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Foreign Countries and Nationals
Insuring Your Car in Germany

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Summary. This pamphlet provides procedures for insuring cars in Germany.

Summary of Change. This revision incorporates administrative changes and updates references throughout.

Applicability. This pamphlet applies to Soldiers, Airmen, appropriated and nonappropriated fund U.S. civilian employees, contract workers, and Family members.

Forms. AE and higher level forms are available through the Army in Europe Publishing System (AEPUBS).

Records Management. Records created as a result of processes prescribed by this pamphlet must be identified, maintained, and disposed of by Army in Europe units according to AR 25-400-2. Record titles and descriptions are available on the Army Records Information Management System website at <https://www.arims.army.mil>. USAFE units will ensure that all records created as a result of processes prescribed in this publication are maintained in accordance with Air Force Manual 33-363, Management of Records, and disposed of in accordance with the Air Force Records Disposition Schedule located in the Air Force Records Information Management System (AFRIMS) at <https://www.my.af.mil/gcss-af61a/afirms/afirms/rims.cfm>.

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SECTION I GENERAL

1. INTRODUCTION

a. Automobile insurance is required in Germany. You cannot legally drive your privately owned vehicle (POV) without it. Buying and dealing with automobile insurance in Germany can cause confusion; automobile insurance can be expensive, and German insurance laws are different from American laws. This pamphlet will—

- (1) Explain—
 - (a) Some of the reasons automobile insurance in Germany costs so much.
 - (b) The types of car insurance available.
 - (c) How prices for premiums are determined.

(2) Give practical hints on what to look for when shopping for car insurance.

(3) Point out how German insurance policies and regulations are different from American policies and regulations.

(4) Tell you what to do if you have an accident.

b. This pamphlet is organized by groups of related questions that individuals commonly ask about POV insurance. The questions begin with the most basic topics and move on to more complex ones. Read this pamphlet carefully before you buy insurance.

c. This pamphlet provides information and general guidance, but does not cover every possible situation. The general rules and recommendations included may not apply in some situations. If you have any questions, contact—

(1) An insurance company.

(2) The Policy Adviser, USAREUR Registry of Motor Vehicles, Office of the Provost Marshal, HQ USAREUR/7A, Unit 29931, APO AE 09086-9931.

(3) Your local legal assistance officer.

2. REFERENCES

a. Publications.

(1) AR 25-400-2, The Army Records Information Management System (ARIMS).

(2) Air Force Manual 33-363, Management of Records.

(3) AE Regulation 190-1/CNE-C6F Instruction 11240.6W/USAFE Instruction 31-202, Driver and Vehicle Requirements and the Installation Traffic Code for the U.S. Forces in Germany.

b. Forms.

(1) DA Form 2028, Recommended Changes to Publications and Blank Forms.

(2) AE Form 190-1S, Request for POV Registration/Insurance Cancellation.

(3) AE Form 190-1Y, What To Do If You Have an Accident.

3. EXPLANATION OF ABBREVIATIONS AND TERMS

The glossary defines abbreviations and German terms.

SECTION II QUESTIONS AND ANSWERS

1. What authority does the United States have regarding POV insurance in Germany?

The U.S. Forces has no authority over vehicle insurance rates or companies in Germany. The German Federal Agency for Financial Services (*Bundesanstalt für Finanzdienstleistungen* BaFin) regulates insurance companies registered in Germany.

Since 1968, the U.S. Forces have taken part in talks with U.S.-NATO tariff companies and the German Insurance Commission (now the Federal Agency for Financial Services). The U.S. Forces function in these talks—

- Is informal and limited.
- Has no authority to change German laws, regulations, or business practices.

2. Why is POV insurance so expensive in Germany?

Insurance in Germany costs more than in many parts of the United States for several reasons:

- **High Accident Rate.** Germany has a high accident rate for U.S. Forces personnel. Reasons for this high accident rate are as follows:

- **High Vehicle Density.** There are more vehicles per square mile in Germany than in the United States.

- **Road Conditions.** Germany has one of the best road systems in Europe, but road standards are different from those in the United States. In towns and cities, you may find very narrow streets and intersections where it is hard to see. On many roads, the center and side lines are not clearly marked. Also, you will find more tractors, bicycles, and pedestrians on German roads.

- **No Speed Limits on Some Autobahns.** German autobahns are generally relatively safe, but there are no speed limits on some autobahns and the speed limits on some primary roads are higher than the speed limits in the United States. Limited or no experience with German high-speed roads may lead to excessive speeding by U.S. Forces personnel, which in turn may lead to accidents.

- **Dollar Fluctuations.** As with every item with a value set in euro equivalents, changes in the value of the dollar in relation to the euro determine how much your insurance will cost. During a period of devaluation of the dollar, Americans pay more in dollars for their insurance. As the value of the dollar increases, they pay less.

