

Occupational Disability Insurance



BLACKTOWER
EXPAT SOLUTIONS GMBH

If, as a result of an accident or an illness you are permanently no longer in a position to earn a living, there is a state reduced earning capacity pensions in place (Erwerbsminderungsrente). It will only cover a small part of your income loss. As a general rule of thumb, if you can still work between 3 and 6 hours a day it pays roughly 20% of your last salary and if you can only work less than 3 hours a day it will pay roughly 40% of your last salary (the exact amount can be verified in the yearly letter you receive from the statutory pension scheme, the Gesetzliche Rentenversicherung or GRV for short). You will however only benefit from this pension if you are unable to work not only in your current profession but in all others as well.

The bigger problem you face coming from abroad is that until you have paid into the 'GRV' for 5 years, you have no cover. The other rule is that once you have qualified, you have to have spent at least 3 of the last 5 years paying into the system to be covered. This means that depending on the system that is in place in the country (the rules are similar in many countries) you come from; there will be a time when you benefit from no cover whatsoever. For this reason a private occupational disability insurance is one of the more important insurances you need when moving to Germany. It acts to protect the financial future of your family when there is no other protection. Occupational disability insurance offers worldwide cover and benefits. It will pay out benefits as of 50% occupational disability. The 50% disability relates to your current profession. You cannot be forced to change occupation to one which you might still be able to carry out.

The premiums for occupational disability insurance are based on your age and your profession. Different professions are divided into different risk groups. For example, IT professions (least risk) are placed in the 1+ group and roofers (most risk) are placed in the 3-- group. The evaluation of professional risk makes a massive difference to the premiums. Once you have been placed in a risk group you stay in that group regardless of the current occupation. High risk hobbies will also affect your premiums. The financial risk that the insurance company carries whilst insuring occupational disability is very high due to the high proportion of people who become unable to work. This in turn means that stringent questions regarding your health have to be answered. Even small health issues often lead to certain areas regarding your health being not insurable and therefore excluded in the cover offered to you. It is also possible that a higher risk for the insurance company due to health issues can lead to extra premiums. Some professions are non-insurable due to the risk involved; these include professional sportsmen and the armed forces.

Ideally you should insure 60% of your current salary to cover your full income loss. You also have to remember that you have to pay all of your social contributions by yourself without help from an employer. Occupational disability insurance is relatively expensive and therefore it might make more sense (especially if you have a high salary) to consider how much money you need monthly to carry on your life as normally as possible. School children and students do not benefit at all as they have not yet paid into the statutory pension system. They can, however, be insured as of the age of 15. The advantages of insuring your children as early as possible is that they are automatically placed in a 1 or 1+ risk group (which they keep regardless of their later profession), younger people are normally healthier (no issues with higher premiums or exclusions) and due to their young entry age the premiums that they pay are lower.

Please answer the questions on the following page in order for us to offer you the cover that best suits your needs and at the best price. Once you have returned the questionnaire you will be contacted to talk through the next steps.

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www.blacktowerfm.com Handelsregister: AG München, HRB 236337 Geschäftsführer: Paul Brown, Matthias Wolf

Angaben gem. § 11 VersVermV

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DATE _____

PERSONAL DETAILS

CLIENT NAME(S) _____

DATE OF BIRTH _____

ADDRESS _____

CONTACT NUMBER _____

E-MAIL _____

RELEVANT INSURANCE DETAILS

MONTHLY BENEFITS
REQUIRED (EUR) _____

OCCUPATION _____

PLANNED RETIREMENT
AGE _____

SELF-EMPLOYED YES NO

HEIGHT _____

WEIGHT _____

HEALTH STATUS _____

HIGH RISK HOBBIES _____

**SHOULD ANY QUESTIONS ARISE WHILST OR BEFORE FILLING OUT THIS FORM, PLEASE DO NOT
HESITATE TO CONTACT US, WE ARE HERE TO HELP!**

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