



Financial report for private healthcare insurance 2017



Verband der Privaten Krankenversicherung e.V.
[Association of German private healthcare insurers]

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Contents

Preface.....	3
Introduction.....	5
1. An overview of the sector	7
1.1 The member companies.....	9
1.2 Types of insurance.....	13
1.3 Overview of figures	16
2. Customer base of the insurance business	23
2.1 Comprehensive healthcare insurance.....	25
2.2 Long-term care insurance	31
2.3 Additional insurances.....	32
2.4 Special forms of insurance	35
2.5 Company healthcare insurance	35
3. Revenues	37
3.1 Revenues from contributions.....	39
3.2 One-off contributions from accruals towards reimbursement of contributions.....	43
3.3 Capital revenues	45
4. Expenditures	49
4.1 Insurance benefits.....	52
4.2 Primary prevention	65
4.3 Damages accrual.....	65
4.4 Accruals for reimbursement of contributions.....	66
4.5 Superannuation accruals	67
4.6 Administration and acquisition expenses.....	70
5. Statistics for tariff calculation	71
5.1 Profiles	73
5.2 Mortality table	86
5.3 Evaluation of invoices from doctors and dentists.....	87
5.4 Hospital statistics	88
5.5 AIDS statistics.....	91

6. Time periods 2007 - 2017	93
6.1 Customer base for the insurance business.....	94
6.2 Revenues from contributions	96
6.3 Range of insurance benefits	98
6.4 Accruals for reimbursement of contributions (RfB).....	102
6.5 Superannuation accruals	102
6.6 Administration and acquisition expenses.....	104
6.7 New capital investments and capital reserves.....	104
6.8 Key indicators	108
Annex	111
I. Fundamentals.....	113
I.1 Figures relating to the population in Germany	113
I.2 Figures relating to the German healthcare sector	116
I.3 Figures relating to the mandatory healthcare and long-term care insurance system in Germany	118
II. Glossary.....	122
III. Directory of members	128

Preface

Dear Sir/Madam,

in 2017 there was especially one area within the broad variety of insurance sections of the private healthcare insurance (PKV) that showed an exceptional growth: company healthcare insurance. The number of employers offering such an insurance to their staff increased in 2017 by almost 24 percent. On account of this, at the end of the year a total of 672,500 insured employees in more than 6,000 companies in Germany benefited from a company healthcare insurance.

The total number of insurances in the PKV increased in 2017 as well: The new business in the comprehensive healthcare insurance and in the additional insurances amounted to a net number of 416,700 new insurances which was much more than in the year before (2016: 299,200 new insurances). The total amount thus increased to 34.3 million insurances.

Of those, the additional insurances grew by 1.7 percent to a total of 25.5 million insurances. The strongest growth was within the area of government-funded additional long-term care insurances. Their amount rose by 7.3 percent to a total of 834,000 insurance policies whereas the number of non-funded additional long-term care insurances grew by 2.1 percent to a total amount of 2.7 million insurance policies. Thus altogether there are 3.6 million policies in this insurance section now. Another high growth was in the area of dental care tariffs taken out by people insured under the mandatory healthcare insurance scheme (GKV): Their number augmented by 1.9 percent and reached 15.7 million insurance policies at the end of the year. Outpatient tariffs taken out by people insured under the GKV scheme surpassed for the first time the number of 8 million insurances, an increase of 1.3 percent.

In the comprehensive healthcare insurance the situation remained stable. The same special effect as in previous years led to new business decreasing slightly. The good situation of the labour market provoked that the number of persons that had to take out a mandatory healthcare insurance rose once more to a record level (32.4 million employees compared to 31.6 million employees in 2016). At the same time the number of self-employed persons decreased again (minus 25,000 in 2017). This resulted in the fact that the change of persons hitherto privately insured into the mandatory healthcare insurance scheme was again relatively high, because many former self-employed persons took on a job that was below the upper limit for mandatory insurance cover and therefore had to take out a mandatory healthcare insurance – regardless if they wanted it or not. The disproportionately high, annual elevation of the upper limit for mandatory insurance cover was further complicating matters.

In the wake of this effect the number of persons with comprehensive healthcare insurance decreased slightly to 8.75 million by the end of 2017. The decrease by 0.2 percent or 19,300 individuals corresponds in relation to the development in the year before. Since hitting the rock bottom in 2013 (minus 0.7 percent) the new business gradually improves again.

The private long-term care insurance had 9.3 million individuals insured at the end of 2017.

Even though the period of low interest rates in Europe is still ongoing the private healthcare insurance scheme (PKV) was again able to enhance its provi-

sions for the insured persons significantly with a tight 3.5 percent average net interest return. The PKV thereby reliably provides for the fact that every insured person gets older and on account of this will need more medical services in the future than in present years.

The superannuation accruals of the insured climbed in 2017 by 6.2 percent to € 247.2 billion: € 212.7 billion within healthcare insurance (plus 6.3 percent) and € 34.5 billion within long-term care insurance (plus 5.9 percent). In the last ten years, thus, the superannuation accruals have more than doubled (2007: € 123.6 billion).

The revenues from contributions in the private healthcare and long-term care insurance rose in 2017 by 4.8 percent to a total of € 39.1 billion euro. In healthcare insurance the revenues grew by 3.9 percent to € 36.5 billion euro. In long-term care insurance the revenues increased by 19.8 percent to € 2.6 billion euro. This relatively high increase is a consequence of the recent reform of the mandatory long-term care insurance scheme which augmented the benefits of the mandatory long-term care insurance and therefore led to higher premiums.

The insurance benefits in the private healthcare and long-term care insurance climbed in 2017 by 2.3 percent to € 27.2 billion euro. In healthcare insurance the insurance benefits increased by 1.5 percent to a total of € 25.9 billion euro. In long-term care insurance the insurance benefits grew by 22.5 percent to a total of € 1.3 billion euro.

Cologne, December 2018



Dr. Volker Leienbach
Association Director

Introduction

The financial report publishes the final business results for 2017. To provide a better overview, these figures are presented primarily in the form of tables and graphics.

Chapter 1 provides information about the Association of German private health-care insurers (or PKV) and an explanation of the types of insurance offered by the PKV sector. It also contains an initial overview of figures. This is followed, in Chapter 2, by a presentation of the customer base of the insurance business. Chapters 3 and 4 (revenues and expenditure) focus on the structure of the annual result, as depicted on page 19. Chapter 5 explains the statistics used to calculate insurance tariffs.

The timelines in Chapter 6 communicate important information about the course navigated by this business over the last eleven years. This basic information makes it easier to classify the private healthcare insurance sector within the overall German healthcare system. The glossary is intended primarily as an aid to non-experts when reading this financial report. Terms explained in the glossary are designated in the financial report with the symbol **[G]**.

The figures presented in the report are derived for the most part from the Annual Reports of member companies. Other sources include special surveys of member companies and annual reports submitted by insurance companies to the German Federal Institute for Financial Service Supervision [Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin)].



1. An overview of the sector

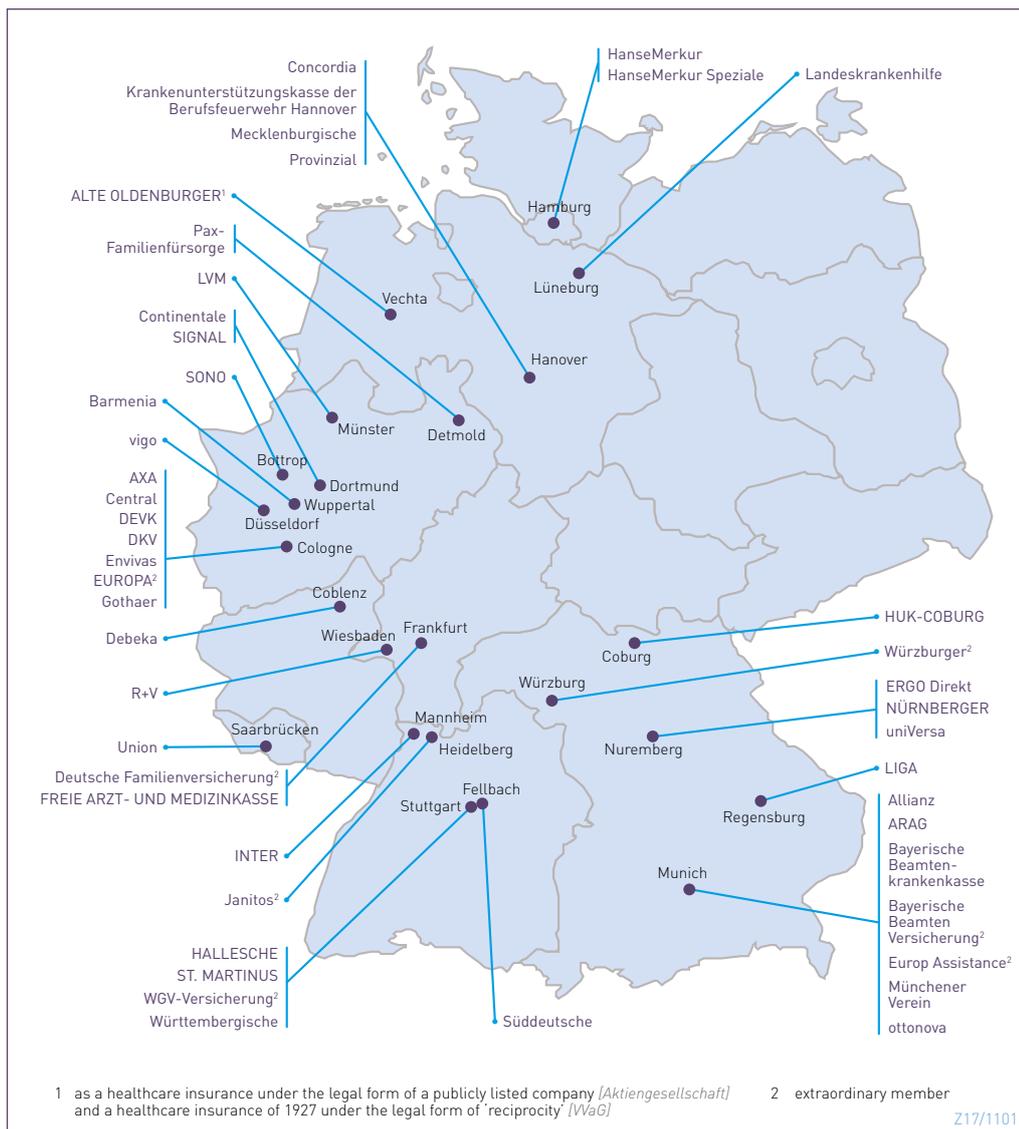
1.1 The member companies

The number of companies

On 31 December 2017, the Association of German private healthcare insurers (or PKV) had 41 ordinary (2016: 41) and seven extraordinary member companies. The prerequisite for membership in this association is that an insurance company must conduct its business in Germany and be approved by the *German Federal Institute for Financial Services Supervision* or by a regional supervisory authority. 36 of the 41 ordinary member companies of the PKV association are offering comprehensive healthcare insurance.

The healthcare provision body for German Rail officials (*Krankenversorgung der Bundesbahnbeamten*) and the healthcare insurance for German postal officers (*Postbeamtenkrankenkasse*) are affiliated institutions of the PKV association. Their members are insured for long-term care under the provisions of the Association of private insurance companies (*Gemeinschaft privater Versicherungsunternehmen*) or GPV [G]. All member companies of the PKV

Head offices of PKV companies in Germany on 31 December 2017



association are affiliated with the GPV in accordance with their respective market shares. Member companies only provide for the long-term care insurance of members of these two affiliated institutions.

In 2017, alongside the member companies of this association, a further 17 small and micro-sized private healthcare insurance associations also exist. These are support funds under federal or regional supervision which, in most cases, only provide additional forms of insurance cover. They are frequently oriented in favour of salaried professionals and almost all of them have only regional significance. Their share in the revenue contributions of the entire sector amounts to less than 0.002 percent.

Legal form of these companies

Private healthcare insurance companies are operated in Germany either under the legal form *Aktiengesellschaft* [AG – publicly listed company or corporation] or as a *Versicherungsverein auf Gegenseitigkeit* [VVaG – insurance association based on reciprocity] [G].

	Insurance associations based on reciprocity		Publicly listed companies	
	2017	2016	2017	2016
Number of companies at year end	16	17	32	31
Number of comprehensively insured persons	4,520,900	4,500,600	4,232,500	4,272,100
Share of total number of comprehensively insured people in percent	51.65	51.30	48.35	48.70
Revenues from contributions in € mill.	16,154.1	15,254.7	22,895.0	22,003.6
Share of total revenues from contributions in percent	41.37	40.94	58.63	59.06

Z17/1102

Ten publicly listed companies [*Aktiengesellschaften*] were subsidiaries of insurance associations based on reciprocity [*Versicherungsvereine auf Gegenseitigkeit*]. Their revenues from contributions amounted to € 5,195.4 mill., representing 13.3 percent of the total figure. They held a share of 12.93 percent of the total number of people holding comprehensive private healthcare insurance.

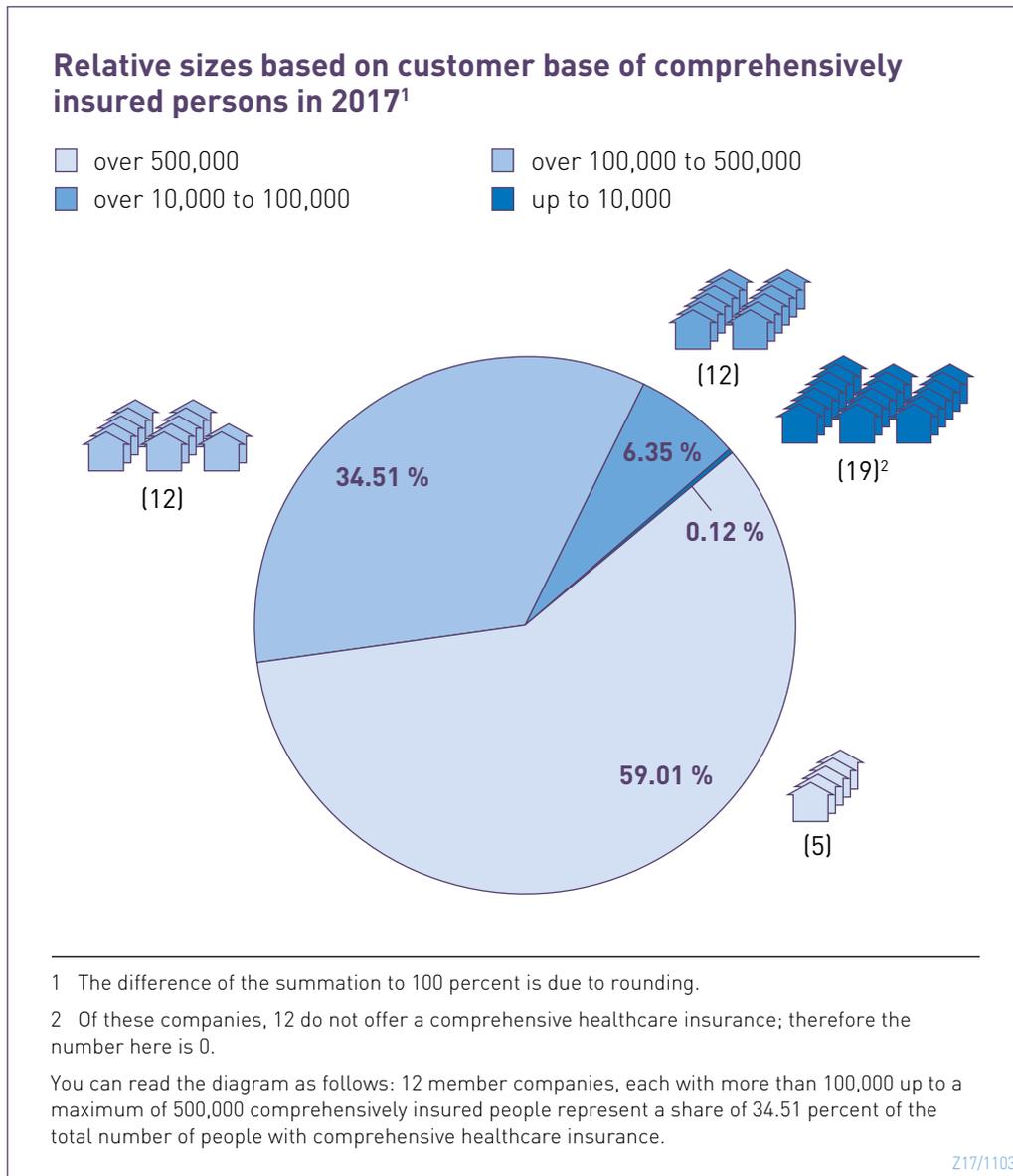
The PKV sector operates a large number of tariffs and this gives rise to substantial differences in the scope of insurance benefits provided. Moreover, almost 50 percent of comprehensively insured people have an entitlement to financial support [G], which explains why they only cover a proportion of their personal health risk on a private basis. For this reason, it is not possible to

derive an average level of contribution from the ratio of revenues from contributions to total number of persons insured.

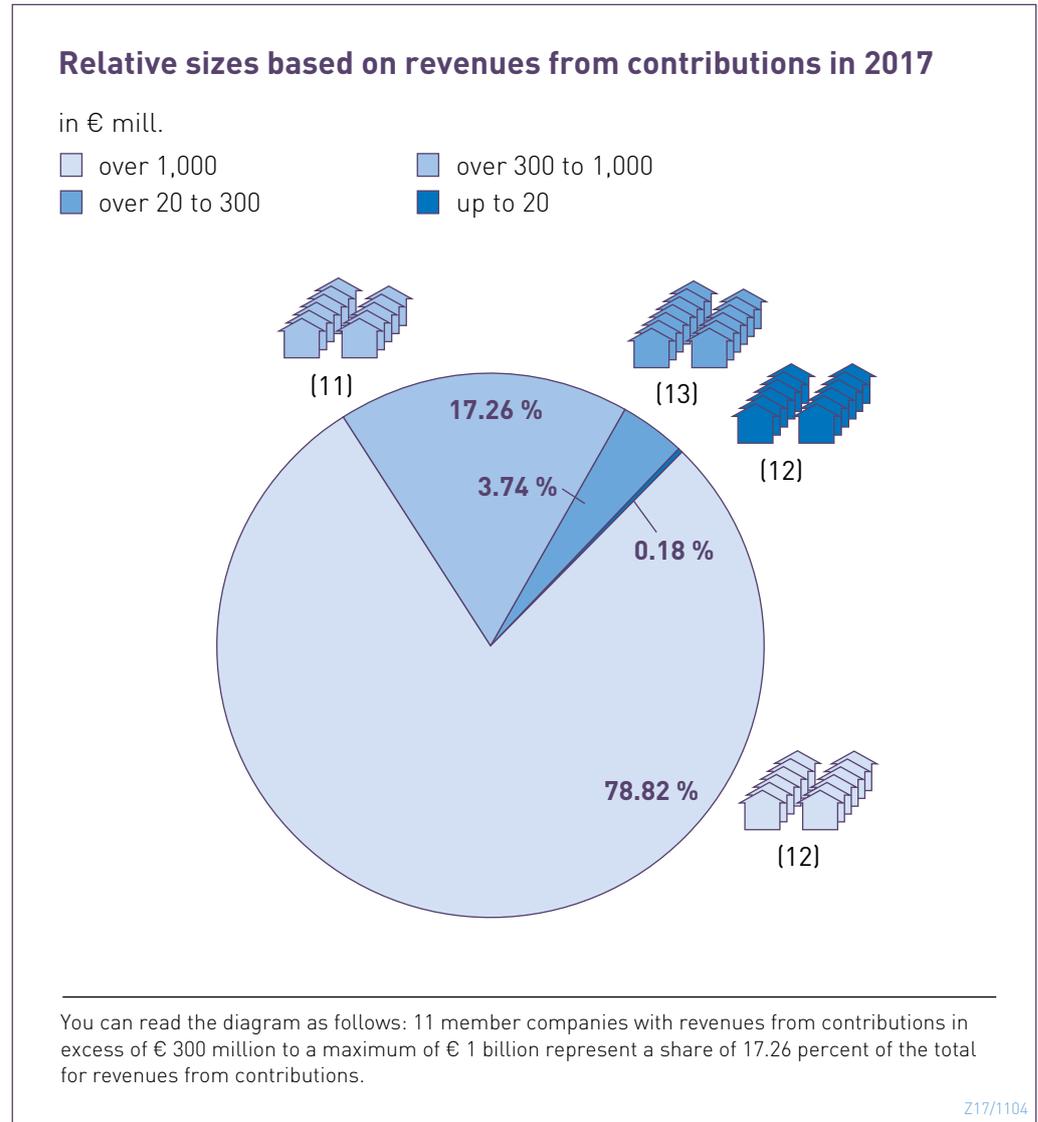
Relative sizes of companies

The member companies of this association vary greatly in terms of the sizes of their respective businesses.

If you classify the companies by the number of comprehensively insured people, the following distribution emerges:

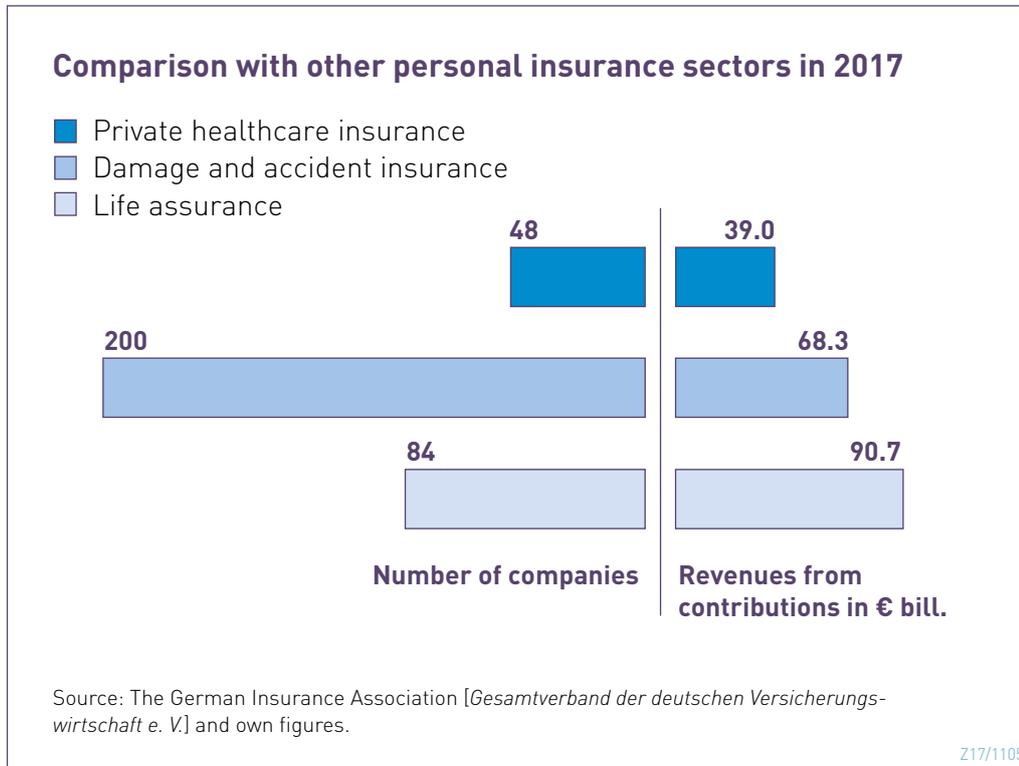


If you classify companies by the volume of their revenues from contributions, the following structure emerges:



Comparison with other personal insurances

Contribution revenues and the number of companies in the three largest branches of the German personal insurance sector were reflected in 2017 by the following figures:



1.2 Types of insurance

Comprehensive healthcare insurance

Comprehensive healthcare insurance is a form of cost insurance [G] and the principal type of insurance for the PKV. A private healthcare insurance policy is considered to be a comprehensive healthcare insurance if the person insured has taken out PKV (see above) instead of a mandatory healthcare insurance [Gesetzliche Krankenversicherung] and not as a supplement to such GKV insurance cover. Moreover, the partial insurance of persons entitled to financial support [G] – for example civil servants – is counted as comprehensive healthcare insurance as well. This group of people receives a benefit from employers (usually federal, regional or municipal authorities) towards sickness costs in the event of ill health. In addition to this financial support, all residual costs are insured with a PKV company.

A private comprehensive healthcare insurance policy can only be taken out by certain predefined groups of people. These are primarily

- Civil servants
- Employees with an income above the upper limit for mandatory GKV insurance [G]
- Self-employed and freelancers.

Long-term care insurance

Private long-term care insurance is the private equivalent of the same provision for persons covered by the mandatory healthcare insurance scheme. Anyone holding private healthcare insurance is also required to hold private long-term care insurance. The benefits are identical to those of the mandatory long-term care insurance. Contribution levels are calculated along the same lines as for private healthcare insurance companies in accordance with the capital cover procedure [*Kapitaldeckungsverfahren*] [G] and are therefore independent of the income level of the insured person.

Additional insurances

Additional insurances enable the basic level of insurance cover to be increased or improved. This applies primarily to people under the mandatory insurance scheme. However, the following additional insurances may also be of interest to people with comprehensive private healthcare insurance: Per diem sick pay insurance, per diem hospital insurance and additional insurance for long-term care. The types of insurance grouped under “additional insurances to GKV protection” are for the most part concluded by people who have a mandatory healthcare insurance.

Forms of insurance that are additional to GKV protection

- **Outpatient tariffs**
Tariffs of this kind offer insurance protection in the outpatient sector, e.g. reimbursement of costs for outpatient services or subsidies for medication, spectacles, hearing aids, healthcare screening checks.
- **Tariffs for elective hospital services**
These tariffs reimburse accommodation in single or double rooms (elective accommodation) and the provision of treatment by the chief physician.
- **Dental care tariffs**
As a rule, dental tariffs cover items such as tooth replacement, while occasionally also covering dental treatment, inlays and orthodontics. This reimbursement takes the form of a supplement paid out on a percentage basis up to a specified maximum limit.

Per diem sick pay

With the per diem sick pay insurance, privately insured individuals with comprehensive coverage can cover their loss of earnings in case of illness. Self-employed people under the mandatory healthcare insurance scheme can opt in favour of private per diem sick pay instead of the provision under the mandatory per diem scheme. To compensate for this, their level of contribution under GKV terms is reduced slightly. In addition to this, all those that are insured on a mandatory basis, therefore – as an example – also employees, can take out a private per diem sick pay insurance as a supplement to their legally stipulated sick pay. This is a particularly attractive option in cases where the level of GKV sick pay is greatly at variance to net income. The level of each per diem is contractually agreed but must not exceed net income – including when combined with sick pay derived from a mandatory scheme.

Hospital per diem sick pay insurance

For every day spent in hospital, a contractually defined sum is paid to the insured person. This hospital per diem sick pay can be disposed of freely (i.e. restrictions on use do not apply).

Additional long-term care insurance

The level of cover provided under this type of insurance is usually not sufficient to meet the costs of long-term care provision. This gap in funding can be closed by two different forms of additional insurance cover:

- **Long-term care per diem funding**
The person requiring care receives a contractually fixed per diem amount, irrespective of the actual costs incurred. Since January 2013 this insurance policy is also available as a government-funded additional insurance cover for long-term care (G).
- **Long-term healthcare insurance cover**
Depending on the actual costs incurred, a percentage share is reimbursed.

Special forms of insurance

Foreign travel healthcare insurance

Foreign travel healthcare insurance provides protection during trips abroad. It can be taken out for short-term as well as for longer-term stays, irrespective of whether that stay is for a vacation, study or work-related.

Special-purpose insurance policies

These forms of insurance scheme cover a specific risk, e.g. the costs of spectacles. This cover is calculated in accordance with special conditions, so this type of insurance does not constitute an 'additional' insurance.

Insurance to reimburse cost of financial support

The insurance to reimburse cost of financial support [*Beihilfeablöseversicherung*] is an insurance for employers (e.g. municipalities, local councils or other authorities) that have to provide mandatory financial supports. It covers the necessary payments in the case of employee sickness.

Insurance against residual debt and ongoing payment of wages/salaries

- **Insurance protection against residual debt** is concluded primarily for loans or hire purchase business transactions. This enables the insured party to continue paying by monthly instalments despite a reduction in income or increased costs associated with ill health.
- **Insurance cover protecting ongoing payments of wages & salaries** is an insurance scheme for the employer. This enables the employer to protect against the risk associated with the legal obligation to continue paying an employee up to the seventh week of any absence due to ill health.

