

## Why PHI (private health insurance)? Why A PHI? Which rate?



Arguments for  
PHI



Arguments to  
objections  
regarding PHI



High-  
performing



Secure



Simple



Flexible



*Thanks to the 3 proficiency levels in*

*the comprehensive insurance and various **add-on options**,*

*individual customer wishes may be fulfilled*

## Why PHI?



### Arguments for PHI

Continue to



### Arguments to objections regarding PHI

You receive **preferred treatment** and are granted **appointments faster**

You enjoy the **best benefits and services**.

You receive what is medically necessary and are **not subject to budget constraints as in the SHI (statutory health insurance)**

**Medical progress** and **innovations** are made available to you faster.

You select the **rates** according to your **individual requirements**.

If the insurer is released from its duty to indemnify, you receive a **premium refund**.

You are free to choose your **doctor, hospital** and **therapy**.

... In the light of increasing costs in an aging society, make your own old-age provisions.

The benefits of your PHI cannot simply be canceled as with the SHI; you enjoy a lifelong **performance promise**.



Back to  
overview  
right Allianz

## Why PHI?



Arguments for  
the PHI



Arguments to  
objections  
regarding PHI

*"The PHI becomes increasingly expensive with age"-*

*"PHI rates age and hence become increasingly expensive" -*

*"The PHI only insures the healthy; it's cherry-picking"*

*"The PHI insures only high earners; it's cherry-picking"*

*"As a family, you are definitely better off in the SHI"*

*"The politicians will be getting rid of the PHI soon"*

*"With the PHI, I have to make advance  
payments"*

*"With the PHI, the settlement of bills is complicated and you end up bearing  
costs yourself"*

*"You can never leave the PHI"*

*"With the PHI, I have to pay a risk surcharge although I feel healthy"*

## Why PHI?



### Arguments for the PHI

[Back to ...](#)



### Arguments to objections regarding PHI

### *"The PHI becomes increasingly expensive with age"-*

Private health insurance provides benefits in old age. When you are young, the premiums paid into the private health insurance include a savings component, which the insurance company puts into an interest-bearing investment in order to balance out the higher healthcare costs in old age.

Because visits to the doctor and hospital stays increase with age. In addition, medical progress also raises the costs - such as with innovative drugs and more complex medical apparatus.

To this end, additional provisions are formed from the premium surcharge and net profits, which compensate for part of these additional expenses as of 65 years of age. For this reason, the contribution assessment ceiling and premium rate of the statutory health insurance funds are raised.

And, in old age, the premium falls due not only for the statutory pension; the full premium rate is deducted from company pensions and pension remunerations.

With the private health insurance, the premiums are adjusted to medical progress. In this regard, Allianz is especially stable when it comes to premiums: Since 2008 alone, the premium development has been below the adjustments of the statutory health insurance funds.

In addition, the premiums in the A PHI can be reliably reduced in old age if the insured person increases his savings component in good time. The insurer invests the savings and calculates this down to a fixed share of the premium in old age.

## Why PHI?



### Arguments for the PHI

[Back to ...](#)



### Arguments to objections regarding PHI

#### ***"PHI rates age and hence become increasingly expensive" -***

With regard to the premium stability of a PHI rate, it is irrelevant whether new customers join or not. As of the first day, the calculation takes into account the higher benefit expenses in old age; as such, an increase in premiums due to aging is excluded. The premium increases only in the event of unforeseeable factors, such as if average life expectancy or expenses for new medication or forms of the therapy increase.

#### ***"The PHI only insures the healthy; it's cherry-picking"***

The PHI is a community of solidarity in which the healthy and the sick stand by each other. In order to ensure premium stability, the correct assessment of the risks of a newly insured person at the beginning plays a decisive role. If an insurer does not assess the risk of a newly insured person, consequential costs which were not calculated are likely to be incurred, which would then lead to increases in premiums. Risk surcharges thus take into consideration the likely higher consequential costs in the premium itself. If the insured person's state of health changes following the conclusion of the agreement, the premiums cannot be adjusted accordingly for this reason either.

#### ***"The PHI insures only high earners; it's cherry-picking"***

With regard to salaried employees, the law stipulates that only those who earn more than the annual salary threshold are permitted to change to the PHI. Otherwise, civil servants and the self-employed may be privately insured, independent of income.

## Why PHI?



### Arguments for the PHI

[Back to ...](#)



### Arguments to objections regarding PHI

#### ***"As a family, you are definitely better off in the SHI"***

Even if you skimp on yourself, you still want the best healthcare with the fastest access for your children. But this is only offered by the PHI.

You should always look at your personal situation. Private health insurance actually always pays off for civil servants. For salaried employees, however, the family situation is decisive: For couples who are both long-term employees and do not have more than two children, private health insurance is, in the long run, the more favorable option, even if the premiums have to be paid for the children for a few years.