- **Higher Minimum Coverage.** Liability insurance in Germany is mandatory. There are minimum limits of liability for bodily injury per accident.

- **High Medical, Disability, Pension, and Car-Repair Costs.** The general rate of inflation in Germany is lower than in many countries, but prices for medical care and car repairs are rising faster than other prices. Most of your premium dollar pays medical, disability, pension, and car-repair costs.

3. Can I buy the required POV insurance for Germany from any insurer in the United States?

No. The USAREUR Registry of Motor Vehicles (RMV) will accept only the insurance confirmation card (ICC) issued by companies on its list of liability insurers. This requirement is based on a treaty between the U.S. Forces and Germany.

4. What are the German and U.S.-NATO tariffs?

A tariff is a table of rates. Not everyone pays the same price for automobile insurance. Based on years of accident statistics, insurance companies use different factors to separate risk groups. High-risk groups are considered more likely to have an accident; they, therefore, pay more for their insurance. The rating categories and the prices charged for each category make up the insurance tariff.

In the United States there are many different insurance tariffs. Insurance is regulated by each State, not by the Federal Government. Within each State, different companies use different tariffs.

In Germany, Government regulations make tariffs fairly uniform. Insurance premiums are different from one company to another, but the rating categories used for each tariff usually are set by the BaFin. A German citizen shopping for automobile insurance normally has no choice among different tariffs. The only choice is price and quality of service.

Members of the U.S. Forces in Germany may choose between the U.S.-NATO tariff and the German tariff. Shortly after World War II, several American insurance companies started selling vehicle insurance to U.S. personnel stationed in Germany. Over the years, some European companies joined them. The U.S. Forces licensed those companies; the German Government, however, did not regulate them. These companies developed their own rating categories, creating the U.S.-NATO tariff. These companies used factors such as age, sex, marital status, and military grade or civilian status to determine the rates. Age, sex, and marital status are often used in the United States, but the use of military grade is uncommon in Germany and was discontinued as an insurance factor in 1982.

A treaty between the NATO partners and Germany gave Germany responsibility for insurance companies. The U.S. Forces have no authority over insurance companies. When the German Government took over supervision of the NATO tariff insurance companies, they let the U.S.-NATO tariff continue. The premiums under the U.S.-NATO tariff are cheaper for many people than under the German tariff. Appendix A is an overview of the German and the U.S.-NATO tariffs.

Any vehicle insurance company in Germany can get permission to sell U.S.-NATO tariff insurance. If a company uses the U.S.-NATO tariff, it must use that tariff for all of its U.S. Forces customers. If a company does not carry the U.S.-NATO tariff, it must sell German tariff insurance to its American customers. Many German insurance companies do not offer the U.S.-NATO tariff. Americans may choose between the two tariff systems.

U.S.-NATO Tariff Liability Insurance

The rating factors are age and marital status of the person buying insurance.

- The age categories are as follows:
 - Under age 25.

- Ages 25 through 34.

- Ages 35 and over.

• Rates differ for those under the age of 25 and for those who are 25 through 34, depending on marital status. The rate for those who are 35 and older is the same, regardless of marital status.

- Married personnel whose spouses do not live with them in Germany are rated as if they were “single” when buying insurance.

- Divorced or widowed personnel whose Family members live with them are rated as “married” when buying insurance.

Other guidelines for setting rates are as follows:

• Liability premiums are the same for each automobile you register.

• If you have several accidents 2 years in a row, your company may add a surcharge to your premiums. Most companies will cancel your policy instead of adding a surcharge.

German Tariff Liability Insurance

The German tariff is different from tariffs in the United States and the U.S.-NATO tariff. Rating factors are—

• **Automobile design and use.** The design and use category for most POVs is “private passenger car.” Mopeds, motorcycles, campers, and trucks are in different categories.

• **Horsepower.** The higher the horsepower, the higher the premium. Many American automobiles are in the highest two premium groups because both groups are for automobiles having over 115 German horsepower (about 128 American horsepower).

• **Profession and geographic location of the person buying the insurance.** There are separate and cheaper rates for farmers and German civil servants. People in other professions are placed in a third group. If a spouse qualifies for a cheaper group and the spouse is the person buying the insurance, the cheaper rate will apply. The “other professions” group is divided into eight regions (four urban and four rural).

• **Claims record.** Premiums are reduced over the years for claim-free driving. Customers achieve the greatest possible reduction after 15 years of claim-free driving. The premium, however, is increased for every accident.

After looking at the premium factors, companies arrive at the base rate for a POV. Persons buying insurance for the first time in Germany pay 25 or 175 percent of the base rate, depending on how long they have been driving.

In a two-car Family, the premium on the second car will often be 120 percent if the Family has a reduction on the first car. Some companies offer higher reductions and there are a few which even provide the same reduction as on the first car. The second car must earn its own reduction from then on. The maximum reduction, based on 25 claim-free years, is 70 to 75 percent of the basic rate. People who have frequent accidents may end up paying as much as double the base rate.

