

11 tips on social welfare insurance

1. Set priorities

An almost inconceivable variety of insurance policies exists for all possible hazards. So you need to set priorities. What risks are there? Which risks do you wish or do you need to cover via an insurance policy? Which require immediate cover, and which might be left until later? Insurance policies are generally too expensive to cover minor damages.

2. Get several offers

Insurance policies vary in terms of benefits, prices and conditions. Get various offers for each type of insurance. This may take time, and be rather confusing, but it is worth it. The best-value providers can be found in up-to-date comparisons (e.g. by Stiftung Warentest).

3. Decide with care

Do not allow yourself to be forced into a decision. You yourself should approach the insurance representative with the best offer after careful consideration. Insurance representatives who know the quality of their offer have no need to force clients into decisions.

4. Be cautious about “package solutions”

Each policy should be tailored to your specific problems. In many cases, lack of time produces a search for a quick solution and the purchase of comprehensive insurance packages. However, these often include not only the desired policies but also additional coverage which you would normally have deemed “not so important”.

5. Decide between statutory and private insurance

Before you take out private insurance, find out about statutory cover. How do statutory funds and private companies interlink or compete? You will have to decide (often very quickly) how you wish to handle your statutory pension insurance in future. What should you do if you have already paid in contributions over many years as an employee?

The basic rule should be: always begin by talking to statutory pension and health insurance funds and include all the arguments in your reflections. A premature withdrawal from statutory insurance funds can produce subsequent disadvantages for the insured person (e.g. loss of statutory pension entitlements already acquired; no possibility of returning to the cheaper statutory health insurance fund).

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6. Apply correctly

The application form must be fully completed. Any missing details in the insurance application must be filled in before you sign. Otherwise: you as the applicant are liable for all the data provided in and missing from the application. You need to apply correctly to get the right policy.

7. Demand the copy of the application

The copy of the application forms part of the contract. You should receive it as soon as you have signed the insurance application. Do not allow yourself to be persuaded to do without it or to have it supplied with the policy later on. Only if you have the copy will you be able to compare the conditions with the policy document. Also, the application often contains important details which are not mentioned in the policy document.

8. Avoid long-running contracts

An insured person gains no advantage from long-running contracts. Apart from in life and disability insurance, the duration of the contract should generally only be one year. Otherwise, you as the insured person and the payer of the premiums will deprive yourself of any possibility to switch to better offers relatively quickly.

9. Demand a promise of coverage

Putting a policy together often takes a long time. You should therefore insist on a written promise of coverage from the day of application. The premium is then calculated by the insurer from this time. But this is the only way to be sure that damage will actually be covered before the policy document has been sent to you.

10. Scrutinise deviations from the application

Deviations in the policy document from the agreements made in the application must be marked in red by the insurer. If you do not object to such an alteration in writing within a month of receiving the document, you are considered to have accepted it.

11. Pay premiums punctually

The first premium is due when you receive the insurance certificate from the insurer. You must pay it without delay! This is because an insurance contract only becomes valid from the agreed date if payment is made without delay (court rulings cite “within five days” for this). If you fail to do this, you may be without insurance cover. The insurers take this rule on the payment of premiums, which is anchored in the Insurance Contracts Act, very seriously.