Company healthcare insurance

A company healthcare insurance is an additional insurance contracted and financed by an employer for his employees in order to enhance their level of insurance cover provided by the mandatory healthcare insurance scheme or by a comprehensive healthcare insurance. Thus, the policyholder is the employer. Because of the higher number of insured persons per contract it is possible to offer the insurance for a lower fee and sometimes even without health checks, risk surcharges or the exclusion of benefits.

1.3 Overview of figures

Member companies in the PKV association 2017

41 member companies¹	- 16 reciprocity-based insurance associations - 25 publicly listed companies
7 extraordinary member companies²	- 7 listed stock corporations
2 affiliated institutions	- Healthcare provision body for German Rail officials - Healthcare insurance for German postal officers

1 Of the 41 ordinary member companies 36 offer comprehensive healthcare insurance.

2 Since the 15th of June, 2010, companies that only operate their health insurance schemes as an additional insurance can only join the PKV association as an extraordinary member.

Z17/1301

Customer base of the insurance business

Customer base grouped by types of insurance	2017	2016	Change	
			absolute	in percent
Comprehensive healthcare insurance	8,753,400	8,772,700	- 19,300	- 0.22
Long-term care insurance	9,326,700	9,375,100	- 48,400	- 0.52
Additional insurances¹ including	25,519,900	25,083,900	+ 436,000	+ 1.74
Outpatient tariffs	8,023,200	7,919,800	+ 103,400	+ 1.31
Tariffs for elective hospital services	6,112,100	6,058,600	+ 53,500	+ 0.88
Dental care tariffs	15,665,200	15,371,900	+ 293,300	+ 1.91
Per diem sick pay	3,613,400	3,597,400	+ 16,000	+ 0.44

1 A given individual may have concluded several additional insurance contracts. It is also possible for that person to be co-insured in an insurance contract with several people (group insurance). For this reason, the following section only refers to insurances.

Z17/1302

Revenue from contributions

Revenues from contributions by types of insurance	2017 in € mill.	2016 in € mill.	Change	
			absolute	in percent
Comprehensive healthcare insurance	27,082.8	26,116.7	+966.1	+3.70
Long-term care insurance	2,594.5	2,165.1	+429.4	+19.83
Additional insurances including	8,528.1	8,158.0	+370.1	+4.54
Forms of insurance in addition to GKV protection	5,605.2	5,412.0	+193.2	+3.57
Per diem sick pay	1,127.6	1,133.5	-5.9	-0.52
Special forms of insurance	843.7	818.5	+25.2	+3.08
Total	39,049.1	37,258.3	+1,790.8	+4.81
Total without long-term care insurance	36,454.6	35,093.2	+1,361.4	+3.88

Z17/1303

Comprehensive healthcare insurance accounts for the largest share of revenue from contributions, at 69.36 percent. In contrast, the additional insurances concluded by people under the mandatory scheme in order to improve on the level of GKV cover only account for 14.35 percent of the revenue from contributions.

Insurance benefits

(incl. settlement costs for damages [G])

Insurance benefits	2017 in € mill.	2016 in € mill.	Change	
			absolute	in percent
Healthcare insurance	25,919.6	25,542.7	+376.9	+1.48
Long-term care insurance	1,286.1	1,049.6	+236.5	+22.53
Total	27,205.7	26,592.3	+613.4	+2.31

Z17/1304

Insurance benefits by type of benefit

Insurance benefits by type of benefit	2017 in € mill.	2016 in € mill.	Change	
			absolute	in percent
Outpatient services	11,800.7	11,616.7	+184.0	+1.58
Inpatient services	7,716.9	7,587.6	+129.3	+1.70
Dental care services	4,125.1	4,104.8	+20.3	+0.49
Total expenditure on healthcare costs, not including per diem	23,729.0	23,388.1	+340.9	+1.46

Z17/1305

Superannuation accruals [G]

Superannuation accruals	2017 in € mill.	2016 in € mill.	Change	
			absolute	in percent
Healthcare insurance	212,724.4	200,164.9	+12,559.5	+6.27
Long-term care insurance	34,481.6	32,554.7	+1,926.9	+5.92
Total	247,206.0	232,719.6	+14,486.4	+6.22

Z17/1306

Annual results

Annual results for private healthcare insurance in 2017

in € mill.

I Revenue items		52,353.4
1 Revenues from contributions (earned gross contributions [G] including related services)	39,040.2	
2 One-off contributions from accruals for reimbursement of contributions [G]	4,061.0	
3 Capital revenues (revenues from capital assets less expenses incurred by those capital assets)	9,252.2	
II Expenditures		51,978.6
1 a) Expenditures for insurance cases (including claims settlement expenses [G])	27,737.3	
b) Expenditures for reimbursement of contributions (success-independent as well as success-dependent)	5,138.4	
c) Additions to superannuation accruals [G]	14,486.4	
2 Expenditure for the operation of an insurance scheme		
a) Acquisition expenses [G]	2,466.9	
b) Administrative expenses [G]	888.8	
3 Taxes	286.8	
4 Other expenditures and revenue items	974.0	
III Funds for creating legally mandated and voluntary accruals		374.8

Z17/1307

Abridged balance sheet

Abridged balance sheet for private healthcare insurance in 2017 in € mill.

Assets

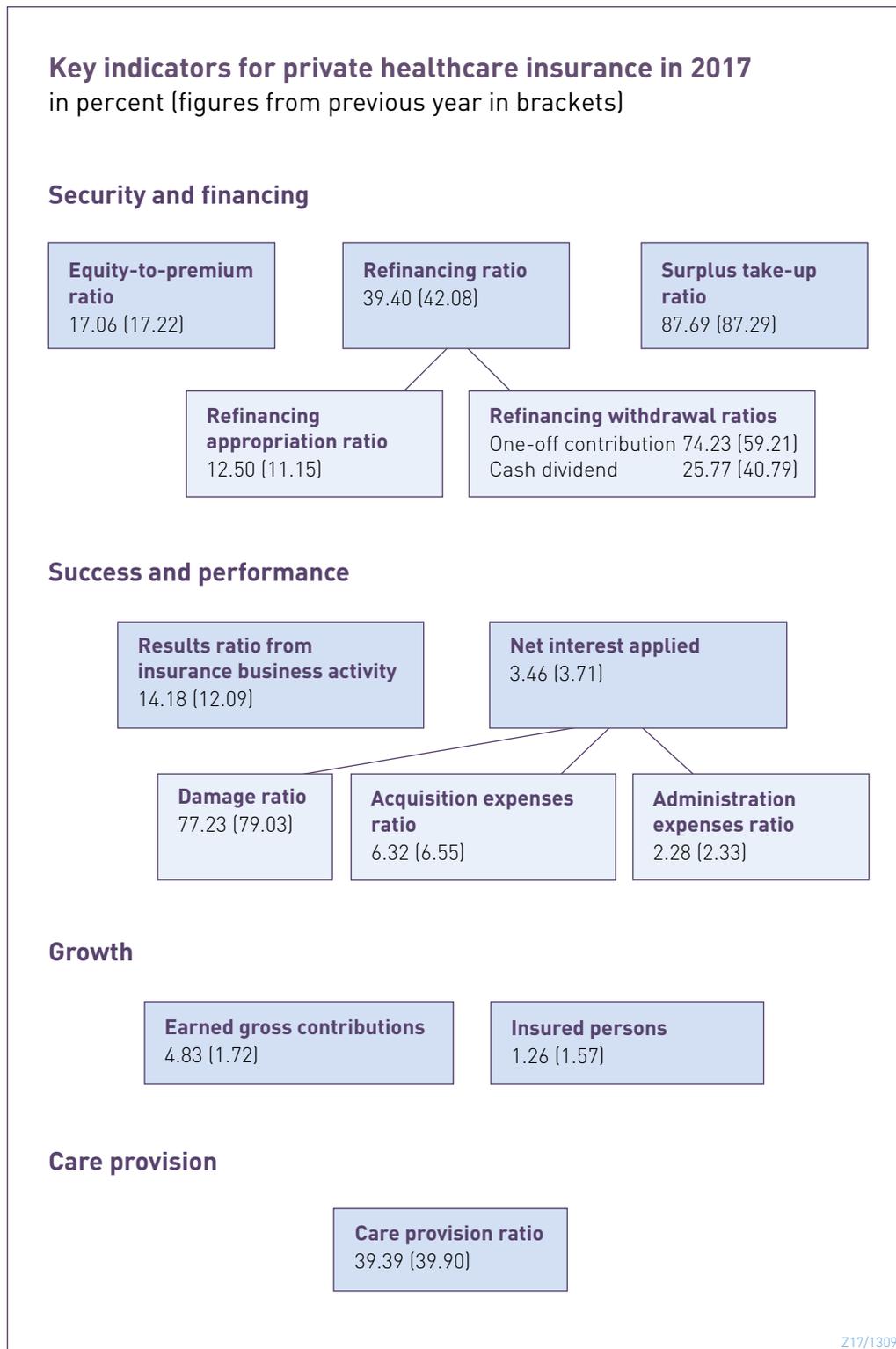
A Outstanding transfers to subscribed capital		0.0
B Intangible assets		333.8
C Capital assets		274,359.1
I Land	1,947.2	
II Capital assets in affiliated companies and affiliates	9,385.8	
III Other capital assets	263,025.4	
IV Deposit receivables from business transferred under protective cover provisions	0.7	
E Receivables		1,206.6
F Other assets		1,617.7
G Accrued items		3,224.5
I Anticipated taxation charge		113.1
J Active difference from the calculation of the assets		56.3
Total assets		280,911.1

Liabilities

A Equity		6,792.3
B Profit-sharing rights outstanding		30.7
C Lower-ranking liabilities		30.0
D Special items with an accrual portion		0.0
E Technical insurance accruals		270,402.7
I Contribution overhangs	133.3	
II Accrual to cover costs	247,206.0	
III Accrual to cover unprocessed insurance claims	7,142.5	
IV Accrual to cover reimbursement of contributions	15,827.5	
V Other accruals	93.4	
G Other accruals		1,610.5
H Deposit liabilities from re-insurance business		1.1
I Other liabilities		2,007.5
K Deferred income		36.3
L Deferred tax liabilities in accordance with section §274 HGB (German Commercial Code)		0.0
Total liabilities		280,911.1

Z17/1308

Key indicators



You will find a brief explanation of individual key indicators in the glossary. The catalogue of key indicators provides a comprehensive overview and can be read on the Internet at www.pkv.de.

The care provision ratio is described in detail in Chapter 4.5.



2. Customer base of the insurance business



The customer base of the insurance business is documented on the 31st of December of each calendar year. The figures recorded on this date ensure that no duplicate counting occurs, e.g. in cases where an insured person switches in the course of a year from one private healthcare insurance to another.

The individual types of insurance are explained in more detail in Chapter 1.2.

2.1 Comprehensive healthcare insurance

The comprehensive healthcare insurance is the main type of PKV insurance. It accounts for a share of 69.36 percent of total revenues from contributions, valued at € 39,049.1 million in financial terms. At the end of 2017, 10.57 percent of the population in Germany had private comprehensive healthcare insurance. The majority of insured people is resident in the regional states of what was formerly West Germany. The proportion of insured people from the new federal states (i.e. in what was formerly East Germany) is small, accounting for just 9.65 percent of all persons with comprehensive healthcare insurance.

In 2017 the net number of new entrants **[G]** within the comprehensive healthcare insurance was with a minus of 19,300 persons at a similar level as the number of new entrants in the previous year (minus 14,600 persons).

	2017	2016	Change	
			absolute	in percent
Comprehensively insured persons	8,753,400	8,772,700	- 19,300	-0.22

Z17/2101

As well as the net new entrants there are two other parameters which describe changes in the customer base of the private healthcare insurance scheme: the migration flows between PKV and GKV and the gross new entrants.

The migration movement depicts how many people are switching between GKV and PKV. A privately insured person can only return to GKV if that person is required by legislation to hold mandatory healthcare insurance (e.g. if that person's income decreases) or if that person can be included as a family member free of charge in the mandatory scheme.

Migration movement	2017	2016	Change	
			absolute	in percent
People transferring to PKV insurance	129,300	129,100	+ 200	+ 0.15
Departures to GKV insurance	133,000	130,600	+ 2,400	+ 1.84
Difference	- 3,700	- 1,500	- 2,200	- 146.67

Z17/2102

The balance of individuals changing between GKV and PKV deviates noticeably from the net number of new entrants. This has to do with the fact that, for example, also newborn babies, deaths as well as immigrants and emigrants are recorded within the net number of new entrants.

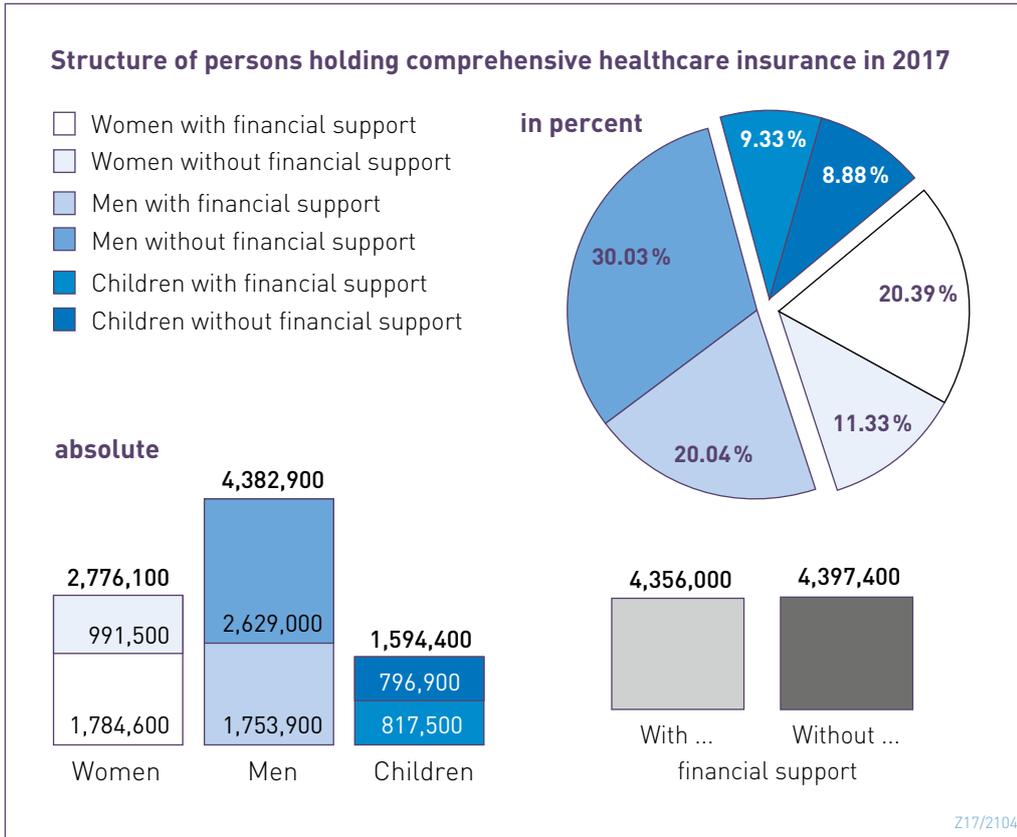
The figure for the gross number of new entrants includes all persons who have taken out a new comprehensive healthcare insurance policy. In contrast to migration movements, this figure therefore also includes new additions through births, and people who switch from other PKV companies. However, departures from PKV through cancellation of insurance cover or death are not taken into account.

	2017	2016	Change	
			absolute	in percent
Gross number of new comprehensively insured persons	280,600	280,200	+ 400	+ 0.14

Z17/2103

Composition of customer base for comprehensive healthcare insurance

The composition of this customer base can only be divided into those persons that are entitled to financial support and those that do not qualify for any such assistance. Those entitled to this form of assistance include firstly civil servants and their family members without an own personal income. Further sub-division of the customer base for comprehensive healthcare insurance is not possible. In 2017, 49.76 percent of insured persons were entitled to receive financial support [G].



Women account for a smaller proportion than men of those with comprehensive healthcare insurance. One reason for this may be that female employees tend to earn less, and therefore less frequently exceed the upper limit for mandatory healthcare insurance cover [G].

Elective services in hospitals

About 80 percent of people with comprehensive healthcare insurance have chosen insurance cover which includes accommodation in single or double rooms, with treatment from the chief physician.

	2017	2016	Change	
			absolute	in percent
Persons with comprehensive healthcare insurance with elective services in hospitals	7,104,500	7,026,400	+78,100	+1.11

Z17/2105

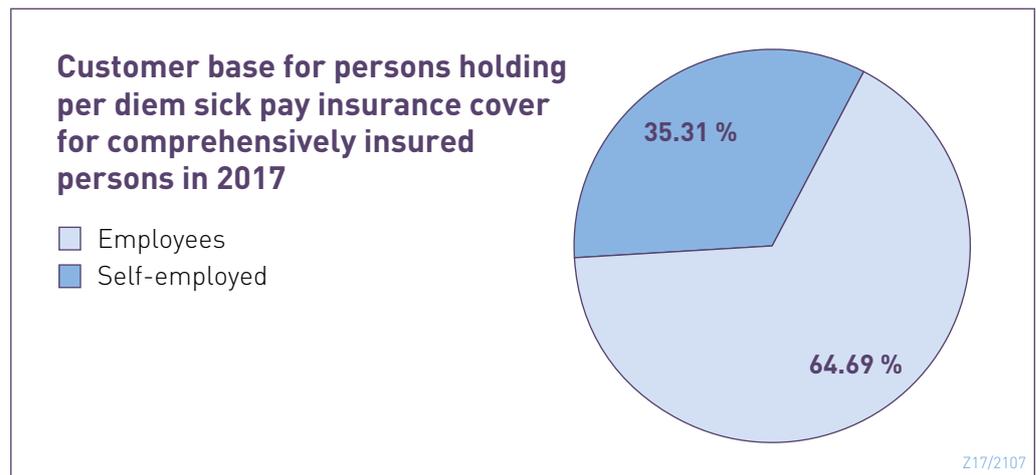
Per diem sick pay

In addition to comprehensive healthcare insurance, insured parties can also take per diem sick pay insurance cover to secure their income level if absent from work due to illness.

	2017	2016	Change	
			absolute	in percent
Persons with comprehensive healthcare insurance with per diem sick pay cover	1,759,800	1,813,300	-53,500	-2.95

Z17/2106

Hospital per diem sick pay insurance comprises two areas: On the one hand, per diem sick pay insurance for freelancers and the self-employed, covering the risk of a loss of income already from the early stages of inability to work onwards, and, on the other hand, per diem sick pay insurance cover for employees who require per diem sick pay cover, usually from the 7th week of inpatient hospital treatment.



Standard tariff [G]

The standard tariff is an industry-wide uniform tariff of the PKV, whose insurance benefits are comparable to those of the mandatory healthcare insurance and which is primarily intended for older policy holders. Its contribution is limited to a maximum that is calculated by using the uniform contribution rate and the contribution assessment ceiling [G] of the mandatory healthcare insurance (without the percentual supplement which the insured persons have to pay themselves).

Insured persons within the standard tariff ¹	2017	2016	Change	
			absolute	in percent
With financial support	6,500	6,500	0	0.00
Without financial support	43,700	40,800	+2,900	+7.11
Total	50,200	47,300	+2,900	+6.13
including Capping to the maximum contribution for GKV ²	419	462	-43	-9.31

1 Persons insured within the standard tariff are also disclosed in the figures relating to the total number of people holding comprehensive healthcare insurance.

2 The contribution within the standard tariff is limited to a maximum that is calculated by using the uniform contribution rate and the contribution assessment ceiling [G] of the mandatory healthcare insurance. If the figure calculated is above this limit, then that figure is capped. The capped amount is financed by all of the PKV insured persons through an allocation that is in fact a sharing of the costs.

Z17/2108

Most people insured within the standard tariff had already held private health-care insurance for many years, which is why they pay a lower figure than the maximum amount through incorporation of their superannuation accruals. Capping this figure to the maximum amount applies to only 0.83 percent of persons insured within the standard tariff.

Basic tariff [G]

On 1 January 2009, an industry-wide and uniform basic tariff was introduced by law. Its contribution is limited to the highest contribution paid within the mandatory healthcare insurance scheme; risk surcharges and the exclusion of benefits are not allowed within this tariff. For the insurance companies there exists an obligation to enter into a contract for this tariff with regard to certain groups of persons; i.e. the obligation to enroll these persons in an insurance policy. The basic tariff replaced the modified standard tariff [G], whose policy holders were assigned to the new tariff with the start of the year 2009. The insurance coverage of the basic tariff is comparable with the mandatory health-care insurance scheme when it comes to type, scope and rate.

Insured persons within the basic tariff ^{1,2}	2017	2016	Change	
			absolute	in percent
Total	31,400	30,300	+ 1,100	+ 3.63
including				
from the modified standard tariff [G]	1,900	2,100	- 200	- 9.52
from non-insurance	12,800	12,800	0	0.00
from the GKV ³	500	500	0	0.00
change within a company	14,700	13,500	+ 1,200	+ 8.89
change between companies	900	900	0	0.00
other new entrants	600	500	+ 100	+ 20.00
Contribution halved due to a need for aid⁴	18,300	17,500	+ 800	+ 4.57

1 Persons insured within the basic tariff are also disclosed in the figures relating to the total number of people holding comprehensive healthcare insurance.

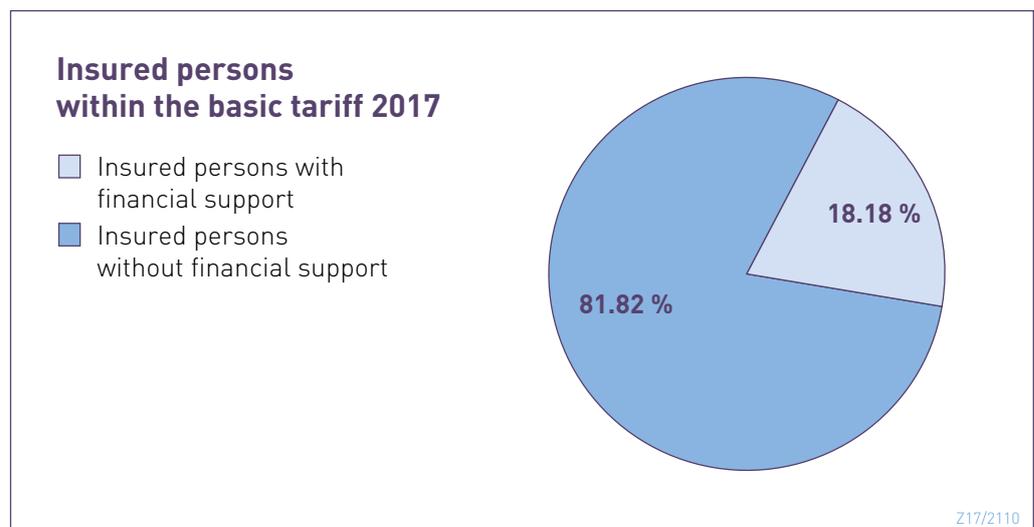
2 The table assigns the total number of people in the basic tariff to their particular access path. A change of 0 means that within the year the number of new entrants and the number of persons leaving the basic tariff was about the same.

3 Since 2009 persons that are voluntarily insured under the mandatory healthcare insurance scheme have a right to be enrolled in the basic tariff within a period of six months after the beginning of their voluntary membership.

4 In case of a proven need for aid in accordance with the social laws or if just by paying this contribution such a need for aid would occur, then the contribution within the basic tariff is halved.

Z17/2109

The basic tariff must be made available as a 100 percent coverage as well as a variant that enhances financial support.



Tariff for emergency treatments only [G]

For those persons insured that have temporary payment difficulties, legislation was introduced in August 2013 that brought into effect the industry-wide “emergency treatments only” tariff. Policy holders are moved to this tariff if they are not able to pay their premiums over a longer period of time, even after reminders have been sent to them. The benefits provided – except for children and adolescents – only cover treatment costs incurred by acute illnesses and injuries, severe pain, pregnancies and maternity. After the debts owed are paid off, the insured persons return to their old tariffs.

Insured persons within the emergency tariff ¹	2017	2016	Change	
			absolute	in percent
With financial support	8,100	7,600	+ 500	+ 6.58
Without financial support	97,700	95,600	+ 2,100	+ 2.20
Total	105,800	103,200	+ 2,600	+ 2.52

1 Persons insured within the “emergency treatments only” tariff are also disclosed in the figures relating to the total number of people holding comprehensive healthcare insurance.

Z17/2112

2.2 Long-term care insurance

The customer base for long-term care insurance differs from that for comprehensive healthcare insurance as a few of those that have chosen the mandatory healthcare insurance scheme of their own free will as well as those persons insured in affiliated institutions (German postal officers and German Rail officials) also hold private long-term care insurances.

Persons with long-term care insurance	2017	2016	Change	
			absolute	in percent
Women	3,033,400	3,035,000	- 1,600	- 0.05
Men	4,689,500	4,725,900	- 36,400	- 0.77
Children	1,603,800	1,614,200	- 10,400	- 0.64
Total	9,326,700	9,375,100	- 48,400	- 0.52

Z17/2201

The number of people holding long-term care insurance is higher than the number of people holding comprehensive healthcare insurance by 573,300. The development of the number of individuals enrolled also deviates clearly from

that of healthcare insurance. This is due to the fact that the affiliated institutions themselves have virtually no new enrolments.¹

2.3 Additional insurances

Additional insurances have enjoyed substantial growth in new enrolments over the last few years. This is due chiefly to two factors: The cuts in benefit provision in the GKV (mandatory) healthcare insurance scheme have prompted a growing number of people to view additional insurance cover as essential, or at least as a very sensible thing to have. Furthermore, in the wake of the GKV modernization legislation [*GKV-Modernisierungsgesetz*] in 2003, cooperation between mandatory healthcare insurances and private healthcare insurance companies has become a real possibility. This has made it easier for many people to take out some form of additional private healthcare insurance cover.

Once again, in 2017, additional insurance proved to be a very popular choice:

Additional insurances ¹	2017	2016	Change	
			absolute	in percent
Women	12,400,600	12,131,100	+269,500	+2.22
Men	10,520,400	10,302,600	+217,800	+2.11
Children	2,598,900	2,650,200	-51,300	-1.94
Total	25,519,900	25,083,900	+436,000	+1.74

¹ A single individual may have concluded several additional insurance contracts. It is also possible for that person to be co-insured in an insurance contract with several people (group insurance). For this reason, the following section only refers to insurances.

Z17/2301

¹ The affiliated institutions constitute closed-shop insurance collectives. That means that no new contracts can be concluded. Only supplementary insurance cover within the context of existing insurance contracts is possible (e.g. insurance of spouses after marriage). This explains why the statistics show virtually nothing except departures – as a result of death or the initiation of mandatory insurance cover.

The following additional insurances are generally only taken out by people insured under the mandatory (GKV) scheme:

Additional insurances to GKV protection		2017	2016	Change	
				absolute	in percent
Outpatient tariffs	Women	3,789,900	3,704,300	+ 85,600	+ 2.31
	Men	2,947,900	2,884,500	+ 63,400	+ 2.20
	Children	1,285,400	1,331,000	- 45,600	- 3.43
	Total	8,023,200	7,919,800	+ 103,400	+ 1.31
Tariffs for elective hospital services	Women	2,734,000	2,711,700	+ 22,300	+ 0.82
	Men	1,959,500	1,926,900	+ 32,600	+ 1.69
	Children	1,418,600	1,420,000	- 1,400	- 0.10
	Total	6,112,100	6,058,600	+ 53,500	+ 0.88
Dental care tariffs	Women	7,978,100	7,780,000	+ 198,100	+ 2.55
	Men	6,077,500	5,914,600	+ 162,900	+ 2.75
	Children	1,609,600	1,677,300	- 67,700	- 4.04
	Total	15,665,200	15,371,900	+ 293,300	+ 1.91
Total¹	Women	9,765,900	9,503,900	+ 262,000	+ 2.76
	Men	7,427,400	7,208,700	+ 218,700	+ 3.03
	Children	2,390,200	2,423,200	- 33,000	- 1.36
	Total²	19,583,500	19,135,800	+ 447,700	+ 2.34

1 An insured person can conclude insurance cover under several different tariffs and can also subsequently cancel or add individual tariffs. Correspondingly he/she is counted within the individual tariffs listed. In the overall position, however, that person is only registered once and the changes made to one's insurance policy(ies) are not taken into account in case only one company is affected by this.