5. The U.S.-NATO tariff and the German tariff—what is covered under each?

U.S.-NATO Tariff

Comprehensive insurance covers damage to your car from almost everything except collision or overturning. It pays for damage caused by theft, vandalism, floods, storms, earthquakes, and fires. Comprehensive insurance is cheaper than collision coverage, because floods and earthquakes do not occur as often as collisions.

Collision covers damage resulting from colliding with another object (including an animal) or overturning your car. If you drive into a ditch or hit another car (or if another car hits you), collision coverage pays for damages to your car, minus your deductible.

German Tariff

Teilversicherung (Teilkasko) is German comprehensive coverage. It covers damage to your car caused by fires, explosions, theft, floods, storms, collisions with animals, and damage to wiring from short circuits. It does not cover vandalism.

Vollversicherung (Vollkasko) is comprehensive and collision coverage. It covers everything included under *Teilkasko* and damage caused by vandalism, collision, or overturning. If you buy *Vollkasko*, you do not also need to buy *Teilkasko*.

6. Which tariff is better?

The two tariffs are very different; there is really no objective answer as to which system is better. Under the U.S.-NATO tariff, young, single drivers pay more, regardless of the type of car or individual driving record. Under the German system, drivers pay more for a large car; age makes little difference.

Some people say the German tariff is better, because individuals have more control over the rating factors. Individuals may decide which size car to buy and can control their driving habits.

The U.S.-NATO tariff does not give good-driver discounts because a system that gives some people discounts must collect surcharges from other people. Overall, accidents cost the same, no matter which kind of rating system is used.

The discount system works on the German tariff for several reasons. Claims records for Germans are easy to determine, so good drivers do not pay more than they should. Because many Germans stay with one company for many years, companies do not have to process claims records from other companies for their customers.

The average American under the U.S.-NATO tariff may pay more than the average person under the German tariff. Americans in Germany tend to have poorer claims records than German drivers. One reason may be that the German tariff allows individuals who have an accident to keep the claim-free discount as long as they pay the cost of the accident. Many Germans pay claims themselves to keep their insurance rates low. There exist also German tariffs under which the claim free discount is not affected by the first compensation claim.

The U.S.-NATO tariff may be cheaper for—

- Married people who are 25 years old or older with large cars.
- Two-car Families.
- People who have recently had an accident.
- People who cannot get proof of claim-free driving.

The German tariff may be cheaper for—

- People who can prove more than 3 years of claim-free driving.
- People who are under 25 years old, if they can show a claim-free driving record.

Only a small percentage of American POVs in Germany are insured under the German tariff. One reason for the low figure may be that the U.S.-NATO tariff is still cheaper for many people. Another may be that it is not always easy to buy German tariff insurance.

Some German tariff companies do not want U.S. Forces customers. To many, Americans look like a poor risk because they seem to have a high claim rate. Also, there is a high contract turnover among Americans, because of their short stay in Germany. The high turnover makes more work for the companies. The language barrier also creates difficulties. Americans are also known for making late payments and defaults on premium payments in Germany.

Under German law, a company usually cannot turn down your application for liability insurance. However, some agents for German tariff companies may try to discourage your business. Some agents may think they cannot sell insurance for POVs registered with the U.S. Forces. They are wrong. You should insist that they check with their home offices. Some German tariff companies refuse to sell foreigners full coverage insurance.

Major U.S.-NATO tariff companies want U.S. Forces business. They have many English-speaking agents and generally are located near military bases. Their forms are printed in both English and German, and they often accept payment in dollars.

German insurance laws are different from what you are used to in the United States. Major U.S.-NATO tariff firms have developed procedures to help Americans deal with some of these differences. German tariff firms do not make special arrangements.

In many areas, both U.S.-NATO and German tariff companies will hold you to the letter of German law. This is particularly true if you have an accident.

If you want comprehensive or collision insurance for your car, your decision is more complicated. Regulations for liability insurance are identical for both tariffs; however, coverage under comprehensive and collision is different. (See questions 5 and 12 through 15.)

7. How do I prove a claim-free driving record for the German tariff?

If you already have insurance in Germany, it is easy to prove a good driving record for your time here. Ask your previous company for a certificate of your claims record for your new company.

German tariff companies do not have to accept stateside claims records. Only records from other companies in Germany must be accepted. Most companies will accept records from U.S. insurers. You must get the letter from the home or regional office of your U.S. company. A letter from an agent, state motor-vehicle office, or military authority will not be accepted. The letter must show the following:

- You were the person buying the insurance. A policy that lists you as only an occasional driver will not be accepted.
- The policy number.
- The period during which you were insured.
- Whether or not coverage was interrupted. A break in your insurance, depending on how long it lasted, may cancel your previous good driving record. If you wait a long time after coming to Germany to get a car, your stateside record may not count. Discuss this with the agent before you buy insurance.
- The date of the last claim against you or the fact that no liability claims were made.

