

Private or statutory?

“Private” or “statutory”? A comparison that is worth making.

Typical differences between the two systems¹⁾



	STATUTORY HEALTH INSURANCE (SHI)	PRIVATE HEALTH INSURANCE (PHI)
Membership	<ul style="list-style-type: none"> ✓ A large number of statutory health insurance members have compulsory insurance under this system by law – in particular those employees whose salaries do not exceed the compulsory insurance limit. Uninsured individuals who cannot obtain private health insurance are also obliged to obtain statutory health insurance. ✓ Subject to certain conditions, family members are included in the scope of cover subject to no contributions (family insurance). ✓ If an individual is no longer subject to compulsory insurance (e. g. as an employee) or if family insurance is discontinued, membership of the statutory health insurance fund can generally be continued as a voluntary membership. 	<ul style="list-style-type: none"> ✓ Private health insurance is based on the principle of voluntary insurance, with the exception of the insurance obligation for uninsured individuals who are to be allocated to the private health insurance system. These individuals are subject to the obligation to enter into a contract under the basic rate. ✓ A separate insurance policy with an individual premium is taken out for each individual (individual insurance).
Premiums	<ul style="list-style-type: none"> ✓ The contribution amount depends, as a general rule, on the amount of an individual's income that is subject to contributions (principle of solidarity). Different principles apply to any optional rates included in the cover. 	<ul style="list-style-type: none"> ✓ The premium amount depends on an individual's age and state of health at the time the policy is taken out, as well as on the agreed scope of benefits.

1) Private health insurance rates available to purchase without special features for the basic rate.

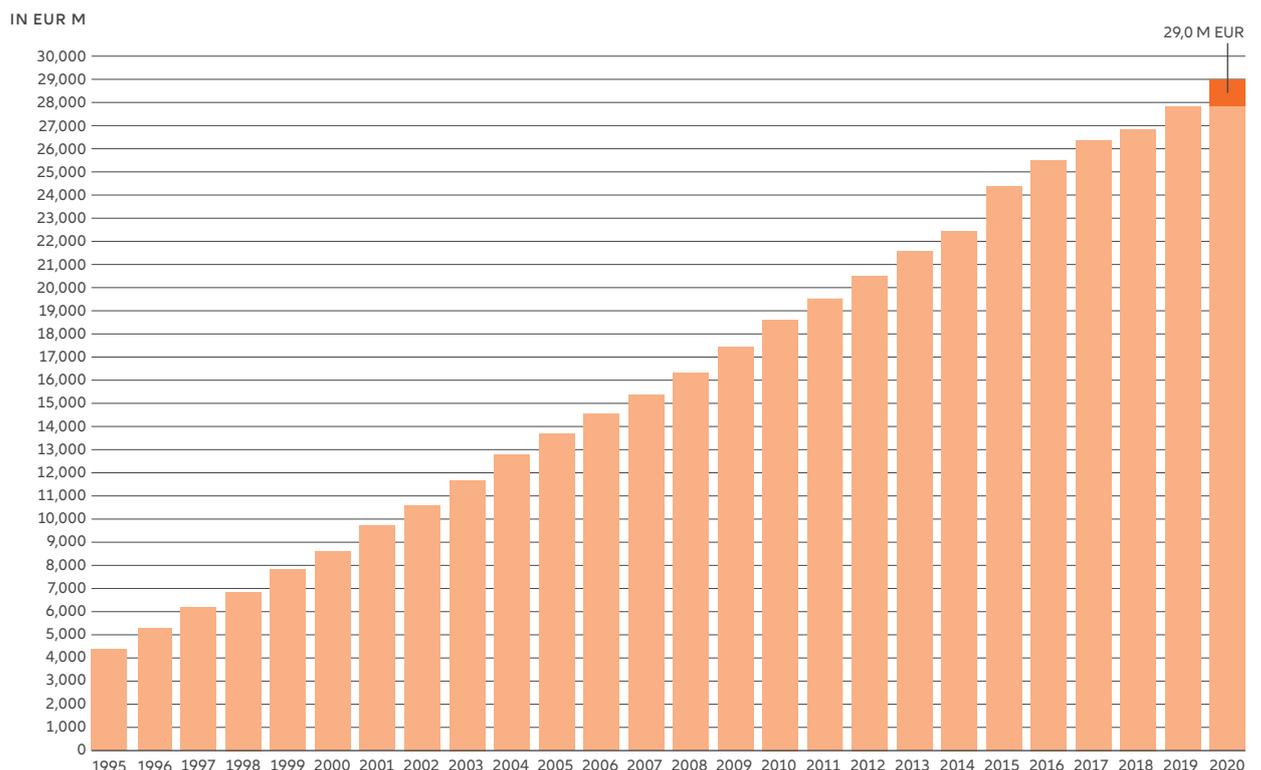
Typical differences between the two systems¹⁾