2 The difference to the total number in 2017 is due to rounding.

Z15/2302

The following types of insurance may be of interest not only to people under the mandatory (GKV) healthcare insurance scheme, but also to those with private comprehensive healthcare insurance to supplement that insurance cover:

Additional insurances by type of insurance		2017	2016	Change absolute in percent	
Per diem sick pay insurance¹	Women	1,029,900	1,009,700	+ 20,200	+ 2.00
	Men	2,575,700	2,580,500	- 4,800	- 0.19
	Children	7,800	7,200	+ 600	+ 8.33
	Total	3,613,400	3,597,400	+ 16,000	+ 0.44
Hospital per diem sick pay insurance	Women	3,097,300	3,110,100	- 12,800	- 0.41
	Men	3,518,000	3,554,000	- 36,000	- 1.01
	Children	1,125,100	1,139,200	- 14,100	- 1.24
	Total	7,740,400	7,803,300	- 62,900	- 0.81
Additional long-term care insurance²	Women	1,103,300	1,075,400	+ 27,900	+ 2.59
	Men	1,355,500	1,336,600	+ 18,900	+ 1.41
	Children	274,100	264,700	+ 9,400	+ 3.55
	Total	2,732,900	2,676,700	+ 56,200	+ 2.10
including					
Long-term-care per diem insurance	Women	1,026,800	1,000,100	+ 26,700	+ 2.67
	Men	1,242,700	1,224,400	+ 18,300	+ 1.49
	Children	255,800	246,200	+ 9,600	+ 3.90
	Total	2,525,300	2,470,700	+ 54,600	+ 2.21
Long-term healthcare insurance cover	Women	135,700	133,400	+ 2,300	+ 1.72
	Men	187,700	186,400	+ 1,300	+ 0.70
	Children	37,900	37,400	+ 500	+ 1.34
	Total	361,300	357,200	+ 4,100	+ 1.15
Government-funded additional long-term care insurance [G]	Women	448,500	417,100	+ 31,400	+ 7.53
	Men	381,500	356,200	+ 25,300	+ 7.10
	Children	4,000	3,900	+ 100	+ 2.56
	Total	834,000	777,200	+ 56,800	+ 7.31

1 These figures also include the persons holding comprehensive healthcare insurance named in Chapter 2.1 with per diem sick leave insurance cover.

2 Quite a few people have taken out cover for day-care per diem allowances as well as long-term care insurance policies. However, they are only counted once for inclusion in the total number of persons with additional insurance cover for long-term care.

Z17/2303

2.4 Special forms of insurance

As well as offering healthcare insurance and long-term care insurance, private healthcare insurance companies also offer 'Special Forms of Insurance' [*Besondere Versicherungsformen*]:

Insured persons by types of insurance	2017	2016	Change	
			absolute	in percent
Foreign travel health-care insurance	25,927,300	26,302,000	-374,700	-1.42
Special sub-section insurance	28,087,400	27,886,700	+200,700	+0.72
Insurance to reimburse cost of financial support	610,700	617,400	-6,700	-1.09
Insurance against residual debt and ongoing payment of wages/salaries (i.e. "loss of earnings cover")	15,800	17,000	-1,200	-7.06

Z17/2401

Although the number of insurances taken out to cover foreign travel is very high, this form of insurance is relatively insignificant in terms of the revenues it contributes from premiums. Similarly, despite the relatively high number of insurances, the significance of the special sub-section insurances [*Spezielle Ausschnittsversicherungen*] in the overall context of the PKV product world is low. As the foreign travel coverage can be one of several components of the special sub-section insurances, there is a fluctuation in numbers between those two types of insurances.

2.5 Company healthcare insurance

Employers can contract a company healthcare insurance either for their entire staff or for certain groups of employees in order to enhance the level of insurance cover provided by the mandatory healthcare insurance scheme or by a comprehensive healthcare insurance.

Company healthcare insurance	2017	2016	Change	
			absolute	in percent
Insured persons ¹	672,500	606,800	+65,700	+10.83
Number of policyholders (employers)	6,059	4,894	+1,165	+23.80

¹ The company healthcare insurances are also included in the total number of additional insurances as well as in the respective types of additional insurance.

Z17/2401



3. Revenues



Essentially, insurance companies have three sources of finance at their disposal: Revenues from contributions, disbursements from accruals for reimbursement of contributions (RfB) [G] and revenues from assets on the capital markets. The companies use these funds to pay for the insurance benefits they deliver and for all other forms of expenditure associated with private health-care and long-term care insurance. In 2017, these sources of finance reached the following figures:

Sources of finance in 2017	in € mill.
Revenues from contributions (capped)	39,040.2
Disbursements from RfB	4,061.0
Capital gains	9,252.2
Total	52,353.4

Z17/3001

Theoretically, disbursements from superannuation accruals [G] should also be disclosed at this point. These disbursements are not disclosed separately in the annual reports of insurance companies but are instead balanced off against additions to superannuation accruals. At this time the balance is positive because the level of additions is substantially higher than the level of disbursements.

3.1 Revenues from contributions

The insured persons pay contributions, i.e. premiums, for their insurance cover. The revenues from contributions referred to here result from business concluded solely by individuals residing in Germany. Revenues from reinsurance contracts or from activities abroad are therefore not included in these figures. A distinction between capped and uncapped figures is made for these revenues.

Capped revenues from contributions

The capped revenues from contributions are assigned by relevant period to the financial year during which they were counted:

	2017	2016	Change	
	in € mill.	in € mill.	absolute	in percent
Capped revenues from contributions	39,040.2	37,246.3	+1,793.9	+4.82

Z17/3101

Uncapped revenues from contributions

The uncapped revenues from contributions comprise all payments made by insured persons to companies during a financial year, irrespective of which financial year they should be assigned to in business terms. The governing principle for inclusion is the date on which payment was received.

The difference between capped and uncapped revenues from contributions is small because, in the private healthcare and long-term care insurance business, payments are made monthly which means that, from one year to the next, contribution surpluses are relatively low, i.e. relatively little needs to be carried forward from one year to the next. In the following section, the uncapped revenues from contributions are presented because this is the only area where it is possible to classify them by type of insurance.

Revenues from contributions by types of insurance	2017 in € mill.	2016 in € mill.	Change	
			absolute	in percent
Comprehensive healthcare insurance	27,082.8	26,116.7	+ 966.1	+ 3.70
Long-term care insurance	2,594.5	2,165.1	+ 429.4	+ 19.83
Additional insurances	8,528.1	8,158.0	+ 370.1	+ 4.54
including				
Additional insurances to GKV protection	5,605.2	5,412.0	+ 193.2	+ 3.57
Per diem sick pay	1,127.6	1,133.5	- 5.9	- 0.52
Hospital per diem sick pay insurance	485.3	497.1	- 11.8	- 2.37
Additional long-term care insurance	1,033.7	890.6	+ 143.1	+ 16.07
Gov't-funded additional long-term care insurance	276.3	224.8	+ 51.5	+ 22.91
Special forms of insurance	843.7	818.5	+ 25.2	+ 3.08
including				
Foreign travel healthcare insurance	400.3	397.8	+ 2.5	+ 0.63
Special sub-section insurance policies	160.6	152.7	+ 7.9	+ 5.17
Insurance to reimburse cost of financial support	268.5	255.3	+ 13.2	+ 5.17
Insurance against residual debt and ongoing payment of wages/salaries (i.e. "loss of earnings cover")	14.3	12.7	+ 1.6	+ 12.60
Total	39,049.1	37,258.3	+ 1,790.8	+ 4.81
Total not including long-term care insurance	36,454.6	35,093.2	+ 1,361.4	+ 3.88

Z17/3102

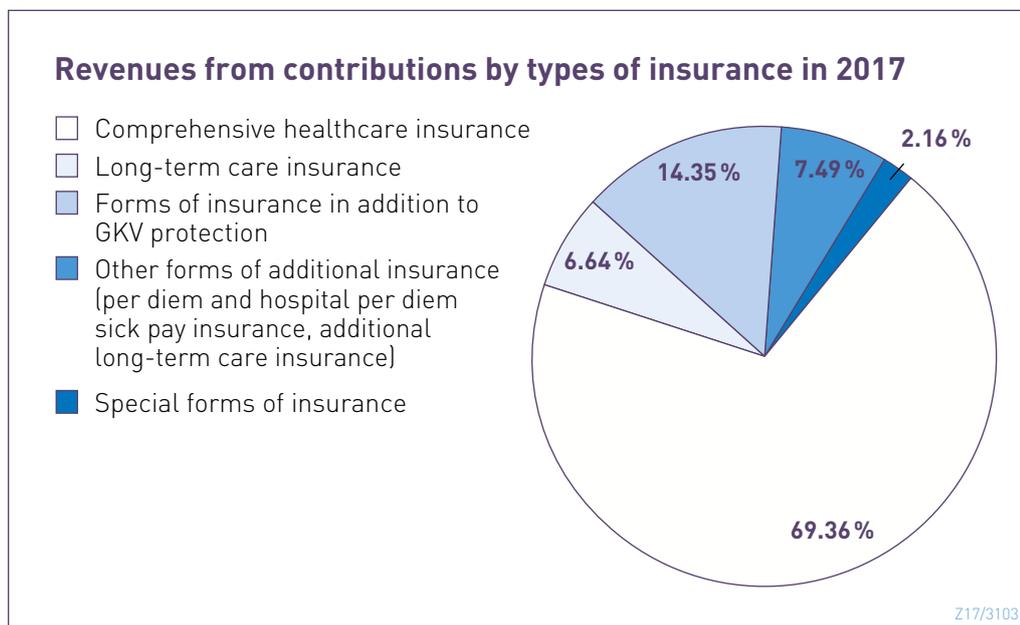
Revenues from contributions rose by 4.8 percent in 2017. The increase was thus lower than that of the previous year (2016: plus 1.2 percent).

Contribution to revenues from private long-term care insurance

The legislature stipulates that long-term care insurance cover for children must be free of contributions, and also stipulates net contribution levels which are gender-neutral and common throughout the sector. Moreover, the same maximum figures apply as to mandatory long-term care insurance. For this reason, in private long-term care insurance, the usual capital cover procedure [G] is supplemented by contributory elements. The balance is achieved across the entire sector, between contribution payers and premium-exempt children, between men and women and between young and older insured persons. The volume is calculated at each adjustment of contributions. Altogether the contributory elements accounted for an annual total allocation of € 226.0 mill. in 2017. This also includes transfers in favour of the GPV [G] which added up to € 7.4 million. In the GPV, which has a higher ratio of older insured persons on its books than the common PKV customer base, members of the healthcare insurance for German postal officers and the healthcare provision body for German Rail officials all receive long-term care insurance provision.

Ratio of types of insurance to revenues from contributions

The revenues from contributions of individual types of insurance indicate their significance for the sector. Comprehensive healthcare insurance is the main type of PKV insurance. Despite the growth rates in the customer base, additional insurance is substantially less relevant.



Legally stipulated ten percent surcharge

Alongside superannuation accruals [G], the legally stipulated ten percent surcharge [G] is a further instrument used to alleviate contribution levels for those persons of senior age. This supplement is now levied as an integral part of comprehensive healthcare insurance schemes.

Revenues from this 'Ten Percent Surcharge' scheme do not actually constitute ten percent of actual revenues from contributions. This is due to two factors:

1. Insured persons were able to decide whether or not to opt for this supplement when it was introduced.
2. From the age of 61, insured persons are no longer required to pay this supplement.

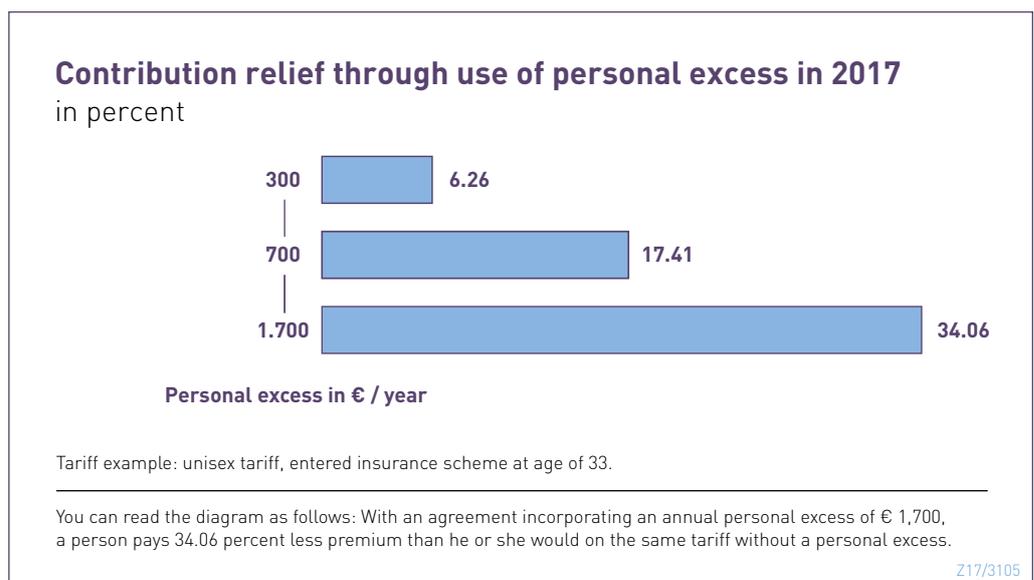
	2017	2016	Change	
	in € mill.	in € mill.	absolute	in percent
Revenues from contributions resulting from the ten percent supplement	1,192.1	1,165.8	+26.3	+2.26

Z17/3104

Personal excess and contribution

Insured persons can reduce the level of their monthly contribution if they agree to an excess. This 'personal excess' defines an annual amount up to which insured persons pay for the medical services they receive. The insurance company refunds all costs incurred above this figure.

The extent to which an excess can influence the figure is illustrated by the tariff example in the following graphic:

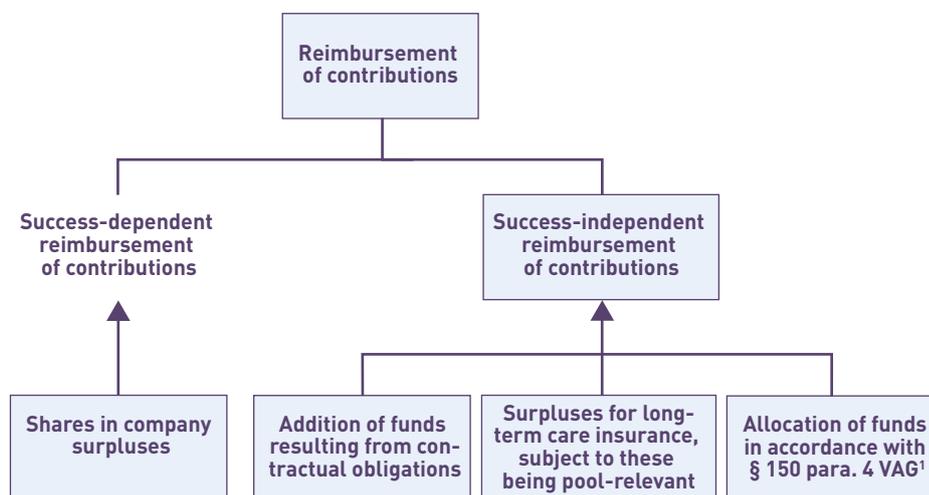


3.2 One-off contributions from accruals towards reimbursement of contributions

Funds from accruals towards reimbursement of contributions (RfB) [G] are either paid out to the insured parties or take the form of one-off amounts to enable contributions (i.e. premium levels) to be adjusted. A one-off payment of this kind can either be used to top up superannuation accruals or the funds are offset against outstanding premiums. This enables increases in contribution levels to be mitigated or prevented and, in some cases, may even enable reductions in contribution levels to be achieved.

For further information on accruals towards the reimbursement of contributions, please refer to Chapter 4.3.

Types of contribution reimbursement [G]



1 § 150 of the insurance supervisory law [*Versicherungsaufsichtsgesetz*] (VAG) states that 90 percent of interest revenue from companies which exceed the applicable rate of chargeable interest (in most cases 3.5 percent) are used to benefit the insured persons. Of this, a proportion is intended for insured persons above the age of 65. This money must be used within 3 years to prevent or limit increases in premium levels, or to reduce premium levels.

The following table indicates the distribution of one-off contributions from accruals for the reimbursement of contributions as applied to individual types of insurance:

One-off contributions from RfB by types of insurance	2017 in € mill.	2016 in € mill.	Change	
			absolute	in percent
Comprehensive healthcare insurance	2,722.7	1,767.0	+955.7	+54.09
including				
success-dependent RfB	2,502.1	1,602.2	+899.9	+56.17
success-independent RfB	220.6	164.8	+55.8	+33.86
Long-term care insurance	1,032.3	8.7	+1,023.6	+11,765.52¹
including				
success-dependent RfB	1,032.3	8.7	+1,023.6	+11,765.52 ¹
success-independent RfB	0.0	0.0	0.0	-
Additional insurances	298.5	268.4	+30.1	+11.21
including				
success-dependent RfB	270.1	228.2	+41.9	+18.36
success-independent RfB	28.4	40.2	-11.8	-29.35
Special forms of insurance	0.2	0.0	+0.2	-
including				
success-dependent RfB	0.2	0.0	+0.2	-
success-independent RfB	0.0	0.0	0.0	-
Total	4,053.7	2,044.1	+2,009.6	+98.31
of which derived from				
success-dependent RfB	3,804.7	1,839.1	+1,965.6	+106.88
success-independent RfB	249.0	205.0	+44.0	+21.46

¹ The use of RfB funds within long-term care insurance is undertaken based on the legally stipulated industry calculation for all companies at the same point in time. That is why there are large fluctuations when compared to the previous year if, for example, in a year (such as 2017) a usage of these funds took place and in the previous year (as in 2016) this did not take place.

Z17/3202

3.3 Capital revenues

The insurance companies guarantee the insured persons contractually agreed benefits and services on a long-term basis. As a consequence, it is not possible for them to increase contribution levels with increasing age and therefore increasing health risk for the insured person. To comply with these long-term commitments, companies invest a proportion of their contribution revenues on the capital markets in the form of accruals. The revenues resulting from these in the form of interest, dividends and exchange rate gains all contribute towards the financing of insurance benefit obligations.

New capital investments not only include the investment of new contribution revenues, but also include the reinvestment of capital following portfolio realignments or the expiry of fixed-term investments. As a consequence, individual new investments do not progress in a linear manner with changes in customer base.

New capital investments	2017	2016	Change	
	in € mill.	in € mill.	absolute	in percent
Land, equivalent rights and buildings	203.5	85.1	+ 118.4	+ 139.13
Share in affiliated companies	1,217.6	875.7	+ 341.9	+ 39.04
Loans to affiliated companies	139.1	437.6	- 298.5	- 68.21
Shareholdings	995.4	504.7	+ 490.7	+ 97.23
Loans to companies with a shareholding ratio	11.1	91.2	- 80.1	- 87.83
Shares, investment shares and other securities without fixed-rate interest	13,694.2	11,209.9	+ 2,484.3	+ 22.16
Proprietary debt assignments and other securities with fixed-rate interest	13,968.2	11,297.1	+ 2,671.1	+ 23.64
Mortgages, liens on land & property and superannuation receivables	1,080.6	1,029.0	+ 51.6	+ 5.01
Titular debt assignments	6,628.9	6,036.2	+ 592.7	+ 9.82
Debt certificate receivables and loans	3,564.6	2,619.0	+ 945.6	+ 36.11
Other forms of lending	94.1	194.2	- 100.1	- 51.54
Funds invested in banks	996.3	752.2	+ 244.1	+ 32.45
Other capital assets	5,227.2	4,915.9	+ 311.3	+ 6.33
Total	47,820.8	40,047.8	+ 7,773.0	+ 19.41

Z17/3301

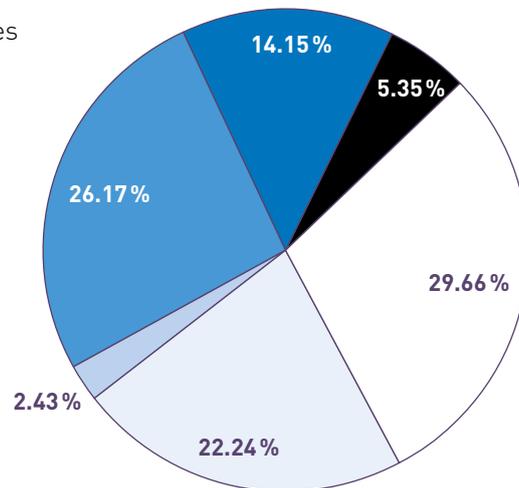
Capital assets take the form of company equity, superannuation accruals, accruals for the reimbursement of contributions and various other accruals, distributed as follows:

Capital assets	2017	2016	Change	
	in € mill.	in € mill.	absolute	in percent
Land, equivalent rights and buildings	1,947.2	1,826.7	+120.5	+6.60
Share in affiliated companies	4,707.0	3,910.4	+796.6	+20.37
Loans to affiliated companies	2,149.0	2,148.6	+0.4	+0.02
Shareholdings	2,339.4	2,500.7	-161.3	-6.45
Loans to companies with a shareholding ratio	190.4	180.7	+9.7	+5.37
Shares, investment shares and other securities without fixed-rate interest	81,386.3	73,231.0	+8,155.3	+11.14
Proprietary debt assignments and other securities with fixed-rate interest	61,013.0	52,126.2	+8,886.8	+17.05
Mortgages, liens on land & property and superannuation receivables	6,665.7	6,258.0	+407.7	+6.51
Titular debt assignments	71,808.3	71,849.2	-40.9	-0.06
Debt certificate receivables and loans	38,810.8	41,827.6	-3,016.8	-7.21
Other forms of lending	1,174.6	1,188.8	-14.2	-1.19
Funds invested in banks	1,058.2	1,746.3	-688.1	-39.40
Other capital assets	1,108.5	1,200.2	-91.7	-7.64
Capital assets	274,358.4	259,994.4	+14,364.0	+5.52
Deposit receivables from business transferred under protective cover provisions	0.7	0.7	0.0	0.00
Balance sheet figure [G]	274,359.1	259,995.1	+14,364.0	+5.52

Z17/3302

Breakdown of capital assets 2017

- Shares, investment shares and other securities without fixed-rate interest
- Proprietary debt assignments and other securities with fixed-rate interest
- Mortgages, liens on land & property and superannuation receivables
- Titular debt assignments
- Debt certificate receivables and loans
- Other



Z17/3303

The insurance companies receive revenues from these capital assets which, after deduction of expenses relating to these capital assets, are viewed as investment income.

	2017 in € mill.	2016 in € mill.	Change absolute in percent	
Investment income	9,252.2	9,379.5	- 127.3	- 1.36

Z17/3304

Net interest charges [G] are determined by mapping capital revenues against the average level of capital assets [G]. In 2017, these amounted to 3.46 percent.

From the capital revenues of each company, the interest revenues (at most 3.5 percent) guaranteed by tariff are added to the superannuation accruals from each company. Furthermore, in accordance with § 150 of the insurance supervisory law [*Versicherungsaufsichtsgesetz (VAG)*], 90 percent of the interest charged to superannuation accruals are used to reduce contribution levels as insured persons reach a certain age limit. This takes place in two ways:

- In accordance with § 150 para. 2 VAG by adding funds to the superannuation accruals for future reduction of contribution levels for all insured persons.
- In accordance with § 150 para. 4 VAG by adding to the accruals for success-independent refunding of contributions for older insured persons.

The amount credited to insured persons in accordance with § 150 VAG from capital revenues is dependent on the prevailing level of interest income obtained by the companies:

	2017 in € mill.	2016 in € mill.	Change absolute in percent	
Total amount available in accordance with § 150 VAG	764.6	822.8	- 58.2	- 7.07

Z17/3305

For more details about the addition to superannuation accruals and to accruals for success-independent reimbursement of contributions, please refer to Chapters 4.4 and 4.5.

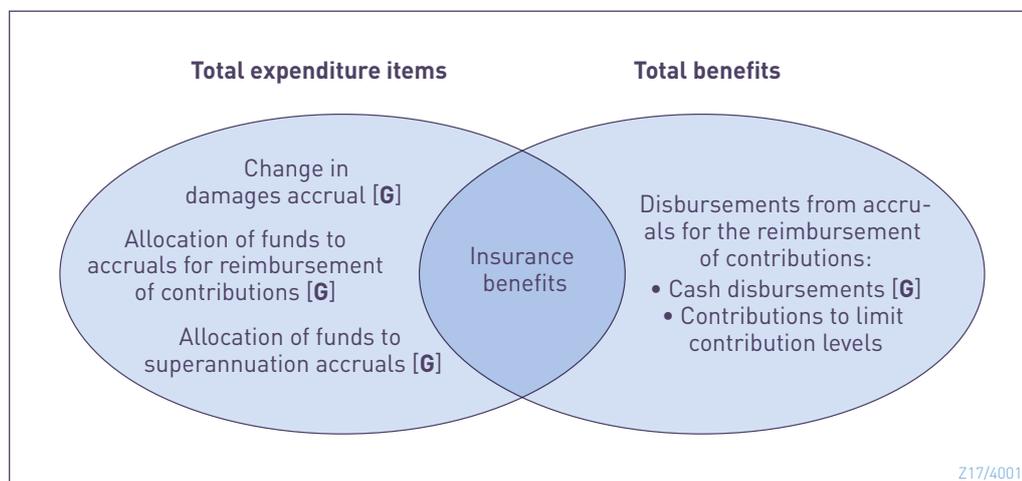


4. Expenditures



In private healthcare insurance, total expenditures reflect the usual balance sheet view¹ of expenditures. Also of interest in this context are expenditures which benefit the insured persons. These are called total benefits.

The items of total expenditure and total benefits differ, with one exception:



Added to this are expenditure items for operation of the insurance business which are shown at the end of the chapter.

Total expenditures

Total expenditures constitute the total of all expenditures resulting from the meeting of the obligations undertaken on behalf of insured persons by an insurance company. In detail, these are:

Expenditures	2017 in € mill.	2016 in € mill.	Change absolute in percent	
Insurance benefits¹	27,205.7	26,592.3	+613.4	+2.31
Change in damages accrual [G]	531.6	169.5	+362.1	+213.63
Allocation of funds to the accruals for reimbursement of contributions	5,138.4	4,432.0	+706.4	+15.94
Allocation of funds to the superannuation accruals	14,486.4	12,636.4	+1,850.0	+14.64
Total expenditure items	47,362.1	43,830.2	+3,531.9	+8.06

Z17/4002

¹ The taxation balance sheet items and other expenditures and revenues are not shown at this point. However, they are depicted in the annual results (see Chapter 1.3).

Total benefits

In contrast to total expenditures, this figure only includes direct or indirect benefits to insured persons. All limiting funds are indirect benefits because they are not paid out to insured persons.

Total benefits	2017	2016	Change	
	in € mill.	in € mill.	absolute	in percent
Insurance benefits	27,205.7	26,592.3	+ 613.4	+ 2.31
Disbursements from accruals for Reimbursement of contributions				
Cash disbursements	1,462.3	1,420.1	+ 42.2	+ 2.97
Contributions towards limitation of contributions	3,846.7	1,883.3	+ 1,963.4	+ 104.25
Limiting funds [G]				
In accordance with § 150 para. 2 of the insurance supervisory law (VAG) ¹	657.6	690.9	- 33.3	- 4.82
In accordance with § 150 para. 4 of the insurance supervisory law (VAG) ¹	243.3	174.0	+ 69.3	+ 39.83
Total benefits	33,415.6	30,760.6	+ 2,655.0	+ 8.63

¹ Explanations of § 150 VAG see Chapter 3.3

Z17/4003

4.1 Insurance benefits

Insurance benefits include the disbursements relating to services to insured persons and the expenditure incurred by settlement of damages [G]. However, not all insurance benefits can be processed in the same year as the insurance incident occurred. For this reason, accruals for damages are set up, and these are depicted in Chapter 4.3.

In 2017, the insurance benefits amounted to € 27,205.7 mill. Taking an average of 250 working days a year, this amounts to a daily cost for insurance benefits delivery of € 108.8 mill. In 2016, this figure amounted to € 106.4 mill.