If you need to buy insurance before you have your U.S. claims records, do not worry. German tariff companies will start you at a high rate, but will put you in the right price category when they receive your records. The change will be backdated to when your insurance began.

8. What is liability insurance?

POV liability insurance protects your assets. If you or someone else driving your car causes an accident with injuries to other people or damage to property, your liability insurance pays these damages up to the limits established in your contract. You are responsible for the damages, but you do not have to pay for them yourself. The insurance company will pay the accident victim for injuries and the owner of damaged property. Liability insurance is also referred to as third-party liability insurance.

9. Do I really need liability insurance for my POV?

Yes. Without liability insurance, military regulations will not allow you to register or legally drive your POV. These regulations are based on a treaty between the United States and Germany. The treaty requires U.S. Forces personnel in Germany to have the minimum liability insurance required by German law. German liability insurance covers anyone with a valid drivers license driving your car. You are covered even if someone without a license steals your car and has an accident.

It is against AE regulations, USAFE instructions, and German law to have an active registration on a car that is not insured. To register a POV with the U.S. Forces in Germany, you must give proof of liability insurance to the RMV. The only proof the registry will accept is the ICC issued by an insurance company. If your insurance is canceled, your insurance company will notify the RMV. The RMV will cancel your POV registration unless you send in a new ICC. AE Regulation 190-1/CNE-C6F Instruction 11240.6W/USAFE Instruction 31-202 provides information on registering your POV in Germany.

If you do not have insurance for your POV, you run a big risk. German law provides for fines, imprisonment, and confiscation of the vehicle if you or someone else drives your car without insurance. If you cause a serious accident, you will be sued personally.

10. What is the minimum liability coverage required by German law?

You must have at least the following coverage amounts:

- €2,500,000 or €7,500,000 for personal injury. The lower amount is for injury to only one person. If more than one person is injured in an accident, the limit is raised to €7,500,000.
- €500,000 for property damage.
- €50,000 for damages other than personal injury or property damage caused by the accident. Higher limits are required for a POV with more than nine passenger seats (not counting the drivers seat).

11. How are insurance premiums determined?

For liability insurance, companies must calculate rates using a formula required by German insurance regulations. The BaFin reviews company calculations and approves or changes rates. German law requires rates to be reasonable but high enough to cover the costs of settling accident claims and the insurance company's administrative costs.

The BaFin does not review or approve rates for collision, comprehensive, *Vollkasko*, or *Teilkasko* coverage. Each company is responsible for setting its own rates. In setting these rates, a company cannot discriminate or give some customers special treatment. *Vollkasko* and *Teilkasko* premiums are reviewed each year by an independent custodian.

The following are the most important factors in the liability rate formula:

- Overall claims statistics for the companies. A claim is a demand that an insurance company pay for damages covered by an insurance policy. Claims statistics include claims frequency (how often claims are made) and the average cost of each claim.
- Company administrative costs.
- Reasonable profit.
- A “trend factor” that considers changing trends in the statistics.
- A 10 percent German insurance premium tax.

About 75 percent of your premium is used to pay insurance claims. The rest goes to administrative costs, taxes, and profit. Claims statistics affect your rates more than anything else. Inflation also raises the cost of claims. The only sure way to prevent rates from increasing is to reduce the accident rate.

12. What is the difference between liability, collision, and comprehensive insurance?

Questions 8 through 10 explained what liability insurance is and the required minimum coverage. It is possible to buy higher levels of coverage. Even though the minimum required is very high, it might not be enough if you cause an accident in which several people are badly hurt or killed. Higher coverage is important for people who have large assets or high income. These people may want to buy higher coverage to avoid the risk of losing their assets.

If an insurance company agrees to sell you insurance, the company must sell you the minimum coverage, but does not have to sell the higher limit coverage. If you want more than the minimum coverage, you should ensure the company will sell it to you before you sign anything.

Collision and comprehensive insurance are not required by law. The German and U.S.-NATO tariffs are different in this regard.

Collision and comprehensive coverage pay for damage to your car. They protect you when there is no one you can file a claim against. For example, collision insurance would pay in a hit-and-run case when you cannot find the other driver. If someone steals your car, comprehensive pays you the car's value. If you run into a tree and dent your fender, collision coverage will pay for the damage. Collision coverage protects you in most cases when you are at fault in an accident. Even when the other driver is at fault, collision coverage comes in handy. Rather than wait while the other driver's company reviews your claim, you can collect for your damages quickly from your own company. Your company may then seek reimbursement from the other driver's company.

