

Combining life cover with disability is not advisable either. The disadvantage in this case being that you can't prolong the supplement independently. If you have to terminate your capital life cover or make it paid-up, you will lose all or some of your disability cover. If you want to take out this important cover with another insurer, you may find that you don't get a better deal for health reasons or you can no longer afford the premiums as you are older on inception of the cover.

PRIVATE PENSION INSURANCE

Private pension insurance is basically a bet with your insurer on how long you are going to live. You pay premiums over a defined term. You subsequently receive a lifelong pension from a specific age. It is therefore only worthwhile if you live long

enough. You will probably have also taken a "lump-sum option" in which case you will receive a payout on maturity of the policy.

You can therefore only really refer to your pension as "insurance cover" if you see longevity as a risk: the longer you live, the longer your insurer will keep paying your pension. However, if you die early the insurance will not have been a worthwhile investment.

As with capital life insurance, there is a guaranteed benefit and bonus payment, albeit not guaranteed. It is entirely possible for you to find that the bonuses are lower on maturity than the forecasts given by the insurer and, in a worst-case scenario, your pension could only amount to the guaranteed sum. That could be because of the calculation of your expected lifespan. If the insurer thinks that its clients will live longer than assumed at the start of the contract term, it will have to pay out a pension

for a longer period. This is normally financed through the bonuses. As a result, there is no additional bonus annuity from the profit participation. You may find that immediate-annuity contracts (Sofortrenten) with a lump-sum premium is the best way to insure your pension. You transfer an accumulated sum, and the insurer will pay you a monthly pension with immediate effect until you die. However, that is only really a viable option if you are due to retire shortly and are in good health and can therefore expect to have a long life.

UNIT-LINKED LIFE/ANNUITY INSURANCE

Life or pension insurance based on a fund investment can generate a higher return than a classical capital life policy or private pension cover. That is partly due to the fact that your insurer places the savings component of your premium into one or several investment funds. If it's a mutual fund, the investment is more

transparent and not influenced by the insurer. However, if the money is placed in different funds or special funds established by the insurer, there will be less transparency.

These investments entail high acquisition and administration costs just like the classical contracts. On top of that there is expenditure for administering the fund units plus the purchase and management of the units. Only the remaining (savings) component of your contribution will actually go into the fund. The actual value of this sum is usually unknown. As you are not entitled to a guaranteed survival benefit, you need to have a lot of confidence in your insurer to take out such a contract. After all, you are effectively undertaking to pay into a contract without knowing how much of it is actually being saved or how much survival benefit you can count on receiving.

OTHER TYPES OF ENDOWMENT INSURANCE

You should make sure your agent explains to you the precise nature of other offers, such as highly complex and opaque hybrid products or variable annuities. If you don't understand the product, you shouldn't commit to it. These products are usually not a good deal.

I HAVE ENDOWMENT INSURANCE – NOW WHAT?

Have you taken out an endowment policy and you now want to terminate the contract early? You have the following options:

Right of revocation

You can revoke your contract declaration in writing within 30 days. The 30-day period begins when you have the insurance policy, contract conditions, certain consumer information and revocation instructions on the table.

Termination

If you have only had the contract for a few years, termination and payout of the surrender value may be in your interests. The principle being: don't throw good money after bad. You're better off bringing an end to a bad experience than letting the situation drag on.

If you pay a monthly contribution, you can terminate your life insurance after a year at the end of the following month or at the end of the insurance year. If you pay annually, you can normally cancel at the end of each insurance year.

Demand the minimum surrender value

A ruling by the Federal Supreme Court in favour of consumers could improve your prospects. On 12 October 2005, the judges decided that the client is entitled to a minimum surrender value of "half of the non-zillmerised actuarial reserve".

That usually corresponds to about 40% of paid premiums. Your contract has to meet certain requirements to benefit from this legal ruling. Read our information sheet "Mindestrückkaufswert Kapitallebensversicherung" (Minimum surrender value for capital life insurance) for further information.