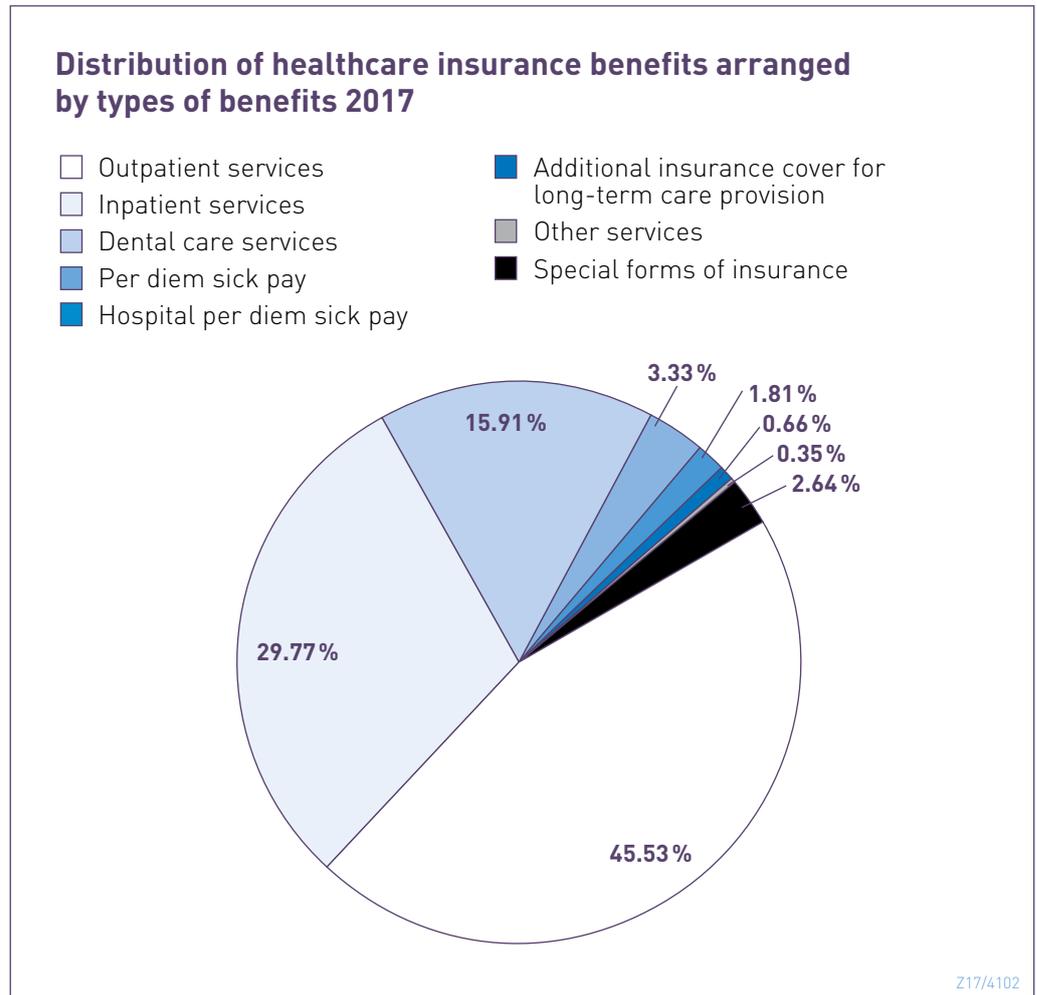
Each month, the insurance benefits in 2017 amounted to € 2,267.1 mill., which was an increase over the previous year of € 51.1 mill.

The following table shows insurance benefits, sub-divided into types of benefit:

Type of benefit	2017 in € mill.	2016 in € mill.	Change	
			absolute	in percent
Outpatient services	11,800.7	11,616.7	+ 184.0	+ 1.58
including				
Medical treatment	6,269.4	6,194.8	+ 74.6	+ 1.20
Altern, medical treatment	294.0	292.3	+ 1.7	+ 0.58
Pharmaceuticals and dressings	3,061.6	2,973.1	+ 88.5	+ 2.98
Therapeutic treatment	985.7	985.0	+ 0.7	+ 0.07
Medical aids and equipment	972.2	963.0	+ 9.2	+ 0.96
Other	217.8	208.5	+ 9.3	+ 4.46
Inpatient services	7,716.9	7,587.6	+ 129.3	+ 1.70
including				
General hospital services	4,588.3	4,438.2	+ 150.1	+ 3.38
Elective service of treatment from chief physician	2,298.8	2,356.7	- 57.9	- 2.46
Elective service of accommodation in single rooms	325.0	313.6	+ 11.4	+ 3.64
Elective service of accommodation in double rooms	291.9	276.4	+ 15.5	+ 5.61
Substitute hospital per diem funds	57.6	57.6	0.0	0.00
Other	155.3	145.1	+ 10.2	+ 7.03
Dental care services	4,125.1	4,104.8	+ 20.3	+ 0.49
including				
Dental treatment	1,416.8	1,408.1	+ 8.7	+ 0.62
Tooth replacement	2,416.7	2,411.8	+ 4.9	+ 0.20
Orthodontics	284.4	278.1	+ 6.3	+ 2.27
Other	7.2	6.8	+ 0.4	+ 5.88
Per diem sick pay	863.5	865.8	- 2.3	- 0.27
Hospital per diem sick pay	469.6	480.5	- 10.9	- 2.27
Additional insurance cover for long-term care provision	171.2	122.0	+ 49.2	+ 40.33
Gov't-funded additional long-term care insurance	1.1	0.7	+ 0.4	+ 57.14
Other services	86.3	79.0	+ 7.3	+ 9.24
Special forms of insurance	685.2	685.6	- 0.4	- 0.06
Healthcare insurance	25,919.6	25,542.7	+ 376.9	+ 1.48
Long-term care insurance	1,286.1	1,049.6	+ 236.5	+ 22.53
Total	27,205.7	26,592.3	+ 613.4	+ 2.31

Z17/4101

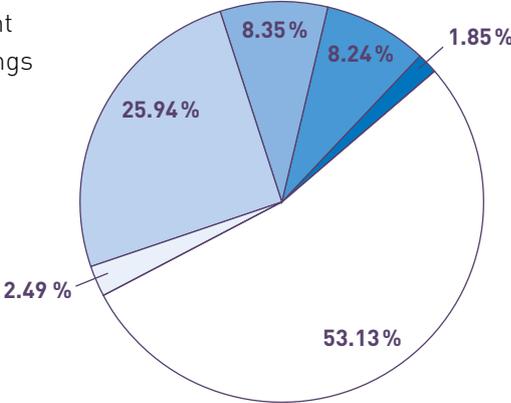
The following pie charts show the percentage of different types of benefits that make up the total insurance benefits, together with a breakdown of outpatient, inpatient and dental care services.



The three most important types of benefits are sub-divided in the following:

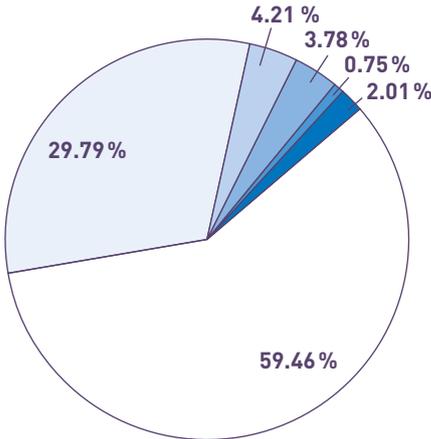
Distribution of outpatient services 2017

- Medical treatment
- Alternative medical treatment
- Pharmaceuticals and dressings
- Therapeutic treatment
- Medical aids and equipment
- Other



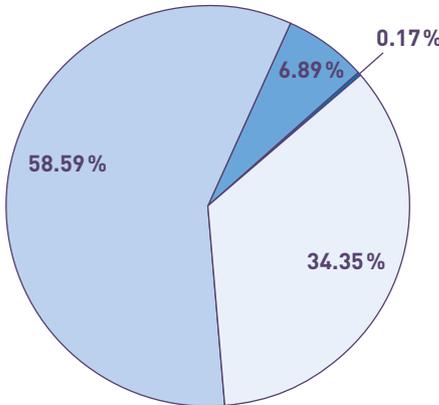
Distribution of inpatient services 2017

- General hospital services
- Elective service of treatment from chief physician
- Elective service of accommodation in single rooms
- Elective service of accommodation in double rooms
- Substitute hospital per diem funds
- Other



Distribution of dental care services for 2017

- Dental treatment
- Tooth replacement
- Orthodontics
- Other



Z17/4103

The breakdown of insurance benefits by women, men and children is as follows (no account being taken of so-called Special Forms of Insurance [*Besondere Versicherungsformen*]):

Insurance benefits by women, men and children 2017	in percent		
	Women	Men	Children
Outpatient services	37.85	54.53	7.62
including			
Medical treatment	39.50	52.36	8.14
Alternative medical treatment	53.60	32.59	13.81
Pharmaceuticals and dressings	32.08	62.25	5.67
Therapeutic treatment	41.59	50.34	8.07
Medical aids and equipment	38.34	53.80	7.86
Other	31.04	60.06	8.90
Inpatient services	36.42	58.34	5.24
including			
General hospital services	30.22	63.60	6.18
Elective service of treatment from chief physician	45.14	51.28	3.58
Elective service of accommodation in single rooms	50.22	47.01	2.77
Elective service of accommodation in double rooms	51.37	45.94	2.69
Substitute hospital per diem funds	40.90	38.53	20.57
Other	31.75	61.65	6.60
Dental care services	41.99	48.44	9.57
including			
Dental treatment	37.14	53.55	9.31
Tooth replacement	48.98	50.54	0.48
Orthodontics	6.90	4.90	88.20
Other	39.32	58.75	1.93
Per diem sick pay	24.55	75.43	0.02
Hospital per diem sick pay	41.04	54.94	4.02
Additional insurance cover for long-term care provision	46.75	47.88	5.37
Government-funded additional long-term care insurance [G]	45.33	53.44	1.23
Other services	43.61	44.78	11.61
Healthcare insurance (without Special Forms of Insurance)	38.10	54.70	7.20
Long-term care insurance	47.55	48.36	4.09
Total (without Special Forms of Insurance)	38.22	55.02	6.76

Z17/4104

It is not just comparisons of benefit developments within the private healthcare insurance system that are of interest. It is also worthwhile to look beyond the limits of private healthcare insurance (PKV) to developments within the mandatory

healthcare insurance sector (GKV). The only sensible way to conduct this comparison is by examining each insured person in isolation. This means that changes in the customer base do not render actual developments on the cost front erroneous.

Change in insurance benefits per insured person	Change between 2017 and 2016 in percent	
	PKV	GKV
Outpatient services	+1.78	+2.73
including		
Medical treatment	+1.40	+3.20
Alternative medical treatment	+0.78	-
Pharmaceuticals and dressings	+3.18	+2.86
Therapeutic treatment	+0.26	+0.18
Medical aids and equipment	+1.15	+2.06
Inpatient services	+2.18	+1.62
including		
General hospital services	+3.58	+1.62
Elective service of treatment from chief physician	-2.69	-
Elective service of accommodation in single rooms	+3.39	-
Elective service of accommodation in double rooms	+5.36	-
Substitute hospital per diem funds	-0.23	-
Dental care services	+0.69	+0.97
including		
Dental treatment	+0.81	+1.48
Tooth replacement	+0.40	-0.24
Orthodontics	+2.46	+0.13
Total benefits for sickness costs	+1.73	+2.37

Z17/4105

In 2017 the expenditures per insured person increased by 1.73 percent and therefore to a lower degree than in the previous year (2016: plus 3.06 percent). Thus, the development corresponded approximately to the general increase in prices / inflation of 1.8 percent.

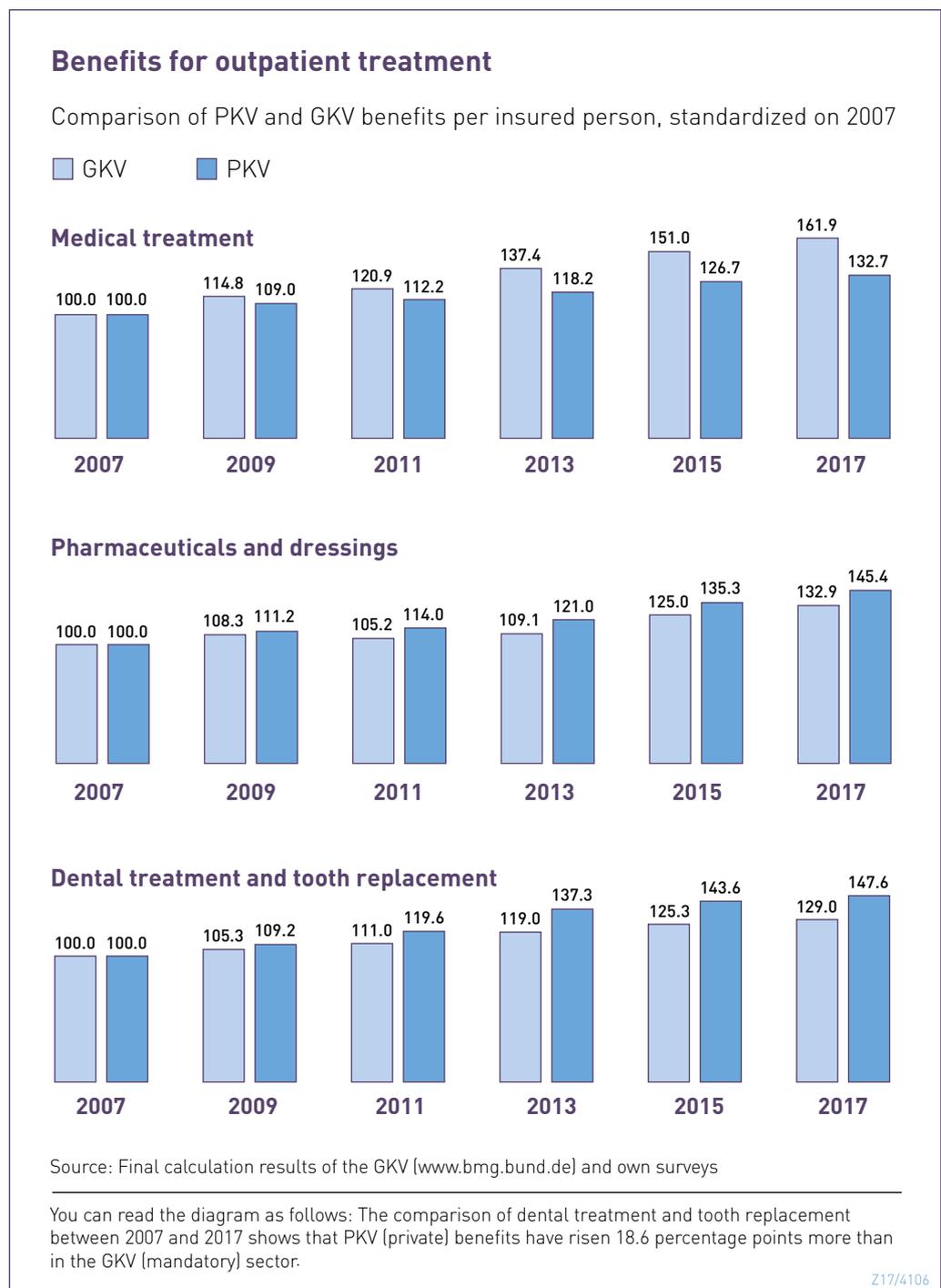
The largest influence on the overall figure of the benefits paid out is held by the development of the outpatient services. Here the rise of expenditures per head – when compared with the previous year – decreased (2016: plus 3.35 percent). In the inpatient sector the expenditures increased to a slightly lesser degree than before (2016: plus 2.53 percent). The dynamics within the area of dental care services decreased compared with the previous year (2016: plus 2.10 percent).

The increase per insured individual was relatively high in 2017 within the area of elective services of accommodation in double rooms (2016: plus 2.03 percent), and – to a lower degree – of pharmaceuticals and dressings (2016: plus 4.16 percent) and general hospital services (2016: plus 3.80 percent). Regarding the elective service of treatment from chief physician the expenditures per head

decreased compared with the previous year; regarding substitute hospital per diem funds they remained approximately stable.

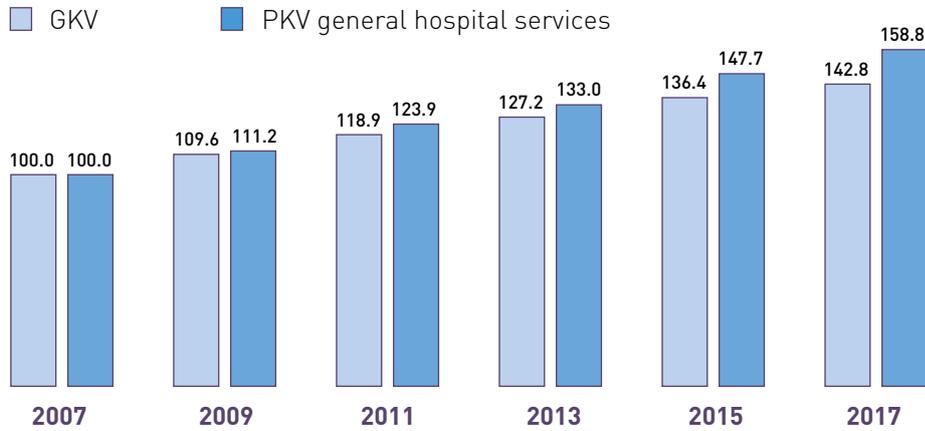
The lower rise of expenditures when compared to the mandatory healthcare insurance scheme (GKV) regarding outpatient services and dental care services should not hide the fact that the expenditures of the PKV are increasing from a much higher level as the payment level of the fee directives for physicians and dentists [G] treating private patients go way beyond the compensation and payment levels of the GKV.

The following graphics provide a detailed insight into the different cost trends followed by PKV and GKV over the last eleven years. Benefits are shown per insured person.



Benefits for inpatient treatment

Comparison of PKV and GKV benefits per insured person, standardized on 2007



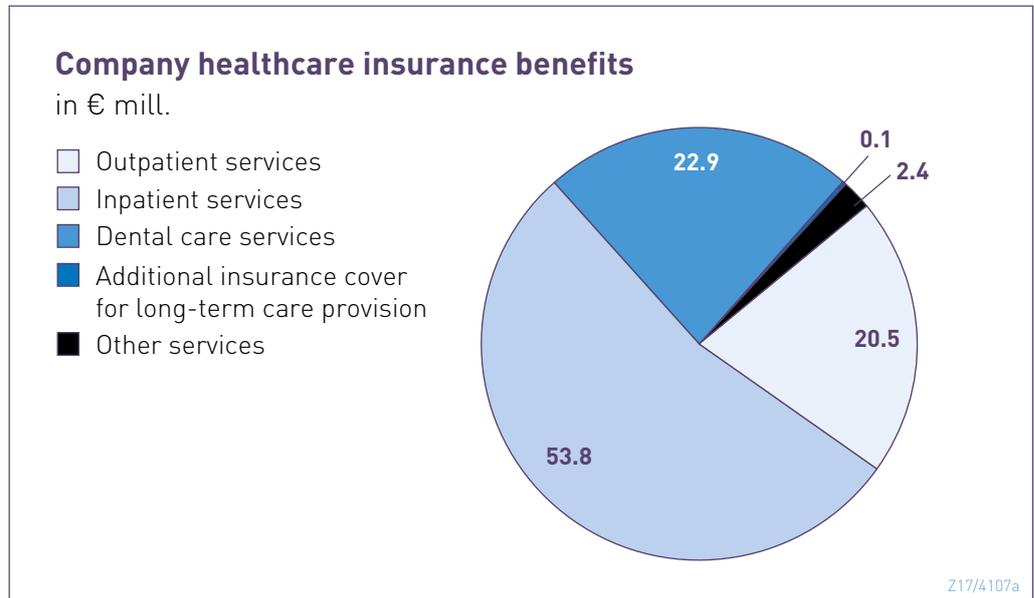
Source: Final calculation results of the GKV (www.bmg.bund.de) and own surveys

You can read the diagram as follows: The comparison with 2007 shows that benefits in the PKV sector for the service for treatment from chief physician have risen by 11 percentage points.

Z17/4107

Company healthcare insurance benefits

Within the company healthcare insurance most benefits are so far provided in the inpatient sector. € 53.8 mill. of the total of € 99.7 milll. in 2017 have been paid out for inpatient services and only half of this amount at a time for outpatient and for dental care services.



Long-term care insurance benefits

In accordance with legal requirements, the long-term care insurance benefits are divided into outpatient and inpatient services.

The following two tables show in detail what levels of payment were made with regard to different types of benefit provision:

Outpatient long-term care benefits by type of benefit provision	2017 in € mill.	2016 in € mill.	Change ¹	
			absolute	in percent
Tangible long-term care service	155.9	152.9	+3.0	+1.96
including				
Care level 2	28.5	-		
Care level 3	51.7	-		
Care level 4	45.3	-		
Care level 5	30.4	-		
Long-term care funding	349.3	245.8	+103.5	+42.11
including				
Care level 2	105.5	-		
Care level 3	135.0	-		
Care level 4	74.1	-		
Care level 5	34.7	-		
Home care if the usual caregiver is prevented	26.1	27.6	-1.5	-5.43
Caregiving products	6.2	6.4	-0.2	-3.13
Technical aids	21.0	22.0	-1.0	-4.55
Domestic environment improvement measures	14.8	15.6	-0.8	-5.13
Contributions towards pension insurance	44.5	31.2	+13.3	+42.63
Long-term care training courses	0.1	0.1	0.0	0.00
Daytime and night-time care provision	17.4	14.2	+3.2	+22.54
including				
Care level 2	1.5	-		
Care level 3	5.6	-		
Care level 4	7.3	-		
Care level 5	3.0	-		
Short-term care	22.6	23.0	-0.4	-1.74
Medical pronouncement of care level	38.5	36.2	+2.3	+6.35
Care supervision	1.9	1.6	+0.3	+18.75
Expenditure on services delivered abroad	0.0	0.2	-0.2	-100.00
MEDICPROOF	33.7	30.2	+3.5	+11.59
Supplement to healthcare and long-term care ins. contribution	0.1	0.0	+0.1	0.00
Supplement to the unemployment insurance contribution²	0.0	0.0	+0.0	0.00
Additional benefits for residential groups	1.3	1.1	+0.2	+18.18
Earnings replacement benefit	0.1	0.1	0.0	0.00
Total	733.4	608.2	+125.2	+20.59

1 At the beginning of the year 2017 the former three "Pflegestufen" have been replaced by five "Pflegrade" (both translated as "care level" in this context). Because there is no direct correlation in a ratio of 1:1, the change in 2017 is not quantifiable.

2 The benefits in the category "supplement the unemployment insurance contribution" are under € 50,000. The rounding up/down process explains why categories in this table are shown as zero.

Z17/4108

Inpatient long-term care services in 2017, expressed as a proportion of total long-term care benefits to the value of € 1,225.0 million accounted for 40.13 percent.

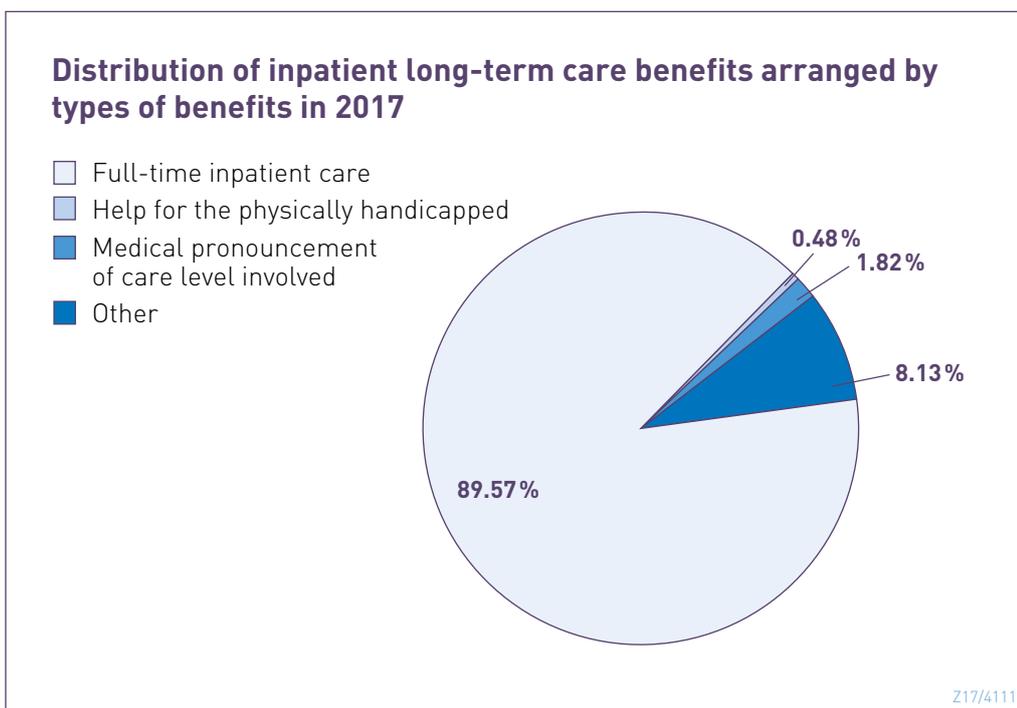
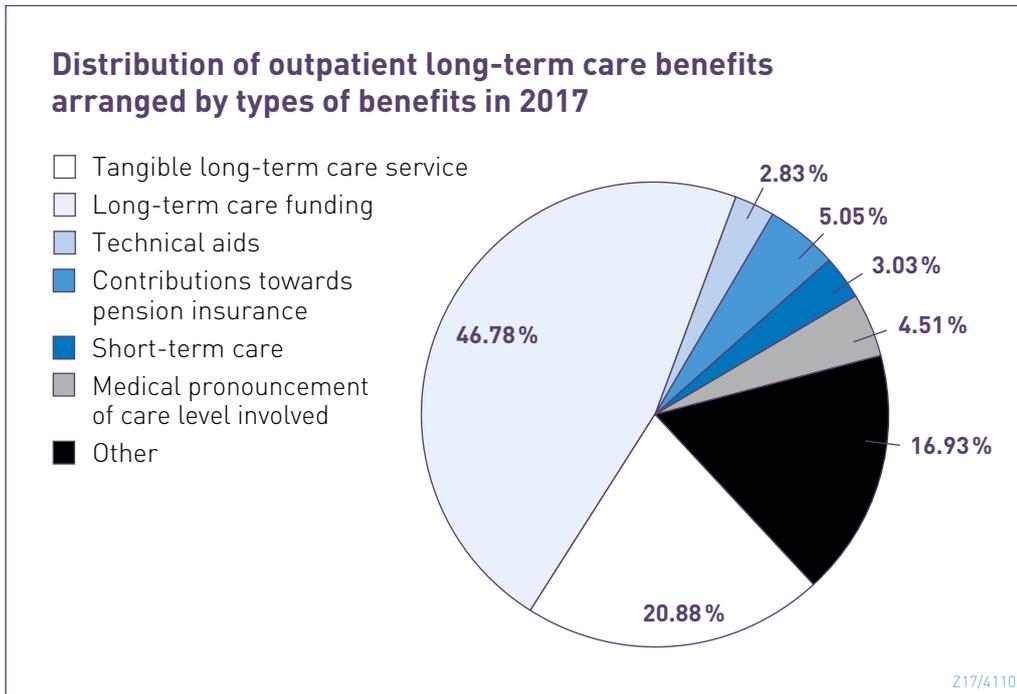
Inpatient long-term care benefits by type of benefit provision	2017 in € mill.	2016 in € mill.	Change ¹	
			absolute	in percent
Full-time inpatient care	438.6	361.3	+77.3	+21.39
including				
Care level 1	0.7	-		
Care level 2	38.0	-		
Care level 3	107.6	-		
Care level 4	168.1	-		
Care level 5	124.2	-		
Supplement for full-time inpatient care²	0.0	0.0	0.0	0.00
including				
Care level 2	0.0	-		
Care level 3	0.0	-		
Care level 4	0.0	-		
Partial reimbursement of costs for full-time inpatient care	1.1	1.1	0.0	0.00
including				
Care level 1	0.0	-		
Care level 2	0.1	-		
Care level 3	0.2	-		
Care level 4	0.4	-		
Care level 5	0.4	-		
Help for the physically handicapped	2.3	2.5	-0.2	-8.00
Additional support	40.9	66.5	-25.6	-38.50
Benefits in case of downgrading	0.0	0.1	-0.1	-100.00
MEDICPROOF	8.7	9.9	-1.2	-12.12
Total	491.6	441.4	+50.2	+11.37

1 At the beginning of the year 2017 the former three „Pfleigestufen“ have been replaced by five „Pflegegrade“ (both translated as „care level“ in this context). Because there is no direct correlation in a ratio of 1:1, the change in 2017 is not quantifiable.

2 The benefits in the category “supplement for full-time inpatient care” are under € 50,000. The rounding up/down process explains why categories in this table are shown as zero.

Z17/4109

The share of individual types of benefits as a proportion of total care benefits is depicted as follows:



Due to legal requirements governing long-term care insurance, the following statistics have to be compiled for private long-term care insurance. Unlike under the terms of private healthcare insurance, it is therefore possible to determine the precise number of recipients of long-term care.