Collision and comprehensive coverage make a lot of sense if you have a new or expensive car. If your new car is badly damaged, wrecked, or stolen and there is no one you can collect from, you stand to lose a lot of money. Collision and comprehensive coverage reduce your loss. If your car is financed, the finance company will usually require you to have full coverage (collision, comprehensive, and liability).

As your car gets older, it makes less sense to have collision coverage. It may turn out that your premium and deductible cost more than the car is worth.

Before you buy insurance, decide if you need collision and comprehensive coverage. If an insurance company agrees to sell you insurance, the insurance company must sell you the minimum liability coverage, but does not have to sell comprehensive or collision coverage. If you want one or both of these types of insurance, be sure the company will sell them to you before you sign anything.

13. How are premiums calculated for collision and comprehensive coverage?

German regulations do not set the rates or structure for U.S.-NATO tariff collision and comprehensive coverage. A company can change its rates and rating groups when it wants. Major U.S.-NATO tariff companies use the same system. Factors include age, marital status, and the euro value of your POV. The more expensive your POV, the higher your premium. As the value of your POV decreases, your premium should go down when you renew your contract. (This is affected by currency fluctuations.)

Because the prices are not regulated, there can be a big difference in rates among companies. It pays to shop around and compare prices. Be careful to check that each agent quoting you a price is using the same euro value for your POV and the same deductible; otherwise you cannot make a fair comparison. Beware of agents who offer you a lower rate by underestimating the value of your POV. Doing that is illegal and means you may not have enough coverage in case of an accident.

All German tariff companies must use the same system. Cars are assigned to a specific class. For each class, a certain premium is charged. For *Vollkasko* (question 5), there is a no-claim reduction of up to 60 percent of the base rate. It takes 15 years without a collision or vandalism claim to get the maximum reduction. People buying their first *Vollkasko* policy who already have a discount from a liability policy on a previous POV are put in the same reduction class for *Vollkasko*. *Teilkasko* (question 5) premiums, which are fairly cheap, stay the same. Base premiums do not go down as your car gets older.

14. Do I need collision and comprehensive insurance?

This is an individual decision. To help you decide, do the following:

- Add the annual cost of your collision and comprehensive premium and the cost of any deductible on your policy.
- Compare this total with the current value of your car. If your car's value is close to the total, it probably does not make much sense to buy collision coverage. Comprehensive coverage is much cheaper and you can buy it without buying collision. You should consider whether or not your insurance cost is worth the possible benefits.

15. If I have full coverage insurance, do I never have to pay in case of an accident?

No. The following gives a general idea of what is covered by your insurance:

- **Liability Insurance.** With liability insurance, it is unlikely you will have to pay anything to cover the claims of other people against you. There are two exceptions:

- You may cause a very bad accident in which several people are seriously injured. The limits on your coverage might not be high enough to cover the damages.

- You may violate the terms of your insurance contract (question 27). If your company says that you violated your contract, it will pay the claims of people injured by you, but it may charge you as much as €2,500. The most common contract violations are poor maintenance of your car and driving without a valid license or while being seriously intoxicated.

- **Collision and Comprehensive Insurance.** With collision and comprehensive insurance, you will usually pay some of the cost of repairing or replacing your car because of deductibles and limits on compensation.

- **Deductibles.**

- Many people buy collision or *Vollkasko* policies with a deductible clause. U.S.-NATO and German tariff companies also offer a deductible on comprehensive or *Teilkasko* insurance. Having a deductible means the insurance company pays only the costs above the deductible amount in any single accident. For example, if you damage your car and you have a €200 deductible on your insurance, you would pay at least €200 of the bill. The higher the deductible, the less the insurance company pays on each accident. Because of this, companies offer policies with higher deductibles at lower rates.

- If your car is financed, you may have signed an agreement with the finance company or credit union requiring you to have low or no deductible coverage. If so, you will need written permission from the finance company to buy coverage with a higher deductible. Check with your finance company before you purchase insurance.

- **Limits on Compensation.** Collision and comprehensive coverage pay for your damages only up to certain limits. U.S.-NATO and German tariffs have different rules here, which can be complicated.

- **U.S.-NATO Tariff.**

- ▶ In case of total loss of the car, coverage is limited to the actual cash value of the car (minus your deductible). This amount is roughly the price for which you could have sold the car at the time of the accident. The cash value price is not necessarily the price used to calculate the insurance premium (question 13). In addition, the insurance company is entitled to the full year's premium.

- ▶ If part of the car is damaged, you get back the cost of the repair minus the deductible, if any, minus a deduction for depreciation. Depreciation is the loss of value due to age or use. Depreciation for cars and motorcycles 4 or fewer years old will be made only for tires, batteries, and paint jobs.