	STATUTORY HEALTH INSURANCE (SHI)	PRIVATE HEALTH INSURANCE (PHI)
Benefits	<ul style="list-style-type: none"> ✓ As a general rule, the benefits provided are stipulated by law. Special regulations can apply in connection with optional rates within the framework of the statutory provisions. 	<ul style="list-style-type: none"> ✓ The scope of benefits can be tailored to suit individual needs by opting for an appropriate rate.
Principles of benefit provision	<ul style="list-style-type: none"> ✓ Benefits-in-kind principle: You receive treatment when you present your insurance card. ✓ Cost reimbursement principle: You can decide how you want costs to be reimbursed. However, this generally entails a high co-payment. 	<ul style="list-style-type: none"> ✓ You will receive an invoice for all of the benefits provided to you that you can check yourself. Once you submit your invoice, your insurance company will reimburse you for the costs incurred in accordance with the rate chosen (cost reimbursement principles). If you undergo in-patient treatment, your accommodation costs are generally settled with the hospital directly.
Financing/calculation method	<ul style="list-style-type: none"> ✓ Spending in a given year is financed using the income for the same year (pay-as-you-go system). ✓ Problems caused by the growing proportion of elderly people in the population because no ageing provisions (Alterungsrückstellungen) are set up. 	<ul style="list-style-type: none"> ✓ Ageing provisions (Alterungsrückstellungen) are set up (see graphic). Part of the premium is saved and bears interest from the outset; this covers the increase in insurance benefits caused by ageing. Individuals who have taken out private health insurance as part of new business since January 1, 2009 can have their ageing provisions transferred, within the framework of the basic rate, to a new insurer when they change to a new private health insurance company.

1) Private health insurance rates available to purchase without special features for the basic rate.

The ageing provisions set up by Allianz Private Krankenversicherung (Allianz private health insurance)



Comparison between statutory and private health insurance in certain areas



	COMPULSORY SHI BENEFITS ¹⁾	PRIVATE HEALTH INSURANCE
OUT-PATIENT CARE:		
Medication	<ul style="list-style-type: none"> ✓ As a general rule: co-payment corresponding to 10% of the price but at least EUR 5 and no more than EUR 10 per drug.²⁾ Exception: The price of the drug is less than the co-payment. ✓ As a general rule, no benefits are provided for over-the-counter drugs.³⁾ 	<ul style="list-style-type: none"> ✓ Costs for drugs which are prescribed by a physician, dentist or an alternative practitioner and are deemed medically necessary will be refunded within the scope of the rate.
Alternative practitioners	<ul style="list-style-type: none"> ✓ Benefits are not always granted under statutory health insurance funds for treatment provided by alternative practitioners. 	<ul style="list-style-type: none"> ✓ Depending on the rate, the insurance cover also includes the services and medication provided by alternative practitioners.
Visual aids	<ul style="list-style-type: none"> ✓ No benefits for the over-18s, other than in exceptional cases (e. g. particular visual impairment). 	<ul style="list-style-type: none"> ✓ Where medically necessary, costs are reimbursed depending on the rate selected.
Aids	<ul style="list-style-type: none"> ✓ Additional payment corresponding to 10% of the price of each aid but at least EUR 5 and no more than EUR 10 per aid.²⁾ 	<ul style="list-style-type: none"> ✓ Aids – to the extent that is medically necessary. The scope of reimbursement depends on the individual rate chosen.
Remedies other than drugs	<ul style="list-style-type: none"> ✓ Co-payment corresponding to 10% of the price of the remedy/service, plus EUR 10 per prescription.²⁾ 	<ul style="list-style-type: none"> ✓ Where medically necessary, costs are reimbursed depending on the rate selected.
IN-PATIENT CARE:		
Choice of hospital	<ul style="list-style-type: none"> ✓ The hospital is determined at the time of medical admission. 	<ul style="list-style-type: none"> ✓ You are free to choose your own hospital. ✓ Upon consultation with your doctor, you can decide on the hospital that offers the best treatment for your condition.
Treatment/accommodation	<ul style="list-style-type: none"> ✓ Treatment performed by the doctor on duty. ✓ Accommodation often in wards containing several beds. ✓ Additional payment of EUR 10 per day, limited to a maximum of 28 days per calendar year.²⁾ 	<ul style="list-style-type: none"> ✓ Depending on your chosen rate, includes treatment by a chief physician. ✓ Depending on the rate selected, accommodation in wards containing one, two or several beds. ✓ Alternative to daily allowance for stays in hospital, depending on the rate selected.
DENTAL:		
Dental prosthesis	<ul style="list-style-type: none"> ✓ Fixed allowances, based on dental findings, are being paid since January 1, 2005: Since October 1, 2020, according to the level of preventative care (“Bonusheft” check-up record book) 60%, 70%, 75% of the costs incurred for “standard treatment” are being reimbursed. ✓ Your co-payment: <ul style="list-style-type: none"> – In principle, 40%, 30%, 25% of the total costs. – For services that exceed the “standard treatment level” → own contribution is higher. 	<ul style="list-style-type: none"> ✓ Depending on the rate you select, you will receive a percentage reimbursement, subject to any applicable maximum thresholds. ✓ Even costly treatment (e.g. large bridges, implantology) is included in the scope of cover as a general rule.

