



OCCUPATIONAL DISABILITY INSURANCE

SAVE YOUR FAMILIAR LIFE STANDARD



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BASICS

The own workforce is a prerequisite for a regularly income for the most people. In case of an occupational disability, the salary might disappear. That leads to drastic changes in the daily life. Normally then the usual standard of living can't be maintained, because the state insurance is usually not enough.

WHO IS THE INSURANCE FOR?

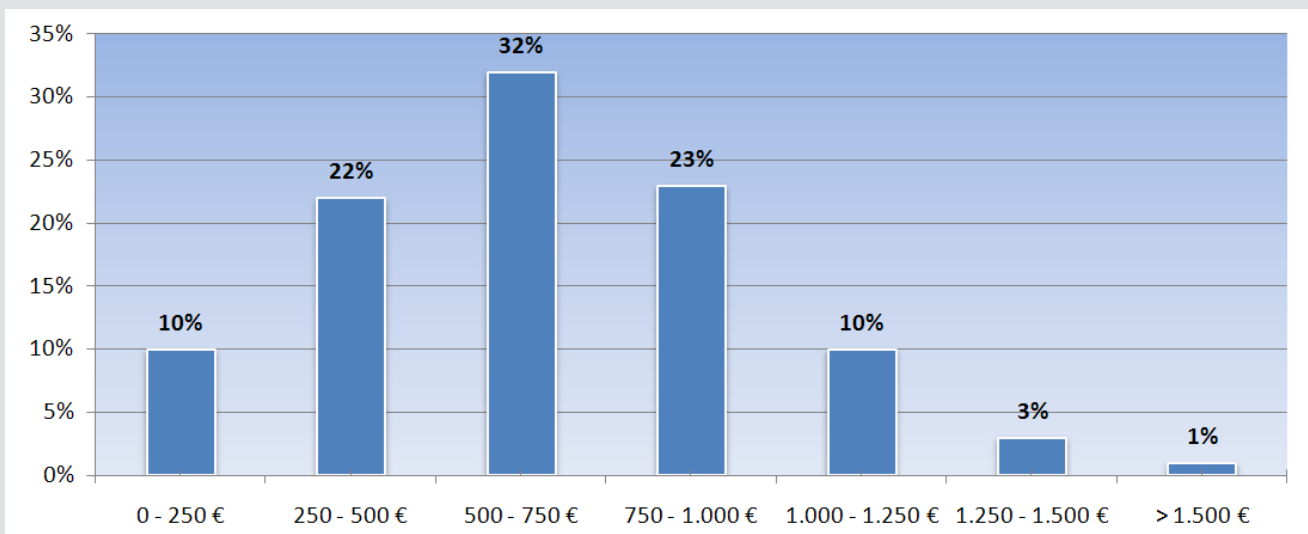
Over 2 million people in Germany are unable to work. Every year, 280,000 cases are added.

The statutory pension insurance pays only a small earning capacity pension in case of occupational disability. For people born after 1 January 1961, the statutory disability pension was abolished. They only receive a two-stage employment-reduction pension with greatly reduced benefits. The professional status of the person - concerned previously- isn't considered. He or she has to take on almost any other job, no matter how high the job qualification is.

The total amount of the reduced earning capacity pension - this is only around 38% of the last gross income - is only available if the

sick or injured person can only work less than three hours a day. Depending on the deposit of the contributions to the statutory pension insurance, the earning reduction pension can be higher, but also significantly lower.

Even for people whose date of birth is before 2 January 1961, statutory insurance coverage has worsened. The services were strongly reduced. For this reason, a private occupational disability insurance is highly recommended in order to avoid the financial gaps as far as possible.





