

Living in Germany – what you need to know about health insurance and residence permits



Health care is an increasingly topical issue, and regrettably also increasingly expensive. Whilst we all appreciate the advances in medical science, this does all come at a cost *writes Mike Woodiwiss of Spectrum International, a specialist benefits advisor on international medical insurance in Germany.*

Health insurance does of course vary in every country and the USA is currently trying to come to terms with this and the efforts should be applauded. In an e-mail I sent to President Obama I urged caution in trying to set up a scheme modeled on any other one countries system pointing out that there has to be some compromise between publicly funded and private contributions.

I know that the US Administration have researched many options and have studied the German system particularly. This is a system I know well and although the concepts are of a nature of compromise, there is to my mind, not sufficient flexibility of choice for the individual.

My brief for this article is to try and give an overview of health insurance requirements for anyone intending to live and work away from their home country I would therefore like to make the first important observations:

International Insurance is generally seen as the panacea for all such travel. Providers glossy advertising invariably states that cover is valid worldwide – no need to worry etc. This is regrettably not entirely true. Whereas the insurance may be ‘designed’ to provide medical cover and indeed the insurer will honour claims and pay up for legitimate insured claims, this surprisingly is NOT all that matters.

I return to Germany to illustrate this, although the same applies in many other destinations, such as the UAE, Russia, Holland and others. The main problem as such arises for those who are intending to reside in their destination country and perhaps live and work there– rather than simply travelling on business or for pleasure. In this latter case a good Travel insurance is usually sufficient.

If however you are intending to remain longer than 90 days - normally the maximum allowed - you may find you are required to provide proof of a full health insurance and certainly this applies in Germany. Not only this, but the insurance must comply with German requirements.

I deal with Germany but ALC Health, a global medical insurance provider based in the UK have considerable experience across the world and look after the health insurance needs of clients in over 100 countries worldwide. They are always open to any enquiries and you get to speak to a real person immediately – one thing the Managing Director of ALC Health hates is an automated answer system that doesn’t really answer the question!

Willkommen in Deutschland

Welcome to Germany

Germany is certainly one of the most popular Expatriate destinations. At the heart of Europe it offers stunning and wonderful landscapes and is rich in history. From the Baltic Sea in the North to the Alps in the South it is also ideally located for exploring the rest of the Continent.

So having 'whet your appetite' to visit this wonderful Country, your attention must however also be directed to the equally wonderful bureaucracy!

Whereas German nationals are, of course, quite used to the bureaucracy, it can be quite daunting for others. The German authorities in many instances however are not 'the most flexible' and do not accept ignorance of the legislation as reason for non-compliance. They also sometimes seem rather surprised that other countries do not have the same bureaucratic infrastructure as Germany. This is however not always one-sided! A number of visitors also often don't seem to acknowledge that Germany is not their own home country and does 'things differently'. Strangely, Germans also speak German. Comments such as 'that's not the way we do it in our country' – or 'why don't they speak English?' are not appropriate.

It is therefore most important that anyone intending to come to Germany, either for a relatively short time or longer duration, should attempt to learn the basics of the language at least, and be aware of the Laws and, more importantly, the implications of not being aware, understanding or complying.

There is much advice on the internet but please be warned that, well-intentioned as much of this may be, the legislative environment is constantly changing and what may have applied to someone in a similar circumstance last year or even last month, may not now apply to new visitors.

Please do check and try to do so with properly registered professionals, such as Immigration Lawyers, Relocation Agencies, and Insurance specialists.

The following article deals broadly with Health Insurance and the relationship to Residence permits/Visas.

Health Insurance - it's the Law

To obtain a visa/residence permit, or for EU citizens to be able to register as resident, it is necessary to have adequate health insurance which complies with German requirements.

These requirements are specific and since the introduction of the Health Reform Act of 2007 many international insurances, including some major providers may not meet the criteria. You must check. Please be aware that it is not sufficient that the insurance states it is 'valid worldwide' – this does not mean it is acceptable for the issue of a visa/residence permit for Germany.

Following the Health Reform Act of April 2007 a number of radical new measures were introduced, not least was the legal requirement for all residents to have health insurance. This became Law on 1 January 2009. Since then, anyone who does not have health insurance, on being discovered, may be required to make back-payments to the 1st February 2009 or the date of entry into

Germany whichever is the later. In some instances (in respect of Public Insurance) back-payments may go back as far as April 2007.

Health insurance falls broadly into 2 categories. There are exceptions to many of the main rules too disparate to mention here, but primarily the categorization is related to employment status as follows:

EMPLOYED and earning between € 400 and €4125 per month – **Public Insurance** is mandatory.

EMPLOYED earning less than € 400 per month – **Private insurance** is mandatory.

EMPLOYED earning over € 4125 per month - Public or Private Insurance may be available

SELF-EMPLOYED (FREELANCE) – **Private insurance** is mandatory

UNEMPLOYED – Eligible for unemployment benefit – **Public insurance** is provided

UNEMPLOYED – Not eligible for unemployment benefit – Private insurance is mandatory.

As explained there are exceptions and one main such is the availability of Voluntary Public insurance. This is however restricted depending on previous insurance history, nationality (i.e. EU Citizens may be entitled in some circumstances).

The amounts related to the eligibility etc. are reviewed at least annually and the figures quoted above are relevant as at 2011.

Most expatriates will fall into the SELF-EMPLOYED category. At this stage a definition is appropriate. EMPLOYED does not simply mean 'working'. To be 'Employed' one must have a regular salary, invariably a contract of employment and be liable to German Tax and Social Security deductions at source from salary. For example having a 'contract' to provide teaching services to a language school does not necessarily imply 'employment'. It is important to establish the category correctly.

Visa and Residence Permits

To enter Germany for the purpose of living and working (or studying) here, it is necessary to have a Visa and Residence Permit. Since 2005 this is now a combined document. EU citizens have the freedom of movement within the whole of the EU. Visitors from certain countries may enter Germany and apply for this in Germany within 3 months of arrival. These concessional countries are USA, Canada, Australia, New Zealand, Japan, Republic of Korea and Israel. All other nationalities must apply before entry.

NB: From 5 April 2010 only Passports that have been ISSUED during the past 10 years (not extended) can be endorsed with a Visa. If your passport was issued longer than 10 years ago, you need to apply for a new passport from your Embassy.

IMPORTANT

If you are entering Germany from one of the concessional countries **DO NOT LEAVE IT UNTIL THE LAST DAYS** of the 3 month window to apply for your visa/residence permit.

You will be required to provide a certain amount of documentation which may take time to obtain and prepare – for example allow at least 2 weeks to obtain and finalise your Health Insurance requirements.

So what sort of insurance is appropriate for you and how much will it cost. This is really not something that can be easily answered here as there are too many permutations. If you are therefore intending to travel to Germany it is important that you contact a qualified local health insurance specialist. There are a number of English speaking Brokers in Germany and ALC Health have advisors in most large cities but who also cover the whole of Germany. I can provide details accordingly. Do please contact me in advance of your proposed travel or at least within the first month of arrival. If you are intending to travel anywhere else please contact ALC Health direct in the UK.

For information please contact

Mike Woodiwiss

Spectrum International Financial Consultants

Tel: +49-2432-80-365

Fax: +49-2432-80-266

spectrumint@aol.com

www.spectruminternational.eu

The comments expressed are those of the writer and have been reproduced
by kind permission of Spectrum International Financial Consultants