For example, you have U.S.-NATO tariff comprehensive coverage on your 2-year-old car. Vandals slash a tire, break a window, scratch the paint, and smash a fender. If the tire already is half worn, your insurance company will not buy a new tire. Even though you will have to get a new tire, your insurance company will pay only half the cost. The same goes for repainting the fender. If the original paint has been on the car 30 percent of the normal life of a paint job, your insurance company will not pay the whole cost of repainting. Tires and paint jobs depreciate fast. The company should, however, pay the full cost of straightening or replacing the fender and replacing the glass. These items are fully covered if the car is only 2 years old. If your car is 5 years old, your company would not pay the full cost of repairing or replacing the fender. It would, however, cover the whole cost of the glass. Glass usually does not depreciate. If the vandals only slashed your tires, your company would not pay you anything. Under both U.S.-NATO and German tariffs, damage to tires is not covered unless other parts of your car are damaged at the same time.

- **The German Tariff.** With some exceptions, the rules for *Teilkasko* and *Vollkasko* are the same as those for U.S.-NATO tariff collision and comprehensive. Compensation is limited to the replacement value of the vehicle or its parts on the day damage occurred, unless otherwise provided. Replacement value is the price the insured person has to pay for a used car or parts of the same value. Private passenger cars also are subject to the following special rules that affect compensation:

▶ If you bought the car new directly from the factory or a dealer, you get a special break. During the first 2 years, the limit on compensation is raised to the price of a brand new car of the same make and model. If you buy a brand new car that is totaled during the first 2 years, your insurance company will give you the money to buy a new car.

▶ If you are the first owner of a car and the repair costs from an accident in the first year are 80 percent (or in the second year, 70 percent) of the cost of a new car, your company will give you the money for a new car. If the car type is no longer produced, you will be given money for a similar type.

▶ When your car is damaged in an accident, old or leftover parts are your property. The sales value of the parts is deducted from your compensation.

16. Do I need insurance for my moped?

In most cases you do. German law says that any motorized vehicle with a maximum speed over 6 kilometers per hour (kph) (3.8 miles per hour (mph)) must carry liability insurance.

The speed of your moped determines both registration procedures and insurance premiums. If your moped is designed to have a maximum speed of 51 kph (32 mph), you must have your moped inspected at a U.S. Forces inspection station as a class 1b two-wheeler. You do not have to register the moped with the U.S. Forces. Instead, you must buy an insurance plate, good for 1 year, from your insurer. Premiums for insurance plates are valid from 1 March to 28 (or 29) February. The amount of your premium depends on what time of year you buy the insurance plate.

| | |
|----------------------------------|--------------|
| 1 March - 30 April | 100% premium |
| 1 May - 31 May | 90% |
| 1 June - 30 June | 80% |
| 1 July - 31 July | 75% |
| 1 August - 31 August | 70% |
| 1 September - 30 September | 60% |
| 1 October - 31 October | 50% |
| 1 November - 30 November | 40% |
| 1 December - 31 December | 30% |
| 1 January - 31 January | 25% |
| 1 February - 28 (or 29) February | 15% |

You cannot use an installment plan when you buy an insurance plate. You must buy a new insurance plate every year.

If your moped is designed to go more than 51 kph (32 mph), you must register it with the U.S. Forces. Your insurer will probably charge you the same rate as for a motorcycle (0 to 50 percent more than the vehicle premium).

17. What things should I consider in choosing an insurance company?

You should be aware of the following:

- Some companies do business only within certain geographic limits. If you live outside these limits, these companies cannot insure you.

- A company does not have to insure you again if it insured you once before and canceled your policy for one of the reasons below:

- An accident occurred and the company either paid or refused the claim.
- You made false statements on your application or an accident report.
- You missed a premium payment.

Remember, a company is not required to sell you insurance. It does not have to sell you liability, comprehensive, or collision coverage. German tariff companies often refuse to sell *Vollkasko* to foreigners, which based on statistics belong to high insurance risk groups.

Companies may try to discourage your business by—

- Refusing to pay its agents a commission for the policy they sell to you. This is legal. However, an agent cannot refuse to take your application and must send it to the home office for review.

- Saying it will have to investigate your application and that this will take a long time. The company hopes you will not want to wait and will go to another company. This method is illegal. German regulations say that a company must give you a decision on your application within 2 weeks after receiving it. If you do not get a rejection notice within 2 weeks, the company must give you coverage. Of course, the company does not have to issue you the ICC needed for registration during this 2-week period. Since most people do not want to wait to register their POV, many companies find this tactic effective.

Additional items to consider are rebates, types of payment plans, payment, the short tariff, and service.

Rebates

Appendix B provides information about tariff-company rebates. German regulations require companies to distribute excess profits on liability coverage to eligible persons who bought the insurance. In choosing a company you may want to ask—

- How often it has paid a rebate.
- How the rebate was distributed.
- How much was rebated.

Type of Payment Plans Available

It is cheaper to pay your yearly insurance cost in one lump sum, but some people cannot afford to do this. Appendix C shows the different installment plans available under both the U.S.-NATO and the German tariffs. You should have no trouble buying insurance under an installment system.