1) Compulsory benefits, within the meaning of the above, refer to standard benefits provided by all statutory health insurance funds as defined by the legislator – excluding any individual fund benefits that are available, for example, in conjunction with optional rates.

2) Does not apply to under-18s.

3) Excl. children under 12 years of age and any exceptions pursuant to the Medicinal Products Directive.



Comparison between statutory and private health insurance in certain areas



	COMPULSORY SHI BENEFITS ¹⁾	PRIVATE HEALTH INSURANCE
DENTAL:		
Dental treatment, inlays, prophylaxis	<ul style="list-style-type: none"> ✓ No SHI dental treatment for inlays (costs assumed according to filling). ✓ Prophylaxis treatment only up to age 18. ✓ No costs assumed for modern measures designed to help preserve teeth, e. g. for regenerative treatment in the case of periodontitis. 	<ul style="list-style-type: none"> ✓ Reimbursement for dental treatment including periodontal therapy inlays and prophylaxis irrespective of age – pursuant to agreed scope of benefits.
OTHER:		
Temporary stay abroad	<ul style="list-style-type: none"> ✓ Health cover is generally only provided for EU states, EEA countries and countries with which Germany has a social insurance agreement. ✓ Repatriation costs are generally not reimbursed. 	<ul style="list-style-type: none"> ✓ Insurance cover for trips to other European countries. ✓ Depending on your rate, the insurance cover also applies outside of Europe for temporary stays of between 6 and 12 months. ✓ Depending on the rate, reimbursement for repatriation/transfer from abroad. ✓ Costs assumed based on the insured rate benefits.
Loss of income	<ul style="list-style-type: none"> ✓ The statutory sick pay for employees amounting to 70% of the gross salary (up to the contribution assessment ceiling) or a maximum of 90% of the net salary after continued payment of remuneration has ended. ✓ Employee contributions to social security (as at Jan. 2020: around 12%; special regulations apply to Saxony: here, the percentage shares are 0.5 percentage points higher) are deducted from this. ✓ The maximum payment period is 78 weeks within a three-year period, provided that this relates to the same illness. 	<ul style="list-style-type: none"> ✓ Privately insured employees may take out insurance for daily sickness allowance corresponding up to 70% of their gross salary (up to the assessment ceiling) but not more than 90% of their net salary, plus the employer’s share for contributions to private compulsory health and long-term care insurance and any pension insurance contributions. ✓ The payment start date can be agreed based on requirements, although in the case of employees, it cannot fall before the date on which continued payment of remuneration ends. ✓ The benefits period is unlimited as a general rule but ends in the event of occupational incapacity, among other things.
Doctors’ fee	<p>The following applies to the benefits-in-kind principle that applies as a general rule:</p> <ul style="list-style-type: none"> ✓ Services are not billed directly between health insurance funds and doctors but with the involvement of the associations of statutory health physicians (Kassenärztliche Vereinigungen). ✓ The health insurance funds pay agreed total remuneration to the associations of statutory health physicians. ✓ The associations of statutory health physicians distribute the funds available to the SHI doctors taking into account the services provided, among other things. 	<ul style="list-style-type: none"> ✓ Doctors/dentists can set their fees by selecting an appropriate increment, taking into account the difficulty involved in a particular treatment case, within the fee framework. ✓ Depending on your rate, your reimbursement will be limited to certain rates based on the fee scales.