Decision-making aid

If you have had the contract for over six years, you should consider making it paid up or shortening the term as an alternative to termination. The BdV offers its members assistance in making a decision on how to proceed with such a policy. You can read about the information we require from you in our information sheet entitled "Ausstieg aus Kapitallebensversicherungen" (Withdrawal from a capital life insurance policy). Unfortunately, we are not in a position to offer any such assistance with unit-linked policies, direct insurance or contracts offering partial disbursement.

Sale

You may also be able to sell your endowment policy instead of terminating it. Your contract will then be taken over by buyers from the secondary market and they will pay the premiums. The advantage for you is you get a "sales price" which is higher than the surrender value you would get if you were to terminate the policy.

Another advantage is that the death cover will usually remain intact. On the other hand, you will lose the payout when the contract matures as it will go to the secondary market buyer. If you die, the purchase price, premiums paid by the buyer and interest will be deducted from the contractual insured sum.

Please note that you can only sell your policy subject to certain conditions. Some buyers want a current surrender value of at least EUR 10,000. They also prefer a re-

sidual term of no more than 15 years. The policy shouldn't be a unit-linked life insurance or direct insurance, either. Finally, it must have been issued by a German insurer.



BdV-TIP

Only sell your policy to a serious buyer.

A state pension is highly unlikely to allow you to maintain your accustomed standard of living. The state supports private retirement provision through allowances and tax breaks. With occupational pension provision (betriebliche Altersvorsorge), for example, you can reduce your social security contributions, as demonstrated in this section.



STATE-SUBSIDIZED RETIREMENT PROVISION

RIESTER PENSION

You have no doubt heard and read about the Riester pension in the press or from the radio and television. Under the Riester system, the state subsidises retirement pension schemes based on banking, insurance or investment products. Building loan contracts, property loans and the acquisition of shares in housing co-operatives are also supported.

Employees subject to social security contributions, civil servants (Beamte) and farmers are eligible for Riester. Self-employed people can also receive support if they pay mandatory contributions to the state pension scheme. Your spouse is also eligible even if only you meet these criteria.

It is designed primarily for those on a low or medium income. However, it is of particular interest to families with several children because of the allowances it provides. The basic allowance is EUR 154. The allowance

for children born up to 2007 is EUR 185, rising to EUR 300 for children born from 2008. If you are a high earner, the Riester pension may also be of interest due to its favourable tax conditions. You should consider carefully whether Riester is the right option for you as its policies are usually more expensive than non-subsidised private pension cover.

Retirement pension plans under the Riester model have to meet certain conditions. You will then receive an official certificate guaranteeing the following:

- The pension insurance rates are identical for men and woman (unisex rates).
- You can suspend your contract or change your provider.
- You can also use Riester funds to build your own home.
- You can withdraw up to 30% of your accumulated capital at the start of the payout phase.



Riester with state support.

- You can only access a lifelong pension after your 60th birthday or after your 62nd birthday for contracts taken out from 2012. Alternatively you can opt for a payout plan with annuitization of residual capital for life.
- In any case, the contributions paid plus allowances must be available when you retire.

- Your Riester contract is not affected by Hartz IV as state-supported pension agreements count as protected assets to the extent that they are eligible for support.

To receive the full allowance, you have to pay 4% of your previous year's gross annual salary up to a maximum of EUR 2,100 per annum. You also receive an allowance per child. The allowances are included in your annual contribution, which effectively reduces your actual contribution. On request the tax authorities will apply the "AV" annex ("Angaben zu Altersvorsorgebeiträgen" – information on retirement pension contributions) to check whether and, if so, to what extent, your own contribution reduces your tax liability.

The Riester pension is subject to deferred taxation, i.e. the interest and earnings only become taxable when you retire. If a subsidised Riester contract is terminated, the legislator deems it a "harmful" application and you will need to repay the allowances and tax breaks. That is why it is usually better to make it paid-up.

If you move to a country within the EU, you will still receive the allowances and tax breaks.

BdV-TIP

To avoid having to apply to your insurer for your allowance every year, you can issue a one-time application. You will then only need to submit a new application if something changes, for example your income or number of eligible children.