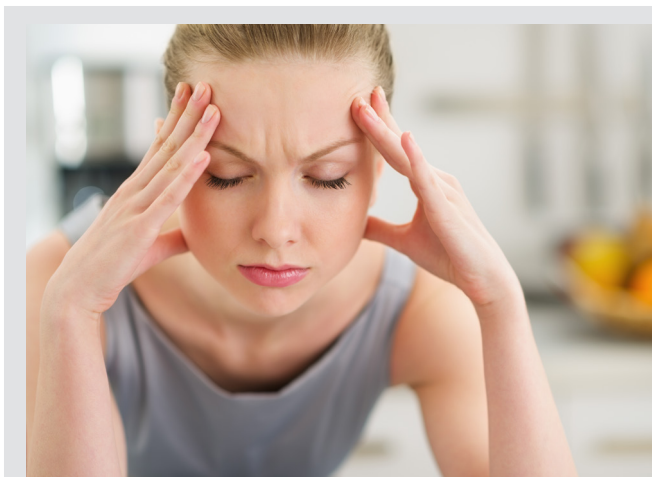
EXAMPLES

EXAMPLES FROM THE DAILY LIFE



Leisure time accident

The shift supervisor of a factory, Herbert H. has a bicycle accident during his spare time and injures so hard that he can't work in his previous occupation in the future. He thought that a private preventative isn't necessary. Now Mr. H. is sitting at his employer's reception and welcomes the colleagues - whose supervisor he has been before his accident.

