



CLIENT SERVICES & POLICY DIVISION

Legal Assistance



German Insurance

Did You Know:

Whether it is flood insurance, homeowner's or life insurance, insurance protection can be an essential component to one's mental health and financial security. Most individuals know insurance is required to operate a POV. But Germany provides additional insurance options one should consider. Each is intended to protect you and your family during your stay in Germany. The following three types of insurance are widely available and used by German citizens:

1. Personal liability insurance-"Private Haftpflichtversicherung"

Personal liability insurance is one of the most critical types of insurance in Germany. Even though it's not legally required, liability insurance is used by approximately 83% of German residents. This insurance protects one from liability for accidental damage a/o injury which may occur in the course of everyday activities. This insurance also covers children, spouses, registered partners, or other relatives who live in the same household.

Examples where personal liability coverage may come into play include the following examples: you help your friend move and accidentally drop her laptop; your teenager rides his bike into a pedestrian; you crack two kitchen tiles in your rented apartment; your child's soccer ball breaks the neighbor's window; your cat scratches your friend's expensive purse.

Personal liability coverage may be applicable when you negligently supervise minors (your children and others under your supervision); fail to properly salt and clear snow on your sidewalks; act negligently as a cyclist or pedestrian in traffic; act negligently as a participant in a private sporting

activity such as soccer or tennis; or accidentally forward malware which causes damage to the recipient's computer.

Personal liability insurance may protect you as a renter in Germany for damages that occur to your floors, bathrooms and sanitary fixtures, and to permanently installed kitchen furniture and fixtures. Normal wear and tear is not considered damage that personal liability insurance would cover.

Personal liability insurance will also not be available in instances where the damage is intentional; where a profession or business is conducted (professional liability insurance would be applicable); the damage is amongst family members in the same household, and for damages caused by bigger pets (pet liability insurance would be applicable).

Only the fair market value (FMV) of a damaged item may be compensated. Personal liability insurance does not cover full replacement value.

A recommended coverage amount is at least 10 million euro for personal injury, property damage, and financial loss. Coverage amounts may differ depending on the size of one's family, lifestyle and hobbies. One can tailor insurance to one's needs. One should expect to pay somewhere around €175 per year for worldwide coverage.

In the event of a claim, the insurance company will determine if the claim filed against you is justified. The insurance company will defend a claim against you it deems unjustified at its own expense and risk.

The insurance company will cover the FMV of a damage claim it considers justified. The insurance company must find the damage was not caused intentionally and that there is no exclusion in the insurance terms and conditions (always read the small print!)

2. Household Insurance – “Hausratversicherung”

A second type of insurance one should consider when living in Germany is tenant insurance. This insurance provides protection of your household goods against fire, water damage, burglary, robbery, vandalism, and natural hazards (storms, hail, and other elemental perils). Household

goods include apartment furnishings and items for personal use, to include cash and valuables. Additional insurance may be required for bicycles.

Protection against fire covers damage to property caused by fire, lightning strikes, explosions, and consequential damage caused by smoke, soot and fire extinguishing. Protection against water damage typically includes burst pipes and burst hoses on washing machines and dishwashers as well as frost damage to plumbing. Damage caused by simple theft is not. For example, if one leaves one's door or windows unlocked and the house is robbed household insurance will not apply.

In cases of water damage to a rental unit, additional expenses for cleanup, moving, security, hotel, transportation, storage, lock replacement, etcetera should be covered by household insurance. So too should the costs to repair damage to the building, flooring, interior painting, and wallpaper in a rental apartment.

For personal items, the replacement cost for the same type and quality item should be reimbursed. However, the policy holder needs to adequately select their insurance needs by either specifying an accurate value of their household goods or by determining their property's value based on the size of the living space. One's household items can be documented by video or photos. New purchases should be documented by receipts from the actual purchase.

Not every household policy is uniform. If you specifically need insurance for protection against natural hazards damage, i.e., heavy rainfall, flooding, backflow, earthquakes, landslides, snow pressure, avalanches, etcetera, that protection can then be purchased as a supplement.

3. Private Pet Owner Liability Insurance (dogs, horses) – “Tierhaftpflichtversicherung”

Private pet owner liability insurance covers damage one's pet causes to other people or damage to their property notwithstanding whether the property is rented or owned. This insurance also applies to a financial loss caused by your pet. So, if you are concerned about your dog nipping at a

neighbor or running out onto a busy boulevard and contributing to a multi-car collision, private pet insurance should be a consideration.

Whether pet liability insurance in Germany is mandatory depends on the federal state where one is living and the breed of the dog. Private pet liability insurance is mandatory for every dog owner in Berlin, Hamburg, Lower Saxony, Saxony-Anhalt, Schleswig-Holstein, and Thuringia. Wiesbaden and the state of Hesse do not mandate private pet insurance.

One can expect to pay approximately €100 per year for pet insurance depending on one's location and the breed of the dog.

As usual, please do not sign a contract unless you understand the content of the document. Also, do not forget an insurance contract will not end automatically at the end of a certain period. One must affirmatively cancel a contract in Germany or the contract will automatically renew.

Private insurance is not a requirement in most instances, but private insurance may be a prudent course of action in most instances. Many German nationals understand this and act accordingly. Whether you choose private insurance or not is a personal decision. The key is that one is aware of the risk factors and costs and makes an informed decision thereafter.

This information is brought to you by the friendly folks at the Client Services & Policy Division, Office of the Judge Advocate, USAREUR-AF. Consider contacting your local Legal Assistance Office if you have additional questions concerning private insurance while assigned to Germany.