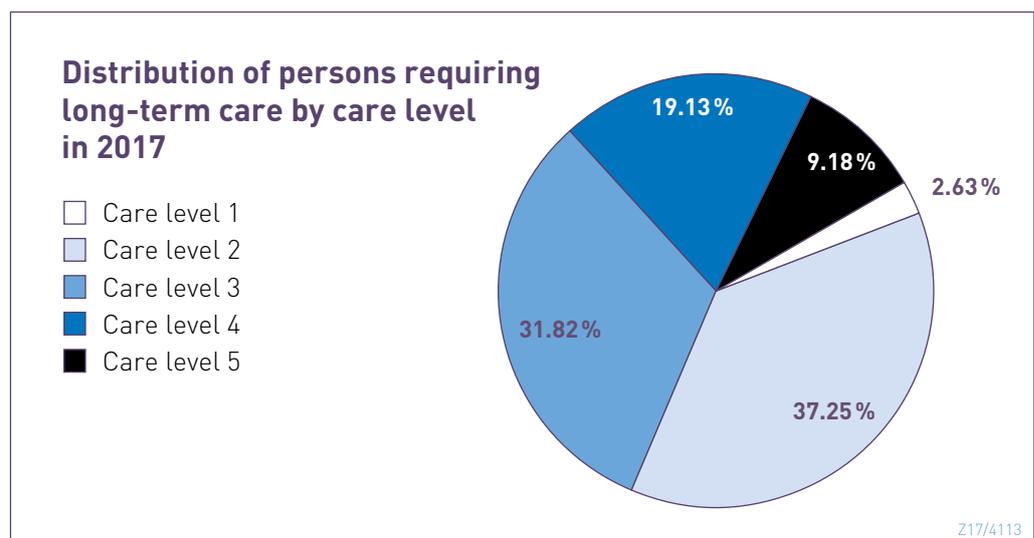
The following table, divided into care levels, provides an overview of benefit recipients of outpatient and inpatient care:

Persons receiving long-term care benefits arranged by benefit areas	2017	2016	Change	
			absolute	in percent
Outpatient care	158,406	136,724	+21,682	+15.86
including				
Care level 1	5,290	-		
Care level 2	69,750	-		
Care level 3	51,143	-		
Care level 4	23,198	-		
Care level 5	9,025	-		
Inpatient care	53,176	51,843	+1,333	+2.57
including				
Care level 1	276	-		
Care level 2	9,054	-		
Care level 3	16,182	-		
Care level 4	17,273	-		
Care level 5	10,391	-		
Total	211,582	188,567	+23,015	+12.21

1 At the beginning of the year 2017 the former three „Pfleigestufen“ have been replaced by five „Pflegegrade“ (both translated as „care level“ in this context). Because there is no direct correlation in a ratio of 1:1, the change in 2017 is not quantifiable

Z17/4112

The percentage distribution of people in need of long-term care in each of the care levels is shown in the following graphic:



Z17/4113

Significantly less people receive benefits in care level 5 than in care level 2, 3 or 4. This is true of the private as well as of the mandatory long-term care insurance sector. Having said that, the proportion of those in greatest need of long-term care is much higher in the private long-term care insurance sector than in the mandatory long-term care insurance sector. In 2017, 9.2 percent of benefit recipients in the private long-term care insurance sector have been

categorized in care level 5 and 19.1 percent in care level 4. The equivalent figures in the mandatory long-term care insurance sector were 7.0 percent in care level 5 and 15.4 percent in care level 4.

4.2 Primary prevention

Due to its social responsibility the private healthcare insurance finances activities of primary prevention which address society as a whole or subgroups with a higher vulnerability.

	2017	2016	Change	
	in € mill.	in € mill.	absolute	in percent
Ageing in health¹	4.0	4.0	0.0	0.00
Growing up in health¹	6.0	6.0	0.0	0.00
Prevention of HIV/AIDS²	3.5	3.5	0.0	0.00
Promotion of health literacy³	7.0	7.0	0.0	0.00
Total	20.5	20.5	0.0	0.00

1 as a contribution to the German government's agency for health promotion and awareness (BZgA)
 2 as a contribution to the BZgA and German AIDS Foundation
 3 as a contribution to the Health Knowledge Foundation. Due to the Foundation's set-up the amount will be partially spent in subsequent years.

Z17/4201

4.3 Damages accrual [G]

Not all insurance cases can be concluded in the year in which they arose. This means that companies then have benefit obligations which cannot be provided until the following year. To avoid a disproportionate charge falling in the following year, an accrual for damages from the previous year is set up, known as the 'Damages accrual' [*Schadenrückstellung*].

	2017	2016	Change	
	in € mill.	in € mill.	absolute	in percent
Damages accrual	7,154.4	6,622.8	+531.6	+8.03
from this, the business that has been placed into counter indemnity [G] is deducted	11.9	10.8	+1.1	+10.19
Balance sheet figure [G]	7,142.5	6,612.0	+530.5	+8.02

Z17/4301

4.4 Accruals for reimbursement of contributions [G]

The accruals for reimbursement of contributions (RfB) from companies developed in the following manner:

Development trend for RfB	Total	including success-dependent RfB			Including success-independent RfB		
		for the PPV*	for the GEPV*	Other	for the PPV	acc. to § 150(4) VAG	Other
Figure on 31 December 2016	16,241.2	3,390.0	99	12,186.3	0	402.3	163.6
Transfers	0.2	0.1	0	0.1	0	0	0
Disbursements	5,552.3	942	13.9	4,216.4	0	243.3	136.7
including for Offsets ¹	4,090.0	942	13.9	2,883.6	0	243.3	7.2
Cash disbursement [G]	1,462.3	0	0	1,332.8	0	0	129.5
Addition of funds	5,138.4	636.7	71.9	4,173.2	0	107	149.6
Figure on 31 December 2017	15,827.5	3,084.8	157	12,143.2	0	266	176.5
from this, the business that has been placed into counter indemnity [G] is deducted	0						
Balance sheet figure [G]	15,827.5						

* PPV = long-term care insurance GEPV = government-funded additional long-term care insurance

¹ The offset process involves the allocation of funds to superannuation accruals or as offsets with premium receivables. To obtain a breakdown of one-off contributions from accruals for the reimbursement of contributions by types of insurance provision, please refer to Chapter 3.2.

Z17/4401

Transfers of charges arise primarily in cases where, at the time the balance sheet is drawn up, billing arrangements have not been finalized to achieve the legally specified level of compensation required for long-term care provision.

The "Other" heading includes funds for reimbursements of contributions guaranteed by tariff [G] and for contractually agreed reimbursements of contributions in group contracts.

The cash disbursement facility contains the funds which insurance companies use to refund insured persons who have not, in the course of a calendar year, submitted any bills for reimbursement. The level of individual reimbursement is somewhere between one and six months of contributions.

4.5 Superannuation accruals [G]

Private healthcare insurance sets up superannuation accruals to counteract the higher healthcare costs incurred by its insurance clients as they get older. This method ensures that contributions do not rise simply because an insured person is getting older. However, superannuation accruals are not the only provision put in place by healthcare insurance companies for the future of their paying clients. The extent of total preventive care measures is reflected in the preventive care ratio depicted at the end of this sub-chapter.

The following table shows the total for superannuation accruals as well as the development in 2017:

Superannuation accruals	2017	2016	Change	
	in € mill.	in € mill.	absolute	in percent
Healthcare insurance	212,724.4	200,164.9	+12,559.5	+6.27
Long-term care insurance	34,481.6	32,554.7	+1,926.9	+5.92
Superannuation accrual	247,206.0	232,719.6	+14,486.4	+6.22
from this, the business that has been placed into counter indemnity [G] is deducted	0.0	0.0	0.0	0.00
Balance sheet figure [G]	247,206.0	232,719.6	+14,486.4	+6.22

Z17/4501

The funds allocated to superannuation accruals can be sub-divided as follows, in accordance with the sources of those additional funds:

Source of funds for superannuation accruals	2017 in € mill.	2016 in € mill.	Change	
			absolute	in percent
Legally stipulated ten percent surcharge [G]	1,192.1	1,165.8	+26.3	+2.26
Scheduled net introduction of funds¹ including billable interest charges on superannuation accruals	8,546.7	8,722.4	-175.7	-2.01
Disbursements from RfB to limit contribution levels	3,846.7	1,883.3	+1,963.4	+104.25
Limitation in accordance with § 150 para. 2 of the insurance supervisory law (VAG)²	657.6	690.9	-33.3	-4.82
Limitation in accordance with § 150 para. 4 of the insurance supervisory law (VAG)²	243.3	174.0	+69.3	+39.83
Total funds allocated	14,486.4	12,636.4	+1,850.0	+14.64

1 The scheduled net inflow of funds is the figure obtained by balancing off scheduled transfers of funds against scheduled disbursements for older insured persons, whose superannuation accruals are being scaled down (also refer to Chapter 3).

2 Explanations of § 150 VAG see Chapter 3.3

Z17/4502

The following table shows the ratio of new funds allocated to superannuation accruals and revenues from contributions:

	2017 Revenues from contributions in € mill.	2017 Allocation of new funds to super- annuation in € mill.	Share of new funds intro- duced to superannuation accruals relative to reven- ues from contributions, expressed in percent
Healthcare insurance	36,454.6	12,559.5	34.45
Long-term care insurance	2,594.5	1,926.9	74.27
Total	39,049.1	14,486.4	37.10

Z17/4503

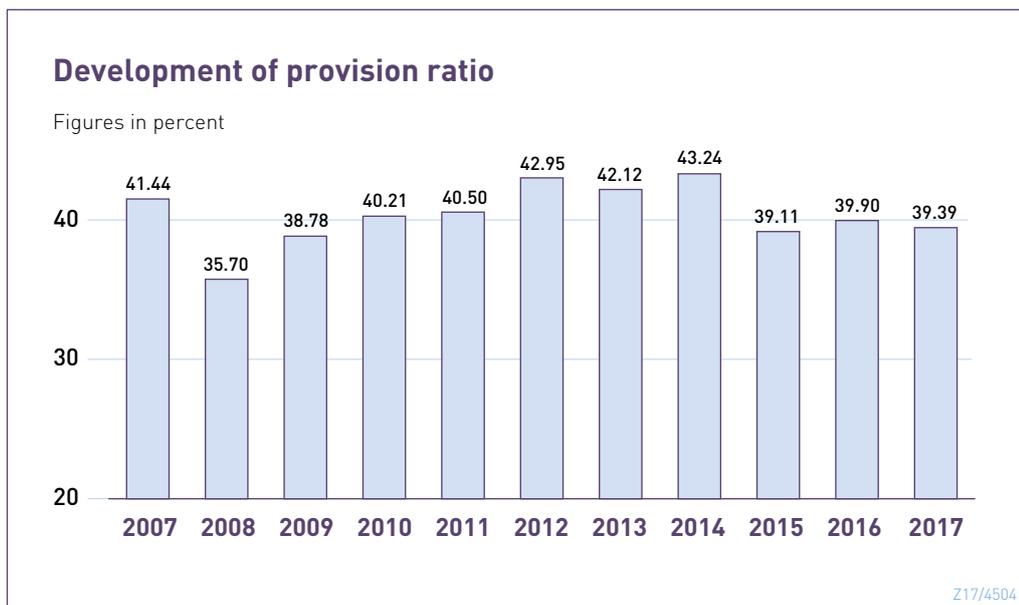
The overwhelming share of long-term care benefits is not required until later years of life. For this reason, the share of new funds allocated to superannuation accruals relative to revenues from contributions for long-term care insurance is substantially higher than it is for healthcare insurance.

Provision ratio

The PKV adopts preventive measures to ensure that contribution levels do not rise as an insured person gets older and calls on insurance benefits to an increased extent. Measures of this kind are not provided by the GKV sector. In the PKV sector, this provision takes three forms of delivery

- Allocation of funds to superannuation accruals
- Allocations of funds to accruals for success-dependent reimbursement of contributions
- Use of contributions in accordance with § 150 para. 4 VAG.

The extent of these various preventive measures becomes apparent in the provision ratio in which they are set out alongside gross contribution revenues. The provision ratio therefore indicates what percentage of gross earnings from the entire sector flows into provision for old age. Based on this provision that is in place to cover the sickness costs that come about with older age, the PKV precludes the consequences of the demographic development in contrast to the mandatory healthcare insurance. Ensuing generations will therefore not be left with the burden of having to co-finance the costs of providing healthcare services to older insured people.



4.6 Administration and acquisition expenses

The ongoing costs incurred by companies through the running of an insurance business are divided into administrative expenses [G] and acquisition expenses [G].

	2017	2016	Change	
	in € mill.	in € mill.	absolute	in percent
Acquisition expenses	2,466.9	2,440.4	+26.5	+1.09
Administration expenses	888.8	869.1	+19.7	+2.27
Total	3,355.7	3,309.5	+46.2	+1.40

Z17/4601

Administration expenses as a proportion of capped revenues from contributions in 2017 decreased to 2.28 (2016: 2.33) percent. Since 1975 (7.21 percent) the proportion of administrative expenses has declined considerably.



5. Statistics for tariff calculation



Whereas chapters 1 to 4 dealt mainly with the economic situation of the industry, chapter 5 concentrates on the claiming of benefits within the various groups of insured persons. The PKV association samples large amounts of data from its member companies. The data in question is exclusively anonymised. The data collected is compiled by the association in order to produce profiles and other statistical information. This information can be used by the member companies as a basis for their tariff calculations.

5.1 Profiles

The association produces so-called profiling processes for the invoice values on the basis of the figures supplied by the insurance companies. These profiles demonstrate how the individual services covered are dependent on the age of the person insured. They are processed separately for both men and women for each type of cover. Data from companies have been collected since 1970 as part of the association's bid to compile hazard statistics. In the beginning information was sourced from invoice values for healthcare tariffs with 100 percent insurance cover. Further studies followed which included excess tariffs. Evaluations based on the profiles only began in 1989 as far as per diem sick pay is concerned. With all profile processing incidental fluctuations are adjusted with the help of statistical procedures.

Hazard statistics

Figures supplied by the member companies include tariff-related information on invoice and service values, arranged in the following categories:

- Pharmaceuticals and dressings
- Dental treatment, tooth replacement and orthodontics
- All other outpatient services
- Hospital services including treatment by the chief physician and surcharges incurred by special accommodation in a single/double private room (with and without per diem income cover).

The information is processed according to gender and according to age group. Only those persons insured who have belonged to the same tariff for a minimum of three years are considered. There is a considerably greater increase in the insurance payments for males as they grow older than is the case for females. The latter, in contrast, clearly cause higher benefit expenditures per person during younger years (age group that is between 20 and 35 years old). Pregnancies and births are partly responsible for this. Since the coming into effect of the General Equal Treatment Act [Allgemeines Gleichbehandlungsgesetz (AGG)] in August of 2006, the expenditures for pregnancies and motherhood are equally distributed between both genders when it comes to the calculation of tariffs. Since December 21, 2012, in accordance with judgment passed by the European Court of Law, basically there is no differentiation allowed anymore when calculating the insurance premiums for either men or women (the unisex judgment). That is why for the unisex tariffs the claims per risk are determined by taking into account the gender breakdown in order to respect the statistical differences between men and women when it comes to insurance benefits.

In order to compare the development of expenditure for all categories of cover, the values in the tables and diagrams which follow were standardized against the values of the male respectively female group aged 41-45. No conclusion

as to the absolute amount of invoice values can be inferred from the tables because of the standardization.

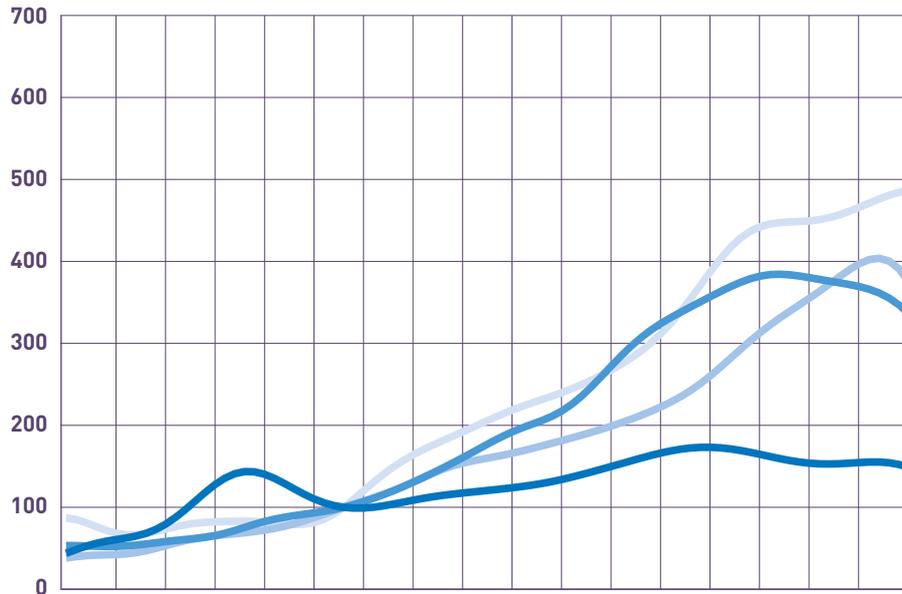
Expenditure in outpatient services 2017 according to age group¹	Medical treatment (incl. alternative medical treatment)	Pharmaceuticals and dressings	Therapeutic treatment	Medical aids and equipment
Women aged ... years				
over 95	154.40	362.24	406.77	469.63
91 – 95	150.40	370.81	366.67	449.27
86 – 90	155.46	379.81	338.51	443.23
81 – 85	166.83	367.25	288.61	418.19
76 – 80	168.97	339.84	239.34	347.78
71 – 75	157.23	302.66	211.05	290.29
66 – 70	141.22	244.67	189.86	251.94
61 – 65	127.29	207.32	174.31	228.59
56 – 60	119.04	175.69	159.14	205.58
51 – 55	112.67	148.77	145.15	179.44
46 – 50	102.35	118.62	118.98	146.88
41 – 45	100.00	100.00	100.00	100.00
36 – 40	119.94	88.80	79.38	81.34
31 – 35	140.12	75.79	68.89	79.99
26 – 30	108.96	64.26	63.76	80.52
21 – 25	66.99	53.67	45.39	68.42
16 – 20	55.02	52.58	41.49	75.65
under 16	35.93	42.81	37.68	61.30
Men aged ... years				
over 95	313.33	484.05	558.85	772.67
91 – 95	313.86	547.20	447.37	651.82
86 – 90	323.53	582.71	404.88	679.61
81 – 85	333.52	567.17	353.69	605.16
76 – 80	316.58	513.08	294.65	495.92
71 – 75	279.15	438.15	260.04	413.95
66 – 70	232.52	353.82	224.04	349.49
61 – 65	191.24	270.24	191.61	291.46
56 – 60	160.71	195.34	163.39	228.82
51 – 55	129.82	149.92	134.71	183.68
46 – 50	112.77	119.17	113.42	149.26
41 – 45	100.00	100.00	100.00	100.00
36 – 40	89.95	88.77	82.81	70.44
31 – 35	80.08	77.17	80.67	68.30
26 – 30	74.29	70.64	88.91	80.28
21 – 25	64.30	60.75	60.43	63.64
16 – 20	62.99	84.30	56.39	88.77
under 16	70.14	65.04	84.62	76.94

¹ All values for each type of cover were standardized against the values of the groups aged 41-45.

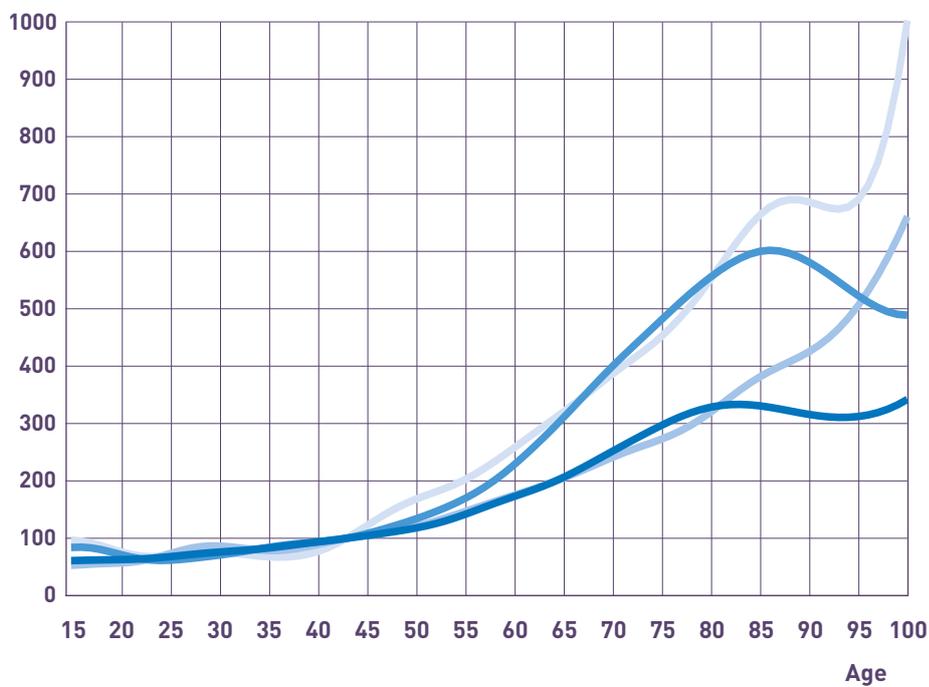
Expenditure in outpatient services 2017 in relation to age¹

- Medical treatment (incl. alternative)
- Pharmaceuticals and dressings
- Therapeutic treatment
- Medical aids and equipment

Women



Men



¹ All values for each type of cover were standardized against the values of the groups aged 41-45.

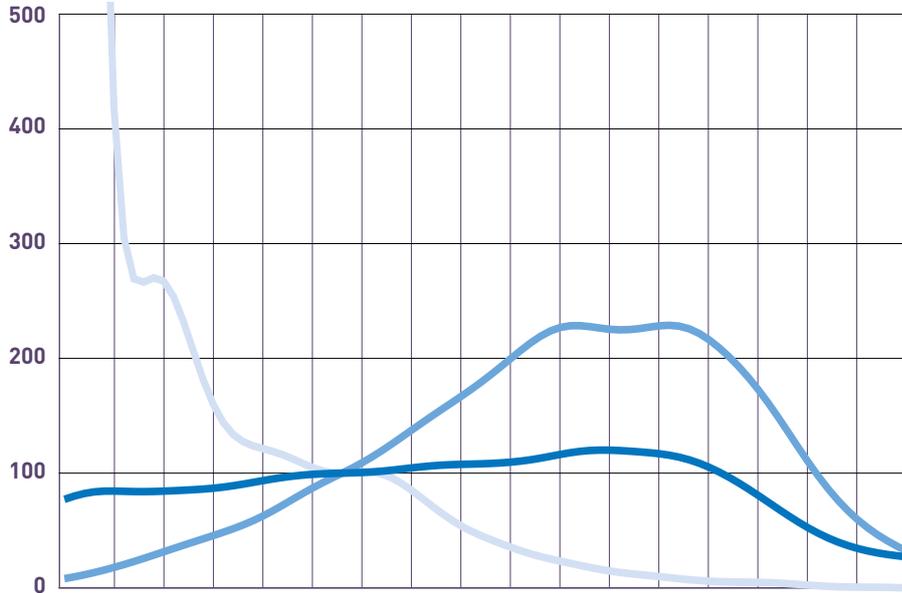
Expenditure in dental care services 2017 according to age group¹	Dental treatment	Tooth replacement	Orthodontics
Women aged ... years			
over 95	29.83	43.08	0.36
91 – 95	42.45	83.32	1.81
86 – 90	63.91	134.77	1.96
81 – 85	92.94	191.76	4.24
76 – 80	111.64	223.63	6.49
71 – 75	117.02	223.97	10.85
66 – 70	119.53	224.66	17.63
61 – 65	112.60	216.20	26.81
56 – 60	108.28	183.92	38.41
51 – 55	106.60	154.07	62.73
46 – 50	102.34	124.39	88.93
41 – 45	100.00	100.00	100.00
36 – 40	96.84	76.44	107.99
31 – 35	90.40	55.43	121.08
26 – 30	85.42	39.73	189.73
21 – 25	82.98	24.77	259.50
16 – 20	83.98	13.00	1,549.57
under 16	46.15	2.68	1,968.85
Men aged ... years			
over 95	46.41	80.82	6.57
91 – 95	67.74	127.31	4.76
86 – 90	94.17	183.98	6.03
81 – 85	123.89	241.63	8.56
76 – 80	136.76	262.29	9.49
71 – 75	137.71	260.93	13.67
66 – 70	131.87	258.31	18.83
61 – 65	123.22	239.95	18.76
56 – 60	115.41	195.35	32.20
51 – 55	109.40	160.47	51.67
46 – 50	104.34	122.92	74.04
41 – 45	100.00	100.00	100.00
36 – 40	90.38	80.67	108.56
31 – 35	84.30	60.79	122.48
26 – 30	79.91	40.83	183.79
21 – 25	81.43	25.86	320.09
16 – 20	94.06	12.20	3,364.75
under 16	56.06	2.57	3,203.64

¹ All values for each type of cover were standardized against the values of the groups aged 41-45.

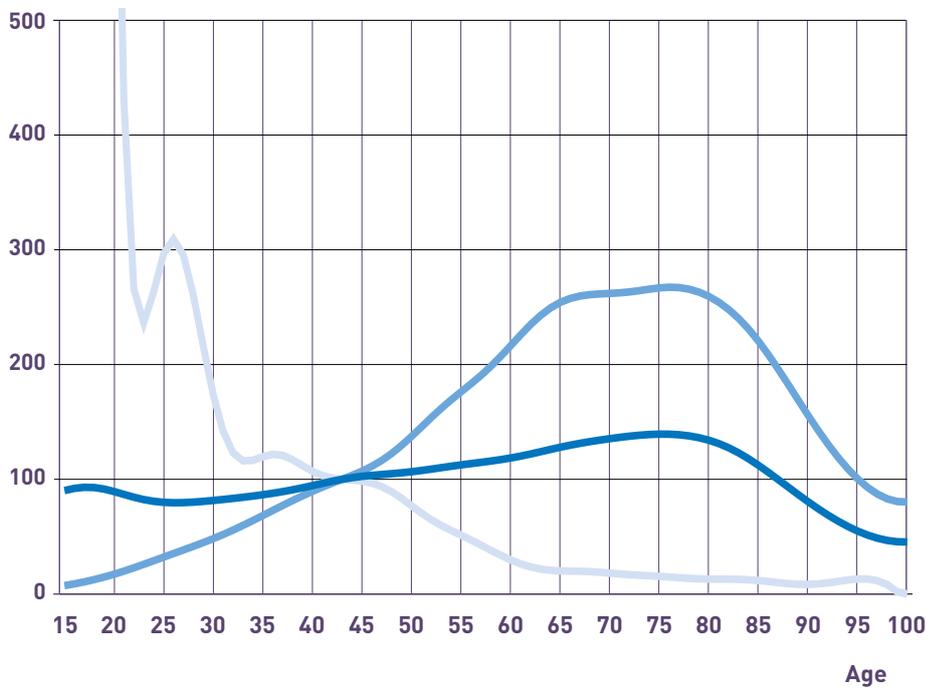
Expenditure in dental care services 2017 in relation to age¹

■ Dental treatment ■ Tooth replacement ■ Orthodontics

Women



Men



1 All values for each type of cover were standardized against the values of the groups aged 41-45.

Z17/5104

In the inpatient sector not only the expenditures for general hospital services may be of note, but also those for the elective services of treatment from chief physician and of accommodation in single or double rooms.