RÜRUP PENSION

Are you self-employed or a freelancer? If so, a Rürup pension just might have something to offer you. It may be of interest from a tax perspective if you are older, earn well and don't pay statutory retirement contributions or pay into an occupational pension scheme.

High-earning older employees and civil servants (Beamte) can benefit from tax incentives under the Rürup pension, too. Pensioners can benefit in particular from tax incentives through a one-off payment.

If you are interested in this method of pension provision, you should consult your tax advisor before committing to anything. It all depends on your tax situation. That is why you need good advice before deciding on anything.

You can take out a Rürup pension in the form of classical pension insurance, unit-linked or British pension insurance, or as a fund saving plan.

The Rürup pension is governed by strict regulation. The most important conditions are as follows:

Your accumulated capital will only be paid out in the form of a monthly pension, beginning on your 60th birthday at the earliest (62 for contracts incepting from 2012).

- You may not terminate your Rürup contract, you can only make it paid-up.
- You may not borrow against or sell the policy. There is no lump-sum option.
- If you become unemployed, you are not obliged to use up your accumulated capital before drawing unemployment benefit II (Arbeitslosengeld II).

- Your Rürup contract is not affected by Hartz IV as state-supported pension agreements count as protected assets to the extent that they are eligible for support.
- You may not transfer or bequeath your Rürup contract. In the event of your death, your survivors will only receive a pension if expressly stipulated in the contract, for example if you have stipulated premium reimbursement or similar cover if you die.
- When you retire, your Rürup pension is subject to the same tax regime as a statutory pension.

BdV-TIP

Only opt for a Rürup contract if you are in good health and expect to draw a pension for a long time. If you fall ill, you cannot terminate the contract and have the assets paid out.

OCCUPATIONAL RETIREMENT PROVISION

As an employee, you can commit part of your salary to an occupational pension scheme. This is definitely in your interests if your employer voluntarily contributes to the fund as well. If you earn a good salary, that is particularly beneficial if you have private health insurance.

In Germany there are five types of occupational pension provision:

1. Under a “Direktversicherung”, your employer concludes a life or pension policy on your behalf. This is a classical type of cover guaranteeing you a minimum interest rate. There are also unit-linked policies without these guarantees.
2. “Pensionskassen” are similar to life insurers and they offer a conservative form of saving with

a high level of security. They are also available as unit-linked policies. Please note that older forms of Pensionskassen – e.g. Firmenpensionskassen – offer a significantly better deal than new “Wettbewerbskassen” (competitive schemes), that are more like life insurers.

3. “Pensionsfonds” are investing large parts of your contributions in the equity market, where they can earn higher returns but are also exposed to equity risk. Only your paid-in capital is guaranteed.
4. “Unterstützungskassen” are legally independent pension institutions. They can decide freely how to invest your contributions; leaving a certain portion in the company is permissible, too. Reinsurance is often provided through a life insurer.

5. Under a “Direktzusage”, your employer will pay your company pension directly when you retire, financed from accumulated reserves. The amount of your pension depends on a number of factors, for example how long you have been with the company and your salary.

You can request an offer from your employer for an occupational pension scheme. If your employer fails to offer you either a Pensionskasse or a Pensionsfonds, it is obliged to conclude a Direktversicherung on your behalf.

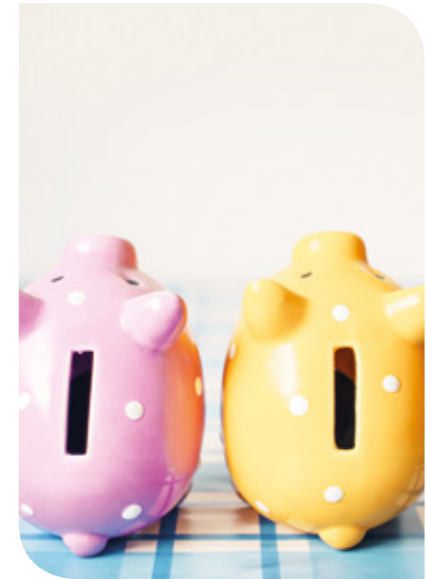
Until 2002, occupational pension provision was a purely voluntary benefit offered by employers. Today there is an entitlement to commit up to EUR 2,976 (2016) free of tax and social security contributions. That corresponds to 4% of the contribution measurement limit for statutory

pension cover. Moreover, you can add an extra EUR 1,800 per annum, which is tax deductible. The payment is then made as a pension or one-off lump sum. Both types of payment are subject to full taxation.