If you use an installment plan, do not wait to get a bill before you make a payment. With most U.S.-NATO tariff companies in Germany, you are already overdue and risk having your insurance canceled if you get a notice. You must remember your payment due dates on your own.

Payment: Dollars or Euros

All premiums are set in euros; however, some companies will write your policy in dollars and many agents will take payments in dollars. Dollar payments are adjusted to the latest dollar-to-euro exchange rate so companies are paid the right amount of euros. If you have a policy stating dollar payments, your premium usually will not be readjusted until renewal time (even if the dollar value falls).

How Payments Are Made

Most large U.S.-NATO tariff companies let you pay your agent. Get a receipt for each payment you make. You will need a receipt in case of a dispute. Many companies will let you mail payments to the main office. If you pay by mail, send a check or money order so you have proof that you paid. Never send cash through the mail. German tariff companies will probably want you to pay through a German bank or post office. Ask your agent about this.

Short Tariff

Do not confuse the “short tariff” with an installment-plan payment. The normal automobile insurance policy in Germany is for 1 year. There is also a short-tariff (*Kurztarif*) policy that lasts less than 1 year. Buying several short-tariff policies can become expensive, because they carry a big surcharge. Short-tariff policies make sense for camper vehicles or motorcycles registered for only a few months. There might be other instances when short-tariff policies are a good idea, but generally you should buy a regular policy. Appendix D shows how the short-tariff works. Do not buy a short-tariff policy simply because you are low on money. Instead, buy a regular policy and ask to pay through an installment plan (app C). It will be less expensive for you in the long run.

Service

You pay a lot for insurance coverage and you expect good service. Here are a few tips on judging service:

- Does the agent—

- Seem to know what he or she is talking about?
- Offer you a copy of the policy conditions in English?
- Take time to answer your questions carefully? (Do not let an agent rush you.)

- Promise you special deals or discounts? Agents cannot change the company’s tariff and offer you a lower price. If an agent offers to do this, go to your legal assistance officer. You may think you are getting a good deal, but you are not. The company can demand the rest of the money due and cancel your contract. If you or your agent falsified your application, your company may refuse to settle your claim if you have an accident. Agents can, of course, claim their company is better. This is normal and is expected. It is also normal for an agent to tell you about rebates the company has paid in the past. Rebates are not price discounts.

- Is the agent willing to explain how your payments are processed if you pay the agent directly? If so, does it sound like an efficient system?

Ask other people in your area about their insurance companies and agents and the insurance experiences they have had.

18. What other kinds of insurance coverage are available?

Legal Protection Insurance

Many people are confused about liability insurance and legal fees. They think as long as they have liability insurance, their insurance will pay the legal fees connected with an accident. This is not always true. Your liability insurance pays for your legal expenses only if someone else tries to collect damages from you.

What happens if you are in an accident and want the other person to pay for damage to your car, medical expenses, or your claim for pain and suffering? Unless the other person is also pressing a claim against you, your liability insurance cannot be used for lawyers' fees.

Legal protection insurance covers such cases. It pays for your lawyer and court costs if you want to sue someone for your damages in an accident. It even pays the legal expenses of your opponent if you lose the case. Under German law, the loser in a lawsuit pays the legal fees for both sides.

Legal protection insurance also pays for your defense if criminal charges are brought against you for a traffic violation. Sometimes legal protection insurance will pay for your lawyer to appeal if you are convicted. The U.S. Government may pay the cost of hiring a lawyer to defend you in some serious criminal cases. If not, you must hire a German lawyer at your own expense.

You also may use your legal protection insurance if you have a dispute with your insurance company. This might happen if you have collision or comprehensive coverage. Your company may refuse to settle your claim or may pay you less than you think it should. There are different types of protection insurance. One type pays only for legal fees in cases connected with cars or driving. Many insurance agents should be able to sell you legal protection insurance. It also is available through German automobile clubs.

Accident Insurance (*Unfallversicherung*)

This coverage ignores the question of fault. It covers, up to the euro limits set in the policy, accident injuries and deaths resulting from using, working on, loading, unloading, or getting in or out of a POV. Coverage is the same for the U.S.-NATO and German tariffs. The four things that can be covered are as follows:

- Death.
- Lost pay (an amount of money per day of work missed).
- Medical costs.
- Permanent or temporary disability.

Most Germans buy coverage only for death and disability. You can buy this insurance for certain people (such as members of your Family) or for anyone riding in your car. If you buy this insurance for specific people, they are insured against an accident in any car.

Luggage and other personal property inside your car are not covered under collision or comprehensive insurance. If you want coverage in case of theft of or damage to your luggage, ask your agent about a special policy. This insurance is usually called trip insurance.

Accident insurance gives you extra protection and quick payment.