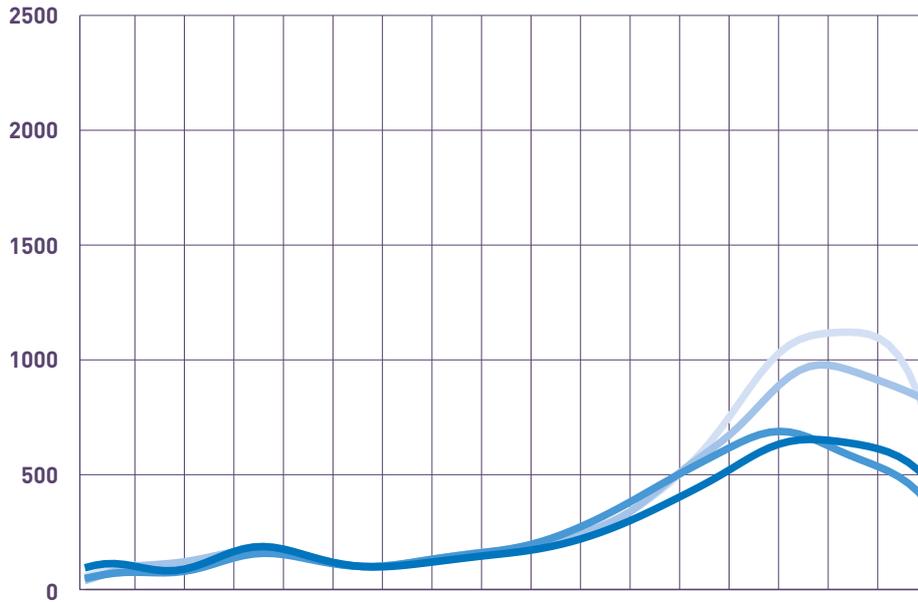
Expenditure in inpatient services 2017 according to age group¹	General hospital services	Elective service of treatment from chief physician	Elective service of accommodation in single rooms	Elective service of accommodation in double rooms
Women aged ... years				
over 95	573.54	477.21	877.71	959.25
91 – 95	626.62	557.07	937.78	1088.23
86 – 90	651.06	649.33	981.27	1075.50
81 – 85	591.39	651.71	777.31	893.01
76 – 80	466.62	557.10	607.43	618.72
71 – 75	361.35	446.41	445.69	425.83
66 – 70	266.07	327.69	293.46	290.71
61 – 65	198.39	235.52	225.65	220.38
56 – 60	160.04	175.72	170.46	167.41
51 – 55	133.80	144.14	147.76	134.33
46 – 50	110.67	116.32	120.77	110.13
41 – 45	100.00	100.00	100.00	100.00
36 – 40	141.77	125.42	135.72	134.62
31 – 35	184.73	153.28	170.80	172.51
26 – 30	137.88	114.14	155.67	123.36
21 – 25	82.07	68.21	94.71	93.63
16 – 20	111.16	68.05	76.79	89.28
under 16	64.11	32.54	14.11	15.46
Men aged ... years				
over 95	1177.73	970.30	1899.19	2103.37
91 – 95	1166.30	1088.18	1676.88	2204.98
86 – 90	1163.78	1134.90	1523.37	1844.17
81 – 85	1084.18	1129.86	1256.42	1488.24
76 – 80	877.46	958.58	896.70	1067.74
71 – 75	711.13	805.11	754.36	781.85
66 – 70	534.06	594.46	500.28	532.92
61 – 65	387.08	420.23	335.85	373.60
56 – 60	272.24	282.19	257.65	255.08
51 – 55	183.85	183.86	181.21	166.47
46 – 50	135.51	134.63	128.54	124.24
41 – 45	100.00	100.00	100.00	100.00
36 – 40	80.01	78.37	68.45	81.35
31 – 35	78.13	72.00	69.05	73.61
26 – 30	100.80	82.73	92.17	88.13
21 – 25	97.42	76.17	72.17	108.23
16 – 20	101.15	61.93	53.63	57.21
under 16	95.52	46.52	17.58	19.59

¹ All values for each type of cover were standardized against the values of the groups aged 41-45.

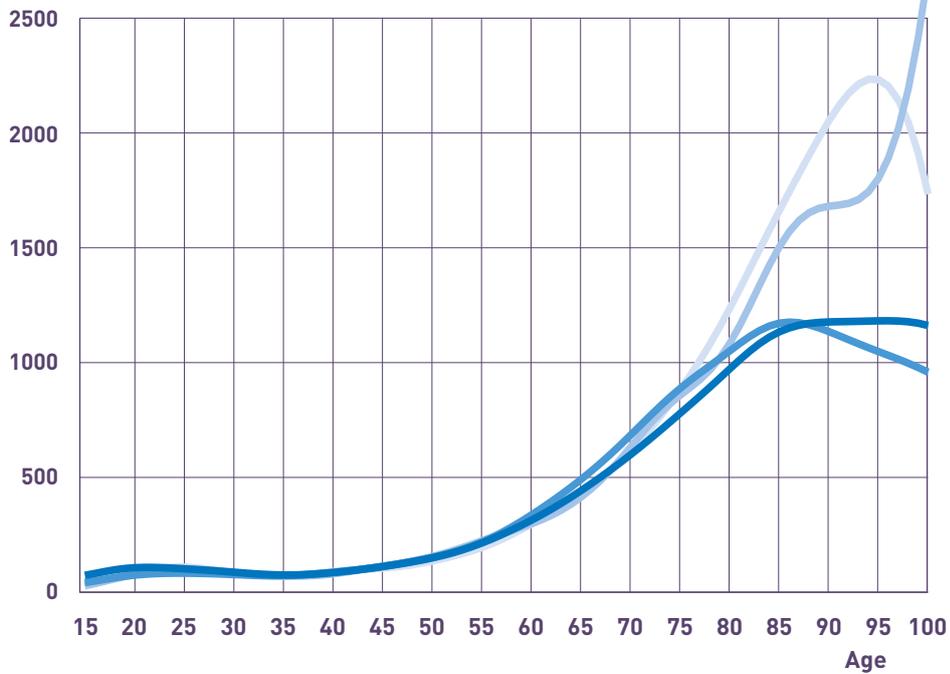
Expenditure in inpatient services 2017 in relation to age¹

- General hospital services
- Elective service of treatment from chief physician
- Elective service of accommodation in single rooms
- Elective service of accommodation in double rooms

Women



Men



¹ All values for each type of cover were standardized against the values of the groups aged 41-45.

Z17/5106

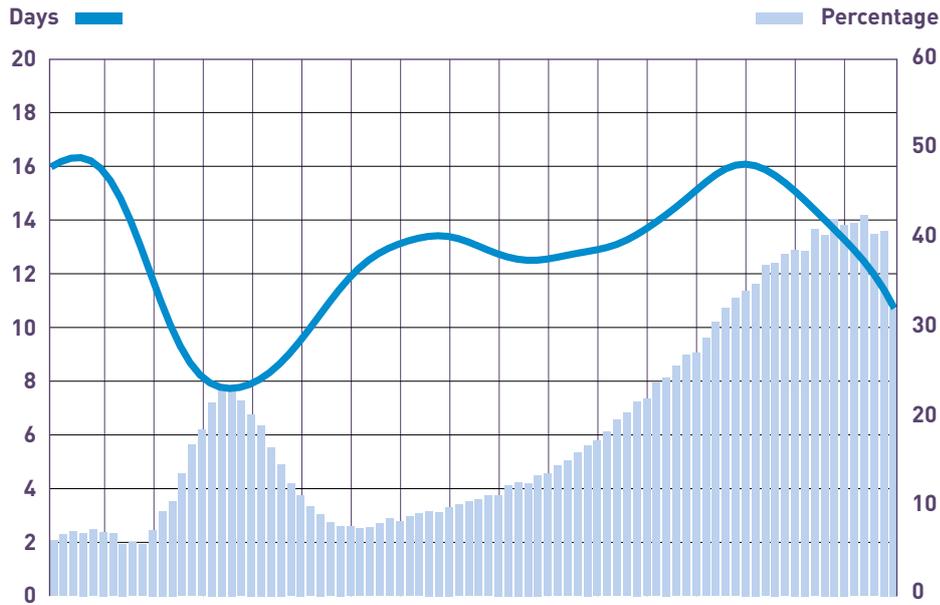
It is possible to determine the percentage of insured persons receiving general hospital services from all insured persons. In this context the length of the hospital stay is also important:

Recipients of general hospital services and length of hospital stay according to age group 2017	Percentage of recipients with coverage of inpatient services from all insured persons	Length of hospital stay in days
Women aged ... years		
over 95	40.50	12.39
91 – 95	40.42	14.12
86 – 90	37.12	15.60
81 – 85	31.31	15.86
76 – 80	25.40	14.49
71 – 75	20.53	13.21
66 – 70	15.92	13.02
61 – 65	13.00	12.36
56 – 60	10.82	13.10
51 – 55	9.39	13.26
46 – 50	8.06	12.89
41 – 45	8.55	10.72
36 – 40	14.81	8.65
31 – 35	21.85	7.89
26 – 30	14.99	8.82
21 – 25	6.36	14.28
16 – 20	7.13	15.98
under 16	5.95	7.79
Men aged ... years		
over 95	54.77	11.05
91 – 95	48.34	13.71
86 – 90	42.18	14.60
81 – 85	35.79	14.16
76 – 80	29.69	13.37
71 – 75	24.99	13.06
66 – 70	19.63	12.41
61 – 65	15.66	11.85
56 – 60	12.18	11.71
51 – 55	9.34	10.95
46 – 50	7.52	10.14
41 – 45	6.30	9.03
36 – 40	5.46	7.86
31 – 35	5.17	8.12
26 – 30	6.09	8.36
21 – 25	5.81	10.85
16 – 20	5.99	9.35
under 16	6.87	6.51

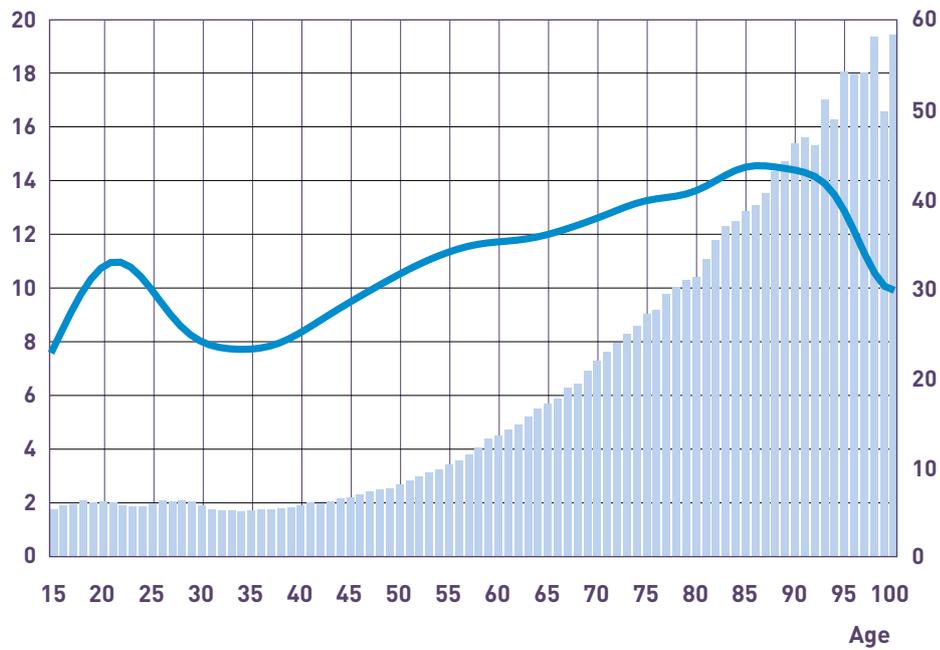
Recipients of general hospital services and length of hospital stay 2017 in relation to age

- Percentage of recipients with coverage of inpatient services from all insured persons
- Length of hospital stay in days

Women



Men



Z17/5108

Usually employees receive six weeks continuation of pay from their employer in the event of illness. They therefore mostly insure a per diem sick day pay only starting with the 43rd day of sick leave. As those that are self-employed do not receive any continuation of pay, they, as a rule, reach an agreement with their healthcare insurance company that they become eligible for per diem sick pay from the eighth day of illness.

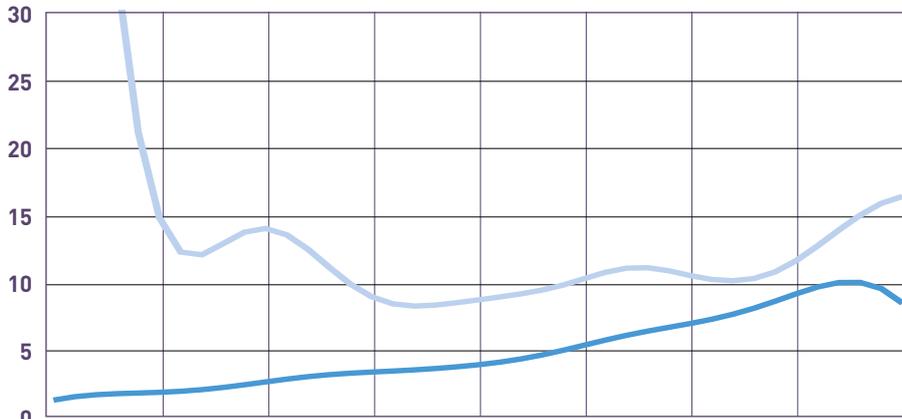
Per diem sick pay claims 2017 according to age group	Sick days on per diem sick pay from the 8th day of illness	Sick days on per diem sick pay from the 43rd day of illness
Women aged ... years		
61 – 65	14.77	9.68
56 – 60	10.50	8.01
51 – 55	11.12	6.32
46 – 50	8.76	4.50
41 – 45	8.29	3.58
36 – 40	8.08	3.07
31 – 35	20.63	2.16
26 – 30	22.79	1.69
21 – 25	0.00	1.16
Men aged ... years		
61 – 65	17.67	8.86
56 – 60	15.25	6.49
51 – 55	13.03	4.31
46 – 50	14.42	3.15
41 – 45	5.31	2.30
36 – 40	10.97	1.94
31 – 35	21.84	1.80
26 – 30	17.48	1.77
21 – 25	0.00	1.59

Z17/5109

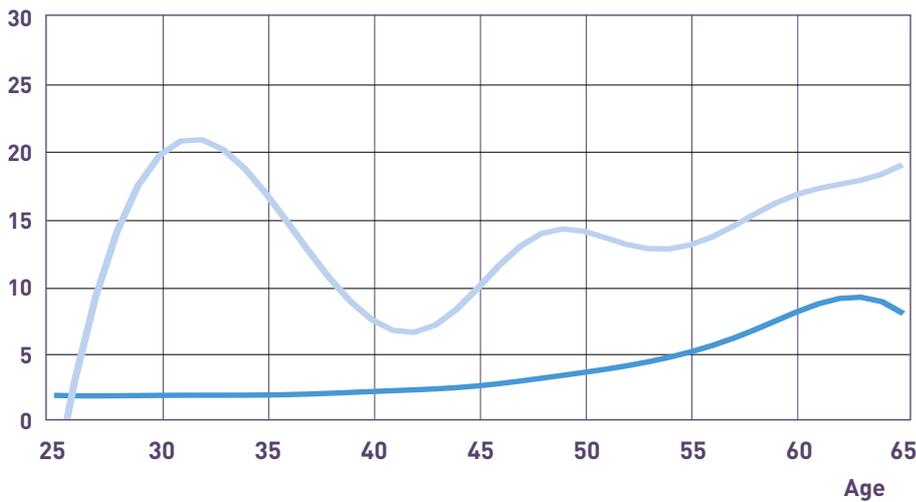
Per diem sick pay claims 2017 in relation to age

- Sick days on per diem sick pay from the 8th day of illness
- Sick days on per diem sick pay from the 43rd day of illness

Women



Men



Z17/5110

Excess insurance statistics

The PKV association also closely studies the correlation between expenditure and the excess amount established by the tariff. Suitable excess groups are created from the data available. This ensures that those insured groups under observation possess a sufficient level of assets. Only in this way is a well-founded forecast possible.

The profiles are all the bolder, the greater the excess. It should be noted that, in appraising the values, the statistics for the calculation of tariffs at the upper end of the age spectrum (assets per excess group) can be slight, so much so that statistical fluctuations may arise. The bolder nature of the profiles does not imply higher premiums with a higher excess since, in absolute terms, the cover expenditure in the case of a higher excess is significantly lower. To make

the development of expenditures better comparable, the values for both sexes in the following tables and graphics have been standardized against the tariff group without excess.

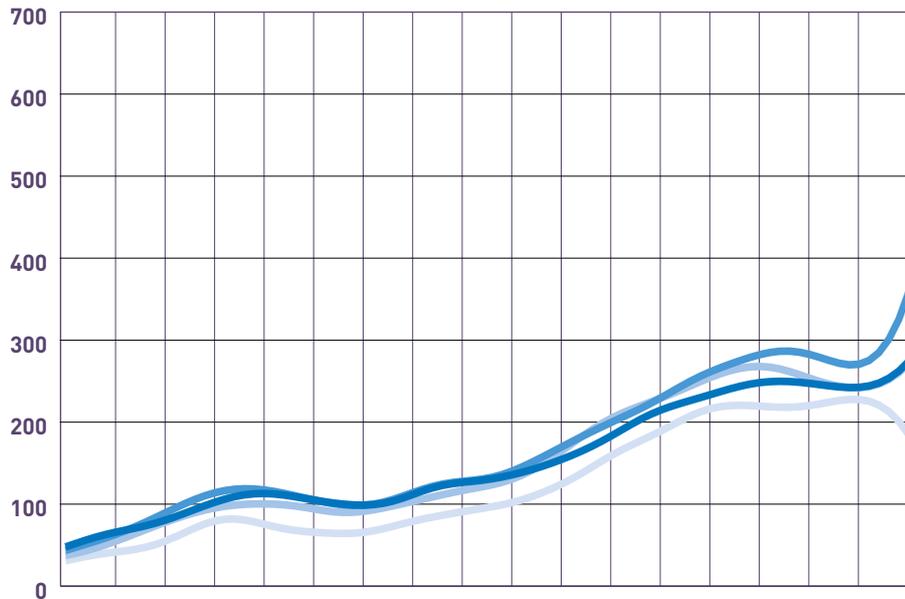
Expenditure in the outpatient sector 2017 according to age group¹	No absolute excess	up to € 300	Excess over € 300 to € 600	over € 600
Women aged ... years				
over 95	237.13	314.17	245.77	169.25
91 – 95	227.29	277.63	245.35	188.73
86 – 90	233.96	310.08	266.14	179.32
81 – 85	232.58	255.36	250.39	183.00
76 – 80	212.80	260.79	242.12	174.94
71 – 75	194.80	211.60	206.27	147.70
66 – 70	164.47	183.75	184.16	119.86
61 – 65	141.92	149.80	139.87	96.14
56 – 60	129.74	123.84	112.54	80.20
51 – 55	122.33	117.36	100.76	69.94
46 – 50	102.28	98.04	88.05	58.60
41 – 45	100.00	94.73	80.87	53.03
36 – 40	107.98	104.73	92.51	49.64
31 – 35	110.81	112.29	90.17	69.11
26 – 30	96.81	109.31	81.60	55.19
21 – 25	66.57	69.45	56.36	33.56
16 – 20	58.79	48.63	36.72	26.19
under 16	38.35	31.41	25.65	20.39
Men aged ... years				
over 95	460.73	488.64	599.70	356.48
91 – 95	484.50	599.43	497.44	380.05
86 – 90	479.12	548.49	566.20	401.41
81 – 85	457.02	532.40	532.34	367.57
76 – 80	403.16	467.29	454.58	329.86
71 – 75	351.30	410.17	383.47	275.33
66 – 70	289.17	316.24	279.99	198.18
61 – 65	225.77	228.17	202.35	148.00
56 – 60	178.17	177.97	146.22	105.77
51 – 55	142.60	133.88	107.30	79.97
46 – 50	116.92	107.09	86.53	59.60
41 – 45	100.00	96.58	69.33	49.30
36 – 40	86.10	90.32	60.43	39.48
31 – 35	75.99	88.83	52.07	29.42
26 – 30	79.15	89.02	50.32	39.36
21 – 25	82.23	80.83	79.17	61.70
16 – 20	79.94	61.22	50.43	40.20
under 16	80.60	69.77	53.92	42.78

¹ All values were standardized against the values of the groups aged 41-45 without excess.

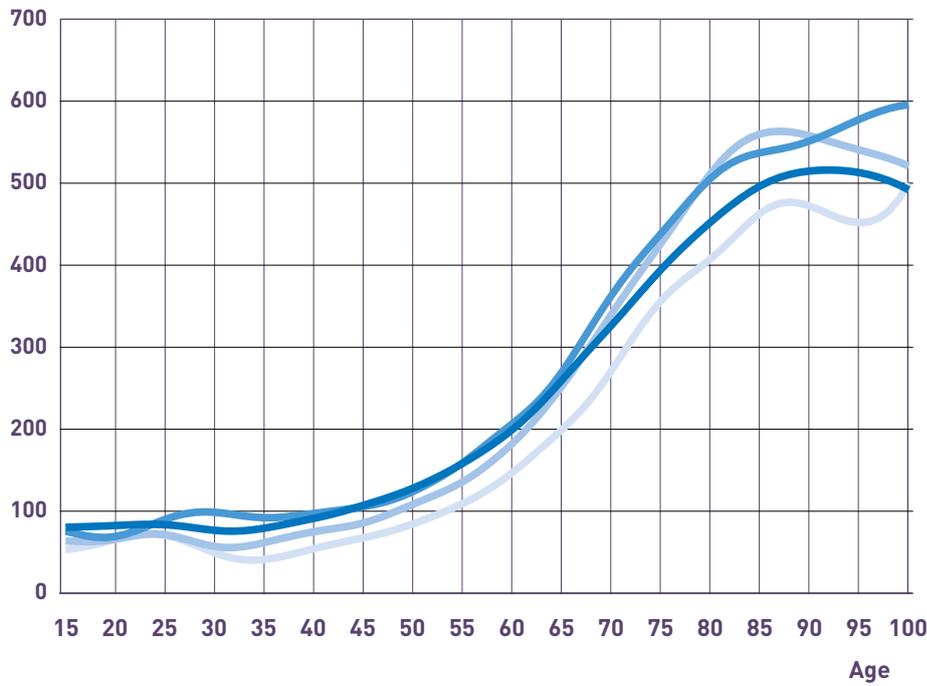
Expenditure in the outpatient sector 2017 in relation to age¹

- No absolute excess
- Excess up to € 300
- Excess over € 300 up to € 600
- Excess over € 600

Women



Men



¹ All values were standardized against the values of the groups aged 41-45 without excess.

5.2 Mortality table [G]

Another basis for the calculation of tariffs is mortality. This is presented in the form of a mortality table in which the remaining life expectancy in years as well as the resulting mortality is shown according to age and gender. The table is compiled by using the reports from companies detailing the mortality rates of their insured persons over the last few years. These values are adjusted using statistical processes, fine-tuned and projected into the future. The mortality table is reviewed on a yearly basis. In the event of a significant fluctuation a new mortality table is drawn up. The following table shows life expectancy according to the current mortality table.

Mortality table "PKV 2018"		
Remaining life expectancy in years at the age of ... years	Women	Men
0	87.83	84.69
5	82.90	79.77
10	77.92	74.79
15	72.95	69.82
20	68.01	64.90
25	63.08	60.02
30	58.13	55.12
35	53.18	50.20
40	48.25	45.28
45	43.34	40.40
50	38.49	35.58
55	33.71	30.88
60	29.02	26.34
65	24.45	21.95
70	19.98	17.71
75	15.64	13.69
80	11.58	10.02
85	8.07	6.94
90	5.39	4.65
95	3.56	3.23
100	2.17	2.13

Z17/5201

5.3 Evaluation of invoices from doctors and dentists

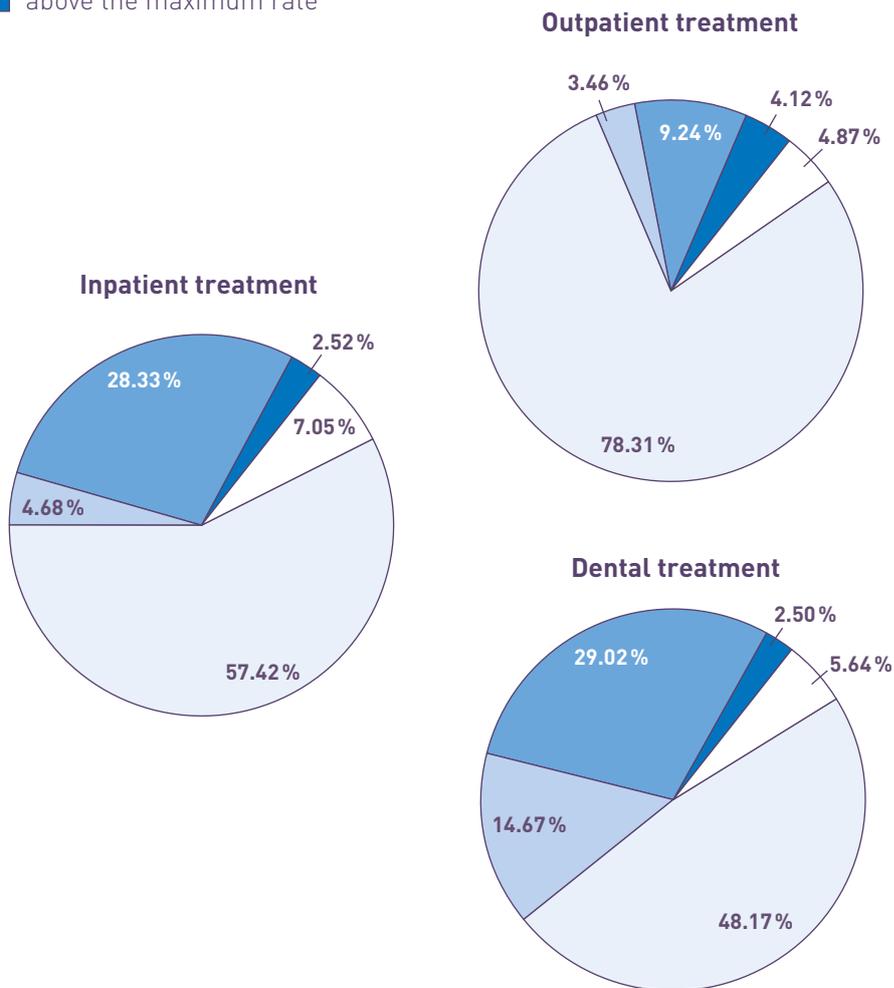
The PKV association evaluates invoices from doctors and dentists submitted for reimbursement to its member companies. The data is based on a complete evaluation of the records of several member companies (at present more than 17 million records). In the evaluation process, the PKV association collates the invoices according to their increments in line with the Fee directive for physicians / dentists (GOÄ/GOZ) [G].

The diagram below shows how the doctors' fees are distributed, below, in line with and above the statutory maximum rate and the maximum rate of the GOÄ/GOZ.

Structure of the GOÄ/GOZ-multipliers 2017

Calculation

- below the statutory maximum rate
- exactly at the statutory maximum rate
- between the statutory maximum rate and the maximum rate
- exactly at the maximum rate
- above the maximum rate



Source: complete evaluation of doctor and dentist invoices of several member companies

Z17/5301

The analysis of the anonymised invoices from doctors and dentists shows that it is quite rare that invoicing is lower than the statutory maximum rate. Only five to seven percent of the bills were invoiced below the statutory maximum rate. About half of the bills in each sector were invoiced exactly at the statutory maximum rate; if one only has a look at the out-patient sector, then it was even more than 75 percent. The highest rates, therefore, are less often within the outpatient sector: for the inpatient treatments as well as for dental treatments the doctors used the maximum rate of the respective fee directive in 28 percent to 29 percent of the cases – in the outpatient sector this figure was about nine percent.

5.4 Hospital statistics

The Federal Hospital per Diem Charge Ordinance (*Bundespflegesatzverordnung*) is the statutory source for elective hospital accommodation. It states that surcharges for single and double rooms must be proportionate to the treatment provided and that any costs incurred by the elective hospital accommodation should be reimbursed by the surcharges. The Federal Court of Justice (*BGH*) passed a leading decision (AZ III ZR 158/99) on 4 August 2000 in its interpretation of the legal guidelines. In the opinion of the Federal Court of Justice prices higher than the basic price are only possible when the patient is able to enjoy additional comforts. In light of the judgement by the the Federal Court of Justice the PKV association and the *Deutsche Krankenhausgesellschaft* (the German Hospital Federation) have reached an agreement and produced the “Common Recommendations on the Calculation of Surcharges in Elective Accommodation” document. By applying these recommendations a fair pricing policy for the majority of hospitals has been agreed in the meantime.

Average prices for supplements payable for a single and double room are shown in the tables illustrated in the pages which follow.