For contracts concluded up to 31 December 2004, the contributions of up to EUR 1,752 per annum are taxed at a flat-rate of 20% plus solidarity surcharge (Solidaritätszuschlag) and church tax. You don't have to pay any social security contributions if you invest special payments, such as Christmas or holiday bonuses. A lump-sum payment of the capital can be tax-exempt. If you choose a regular pension instead, the state will just tax the low returns generated.

Pensions from occupational pension schemes are fully subject to statutory health and long-term care insurance contributions.

That applies to all five types of occupational provision: Direktversicherung, Direktzusage, Pensionsfonds, Pensionskasse and Unterstützungskasse. Occupational pension provision is secure from Hartz IV. The contract may be maintained.



What sort of pension is it to be?

no!



UNNECESSARY
INSURANCE

Insurers are never short of ideas when it comes to taking your money. There is a steady pipeline of new policies coming to the market. However, just because they exist does not necessarily mean you need them. Here are some examples:

Funeral costs insurance

Funeral cover is a money-consuming form of capital life insurance. People who take it out end up paying a lot more in the long term than the benefit paid to those left behind. If you want to do something for your relatives, term life insurance and investing your money yourself are better alternatives.

Passenger accident insurance

If you cause an accident and your passengers are injured, your own motor liability insurance will cover it. If another person is responsible, their insurance will pay. You don't need additional accident insurance for your passengers.

Accident insurance with premium redemption

This contract isn't worth having as the sum you subsequently receive is what you previously paid through higher premiums. Besides, the sum you get back only earns a mediocre rate of interest. If you look closely, you will see that the insurance benefits are often insufficient.

Insurance against "domestic emergencies"

Have you locked yourself out? Is your heating not working? In such an event and many similar scenarios you would probably call an emergency service. Granted it would cost more than a tradesperson would normally charge, but it won't bankrupt you either. Insurance against "domestic emergencies" is therefore superfluous. Furthermore, the amounts refunded are often subject to an upper limit. An important point for tenants: the landlord is responsible for the

maintenance of the rented property. If the heating isn't working, it's his job to fix it.

Mobile phone insurance

If your mobile breaks or you lose it you won't be financially ruined as a result. It is therefore rarely worth taking out insurance for your mobile as it will only cover the current value of your phone. There may also be a deductible, which you will have to pay yourself. In addition, new phones are no longer insurable after a few months.

Luggage insurance

Do you always keep a grip of your suitcase or wedge it between your legs at the airport or in the station? It's probably the only way you'll get paid through your luggage insurance. The insurer will only pay some of the loss or even none if they claim you were guilty of gross negligence in looking after your luggage. More-

over, valuables such as jewellery and valuable items including camcorders and cameras are often insufficiently covered if at all. In any case, your luggage may be covered under the external insurance part of your household policy if your hotel room is broken into or the luggage is stolen in Europe (even worldwide under more recent conditions).

Daily hospital benefit

Whether daily hospital benefit is the way to finance your daily fruit or telephone in hospital is questionable to say the least. Nevertheless, insurers will use this argument to sell you a policy. You'd be better putting money aside for such cases.

Eyeglass insurance

Do you think your insurance will pay the full cost of your glasses if you break or damage them? It won't. You may get a new frame if it is broken or damaged and at least two years old.

You will only get lenses if they are damaged or if your sight changes significantly (at least 0.5 dioptries). If you want a particular frame or better glasses, you'll have to pay extra in spite of your insurance cover.

Glass insurance

The financial burden of replacing a broken pane of glass isn't a major outlay. Therefore no-one really needs to insure their glass against breakage. The premiums would simply be excessive relative to the losses you might incur. On the other hand, it could be worth having if you own a conservatory or have very expensive specially glazed windows in your house.