#### ***"The politicians will be getting rid of the PHI soon"***

Germany has a dual insurance system comprising SHI and PHI, and, as such, one of the best healthcare systems on an international level. Attempts to abolish the PHI have always failed thus far. The privately insured cannot be simply forced into the SHI either. The Federal Constitutional Court has repeatedly stressed the role and significance of the PHI. In particular, the old-age provisions of those insured under the PHI are protected.

Even in the event of changes, the protection of vested rights for those insured thus far shall apply at all times.

As such, anyone who harbors concerns regarding political changes should change to the PHI quickly so as to take advantage of the protection of his vested rights in the event of doubt.

## Why PHI?



### Arguments for the PHI

[Back to ...](#)



### Arguments to objections regarding PHI

#### ***"With the PHI, I have to make advance payments"***

The person insured under the PHI submits doctor's invoices and prescriptions to his insurance company for reimbursement. The patient does not have to render any advance payment to his doctor. He may submit his invoices even without prior payment and usually has the amount credited to his account by the payment deadline of his private invoices. With a hospital stay, the clinic and insurance company settle the invoice directly anyway.

#### ***"With the PHI, the settlement of bills is complicated and you end up bearing costs yourself"***

With regard to benefits granted by the SHI, the following principle applies: Benefits granted under the SHI have to be economical, adequate, not exceed the extent necessary, and be expedient. On the hand, the privately insured are reimbursed for everything which is medically necessary. With regard to the reimbursement, the rate, fee scale and any rate-specific deductibles - the amount of which may be determined by the insured person himself - play substantial roles.

With the A PHI, the process of invoice settlement is especially easy and quick: The insured person simply submits his invoices via an app or from his computer at home, and can monitor the processing status. He automatically receive explanatory information if certain expenses are not reimbursed due to deductibles or his rate of choice.

## Why PHI?



Arguments for  
the PHI

*Back to ...*



Arguments to  
objections  
regarding PHI

### ***"You can never leave the PHI"***

The law imposes strict restrictions with regard to a change of insurance. Only those who are younger than 55 years of age and are subject to the so-called "compulsory insurance" may change back afterwards. This means that the insured person is a salaried employee and earns a gross annual income of currently less than EUR 56,250 (2016). This also applies to the self-employed.

Instead of changing to the statutory health insurance, it often pays off for the privately insured person to simply adjust his policy with his existing insurance. In this manner, the premium can often be reduced by increasing the deductible or via a change to another rate. As such, the customer retains all his advantages in the private health insurance. The law provides for this right.

A decision to remain in the SHI also entails the fact that one can hardly change to the PHI in old age, even if one is dissatisfied with his SHI.



## Why PHI?



Arguments for  
the PHI

*Back to ...*



Arguments to  
objections  
regarding PHI

### *"With the PHI, I have to pay a risk surcharge although I feel healthy"*

The ascertainment of risk surcharges is based on a pool of data and takes all the consequential costs of a pre-existing illness and the interaction of several pre-existing illnesses.

The individual degree of severity of an illness, the medication taken or the number of treatments are, for the most part, irrelevant here. ("But I feel healthy; I do not need any treatment, nor do I have any complaints!").

Even illnesses which are often deemed minor illnesses are likely to lead to consequential costs. As such, the probability of incurring high consequential costs following a tear of the cruciate ligament due to later osteoarthritis in the knee lies between 30% and 50%.

If the insurer underestimates such risks, this leads to increases in premiums. Competitors which do not take the risks into account so precisely can be expected to soon raise their premiums.

## Why APHI?



v'The APHI rates offer comprehensive cover and do not contain any hidden benefit gaps.

v'In the event of a release from the duty to indemnify, the APHI grants an attractive and competitive reimbursement.

v'Moreover, the APHI offers only high-performing rates without hidden benefit gaps and deductibles. An exact comparison of the scope of benefits pays off in being able to compare the price as well.

v' Compared to the competition, the APHI grants one of the highest reimbursements, such that, in the event of that the insurer is released from its duty to indemnify, the effective premium paid to the APHI may become more favorable than that of competitors as early as in the second or third year.

## Why APHI?



v' With its outstanding financial strength, Allianz pursues a strategy of premium stability through economies of scale, competencies and costs - particularly in old age - and invests more in premium limitations than others.

v'Thanks to its economies of scale, competencies and costs, the APHI generates higher net returns with its investments than the competition. 90% of the net returns which exceed the actuarial interest rate are credited to those insured. Thanks to the high net returns generated by the APHI (4.3% on average for the period between 2012 and 2014), more funds are available for premium limitations in old age.

v'The APHI orientates all its decisions to the aim of premium stability. For this reason, the premiums are soundly calculated. During the past few years, we have ascertained that other providers have had to adjust premiums as early as during the initial years. As such, the APHI was somewhat more expensive when the policy was taken out, but, thanks to its premium stability, was soon more favorable than some of its competitors.