Single room surcharges ¹ according to federal state	2017 in €	2016 in €	Change	
			absolute	in percent
Baden-Württemberg	87.99	86.52	+ 1.48	+ 1.71
Bavaria	84.83	82.59	+ 2.24	+ 2.71
Berlin	99.96	93.71	+ 6.26	+ 6.68
Brandenburg	69.28	65.68	+ 3.60	+ 5.49
Bremen	86.03	82.55	+ 3.47	+ 4.21
Hamburg	107.08	85.63	+ 21.45	+ 25.05
Hesse	82.96	79.99	+ 2.96	+ 3.71
Mecklenburg- Western Pomerania	71.45	64.62	+ 6.84	+ 10.58
Lower Saxony	86.07	83.11	+ 2.97	+ 3.57
North Rhine- Westphalia	98.27	95.11	+ 3.16	+ 3.32
Rhineland-Palatinate	87.66	84.07	+ 3.59	+ 4.27
Saarland	86.23	85.46	+ 0.77	+ 0.90
Saxony	57.27	56.98	+ 0.29	+ 0.51
Saxony-Anhalt	70.47	68.46	+ 2.01	+ 2.94
Schleswig-Holstein	80.84	77.12	+ 3.72	+ 4.82
Thuringia	68.98	69.48	- 0.50	- 0.71
Nationwide	87.41	84.34	+ 3.07	+ 3.63

1 Average values per day compared to a standard shared room

Z17/5401

Double room surcharges ¹ according to federal state	2017 in €	2016 in €	Change	
			absolute	in percent
Baden-Württemberg	47.07	45.83	+1.24	+2.72
Bavaria	46.18	44.08	+2.10	+4.76
Berlin	50.20	44.92	+5.28	+11.75
Brandenburg	33.49	31.07	+2.42	+7.79
Bremen	41.19	38.03	+3.17	+8.33
Hamburg	55.10	39.91	+15.19	+38.06
Hesse	46.48	42.96	+3.52	+8.19
Mecklenburg- Western Pomerania	33.40	27.22	+6.18	+22.71
Lower Saxony	47.34	44.84	+2.49	+5.56
North Rhine- Westphalia	54.38	51.68	+2.70	+5.23
Rhineland-Palatinate	45.06	42.68	+2.38	+5.58
Saarland	42.21	41.05	+1.15	+2.80
Saxony	29.45	30.43	-0.97	-3.20
Saxony-Anhalt	33.13	31.27	+1.86	+5.94
Schleswig-Holstein	43.04	40.74	+2.30	+5.65
Thuringia	37.31	35.50	+1.81	+5.10
Nationwide	47.47	44.77	+2.71	+6.05

¹ Average values per day compared to a standard shared room

Z17/5402

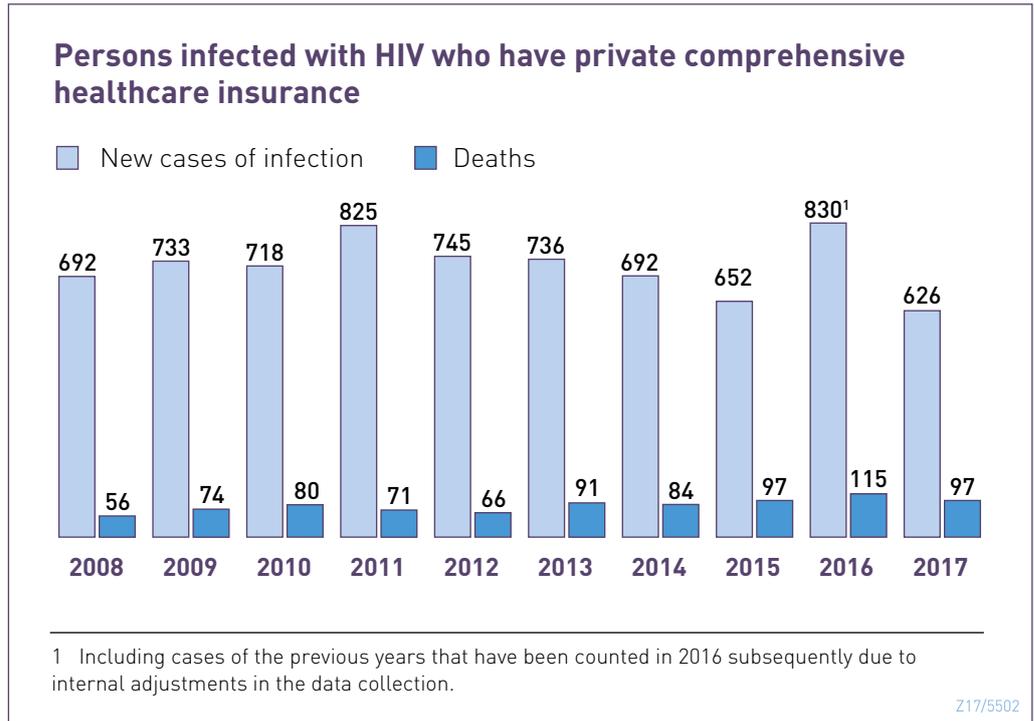
5.5 AIDS statistics

AIDS (Acquired Immunodeficiency Syndrome) is caused by the HI-Virus (Human Immunodeficiency Virus). Across the world around 36.9 million people live with HIV; 1.8 million of these are children. According to figures released by the World Health Organisation in 2017 there were 1.8 million new cases of HIV infection and 900,000 people died of AIDS. According to figures released by the Robert Koch Institute (RKI), in 2017 there were 3,300 initial diagnoses of HIV reported in Germany. The fight against AIDS, therefore, remains a matter of urgency for all of society.

The PKV has committed itself since 2005 notably to the fight against AIDS by making an annual contribution of € 3.5 million to the German government's agency for health promotion and awareness as well as to the German AIDS Foundation. Not least of all because the number of those infected with HIV and who have private healthcare insurance is relatively high when compared with the population as a whole.

The member companies of the PKV association counted 626 new infections in 2017 among their insured that had comprehensive private healthcare insurance. A direct comparison with the figures of the RKI is not possible, however, because of the different methodology: The RKI counts a new HIV infection at the time when an antibody test for a specific individual was positive for the first time; the member companies of the PKV association count a new HIV case when the first specific claim for cover has been applied for by the person insured. Thus, the number of new HIV cases in the PKV corresponds to the administrative incidence. Anyone who did not make a claim for cover, for example due to an excess clause in the policy or because the treatment had not yet started, is not included in the AIDS statistics of the PKV.

The PKV association, in the context of its statistics on AIDS, includes the numbers of new cases of HIV infection and the number of those infected with HIV who have died during the respective period under review. The time at which the PKV records the data does not necessarily have to be same as when the insured person has been made aware of the diagnosis. The reason for this is that the PKV only takes into account cases where a claim for cover has been applied for. Anyone who does not make a claim for cover, for example due to an excess clause in the policy, is not included in the AIDS statistics.



Over time, the number of new infections decreased generally when compared to previous years. The year 2016, however, is a break in this time series. This is due to internal adjustments in the data collection. In consequence of those adjustments, several cases of infections that took place in previous years have been counted for the first time and have been published thus cumulatively in 2016.

The treatment of those infected with HIV cost on average in 2017 a total of more than € 20,000 – regardless of whether full-blown AIDS had developed or not.



6. Time periods 2007 - 2017



The following tables illustrate the most significant figures over the last eleven years. In cases where no figures are present, this is either because no data was available to us or because they lacked relevance due to adjustments in the data collection. Since 2013 the final business results of the extraordinary member companies of the PKV association are also included in the overall figures.

6.1 Customer base for the insurance business

Comprehensive healthcare insurance	2007	2008	2009	2010	2011
Number of persons with insurance	8,549,000	8,639,300	8,810,900	8,895,500	8,976,400
Net number of new entrants	59,900	90,300	171,600	84,600	80,900
New additions from GKV scheme	233,700	244,900	288,200	227,700	232,000
Departures to GKV	154,700	151,000	146,500	153,200	157,600
Persons with elective services in hospital	7,214,900	7,217,600	7,300,200	7,298,800	7,322,500
Persons with financial support	4,148,900	4,161,500	4,194,000	4,226,300	4,246,700

Long-term care insurance	2007	2008	2009	2010	2011
Number of persons with insurance	9,320,000	9,373,900 ¹	9,534,100	9,593,000	9,666,900
including Number of recipients	140,230	131,062 ¹	138,181	142,696	145,099

¹ The data of one of the companies was subsequently corrected.

2012	2013	2014	2015	2016	2017
8,956,300	8,890,100	8,834,400	8,787,300	8,772,700	8,753,400
- 20,100	- 66,200	- 55,700	- 47,100	- 14,600	- 19,300
159,900	123,900	115,500	120,400	129,100	129,300
162,400	161,200	145,700	140,200	130,600	133,000
7,304,100	7,250,300	7,197,700	7,173,100	7,026,400	7,104,500
4,254,900	4,255,600	4,269,700	4,291,500	4,329,100	4,356,000

Z17/6101

2012	2013	2014	2015	2016	2017
9,619,600	9,537,500	9,472,700	9,413,600	9,375,100	9,326,700
151,141	161,686	169,324	178,075	188,567	211,582

Z17/6102

	2007	2008	2009	2010	2011
Additional insurances (in total and selected types of insurance)					
Additional insurances in total	20,009,400	20,983,200	21,478,400	21,969,400	22,498,900
Tariffs for elective services in hospitals	5,167,600	5,382,700	5,565,400	5,643,500	5,712,800
Per diem loss of earnings cover	3,371,300	3,404,000	3,450,800	3,536,600	3,599,300
Per diem hospital insurance	8,648,100	8,545,700	8,449,900	8,333,900	8,246,300
Additional long-term care insurance	1,174,000	1,316,200	1,500,500	1,699,500	1,880,400
Government-funded additional long-term care insurance					

6.2 Revenues from contributions

	2007	2008	2009	2010	2011
Revenues from contributions in € mill.					
Healthcare insurance	27,578.4	28,360.3	29,393.7	31,174.3	32,562.3
including					
Comprehensive healthcare insurance	21,209.3	21,790.0	22,564.2	24,072.1	25,150.9
Long-term care insurance	1,882.9	1,970.2	2,074.2	2,096.0	2,105.1
Total	29,461.3	30,330.5	31,467.9	33,270.3	34,667.4

2012	2013	2014	2015	2016	2017
23,070,900	23,894,500	24,342,400	24,770,100	25,083,900	25,519,900
5,776,600	5,814,500	5,870,800	5,980,400	6,058,600	6,112,100
3,627,600	3,606,900	3,585,800	3,583,600	3,597,400	3,613,400
8,153,500	8,027,600	7,936,500	7,864,100	7,803,300	7,740,400
2,186,700	2,373,400	2,481,800	2,583,600	2,676,700	2,732,900
	359,600	558,600	683,600	777,200	834,000

Z17/6102

2012	2013	2014	2015	2016	2017
33,616.9	33,988.8	34,309.8	34,626.3	35,093.2	36,454.6
25,862.9	25,743.4	25,775.1	25,846.2	26,116.7	27,082.8
2,010.7	2,062.1	2,013.6	2,196.1	2,165.1	2,594.5
35,627.6	36,050.9	36,323.4	36,822.4	37,258.3	39,049.1

Z17/6201

6.3 Range of insurance benefits

Range of insurance benefits in € mill.	2007	2008	2009	2010
Outpatient services	8,273.9	8,921.1	9,316.0	9,556.7
including				
Medical treatment	4,591.4	4,944.0	5,124.3	5,238.9
Alternative medical treatment	186.8	196.6	207.5	218.7
Pharmaceuticals and dressings	2,047.4	2,223.3	2,330.8	2,406.3
Therapeutic treatment	676.0	730.5	764.1	800.5
Medical aids and equipment	674.5	719.9	739.4	762.3
Other	97.8	106.8	149.9	130.0
Inpatient services	5,556.0	5,838.5	6,114.0	6,425.8
including				
General hospital services	2,809.5	2,998.7	3,199.5	3,458.2
Elective service of treatment from chief physician	2,092.8	2,194.2	2,254.1	2,293.0
Elective service of accommo- dation in single rooms	519.6	505.9	519.6	525.9
Elective service of accommo- dation in double rooms				
Substitute hospital per diem funds	56.7	55.6	51.2	51.1
Other	77.4	84.1	89.6	97.6
Dental care services	2,716.6	2,902.1	3,039.4	3,214.4
including				
Dental treatment	1,029.5	1,081.7	1,104.8	1,145.0
Tooth replacement	1,491.8	1,620.3	1,725.3	1,852.6
Orthodontics	186.5	191.9	202.1	210.1
Other	8.8	8.2	7.2	6.7
Per diem sick pay	705.4	744.5	803.8	840.2
Hospital per diem sick pay	500.6	512.4	507.4	504.3
Additional insurance cover for long-term care provision	20.3	24.2	29.6	35.4
Government-funded additional long-term care insurance				
Other services	47.7	58.3	66.6	50.5
Special forms of insurance	499.0	550.2	576.6	589.4
Healthcare insurance	18,319.5	19,551.3	20,453.4	21,216.7
Long-term care insurance	578.1	617.7	667.7	698.8
Total	18,897.6	20,169.0	21,121.1	21,915.5

2011	2012	2013	2014	2015	2016	2017
9,864.4	10,006.3	10,453.9	10,742.0	11,239.9	11,616.7	11,800.7
5,405.3	5,471.2	5,686.1	5,783.8	6,015.2	6,194.8	6,269.4
239.3	245.1	257.6	264.2	276.7	292.3	294.0
2,448.7	2,461.1	2,594.8	2,709.9	2,864.5	2,973.1	3,061.6
838.6	861.7	895.4	921.5	957.4	985.0	985.7
790.5	812.5	854.4	886.1	932.0	963.0	972.2
142.0	154.7	165.6	176.5	194.1	208.5	217.8
6,695.1	6,741.1	7,002.2	7,084.9	7,443.2	7,587.6	7,716.9
3,650.4	3,699.6	3,914.8	4,031.9	4,290.8	4,438.2	4,588.3
2,345.5	2,343.6	2,364.1	2,322.7	2,384.8	2,356.7	2,298.8
542.9	541.1	291.0	293.6	304.9	313.6	325.0
		262.5	260.8	270.7	276.4	291.9
51.5	49.5	52.5	53.3	55.6	57.6	57.6
104.8	107.3	117.3	122.6	136.4	145.1	155.3
3,408.3	3,649.7	3,905.4	3,935.9	4,034.4	4,104.8	4,125.1
1,198.0	1,290.7	1,380.2	1,380.8	1,397.7	1,408.1	1,416.8
1,984.5	2,121.4	2,271.9	2,291.6	2,361.6	2,411.8	2,416.7
219.0	230.1	244.4	255.9	267.3	278.1	284.4
6.8	7.5	8.9	7.6	7.8	6.8	7.2
864.0	874.3	884.7	874.5	874.2	865.8	863.5
505.3	495.4	495.6	487.2	486.8	480.5	469.6
44.4	54.0	67.4	83.4	104.1	122.0	171.2
	0.0	0.1	0.1	0.3	0.7	1.1
62.6	77.9	76.9	78.1	77.9	79.0	86.3
609.5	609.0	605.8	624.3	679.3	685.6	685.2
22,053.6	22,507.7	23,492.0	23,910.4	24,940.1	25,542.7	25,919.6
720.5	779.3	857.1	880.1	967.8	1,049.6	1,286.1
22,774.1	23,287.0	24,349.1	24,790.5	25,907.9	26,592.3	27,205.7

Change in insurance benefits per insured person in percent	2007	2008	2009	2010
Outpatient services	+ 6.58	+ 6.88	+ 2.86	+ 0.79
including				
Medical treatment	+ 5.88	+ 6.74	+ 2.09	+ 0.45
Alternative medical treatment	+ 11.32	+ 4.33	+ 3.93	+ 3.56
Pharmaceuticals and dressings	+ 7.72	+ 7.64	+ 3.26	+ 1.43
Therapeutic treatment	+ 5.87	+ 7.12	+ 3.02	+ 2.93
Medical aids and equipment	+ 7.13	+ 5.80	+ 1.16	+ 1.29
Other	+ 8.61	+ 8.28	+ 38.21	- 14.55
Inpatient services	+ 2.34	+ 4.36	+ 3.37	+ 4.15
including				
General hospital services	+ 2.44	+ 5.80	+ 5.10	+ 6.19
Elective service of treatment from chief physician	+ 2.43	+ 3.60	+ 0.78	- 0.34
Elective service of accommodation in single rooms	+ 0.62	- 3.80	+ 0.77	- 0.15
Elective service of accommodation in double rooms				
Substitute hospital per diem funds	- 4.37	- 3.05	- 9.66	- 2.24
Other	+ 9.52	+ 7.70	+ 4.90	+ 7.30
Dental care services	+ 7.48	+ 5.90	+ 3.16	+ 3.94
including				
Dental treatment	+ 4.56	+ 4.15	+ 0.60	+ 1.86
Tooth replacement	+ 10.17	+ 7.67	+ 4.88	+ 5.53
Orthodontics	+ 6.00	+ 2.01	+ 3.72	+ 2.18
Other	- 31.79	- 7.77	- 12.63	- 8.43
Per diem sick pay	- 1.33	+ 4.63	+ 6.35	+ 3.01
Hospital per diem sick pay	+ 0.27	+ 1.46	- 2.47	- 2.05
Additional insurance cover for long-term care provision	+ 16.67	+ 18.49	+ 20.21	+ 17.99
Government-funded additional long-term care insurance				
Other services	- 7.44	+ 21.07	+ 12.54	- 25.29
Special forms of insurance	+ 14.31	+ 9.31	+ 3.23	+ 0.73
Healthcare insurance	+ 4.95	+ 5.79	+ 3.04	+ 2.23
Long-term care insurance	+ 1.48	+ 5.91	+ 6.48	+ 3.14
Total	+ 4.84	+ 5.80	+ 3.15	+ 2.26
including				
Total benefits for sickness costs	+ 5.37	+ 5.83	+ 3.09	+ 2.16

2011	2012	2013	2014	2015	2016	2017
+2.27	+1.09	+4.82	+3.46	+5.24	+3.72	+1.78
+2.22	+0.88	+4.29	+2.42	+4.61	+3.35	+1.40
+8.42	+2.09	+5.19	+3.26	+5.33	+6.02	+0.78
+0.82	+0.16	+5.80	+5.15	+6.32	+4.16	+3.18
+3.79	+2.40	+4.28	+3.62	+4.50	+3.25	+0.26
+2.74	+2.44	+5.47	+4.43	+5.79	+3.69	+1.15
+8.24	+8.56	+7.25	+7.33	+10.59	+7.81	+4.88
+3.61	+0.42	+4.43	+2.06	+5.69	+2.53	+2.18
+4.58	+1.00	+6.18	+3.70	+7.04	+3.80	+3.58
+1.62	-0.61	+0.61	-1.70	+2.32	-1.24	-2.69
+2.58	-0.86	+2.03	+0.94	+3.52	+2.75	+3.39
			-0.60	+3.46	+2.03	+5.36
0.00	-4.29	+5.54	+1.49	+3.92	+3.54	-0.23
+6.44	+2.05	+9.69	+5.17	+11.93	+6.78	+7.44
+5.05	+6.72	+5.91	+1.47	+3.10	+2.10	+0.69
+3.67	+7.37	+6.22	+0.73	+1.81	+1.10	+0.81
+6.13	+6.54	+5.77	+1.56	+3.65	+2.48	+0.40
+3.29	+4.69	+5.42	+5.44	+5.06	+4.38	+2.46
0.00	+10.53	+8.33	-14.00	+3.49	-13.48	+6.49
+1.89	+0.85	+1.54	-0.47	+0.55	-0.61	+0.16
-0.72	-2.30	+0.38	-1.03	+0.51	-0.94	-1.86
+24.25	+21.13	+25.25	+24.64	+25.50	+17.70	+40.79
			0.00	+200.00	+166.67	+62.50
+22.98	+23.97	-0.92	+2.20	+0.34	+1.81	+9.67
+2.46	-0.43	-0.88	+3.76	+9.45	+1.28	+0.35
+2.98	+1.71	+4.46	+2.48	+4.91	+2.78	+1.91
+2.15	+7.79	+10.52	+3.39	+10.60	+8.83	+16.94
+2.96	+1.91	+4.67	+2.51	+5.12	+3.00	+2.50
+3.22	+1.97	+4.89	+2.66	+4.95	+3.06	+1.73

6.4 Accruals for reimbursement of contributions (RfB)

RfB in € mill.	2007	2008	2009	2010	2011
Disbursements	2,379.4	3,498.5	2,850.8	4,230.5	2,766.1
including					
for the inclusion in accounts	1,049.8	2,026.3	1,310.5	2,493.6	1,188.7
for the inclusion in accounts as per § 150 para. 4 of VAG	294.0	309.4	264.4	468.4	186.6
cash dividends	1,035.6	1,162.8	1,275.9	1,268.5	1,390.8
Allocation	3,686.0	2,492.5	2,913.7	3,760.1	4,156.8
Portfolio range	10,695.9	9,690.0	9,752.9	9,282.5	10,673.2

6.5 Superannuation accruals

Superannuation accruals in € mill.	2007 ¹	2008 ¹	2009	2010	2011
Allocation	10,212.6	10,733.9	10,945.0	12,680.6	11,422.6
including					
Healthcare insurance	8,933.5	8,696.2	9,732.0	10,547.5	9,934.1
Long-term care insurance	1,279.1	2,037.7	1,213.0	2,133.1	1,488.5
Portfolio range	123,645.3	134,379.2	145,324.2	158,004.8	169,427.4
including					
Healthcare insurance	106,494.8	115,191.0	124,923.0	135,470.5	145,404.6
Long-term care insurance	17,150.5	19,188.2	20,401.2	22,534.3	24,022.8

2012	2013	2014	2015	2016	2017
3,127.2	3,468.2	2,958.2	4,955.8	3,477.4	5,552.3
1,515.4	1,905.3	1,378.9	3,342.8	1,883.3	3,846.7
190.4	124.6	117.6	169.8	174.0	243.3
1,421.4	1,438.3	1,461.7	1,443.2	1,420.1	1,462.3
4,944.6	4,897.7	5,158.8	4,121.4	4,432.0	5,138.4
12,490.6	13,920.9	16,121.5	15,287.5	16,242.1	15,827.5

Z17/6401

2012	2013	2014	2015	2016	2017
12,188.3	12,395.6	12,181.2	13,890.7	12,636.4	14,486.4
10,502.8	10,995.4	10,802.8	11,339.3	11,120.0	12,559.5
1,685.5	1,400.2	1,378.4	2,551.4	1,516.4	1,926.9
181,615.7	194,011.3	206,192.5	220,083.2	232,719.6	247,206.0
155,907.4	166,902.8	177,705.6	189,044.9	200,164.9	212,724.4
25,708.3	27,108.5	28,486.9	31,038.3	32,554.7	34,481.6

Z17/6501

6.6 Administration and acquisition expenses

in € mill.	2007	2008	2009	2010	2011
Acquisition expenses	2,383.4	2,528.6	2,668.5	2,649.0	2,756.2
Administration expenses	783.1	790.2	802.6	815.0	849.2

6.7 New capital investments and capital reserves

New capital investments in percent	2007	2008	2009	2010
Real estate and premises	0.15	0.54	0.32	0.46
Shares in associated companies	0.60	1.36	0.36	1.83
Amounts owed by associated companies	0.63	1.78	0.25	0.27
Equity holdings	0.97	1.19	0.67	0.74
Amounts owed by undertakings with which the company is linked by virtue of participating interests	2.33	3.19	1.82	1.20
Shares, investment trusts i. a. non fixed interest bearing securities	15.08	14.78	12.49	15.27
Bearer bonds i. a. fixed interest bearing securities	5.93	8.84	14.89	17.87
Mortgages, land charges and annuity claims	1.35	1.31	1.16	1.86
Registered bonds	25.73	21.63	21.93	26.19
Bonded debts and loans	18.19	18.02	23.24	14.53
Miscellaneous loans	0.45	0.11	0.00	0.02
Bank deposits	3.14	17.52	13.29	4.81
Other capital assets	25.45	9.73	9.58	14.95
Total	100.00	100.00	100.00	100.00

2012	2013	2014	2015	2016	2017
2,588.3	2,441.3	2,346.5	2,386.2	2,440.4	2,466.9
879.4	867.7	890.1	860.4	869.1	888.8

Z17/6601

2011	2012	2013	2014	2015	2016	2017
0.31	0.18	0.34	0.42	0.24	0.21	0.43
1.15	1.46	2.19	0.90	1.18	2.19	2.55
0.47	1.02	1.35	0.72	0.46	1.09	0.29
0.72	0.63	0.65	0.39	0.76	1.26	2.08
0.21	0.05	0.05	0.00	1.16	0.23	0.02
16.68	21.75	17.89	32.77	36.83	27.99	28.64
15.63	23.06	26.05	23.85	22.70	28.21	29.21
2.51	2.20	2.49	1.94	1.44	2.57	2.26
24.84	13.71	14.53	14.86	7.26	15.07	13.86
17.83	21.89	16.29	8.11	3.70	6.54	7.45
0.02	0.13	0.13	1.10	1.52	0.49	0.20
4.72	3.20	4.67	3.39	13.72	1.88	2.08
14.91	10.72	13.37	11.55	9.02	12.28	10.93
100.00	100.00	100.00	100.00	100.00	100.00	100.00

Z17/6701

Capital assets in € mill.	2007	2008	2009	2010
Real estate and premises	1,590.0	1,514.2	1,551.9	1,600.9
Shares in associated companies	1,333.1	1,639.8	1,633.1	2,075.1
Amounts owed by associated companies	635.8	1,050.3	1,077.4	1,155.4
Equity holdings	1,350.3	1,528.8	1,648.8	1,747.4
Amounts owed by undertakings with which the company is linked by virtue of participating interests	58.7	361.9	518.9	476.6
Shares, investment trusts i. a. non fixed interest bearing securities	29,331.1	30,327.5	30,458.5	33,671.0
Bearer bonds i. a. fixed interest bearing securities	7,048.2	8,240.1	10,273.0	14,153.4
Mortgages, land charges and annuity claims	3,387.6	3,540.7	3,686.9	3,943.3
Registered bonds	47,256.6	49,463.5	54,681.4	58,998.7
Bonded debts and loans	46,705.8	49,199.5	54,342.0	54,302.9
Miscellaneous loans	1,565.5	1,695.4	1,460.2	1,042.8
Bank deposits	1,641.1	2,496.3	1,458.3	1,788.4
Other capital reserves	437.8	432.1	516.2	526.3
Total	142,341.6	151,490.1	163,306.6	175,482.2

2011	2012	2013	2014	2015	2016	2017
1,625.4	1,620.2	1,676.6	1,765.8	1,811.2	1,826.7	1,947.2
2,059.8	2,293.3	2,803.3	2,915.6	3,475.8	3,910.4	4,707.0
1,170.3	1,547.8	1,709.1	1,852.7	1,997.5	2,148.6	2,149.0
1,909.8	2,065.3	2,113.5	2,086.6	2,220.2	2,500.7	2,339.4
499.0	250.8	229.4	219.4	163.3	180.7	190.4
36,001.1	42,547.6	48,267.9	54,572.8	64,406.4	73,231.0	81,386.3
17,475.4	24,330.9	31,457.3	37,997.5	44,681.3	52,126.2	61,013.0
4,446.6	4,992.1	5,455.3	5,696.9	5,947.4	6,258.0	6,665.7
65,130.4	66,811.5	68,748.9	71,229.6	71,045.7	71,849.2	71,808.3
53,837.4	52,083.3	50,444.7	48,642.1	44,819.0	41,827.6	38,810.8
960.4	772.9	1,142.1	1,199.1	1,388.2	1,188.8	1,174.6
2,612.5	2,527.2	3,262.5	3,183.1	2,848.7	1,746.3	1,058.2
573.8	629.9	644.4	735.7	892.3	1,200.2	1,108.5
188,301.9	202,472.8	217,955.0	232,096.9	245,697.0	259,994.4	274,358.4

Z17/6702

6.8 Key indicators

Key indicators in percent	2007	2008	2009	2010
Security and financing				
Equity-to-premium ratio	14.90	14.50	14.59	14.54
Refinancing (RfB) ratio ¹	32.82	29.21	28.41	26.11
RfB appropriation ratio ¹	11.15	7.67	8.26	10.30
RfB withdrawal ratios,,,				
- One-off contribution ¹	51.00	64.32	51.60	67.45
- Cash dividend ¹	49.00	35.68	48.40	32.55
Surplus take-up ratio ¹	89.64	89.03	87.04	88.38
Success and performance				
Results ratio from insurance business activity ¹	10.43	9.21	8.26	10.81
Net interest applied	4.75	3.56	4.27	4.23
Damage ratio ¹	78.83	79.85	80.72	78.78
Acquisition expenses ratio	8.08	8.33	8.47	7.96
Administration expenses ratio	2.66	2.60	2.55	2.45
Growth				
Earned gross contributions	3.27	2.93	3.78	5.70
Insured persons				
- Comprehensive healthcare insurance	0.71	1.04	2.06	0.96
- Additional insurance	7.45	6.40	2.38	2.41
- Total	5.34	4.80	2.29	1.99
Care provision ratio	42.44	35.70	38.78	40.21

¹ Value for 2012 corrected subsequently due to an error.