TERMINATION OPTIONS

By the same token as you can take out insurance, you should also be able to terminate your cover, which you can do subject to certain conditions. The normal termination date is at the end of the insurance year, usually subject to a three-month notice period. In other words, your notice of termination must reach the insurance company no later than three months prior to the end of the insurance year.

Motor vehicle insurance can be terminated annually subject to a notice period of one month prior to the end of the insurance period, which is normally the same as a calendar year (cut-off date 30 November).

You should also note that in other insurance lines the insurance year is not necessarily the same as a calendar year. You can terminate contracts with a minimum duration after three years at the end of each insurance year. That would apply, for example, to property, liability and legal protection policies. You will find the inception and expiry dates in your policy.

Revocation

If you have had second thoughts and want to cancel an insurance policy you have just taken out, you can use your right of revocation. It remains in force for 14 days. The revocation period only starts once you have received the policy and all the contract information (including the insurance

conditions). Moreover, the insurer must have sent you clearly worded revocation instructions informing you about your right of revocation. You have to exercise this right in writing, ideally by registered post with return receipt.

By the way, with life and occupational disability insurance, the right of revocation lasts for 30 days following receipt of all the documents associated with the insurance contract.

Termination following a claim settlement

In indemnity insurance, both you and your insurer are free to terminate your cover following an insured event. With legal protection insurance, it may take two loss events before you can terminate your cover. You have one month following the conclusion of the negotiations about the claim to enforce your termination right.

BdV-TIP

If you miss the termination deadline, you may have to pay premiums for another year. In order to prove the termination if it is contested, you should send it by registered post with a return receipt.

Cancellation following a premium increase: the insurer usually increases the premium invoking a premium adjustment clause. However, the extent of the insurance cover will remain unchanged. As soon as you have been informed of the increase, you are entitled to terminate your cover within a month with immediate effect but no sooner than when the increase is scheduled to come into force.

SPECIAL TERMINATION CONDITIONS FOR SPECIFIC TYPES OF INSURANCE

Life insurance

If you pay your premium in instalments, you can usually terminate your cover within the insurance year subject to a one-month notice period at the end of one of your instalment periods. With annual payments, termination is usually permitted without a notice period at the end of the insurance year. You can find other contract termination methods in the “Endowment insurance” section.

Private health insurance

You may terminate your private health cover if your insurer raises the premium. You can do that within two months of receiving notification of the increase with immediate effect, but not before when the increase is scheduled to take place. Otherwise you may terminate the contract subject to a three-month notice period at the end of the insurance year.

Please note: with health insurance there can be a minimum term of two years. In these cases you may only terminate your cover after this two-year period.

Homeowners insurance

When you purchase a property you also acquire established homeowners insurance. Within a month of your entry in the land register, you have the opportunity to terminate this cover with immediate effect or on expiry of the insurance year.





IMPORTANT CONTACT DATA

For private cover, retirement
provision and BdV membership

Bund der Versicherten e.V. (BdV)

Postfach 11 53

24547 Henstedt-Ulzburg

Tel. +49 (0) 4193 - 99 04 0
(for members)

Tel. +49 (0) 4193 - 94 22 2
(for non-members)

Fax +49 (0) 4193 - 94 22 1
info@bundderversicherten.de
www.bundderversicherten.de

Cheap group contracts for
BdV members

BdV Mitgliederservice GmbH

Postfach 15 37
24551 Henstedt-Ulzburg
Tel. +49 (0) 4193 - 75 48 97
Fax +49 (0) 4193 - 75 48 98
info@bdv-service.de
www.bdv-service.de

**Bundesverband der Versicherungs-
berater e.V. (BVVB) (Federal associa-
tion of insurance advisors)**

Rheinweg 24 . 53113 Bonn
Tel. +49 (0) 228 - 38 72 92 9
info@bvvb.de . www.bvvb.de

**Bundesverband der Renten-
berater e.V. (Federal association of
pension advisors)**

Potsdamer Straße 86 . 10785 Berlin
Tel. +49 (0) 30 - 62 72 55 02
info@rentenberater.de
www.rentenberater.de