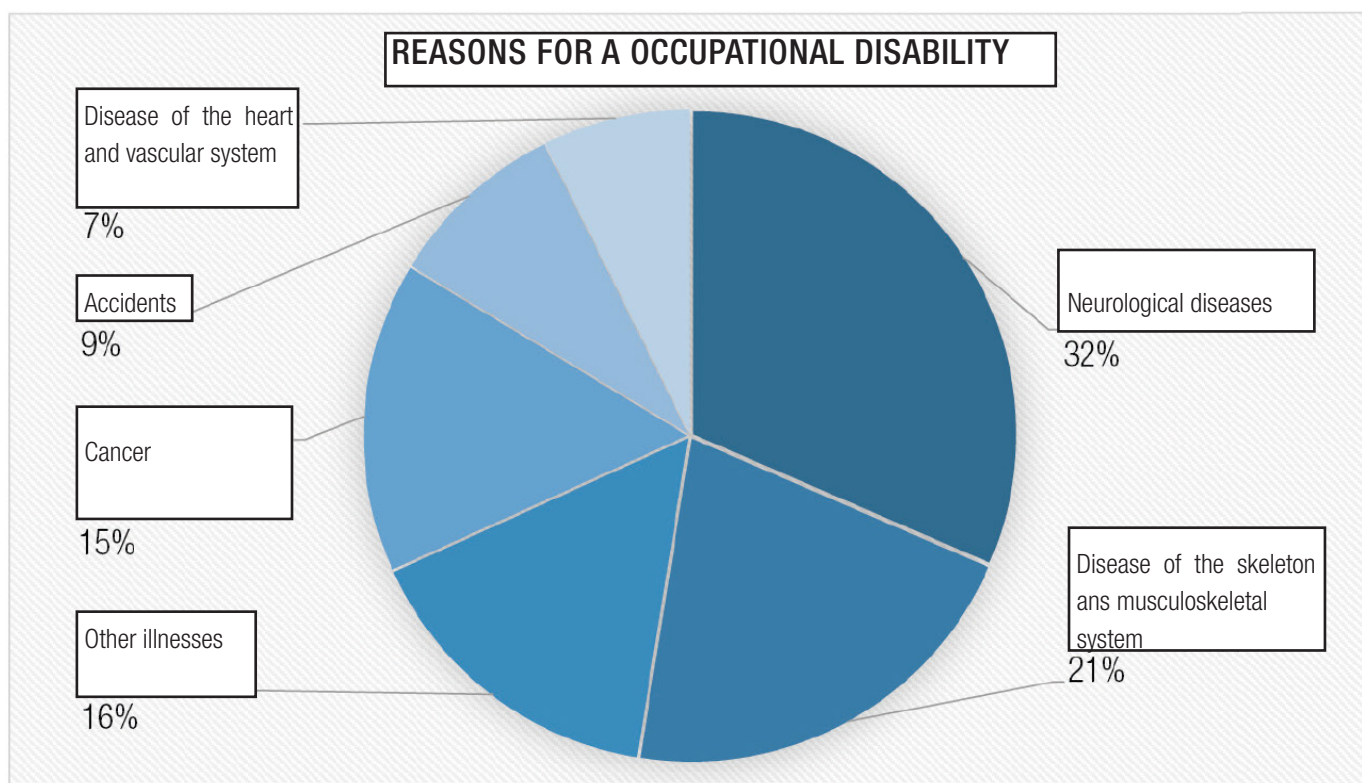


Pressure through work

As manager of accounting, Ms. B. was often under heavy "deadline pressure". The pressure caused her a strong depression. For several months Mrs B. can't work and in the future she might not be able to work anymore. Thankfully she receives a monthly pension from her private occupational disability insurance. This will allow her to maintain her usual standard of living and she still has enough funds to pay for the treatment costs that their statutory health insurance has not fully covered.

OCCUPATIONAL DISABILITY CAN MEET ANYONE

There are occupations where the high risk of occupational disability is evident: e.g. with roofers or tile layers. People who work a lot at their desk often think, that they can't become incapacitated for work. The German Pension Insurance Confederation states that one in four employees lose their work at an early age. Causes are often diseases of the skeleton or the musculature, as well as cardiovascular diseases. Also mental illnesses are increasingly triggering a disability.



Quelle: MORGEN & MORGEN, Stand 05/2018

INTERESTING FACTS

WHAT IS INSURED?

A private occupational disability insurance usually pays a pension if the insured is at least 50% not able to work, that means he can no longer fully exercise his current profession.

WHEN DO YOU SPEAK ABOUT DISABILITY?

The German life insurance companies use the following definition for occupational disability: „Occupational disability is defined as if the insured person is unable to work for six months without interruption due to illness, bodily injury or loss of strength, which must be documented by a doctor.“

HOW TO CALCULATE THE INSURANCE CONTRIBUTIONS?

It depends on the following factors: age of entry, occupation, desired amount of pension, state of health, insurance period and the desired supplementary insurance (such as term life insurance or supplementary long-term care insurance).

WHAT EVENTS ARE NOT ASSURED?

- If the disability is less than 50%, usually no benefit will be paid.
- Certain occupations are uninsurable or difficult to insure, such as: Pilot or demolition master.
- Terrorism and war events are usually excluded from insurance cover.
- Intent is not insured, e.g. a surgeon purposely separates a finger to receive his disability pension.
- Diseases already existing at the conclusion of the contract are usually excluded or lead to a risk premium, that means the monthly contribution increases by a certain percentage. In some cases, insurance cover is no longer possible due to previous illnesses.

WHAT FURTHER INSURANCES ARE RECOMMENDED?

A Dread Disease Insurance is the right supplement to a disability insurance. While the latter pays out a monthly pension, if at least 50% disability is expected for at least 6 months, here you will receive an agreed one-off payment for certain illnesses via the Dread Disease Insurance, regardless of whether or not you can work. Especially for self-employed and persons with pre-existing conditions, this insurance can also be an alternative to occupational disability insurance.

In addition, accident insurance is advisable. Only in a few cases the insurance cover the legal protection. In 70% of all cases there is no entitlement to benefits. This is for example for all accidents that occur during your free time.

Furthermore, it is recommended to take out a supplementary long-term care insurance. If you become a caregiver after an accident or serious illness and you need help from others, this additional insurance provides financial support. The statutory long-term care insurance



offers only a minimum coverage. In general, high co-payments are for example necessary for accommodation in nursing homes. If your reserves are insufficient, your children have to „jump in“.

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In addition to the occupational disability insurance you should also think about a private pension insurance. The occupational disability pension ends at the agreed time. The amounts for additional old-age insurance should be taken into account for the invalidity pension to be covered in order to ensure that there is no obstacle to the seamless transition from disability pension to private pension. As a rule, it is also possible to agree on the assumption of contributions in the event of occupational disability in the case of a private pension insurance. In the case of an insured disability, your pension insurer would then pay the premium for you until your health improves or the contract expires.

Since even with the best conditions in the market in the individual case between insurance companies and insurance customers may come to different opinions when applying for benefits, whether insured occupational disability exists or not, you should also arm yourself for this rare case. Legal expenses insurance strengthens your back if you feel compelled to have to claim the insured benefits by legal action. All costs for your lawyer, the court, necessary reports, etc., will be borne by this sensible section.