2011	2012	2013	2014	2015	2016	2017
14.71	15.19	15.82	16.54	16.99	17.22	17.06
29.03	33.27	36.87	42.49	39.95	42.08	39.40
11.07	12.92	12.77	13.45	10.56	11.15	12.50
47.89	53.61	59.11	50.69	71.72	59.21	74.23
52.11	46.39	40.89	49.31	28.28	40.79	25.77
88.47	89.40	88.66	88.44	87.41	87.29	87.69
12.15	13.20	14.00	13.48	12.24	12.09	14.18
4.08	4.21	4.03	3.91	3.70	3.71	3.46
77.45	77.07	76.93	77.61	78.92	79.03	77.23
7.95	7.26	6.72	6.46	6.49	6.55	6.32
2.45	2.47	2.35	2.45	2.34	2.33	2.28
4.19	2.79	0.88	0.73	1.36	1.72	4.83
0.91	-0.22	-0.74	-0.63	0.00	-0.17	-0.22
2.41	2.56	2.04	1.87	0.00	1.27	1.74
1.98	1.77	1.26	1.20	1.21	1.57	1.26
40.50	42.95	42.12	43.24	39.11	39.90	39.39

Z17/6801



Annex



I. Fundamentals

This chapter allows for an improved classification of the numbers to private healthcare insurance: the first part of the chapter deals with the demographic situation in Germany, followed by details on employment and the wages of employees. The second part of the chapter concentrates especially on the healthcare sector and, amongst other things, informs about the number of care providers, the sum of healthcare expenditure and the PKV's share in financing this. The chapter ends with an overview of the most important numbers and operands for the mandatory healthcare and long-term care insurance system.

I.1 Figures relating to the population in Germany

Population on 31 December in 1,000 persons	2015	2016	2017
Total	82,175.7	82,521.7	82,792.4
including			
Women ¹	41,661.6	41,824.5	41,948.8
Men ¹	40,514.1	40,697.1	40,843.6
Births	737.6	792.1	784.9
Age structure in years²			
up to 5	4,330.4	4,466.1	4,578.9
6 to 14	6,550.7	6,582.5	6,592.9
15 to 24	8,777.8	8,746.9	8,683.1
25 to 44	20,497.3	20,467.9	20,539.9
45 to 64	24,719.2	24,748.6	24,687.9
from 65	17,300.2	17,509.7	17,709.7

Source: Federal Statistical Office [*Statistisches Bundesamt*] (date: September 2018)

1 The difference to the total number in 2016 is due to rounding.
2 The difference to the total number in 2015 is due to rounding.

Z17/A1101

Residual life expectancy in years at the age of ... years¹	Women	Men
0	83.18	78.36
5	78.49	73.69
10	73.51	68.72
15	68.54	63.75
20	63.60	58.83
25	58.65	53.96
30	53.71	49.09
35	48.80	44.25
40	43.92	39.45
45	39.09	34.73
50	34.35	30.13
55	29.74	25.73
60	25.28	21.62
65	21.00	17.80
70	16.91	14.25
75	13.03	10.93
80	9.42	7.92
85	6.45	5.47
90	4.26	3.70
95	2.88	2.55
100	2.11	1.91

Source: Federal Statistical Office [*Statistisches Bundesamt*] (date: October 2018)

¹ According to mortality table 2015/2017

Z17/A1102

Employment in Germany in 1,000 persons	2015	2016	2017
Employed people for whom social security insurance is mandatory¹ including	30,944	31,607	32,359
Women	14,370	14,675	14,995
Men	16,573	16,931	17,364
Unemployed² including	2,795	2,691	2,533
Women	1,277	1,208	1,135
Men	1,517	1,483	1,398

Source: Federal Labour Office, own calculations (date: February 2018, July 2018)

1 Quarter year average based on the numbers for the end of March, June, September and December.
2 Annual average

Z17/A1103

Average gross monthly income of salaried staff¹ in €	2015	2016	2017
Women	3,423	3,527	3,597
Men	4,224	4,320	4,392
Total	3,979	4,078	4,149

Source: Federal Statistical Office [*Statistisches Bundesamt*] (date: March 2018)

1 Full-time employees in the manufacturing sector and in the services industry incl. extra pay

Z17/A1104

I.2 Figures relating to the German healthcare sector

Persons working in health-care-related professions	2015	2016	2017
Doctors	371,302	378,607	385,149
including			
those in their own practice	120,733	119,641	118,356
Dentists	71,425	71,926	72,122
Persons in other healthcare professions or jobs^{1,2}	2,741,000	2,801,000	
(with the exemption of carers for senior citizens)			
Carers for senior citizens²	568,000	594,000	

Source: Federal Medical Practitioners Chamber [*Bundesärztekammer*], Federal Dental Practitioners Chamber [*Bundeszahnärztekammer*] and Federal Statistical Office [*Statistisches Bundesamt*] (date: December 2017 / September 2018)

1 Amongst others, doctor's assistants, midwives, alternative medicine practitioners, health carers and nurses, physiotherapists, assistant medical and pharmaceutical technicians.

2 The 2017 figures were not available at copy deadline.

Z17/A1201

Number of hospitals / hospital beds	2015	2016	2017
Hospitals	1,956	1,951 ¹	1,942
Hospital beds in general hospitals	499,351	498,718 ¹	497,182

Source: Federal Statistical Office [*Statistisches Bundesamt*] (date: September 2018)

1 Subsequent correction by the Federal Statistical Office

Z17/A1202

Number of pharmacies	2015	2016	2017
Pharmacies	20,249	20,023	19,748

Source: Confederation of German Pharmacy Associations [*Bundesvereinigung Deutscher Apothekerverbände (ABDA)*] (date: April 2018)

Z17/A1203

Healthcare expenditure	2015	2016	2017
Total in € bill. ¹	343.5 ²	356.5	
GDP (BIP) in € bill.	3,048.9 ²	3,159.8 ²	3,277.3
Share of healthcare expenditure in GDP in percent ¹	11.3	11.3	
Healthcare expenditure by head of population in € ¹	4,205 ²	4,330	

Source: Federal Health Monitoring (*Gesundheitsberichterstattung des Bundes*), Federal Statistical Office (*Statistisches Bundesamt*) (date: February 2018, August 2018)

1 The 2017 figures were not available at copy deadline.
2 Subsequent correction by the Federal Health Monitoring

Z17/A1204

Additional sales from private patients by benefit areas in € mill.	2014	2015	2016
Medical treatment	5,990	6,060	6,290
Pharmaceuticals	828	874	835
Medical aids	1,024	996	1,020
Therapeutic treatment	420	461	477
Hospital	689	693	665
Dentistry	3,224	3,262	3,198
Other¹	278	287	402
Total	12,453	12,633	12,887

Source: Scientific Institute of the PKV (*Wissenschaftliches Institut der PKV (WIP)*) (date: August 2018)

1 i.a. alternative practitioners, cures

Z17/A1205

I.3 Figures relating to the mandatory healthcare and long-term care insurance system in Germany

Persons with mandatory healthcare insurance ¹	2015	2016	2017
Women	37,268,996	37,539,993	37,794,871
including			
co-insured	9,946,495	9,365,742	9,308,786
insured on a voluntary basis ²	1,799,986	1,850,725	1,881,275
Men	33,853,337	34,406,440	34,896,181
including			
co-insured	7,000,504	6,780,606	6,837,958
insured on a voluntary basis ²	3,889,373	4,015,193	4,123,144
Total	71,122,333	71,946,433	72,691,052
including			
co-insured	16,946,999	16,146,348	16,146,744
insured on a voluntary basis ²	5,689,359	5,865,918	6,004,419

Source: German Federal Health Ministry [*Bundesministerium für Gesundheit*] (date: December 2017)

1 including children
2 with recipients of early retirement pensions

Z17/A1301

Number of mandatory healthcare insurances arranged by types of facility	2015	2016	2017
Local healthcare insurances	11	11	11
Company healthcare insurances	98	92	86
'Trade guild' healthcare insurances <i>[Innungskrankenkassen]</i>	6	6	6
Agricultural healthcare insurances	1	1	1
'Social miner's insurance' <i>[Bundesknappschaft]</i>	1	1	1
Substitute healthcare insurances	6	6	6
Total	123	117	111

Source: German Federal Health Ministry [*Bundesministerium für Gesundheit*] (date: December 2017)

Z17/A1302

Revenues and expenditure items for the GKV system in € mill.	2015	2016	2017
Revenues	212,557.5	224,351.5	233,893.5
including federal subsidy	11,500.0	14,000.0	14,500.00
Expenditure items	213,674.9	222,730.0	230,388.6
including Services	202,047.8	210,355.7	217,828.1
Net administration costs	10,430.6	10,980.4	10,859.3

Source: German Federal Health Ministry [*Bundesministerium für Gesundheit*] (date: June 2018)

Z17/A1303

Financial situation in mandatory long-term care insurance in € bill.	2015	2016	2017
Capital reserve on 1 January	6.63	8.31	9.34
Deficit			2.42
Surplus	1.68	1.03	
Capital reserve on 31 December	8.31	9.34	6.92

Source: German Federal Health Ministry [*Bundesministerium für Gesundheit*] (date: April 2018)

Z17/A1304

Calculation parameters for mandatory healthcare insurance	2007	2008	2009	2010
Upper limit for mandatory insurance¹ in €				
For employed persons who already held private healthcare insurance on 31 December 2002	42,750	43,200	44,100	45,000
For all other employed persons	47,700	48,150	48,600	49,950
Contribution assessment ceiling¹ in €				
West	42,750	43,200	44,100	45,000
East				
(Average) contribution rate towards mandatory healthcare insurance^{2,3} in percent				
West	14.9	14.9	15.5/ 14.9 ⁴	14.9
East	14.5			
(Average) maximum contribution for mandatory healthcare insurance^{2,3} in €				
West	530.81	536.40	569.63 / 547.58 ⁴	558.75
East	516.56			

1 Details in accordance with 'Directive governing key calculation parameters in social security insurance for [year] (social security insurance calculation parameters directive [year] issued by German government [*Sozialversicherungs-Rechengrößenverordnung [Jahr]*)

2 Since January 1st, 2009, all mandatory healthcare insurers have to charge a uniform contribution rate. Until December 31, 2014, this rate included a supplement of 0.9 percent which the insured persons had to pay themselves (i.e. without contribution of their employer). On 1 January 2005, the uniform contribution rate was reduced by 0.9 percent. Henceforth all mandatory healthcare insurers may determine by themselves the percentage rate of the supplement which the insured persons have to pay on their own.

2011	2012	2013	2014	2015	2016	2017	2018
44,550	45,900	47,250	48,600	49,500	50,850	52,200	53,100
49,500	50,850	52,200	53,550	54,900	56,250	57,600	59,400
44,550	45,900	47,250	48,600	49,500	50,850	52,200	53,100
15.5	15.5	15.5	15.5	15.5	15.7	15.7	15.6
575.44	592.88	610.31	627.75	639.38	665.29	682.95	690.31

3 From January 1st, 2008, the partition into different regulatory fields and jurisdictions was rescinded; that is why there are no separate statistical surveys any more.

4 The uniform contribution rate from January to June 2009 was 15.5 percent and from July to December 2009 14.9 percent.

Z17/A1305

II. Glossary

Accruals for reimbursement of contributions (RfB)

These accruals contain funds obtained from contribution revenues which can be credited back to the people taking out the insurance cover, or used to mitigate increases in contribution levels. The use of these is based on legal, constitutional, contractual or voluntary obligations.

Acquisition expenses

These 'Acquisition expenses' include all expenditures which an insurance company incurs when concluding an insurance transaction. This includes commission payments to insurance brokers.

Administration expenses

Administration expenses are defined as all expenditure items incurred by an insurance company in the course of managing and processing an insurance contract, for instance personal expenses. These administration costs do not however include the expenses incurred through the processing of services – damage settlement charges [G] – and acquisition costs [G].

Balance sheet figure

In the annual financial report [*Zahlenbericht*], it is customary to publicize the gross figures (i.e. details on the business transacted by each company) without any figures from the reinsurance business. If one also takes into account the reinsurance business then one gets the balance sheet figures that are published just as the gross figures are in the company business reports. The balance sheet figures are applied in the financial report within the shorter balance (chapter 1). A few of the tables in the remaining chapters also contain, in addition to the gross figures, the derivation of the balance sheet figures for the purpose of comparing it much better with the shorter balance.

Basic tariff

On 1 January 2009, an industry-wide and uniform basic tariff was introduced. It is being offered both as a 100 percent safeguard as well as a version for persons benefiting from a financial support. For the insurance companies there exists an obligation to enter into a contract for this tariff with regard to certain groups of persons.

This is especially valid vis-à-vis individuals with no health coverage at all that can be assigned to the PKV. Within the basic tariff, additional risk premiums or benefit exclusions are not allowed; the benefits are orientated to the level that the mandatory healthcare insurers (GKV) provide. The contribution is capped at the level of the maximum contribution of the mandatory healthcare insurance. In case of a proven need for aid in accordance with the social laws, then the contribution within this time period is halved. The basic tariff replaced the modified standard tariff [G], whose policy holders were assigned to the new tariff with the start of the year 2009. Within the basic tariff there are limited charge rates for both medical and dental treatment.

Capital assets register, average

The designation 'average capital assets register' is self explanatory, i.e. it defines the mean level of capital assets at a given time. Whereas details relating to capital assets in Chapter 3.3 are dated 31 December in the reporting year, the average capital assets register is an indicator of an annual average.

Capital cover procedure

In contrast to the mandatory healthcare insurance system, which operates in accordance with a pay-as-you-go process of capitalization [*Umlageverfahren*], the private healthcare insurance system is financed by means of the 'capital cover process' [*Kapitaldeckungsverfahren*]. In the *Umlageverfahren* (see above), all current revenues from contributions are used to their full extent to fund ongoing expenses. No provisions are set up for the future. In contrast to this, the *Kapitaldeckungsverfahren* (see above) makes provision for future take-up of services by setting up superannuation accruals.

Cash disbursement

A cash disbursement is what is perhaps more generally known as a reimbursement of contributions paid [G]. If an insured person does not take up any services during a contractually agreed period, i.e. if that person does not submit any bills to his/her insurance company, that person obtains a refund against contributions paid from his/her insurance provider. If the reimbursement of the contribution takes place via money payment and not by offset, then one

calls it a cash dividend. The level of cash disbursement depends on the length of time that individual manages without claiming any services, and on the agreed tariff levels for reimbursement amounts.

Claims settlement expenses

Claims settlement expenses are defined as expenditure items resulting from the processing of insurance claims – for example through auditing. The insurance benefits and services themselves are not included here. The level of these claims settlement expenses depends primarily on the insured persons: The greater the extent to which insurance holders suffer from poor health, the greater are the related expenses for the insurance provider.

Contribution assessment ceiling

The Contribution assessment ceiling indicates the maximum level to which the income of persons insured under the terms of the mandatory healthcare insurance scheme can be levied by the insurers when calculating the level of payment required. This ceiling is adjusted annually to reflect average growth trends in wages and salaries. For private healthcare insurance, the ceiling is significant in terms of the employer contribution: The maximum employer supplement for privately insured individuals is half of the amount calculated by using the uniform contribution rate and the contribution assessment ceiling of the GKV.

Cost-based insurance

Most types of healthcare insurance are cost-based insurance schemes. This means that the actual costs incurred are reimbursed either in full or in part. The alternative to cost-based insurance is insurance based on per diem funding. In this instance, regardless of the actual costs incurred, a contractually agreed per diem sum is paid out to the insured person.

Counter indemnity / Reinsurance

Business taken for reinsurance purposes is defined as follows: An insurer accepts a contribution payment from another insurer in return for taking on the risk associated with that policy. Business given for reinsurance purposes means that against payment of an insurance premium, the insurance risk is passed to a different insurer (reinsurance).

Damages accrual

A damages accrual designates an accrual set up to cover pending insurance cases, i.e. ones which have not yet been processed. Companies set up these accruals for insurance cases which occurred prior to the balance sheet date, but which are not actually settled until after that balance sheet date.

Earned gross contributions

'Earned gross contributions' are amounts posted and the change in contribution surpluses, i.e. those insurance premiums which the insurer duly recorded at balance sheet date but which were actually paid out during the risk period following that balance sheet date.

Emergency treatments only tariff

The industry-wide emergency treatments only tariff was introduced on August 1, 2013. It is a social tariff for insurance policy holders that have temporary payment difficulties and that cannot apply for support in the sense of the German social laws. Policy holders are moved to this tariff if they aren't able to pay their contributions or premiums over a longer period of time, even after reminders have been sent to them. During the insurance policy period in this tariff no new superannuation accruals are built up. Limited fee rates for treatment by doctors or dentists are in place. The benefits and services provided – except for children and adolescents – only cover treatment costs incurred by acute illnesses and injuries, severe pain, pregnancies and maternity. That is why the premium is very cheap and allows those individuals affected to pay back their debts much more quickly. After the debts owed are paid off, the insured persons return to their old tariff.

Fee directive for physicians / dentists (GOÄ / GOZ) [Gebührenordnung]

The separate fee directives (Gebührenordnungen) for physicians and for dentists constitute legal directives from the German Health Ministry and as such, form a basis for the calculation and reimbursement of services delivered in the context of medical treatment. Every medical service is thereby assigned to a certain number of points, which results in a simple tariff rate in euros when multiplied with a uniform point value (currently rounded 5.8 cent). The doctor then does the final calculation regarding his fee in that he multiplies this simple tariff rate

with a valid rate of increase depending on difficulty, time needed as well as the circumstances during the execution.

- In normal cases, the doctor or the dentist is allowed to calculate up to the so-called “statutory maximum rate” for the treatment of a patient without having to explain this. This lies at 2.3 times the simple tariff rate for personally provided medical services, for medical technical services at 1.8 times the rate and for laboratory analyses at 1.15 times the rate according to the GOÄ or GOZ.
- When the provided services regarding difficulty, time needed as well as circumstances clearly digress from the normal cases, then the physician resp. dentist is allowed to transgress the statutory maximum rate and to bill up to the maximum rate. For personal medical services an increase of 3.5 times the rate, for medical technical services up to 2.5 times the rate and for laboratory analyses up to 1.3 times the rate is possible. Such an increase above the statutory maximum rate must always be justified in writing both clearly and comprehensibly. If the maximum rate is still not sufficient to cover the treatment, then the physician is basically allowed to go beyond this as well. He has to, though, justify this in writing before the treatment starts and to obtain the patient’s written declaration of consent (fee agreement).

Financial support

German civil servants and some public-sector salaried staff receive financial support in the event of ill health and of any requirement for care provision, as well as in the event of birth and death [within the immediate family], known as *Beihilfe*. This form of support is assured by the employer (usually German federal government, a regional state or a municipal authority). These officials also receive financial support for their spouses and for their children (at present up to the age of 25) who do not possess their own source of income. Financial support for civil servants usually amounts to 50 percent, rising to 70 percent for officials with at least two children, 70 percent for spouses and 80 percent for children. Pensioners receive financial support amounting to 70 percent of healthcare costs. Since 2009, all recipients are legally obliged to insure themselves for that part of their healthcare costs that are not covered by the financial support.

GPV

The German abbreviation GPV stands for the Association of private insurance companies [*Gemeinschaft privater Versicherungsunternehmen*] for delivering long-term care insurance in accordance with the PflegeVG legislation dated 26 May 1994 for members of the healthcare insurance for German postal officers [*Postbeamtenkrankenkasse (PBeaKK)*] and the healthcare provision body for German Rail officials [*Krankenversorgung der Bundesbahnbeamten (KVB)*]. The KVB and PBeaKK are closed-shop bodies of collectively insured people whose collective ages and reduces at the same time. The risk associated with long-term care in this insured group is substantially higher than the German national average. Over the longer term, it may therefore not be possible for these insured persons to carry this risk individually. Prior to the introduction of long-term care insurance back in 1995, a decision was taken to the effect that the long-term care insurance provision for persons insured in the KVB and PBeaKK should be delivered by private healthcare insurance companies. To distribute the financial risk evenly across all insurance companies, long-term care insurance is operated in accordance with legislation as a community-based calculation with compensation elements.

Government-funded additional long-term care insurance

Since January 1st, 2013, the companies organized in the PKV offer a government-funded additional long-term care insurance policy (GEPV). Here we are dealing with long-term care insurance policies with daily cash benefits that can be taken out by all individuals that are mandatorily insured in the long-term care insurance scheme, that are 18 or older and that are as yet not in need of any long-term care. There is an entitlement to be admitted to these policies and health checks, risk surcharges or the exclusion of benefits are not permissible. The government funding is set at a standard € 5 per month, whereby the contribution that one has to make oneself has to amount to a minimum of € 10 per month.

Insurance association based on reciprocity

The insurance association based on reciprocity [*Versicherungsverein auf Gegenseitigkeit (VVG)*] is one of the possible legal forms which healthcare insurance companies can adopt. In contrast to the publicly listed

company [*Aktiengesellschaft*], an insurance association based on reciprocity does not have shareholders. Instead, those insured with such a company are at one and the same time members of that association and are therefore co-owners of the insurance association.

Key indicators

To make it easier for external observers to evaluate the economic situation as it affects private healthcare insurance companies, the sector has defined some specifically applicable key indicators. The underlying data can be obtained from the annual reports of these companies.

- The ratio of damage expenditure on earned gross contributions yields the **damage quota**. This indicates the scope to which revenues from contributions flow directly into insurance benefits and superannuation accruals.
- The **equity ratio** is determined by the ratio of equity to earned gross contributions [G]. It is one measure of the solvency of insurance companies. The formation of equity is enshrined in German legislation under the terms of § 53c VAG. This legislation determines that insurance companies must hold a defined quantity of equity to tide them over short-term losses.
- At the end of the day, all these key indicators are also dependent on the development of customer base and contribution revenues. It follows from this that key indicators of **growth** constitute an important fundamental for the interpretation of the remaining key indicators.
- **Net interest charges** are calculated from the ratio of revenues derived from capital assets to the mean value of those capital assets [G]. This indicator shows what level of interest revenue the companies are deriving from their capital assets.
- The **quota of acquisition expenses** is derived from the ratio of acquisition costs [G] to earned gross revenues. This indicates how much money the companies are expending to conclude contractual transactions.
- The **quota of administration expenses** is derived from the ratio of administration charges [G] to earned gross revenues. This indicates how much of the revenues from contributions are consumed by the administration associated with insurance contracts.
- The **refinancing appropriation ratio** is derived from the ratio of RfB (see above) extra funding to earned gross revenues. This

indicates how much of refinancing appropriation is used in the financing of future measures to provide relief on contribution levels, or to provide cash disbursements.

- The **refinancing (RfB) ratio** is derived from the ratio of RfB (see above) to earned gross revenues. This expresses the scope to which companies have additional funds for providing relief on contribution levels at a future date.
- The **refinancing withdrawal ratios** are sub-divided into two key indicators: Firstly a cash disbursement as a ratio of said cash disbursement from accruals for the reimbursement of contributions (RfB) [G] to the total disbursement level from RfB; secondly the one-off contributions as a ratio of one-off contributions from RfB to total disbursements from RfB. These key indicators show the principal use(s) to which the insurance companies put the bulk of these disbursements from RfB.
- The **results ratio from insurance business activity** is derived from the ratio of insurance business financial results to earned gross revenues. This indicates how much of the annual revenues from contributions are left after deduction of all expenditure items.
- The **surplus take-up quota** is derived from the ratio of surplus employed to the gross annual result after taxation. This indicates the scope to which overall economic success is passed on to the persons insured.

Limiting

The 'limiting' process enables adjustments in contribution levels to be avoided or kept to a minimum. The funds required for this 'limiting' process are taken from accruals set up for the reimbursement of premiums on the basis of one-off contributions.

Modified standard tariff

The modified standard tariff was introduced on 1 July 2007. All individuals with no healthcare insurance, who had been privately insured beforehand or who were assigned to the PKV in another manner, were able to contract this before the end of 2008. For the insurance companies there existed an obligation to enter into a contract for this tariff, risk premiums were not allowed to be charged. Since 1 January 2009 there exists a universal obligation to be insured in Germany. At this point in time the basic tariff [G] was introduced, in which all those non-insured persons that can be

assigned to the PKV have to be enrolled, if they apply for it. All insured persons within the modified standard tariff were moved to the basic tariff at the turn of the year; the modified standard tariff was subsequently discontinued.

Mortality table

The PKV association produces its own mortality table for private healthcare insurance purposes. This is used by member companies as a tool for calculating contribution levels. While the Statistical Federal Office only compiles a population mortality table on the basis of observed figures, the association also projects figures from the PKV mortality table into the future. The association maintains a constant watch on mortality figures; if excessively large variances occur between observed levels and that mortality table, a new mortality table is produced.

Net number of new entrants

This figure describes the overall change in portfolio (numbers) within the private comprehensive healthcare insurance scheme – therefore whilst also taking into account births and deaths as well as people leaving due to changing to the mandatory healthcare insurers and cancellation of policies and contracts. In contrast, for the gross number of new entrants all individuals are counted that have taken out a new comprehensive healthcare insurance, e.g. also people changing within the private healthcare insurance system, without subtracting the people leaving from this.

Reimbursement of contributions

Typically, a reimbursement of contributions is understood to involve a cash disbursement [G]. Another kind of contribution reimbursement takes the form of 'offsetting' [Verrechnung]. In contrast to cash disbursements, this is applied not to individuals but instead to collective bodies of insured persons. It is therefore irrelevant whether the individual has 'consumed' services or not. Instead, the overall level of insurance outlays to that collective body of insured persons constitutes the decisive factor. Through the process of offsetting, increases in contribution levels can be reduced or prevented, in some cases even actual reductions in contribution level are possible.

Standard tariff

The uniform industry-wide standard tariff was introduced in 1994. The benefits orientate themselves on the level of the mandatory healthcare insurance scheme. Its contribution is limited to a maximum that is calculated by using the uniform contribution rate and the contribution assessment ceiling of the mandatory healthcare insurance scheme. The standard tariff can be selected by individuals that enrolled before 2009 in a private healthcare insurance policy, that have been privately insured in a comprehensive policy for at least ten years and that have reached a certain minimum age or are recipients of a pension resp. retirement pay and receive an income that is less than the lower upper limit for mandatory insurance cover [G]. For new customers as of 2009, the basic tariff [G] takes on the social protective function in old age.

Superannuation accruals

The private healthcare and long-term care insurance accrues superannuation accruals as a financial security for the fact that the older we get, the utilization of healthcare benefits increases. The insurance premium is calculated in such a manner that it is higher than the benefits actually utilized during one's younger years. The difference is then invested in superannuation accruals with interest. When in the later years of life the calculated costs for healthcare benefits are then higher than the amount paid in, then this gap is covered by withdrawing sums from the superannuation accruals. The details of setting up superannuation accruals are regulated in the insurance supervisory law [Versicherungsaufsichtsgesetz] and in the calculation ordinance.

Ten-percent surcharge

To reduce or even entirely prevent increases in contribution levels when an insured party gets older, a ten-percent surcharge on contributions was introduced by law to private comprehensive healthcare insurance schemes on 1 January 2000. This surcharge is generally paid by comprehensively insured people between the ages of 21 and 60. These contributions are invested and the resultant interest revenue is then used for the benefit of insured persons who have reached the age of 65. The following ruling was applied to existing customers at the time of the introduction:

1. Existing customers already insured were able to decline the surcharge when it was introduced. This declinature is valid on an intransient basis.
2. Otherwise the surcharge was added onto the contribution through a step-by-step basis, starting in 2001 with two percent and with an annual increase of two percentage points. Due to this, the existing customers only started paying the full surcharge from the year 2005 on.

Upper limit for mandatory insurance cover

Employees are required by law to take out insurance under the mandatory healthcare insurance scheme. Not until their regular annual remuneration level – i.e. their income from employed activity – crosses a certain level do they become ‘insurance free’, at which point they are free to choose between the mandatory and the private healthcare insurance scheme. This limit is designated the upper limit for mandatory insurance cover. This figure is adjusted annually to reflect average growth trends in wages and salaries.

On 1 January 2003, the upper insurance limit was raised by € 450 per month on an exceptional, i.e. one-off, basis. Employees who already held private comprehensive healthcare insurance on 31 December 2002 have been subject since that time to a different and lower limit. This limit is identical to the ‘Contribution assessment ceiling’ defined above.

III. Directory of members

Member companies

(Stand: November 2018)



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Concordia Krankenversicherungs-AG

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auf Gegenseitigkeit**

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**HanseMerkur Speziale
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LIGA

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