**Bundesverband der Verbraucher-
zentralen und Verbraucherver-
bände – Verbraucherzentrale Bun-
desverband e.V. (vzbv) (Federation
of German consumer organisations)**

Markgrafenstraße 66 . 10785 Berlin
Tel. +49 (0) 30 - 25 80 00
info@vzbv.de . www.vzbv.de

**Contact Partner for Complaints
Bundesanstalt für Finanzdienst-
leistungsaufsicht (BaFin) (Federal
financial supervisory authority)**

Graurheindorfer Straße 108
53117 Bonn
Consumer hotline:
Tel. +49 (0) 228 - 29 97 02 99
poststelle@bafin.de . www.bafin.de

Versicherungsombudsmann e.V.

Postfach 08 06 32 . 10006 Berlin
Tel. +49 (0) 800 - 36 96 00 0
beschwerde@versicherungs-
ombudsmann.de
www.versicherungsombudsmann.de

**Ombudsmann Private Kranken- und
Pflegeversicherung (Ombudsman
for private health and long-term care
insurance)**

Postfach 06 02 22 . 10052 Berlin
Tel. +49 (0) 180 - 25 50 44 4
(6 ct/call from German landline,
42 ct/m from the mobile phone
network),
www.pkv-ombudsmann.de

**People with statutory insurance
Bundesversicherungsamt
(Federal social insurance office)**

Friedrich-Ebert-Allee 38
53113 Bonn
Tel. +49 (0) 228 - 61 90
Fax +49 (0) 228 - 61 91 870
poststelle@bva.de
www.bva.de

THE BdV – YOUR CONTACT PARTNER

The German Association of the Insured (BdV) is a registered association founded in 1982. It has over 50,000 members and is the only fully independent organisation representing the rights of insured people in Germany. It is therefore one of the most important German consumer associations and it acts as a political counterweight to the insurance lobby.

The BdV conducts test cases against insurers to enforce consumer rights. The Federal Constitutional Court and Federal Supreme Court have made groundbreaking rulings in favour of policyholders in response to actions launched by the BdV. These rulings have led to legal amendments.

Federal ministries and the German Federal Parliament regularly consult with the BdV. The BdV states its position on planned laws and appears in hearings as an expert. The BdV also organises regular scientific conferences to strengthen the consumer's position in academic debate.

The organisation is represented in all media (television, radio, newspapers, magazines and online media). Its mission is to draw attention to deficiencies and lobby on behalf of fair treatment for consumers. The BdV "Leitfaden Versicherung" (insurance guide) is available in bookshops.

The BdV serves as an independent and free information source through its brochures and information sheets on all sorts of important insurance

subjects. BdV members also have three key benefits:

- They receive advice and information on private insurance.
- They can sign up to BdV group contracts.
- They support an independent consumer protection organisation committed to the interests of insured persons.

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Bund der Versicherten e. V.
Tiedenkamp 2
24558 Henstedt-Ulzburg

Tel. +49 (0) 41 93 - 99 04 0
(for members)
Tel. +49 (0) 41 93 - 94 22 2
(for non-members)

info@bunddersicherten.de
www.bunddersicherten.de

DESIGN AND LAYOUT

Agentur Punktlandung
www.punktlandung.net

TEXT

BdV expert advisors

EDITED BY

Bianca Boss (Editor-in-chief),
Claudia Frenz

TRANSLATION

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knallgrün/PHOTOCASE
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Arthur Braunstein/PHOTOCASE
Mr. Nico/PHOTOCASE
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AndreasF./PHOTOCASE
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sedatseven/PHOTOCASE
Jean-Marie Dütz/PHOTOCASE
MaybeWorld/PHOTOCASE
Rinat D./PHOTOCASE
gerhard64/PHOTOCASE
Andi/PHOTOCASE
Francesca Schellhaas/PHOTOCASE
sör alex/PHOTOCASE
photögraphy.com/PHOTOCASE
elisabeth grebe/PHOTOCASE

MPower./PHOTOCASE
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