

Insurance

Apart from the obligatory social insurance for employees, there are also a number of possibilities for obtaining private insurance to cover a number of different things. You can seek advice on different types of insurance and which one is recommended for you at a consumer advice centre (Verbraucherberatung) or at private insurance company offices. Here is a list of the most important insurance covers.

A) Unemployment and Social Insurance:

Type of Insurance Cover	Comment
Unemployment and Social Security	
Should you become unemployed, you will receive help and information from the local Employment Agency (“Agentur für Arbeit”) or job centre. The job centre will advise and support you in looking for new employment. You should register yourself as unemployed at the local employment agency or job centre as soon as you are informed of your dismissal. Otherwise you could have your benefits cut. You may have a right to unemployment benefit from the unemployment insurance. In order to be able to claim unemployment benefit, you will need to have been employed for at least twelve months during the last three years and have paid social insurance contributions. The amount and duration of the unemployment benefit depends on the amount of your previous income and the length of your previous employment. If you are not entitled to unemployment benefit or your entitlement has expired, job seekers and persons of employable age receive state social security, the so-called “Arbeitslosengeld II” (Unemployment Benefit II – “ALGII”). The general amount of this basic level of protection is usually considerably less than unemployment benefit. You also apply for the “Arbeitslosengeld II” benefit at your local job centre. Those who cannot work because of their age or disability receive so-called “Sozialhilfe” (social welfare benefit). This roughly corresponds to the amount received with the “Arbeitslosengeld II” benefit.	Does not apply for students with a stipend. Employees are automatically insured.
Social Insurance	
All employees are obliged to be insured so that they receive protection in case of sickness or accidents, unemployment, in old age, or if they need care or suffer from a disability. Social insurance guarantees social security in our society. All employees are compulsorily insured. The “Sozialversicherung” has five pillars:	
Health Insurance	
Health Insurance provides financial protection in times of sickness and during maternity leave. The insurance also covers the spouse and children of the insured person, if these people have little or no personal income. Individuals can choose between various health insurers (“Krankenkassen”): “Allgemeine Ortskrankenkasse”, “Ersatzkassen”, “Betriebskrankenkassen” or “Innungskrankenkassen”. The health insurers do not differ in the level of contributions collected but services and cover offered may vary slightly. The basic services covered are laid down by law. All employees below a certain income are obliged under law to be publicly insured. If income is above this higher level, the individual can choose between public and private health insurers.	Special rules apply for doctoral students with a stipend

Pension Insurance	
The pension insurance (“Rentenversicherung”) is the most important pillar securing old age in Germany. Employers, along with apprentices and certain groups of self-employed people, are obliged to have public pension insurance. The main functions of the pension insurers are: payment of pensions to the insured or their surviving dependants (spouse and orphans), provision of medical and occupational rehabilitation measures. Certain conditions have to be fulfilled before pensions can be drawn. The men and women insured must have reached a minimum age (“Altersgrenze”), they must have paid contributions for a certain amount of time (“Wartezeit”) and they have to apply for a pension. Pensions are generally paid at the age of 67 in the future, but it is also possible to receive an early pension or to work longer and receive the pension at a later age.	No cover for students with a stipend!
Additional Pension Schemes	
In order to secure a certain standard of living in retirement, it is advisable to supplement the state pension – which is based on the principle of solidarity – with a private pension. Consumer advice agencies give information on state schemes to fund private and company pension schemes.	May be considered by students with a stipend, because no savings are made in the general pension insurance scheme during stipend period!
Nursing Care Insurance	
The nursing care insurance (“Pflegeversicherung”) provides social security if nursing care is needed. Payment of contributions awards people the right to financial aid for care as an inpatient or outpatient.	All doctoral students are insured, usually (but not obligatorily) via their health insurance provider.
Unemployment Insurance	
Unemployment insurance offers financial help for the unemployed and assistance in acquiring new employment. Anyone who has paid unemployment contributions for a certain period of time and is then made unemployed, or registers himself as unemployed, has a right to unemployment benefits. The German Federal Employment Office (“Bundesagentur für Arbeit”) has a number of employment promotion schemes for employers and employees alike and endeavours to place as many job seekers as possible in employment.	Does not apply for students with a stipend. Mandatory for employees at the university.
Accident Insurance	
Accident insurance reduces the financial burdens of accidents at the workplace or occupational illnesses. It offers prevention advice (reducing accident risk in the workplace) and rehabilitation services.	Doctoral students (formally enrolled) are covered by the university insurance (Landesunfallkasse) during study work.
International Social Insurance	
German laws on social security state that the services provided are only available in Germany. But there are also possibilities to receive certain social security benefits in other countries. International and bilateral social security agreements regulate these cases. Within the European Union there is a legal foundation whereby social benefits can be sought in member state countries. For instance, health care for those insured and their families is guaranteed. There are also a number of social security agreements with non-EU European states and with countries outside Europe. The arrangements within the EU and with some other states are very comprehensive. The most important	

aspects are services in case of sickness, disability and in old age. They also cover services for the care of surviving dependants and services in case of accidents in the workplace or occupational illnesses. The international agreements are based on two fundamental conditions: The people covered by the agreements have the same basic social rights. Residence in the member state or in the state that has a bilateral agreement is based on the same equal principle.	
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B) Additional insurance covers:

Type of Insurance Cover	Comment
Personal Liability Insurance	
Personal liability insurance (“Haftpflichtversicherung”) covers the insured in case of accidental damage to a third party. This insurance also covers accidental damage caused in other homes. This type of insurance policy provides covers against financial ruin in case of claims for compensation by third parties.	optional, recommended
Household Insurance	
Household insurance (“Hausratsversicherung”) covers costs incurred in the case of burglary or other incidents. The insurance cover should correspond to the actual cost of the items insured in the household.	optional
Disability Insurance	
Taking out a disability insurance policy (“Berufsunfähigkeitsversicherung”) provides cover against the financial loss incurred if a person becomes unable to carry out their job due to accident or illness. A pension is paid according to the insurance policy taken out, should this occur.	Not needed for students with a stipend
Legal Costs Insurance	
Legal costs insurance (“Rechtsschutzversicherung”) covers any legal fees incurred by the insured. This is only valid, however, in certain cases. It is recommendable to seek consumer advice on this and other insurance policy matters.	optional
Life Insurance	
Life insurance (“Risiko-Lebensversicherung”) is a commonly held policy and guarantees the family of the insured person a fixed financial sum should the insured person die. The “Kapital-Lebensversicherung” is one way of saving for the future.	optional

This information was adapted from a brochure of the German Government “A Manual for Germany” (2005). Comments are provided by the Graduate School without guarantee. The Graduate School does not accept liability for the information provided.