

# Stable premiums into old age

## Legal measures for premium stabilization

The affordability of premiums in old age is a recurring topic for many privately insured individuals. However, the legal regulations, combined with Hallesche's additional solutions, provide long-term security.

### Our insured persons are well taken care of – even in old age!

In contrast to the statutory health insurance system (GKV), Hallesche takes effective measures to provide for its insured persons in old age:

- The accumulation of **aging reserves**
- **Additional allocations** to the aging reserves
- The **statutory 10% surcharge**
- The **modified premium payment** (MBZ.flex)

All of these measures are intended to keep premiums stable in old age.

#### Aging reserves

As part of the capital-funded system, private health insurance has always built up financial reserves (called aging reserves) to cover the increasing healthcare costs associated with aging.

This ensures that premiums do not rise simply because the insured person is getting older.

#### Additional allocation to the aging reserves

Section 150 of the German Insurance Supervision Act (*Versicherungsaufsichtsgesetz – VAG*) stipulates that the aging reserves of insured persons receive additional interest.

This means that, in addition to the standard actuarial interest, Hallesche credits its insured persons with 90% of any interest earned beyond that calculated rate (the so-called “non-actuarial” interest).

This additional crediting is used to reduce or even fully cover premium adjustments from the age of 65 onwards.

Any unused amounts are applied to reduce premiums once the insured person reaches the age of 80.

### The 10% statutory surcharge

In comprehensive private health insurance, a statutory surcharge is applied to new contracts in accordance with Section 149 of the VAG.

This surcharge:

- is charged from age 21 until age 60,
- applies to all comprehensive insurance tariffs,
- amounts to 10% of the tariff premium (gross premium without risk surcharge), and
- is partially subsidized by the employer.

The funds from the statutory surcharge are used in the same way as the additional allocation to aging reserves – to reduce future premium adjustments and, where applicable, to lower premiums.

#### Is there an old-age provision in the Statutory Health Insurance (GKV)?

No. The GKV does not include any form of old-age provision for its insured persons.

It operates on a pay-as-you-go basis: current income is used to cover current expenses — no portion of contributions is saved for old age.

As a result, demographic change alone leads to higher premiums in the GKV: fewer and fewer young people must finance the healthcare costs of an increasing number of older people.

The situation is further exacerbated by rising life expectancy. Over time, this makes it inevitable that retired persons insured under the GKV will be required to pay even higher contributions.

# The supplementary solution offered by Hallesche

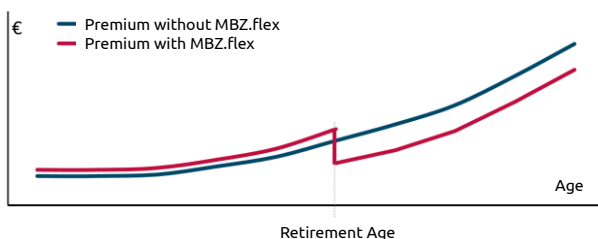
## Lower your premiums flexibly in old age – with MBZ.flex

Several measures have already been taken to keep premiums stable in old age.

But how can you go one step further and actively reduce your premiums from age 67 onward?

The flexible modified premium payment (MBZ.flex) offers the ideal solution.

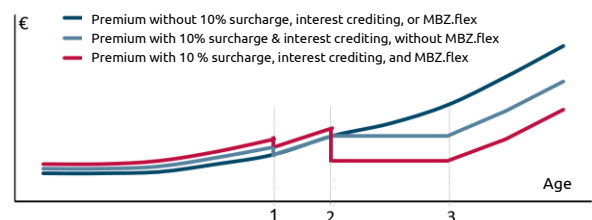
The principle is simple: pay a little more today – and benefit from lower premiums later in life.



## The positive impact of legal measures and MBZ.flex

The following chart clearly illustrates the positive effects.

When supplemented with the MBZ.flex solution, the impact becomes even more significant.



- 1 Premium reduction due to the discontinuation of the 10% surcharge at age 61.
- 2 Premium stabilization from age 65 through the use of funds from the 10% surcharge and/or the additional interest credited to aging reserves. If MBZ.flex has been agreed upon by this time, the additional premium reduction from MBZ.flex will also take effect.
- 3 From this point onward, premium adjustments can no longer be fully financed.

And the guaranteed premium reduction in retirement is just one of many advantages!

### The benefits of MBZ.flex

- **Flexibility** – The timing and amount of the premium reduction can be flexibly adjusted to suit your personal life situation. Whether you choose to start at age 62 or 72, every insured person can decide for themselves.
- **Employer subsidy** – Contributions to MBZ.flex are eligible for the employer subsidy, within the applicable maximum limits.
- **Tax advantage** – Contributions to MBZ.flex are tax-deductible at the same percentage rate as your underlying comprehensive health insurance, in accordance with the German Citizens' Relief Act (*Bürgerentlastungsgesetz*).