## Why APhi?



v' Allianz focuses on the customer and offers simple and customer-oriented service. Thanks to the extensive and successful digitalization of the interaction between APhi and customers, enquiries are now resolved faster.

v' Under the APhi, submitting doctor's invoices and prescriptions for reimbursement is especially easy, quick and uncomplicated using Allianz' invoice app. A photo of the reimbursement documents may be taken using a smart phone or tablet, and then sent to Allianz. As soon as the invoices have been checked, the reimbursement will be transferred to the person insured. The patient does not have to render any advance payment to his doctor. He may submit his invoices even without prior payment and usually has the amount credited to his account by the payment deadline of his private invoices. With a hospital stay, on the other hand, the clinic and APhi settle the invoice directly. With regard to medication, Allianz also offers a similar direct solution with the pharmacy.

## Why APHI?



The rates can be adjusted to the customer's life situation at any time, even without the need for a risk assessment and waiting periods within the framework of the AktiMed WechselOption.

The online rate advisor shows you the options for change in a transparent manner that is oriented to the customer's needs.

The "Bonus Check" allows you to structure the premium refund yourself.

## Which rate?



With the **3 benefit levels** in the comprehensive insurance and various **add-on options**, the individual wishes of the customer may be fulfilled.

### AktiMed Best rates – *Premium protection with top benefits*

The rate series **AktiMed Best** is aimed at customers who have **particularly high requirements when it comes to the free choice of doctor and comfort services**. The target group here comprises high earners with a certain amount of liquidity at their disposal; with **AktiMed Best S**, which features a **deductible of no more than EUR 3,000**, primarily the wealthy self-employed and freelancers are targeted who do not receive employer contributions and have more than EUR 3,000 in liquid assets on their bank account at all times.

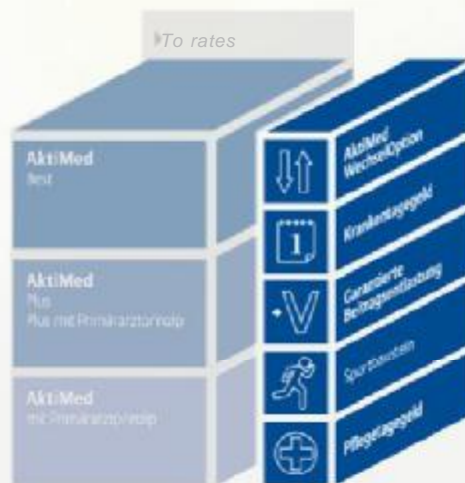
### AktiMed Plus rates– *High-performing comfort protection for higher individual requirements with good value for money*

The rate series **AktiMed Plus** is especially well-suited for all those who would like to have a **free choice of doctor in hospital (treatment by chief physician)** or during **out-patient treatment**, and have **higher expectations when it comes to comfort**. Both the **deductible** and **access to specialists** can be **selected within the series**. With regard to young salaried employees, in particular, it would be advantageous to select a low deductible as the employer bears no more than half of the rate contribution via the employer subsidy; the insured person, however, has to bear the entire deductible himself. In addition, by increasing the deductible, the premium can be perceptibly reduced in the future.

### AktiMed rate – *Uncompromising health protection for price-conscious customers*

The **AktiMed 90P** rate is particularly well suited to salaried employees and the self-employed who would like to have **comprehensive services** with regard to medical care, but are **price-conscious**; they do not have the highest requirements when it comes to comfort, i.e. a ward containing several beds and ward physician in the hospital would suffice.

## Which rate?



With the **3 benefit levels** in the comprehensive insurance and various **add-on options**, the **individual wishes of the customer** may be fulfilled.

### AktiMed change option

Can be insured as a supplementary component when you take the policy out for the first time. The insurance cover can be increased three times without a risk assessment - even if it had been reduced previously.

### Daily sickness allowance

In the event of prolonged illness, the daily sickness allowance can be used to secure your income as an employee, after the end of the continued salary payment period. For the self-employed, this offers protection against loss of income.

### Guaranteed premium burden

With rate supplement V, you can agree on a flexible reduction of your premiums in old age. In this manner, the monthly premium can be reduced by up to 80% from the age of 65 onwards.

### Sports component

With the Sport component, you remain not only healthy, but also active and fit thanks to preventative benefits and special treatments in the event of sports-related accidents.

### Long-term care daily allowance

An Allianz long-term care daily allowance insurance closes the financial gap which the private compulsory long-term care insurance does not cover.