1) Compulsory benefits, within the meaning of the above, refer to standard benefits provided by all statutory health insurance funds as defined by the legislator – excluding any individual fund benefits, for example, those that are available in conjunction with optional rates.

Who might be interested in private insurance?

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Employees can obtain private insurance if their income means that they are exempt from compulsory statutory health insurance. This is subject to the basic proviso that an employee’s salary exceeds the applicable compulsory insurance limit (2021: 5,362.50 (gross) a month). The maximum premium subsidy provided by the employer in 2021 is EUR 384.58.
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Individuals who are self-employed or work freelance are generally not subject to compulsory statutory health insurance. By selecting an appropriate rate, they can put together a customized insurance cover package. This also applies to the insurance protection of income.
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Civil servants and civil service trainees are not subject to compulsory statutory health insurance. The special health insurance fund for civil servants (Beihilfe) reimburses a certain percentage of treatment costs depending on the size of an individual’s family. Individuals have various cover options for the remaining costs in accordance with this system.
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Students can apply to be exempted from compulsory statutory health insurance.
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Housewives and children who are not covered by family statutory health insurance.
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NB: With effect from January 1, 2009, individuals who are resident in Germany (and do not have any other form of health insurance) are obliged to take out private insurance subject to certain conditions.

Your private health insurance premium¹⁾

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Your individual premium is based on 3 factors: age and state of health when you take the policy out, as well as your selected scope of benefits (rate).
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Premiums are not raised due to increasing age or illnesses which may newly occur during the insurance period.
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Deductible The deductible can be agreed in several ways, making it a clear amount that applies per person and per calendar year, and, depending on the rate, ensures reimbursement from the very first euro of the invoice amount that is eligible for reimbursement.
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BONUS program Allianz rewards cost and health-conscious behavior. If you do not submit any invoices in a given insurance year, you will receive a refund of up to 20% of your annual premium. If you do not submit any invoices in the following years either, you could receive a refund of up to 50% of your premiums. For children and young people up to the age of 21, there is even a special bonus of 50% that applies as of the very first
- year in which no benefits are claimed. The advantage: you can start benefiting from the BONUS program in the very first year in which you take the policy out.
- NB:** The BONUS program is the performance-based premium refund system of Allianz’s private health insurance, which is financed using surpluses and depends on business results. The Board of Management of our company makes a new decision every year on the distribution, the amount and the eligible rates.
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Premium subsidies are paid to employees by employers and to pensioners by statutory pension insurance institutions.
- Health insurance premiums are tax-deductible. A change in the legislation in 2010 means that they are actually tax-deductible to an even greater extent. Since 2010, for example, you can include the tax-deductible private health insurance premiums you pay for a spouse or dependent children in your tax return.

1) Private health insurance rates available to purchase without special features for the basic rate.

Stable premiums in old age

What Allianz Private Krankenversicherung does for older policyholders:

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Ageing provisions
Older people tend to require more intensive treatment than younger people. This is why part of the premium is saved and bears interest from the outset. These savings are then used to finance rising illness costs caused by ageing.
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Statutory premium supplement
A statutory premium supplement of 10% is charged for new private health insurance policies taken out since January 1, 2000. The supplement is used exclusively for the purpose of keeping your premiums as stable as possible from the age of 65 onward. The statutory premium supplement shall not apply from the age of 60 onward.
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Interest and net profit
The ageing provisions are invested at a fixed interest rate with a view to the greatest degree of security. The calculation is based on an actuarial interest rate which is dependent on the policy rate. Interest generated in excess of this is collected in the medical expenses and voluntary long-term care health insurance scheme in order to reduce the impact of premium adjustments necessitated by increasing health costs. Pursuant to § 150 of the German Insurance Supervision Act (VAG), we are obliged to use 90% of these surplus funds solely to prevent or limit premium increases during old age.
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Guaranteed premium reduction
By taking out rate supplement V, you can agree on a guaranteed premium reduction from the age of 65 onward. This additional relief only costs you a small extra premium.
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Basic rate¹⁾
The level of benefits provided is similar to those provided under the statutory health insurance scheme and the premium is limited to the maximum statutory health insurance premium. If you can prove that you are in need of assistance, the premium can be halved.
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Contribution subsidy from the statutory pension insurance institution
Even privately insured pensioners receive a subsidy for their private health insurance. The subsidy is calculated as a certain percentage of the statutory pension, as for members of statutory health insurance funds.

1) Individuals can only take out a basic rate policy subject to certain conditions.