19. How do I renew my insurance?

Under German law, policies that run for 1 year or more are renewed automatically for another year. To cancel your policy (app E), notify your company in writing at least 3 months before your policy expires.

U.S.-NATO tariff companies know that Americans are not used to automatic renewal. U.S.-NATO tariff policies automatically expire on the date shown in the policy. If you want to extend your insurance, you must apply for a renewal. Most companies will remind you when you need to renew your policy. However, just to be sure, keep your own records and check them regularly.

20. How do I know if I can get an excess profit rebate?

German insurance regulations on rebates are complex. Ask your agent or the company home office if there is a rebate and if you are eligible.

21. What should I do if my insurance company denies me coverage, but I believe I did everything requested of me?

Most large U.S.-NATO tariff companies say they deny coverage in only a few cases. If you are careful, you probably will not have a problem. If you do have a problem, ask your legal assistance officer for advice. If you decide your company was wrong, you will have to go to German court to settle the issue. You must begin your lawsuit within 6 months after your company notifies you by mail of its decision. If you wait too long to go to court, the company's decision stands.

Before going to court, decide if the cost is worth it. In Germany, the loser in a lawsuit must pay the other party's legal fees plus court costs (including witness fees). If you do not have legal protection insurance to cover these costs, it may be too risky to go to court. If you lose your case, you may also lose a lot of money.

22. What if I want to cancel my policy? Does the company have to do it?

In Germany, only certain circumstances give you or the insurance company the right to cancel a policy. These circumstances include the following:

- Normal expiration of contract year.
- A claim due to an accident.
- Lack of premium payment.

- Sale of the POV.
- Disposal of the POV (for example, the POV is totaled, junked, or shipped to the United States).
- Fraud (such as falsifying policy application).

- Nonoperational registration. Parking your car for a long time is not the same as registering it as nonoperational (AE Reg 190-1/CNE-C6F Inst 11240.6W/USAFE Inst 31-202). As long as a car's registration and plates have not been turned in to the local military police (MP) or security forces (SF), the car must have valid insurance.

Appendix E gives examples of some of these cases and the effects on premiums.

Some companies will agree to cancel a contract even if none of these circumstances apply. However, companies do not have to do this. German car insurance law is written with the goal of making sure victims of a car accident get paid for their damages. German regulations say an insurance company must pay valid claims for any accident happening up to 30 days after the registry is notified that insurance has been canceled. AE Regulation 190-1/CNE-C6F Instruction 11240.6W/USAFE Instruction 31-202 requires the transfer of registration to take place at the local MP or SF station to ensure the buyer has insurance and applies for registration.

23. What if I do not like my insurance company? Should I stop paying my premiums and buy a policy from another company?

No. German contract law is very different from American contract law. If you just stop paying company A and go to company B, under German law, company A could force company B to cancel your policy. You would then have to start paying company A again. Many U.S.-NATO tariff companies know Americans are used to different methods and will try to use those methods. However, when it comes to calculating premiums you owe the company, the company must follow German regulations. If you have German tariff insurance, your company probably will be strict about the German rules.

24. What are some common complaints about POV insurance?

The following are typical complaints. Some are valid. Others result from a lack of understanding on the part of persons buying insurance.

“I received a letter from the RMV saying my insurance has been canceled and I need to send proof of insurance. I called my agent who said everything was fine and not to worry. Then my registration was canceled. Why?”

Unfortunately this type of situation is not uncommon. Generally if you receive such a letter, your insurance company sent a cancellation notice to the registry. Why did your company cancel your policy?

- Maybe you were late with an installment payment. If so, your insurance company is supposed to warn you before it cancels your policy.
- Maybe your agent made a bookkeeping error or waited too long to send your payment to the home office.

- Maybe there was an error at the home office.
- Maybe your insurance expired and you forgot to renew it.

If you think the company made a mistake, write a letter to the home office (not the agent) and ask for an explanation. In the meantime, send a new ICC to the registry right away to keep your car registration valid. An agent cannot charge you a fee for issuing a new ICC. If you rely solely on the word of the agent and do not contact the registry, you could wind up in this situation. Do not ignore the RMV notice.

“I have never had an accident. Why am I paying so much for my insurance?”

People under the U.S.-NATO tariff ask this question. The purpose of insurance is to spread risk. Premiums are not based on your individual accident costs. If they were, people with no accidents would pay no premiums. Someone with a \$100,000 accident would pay \$100,000. This is the problem insurance is supposed to avoid. Even if you have no accidents, you buy insurance to protect yourself against the risk that you might have an accident.

Your personal risk for the future cannot be determined. Insurance companies therefore group people together who have similar driving records. Companies then develop a premium for each group based on past accident statistics. For the U.S.-NATO tariff, age and marital status relate to the chance of having an accident. The German tariff groups people by vehicle design and horsepower, location, profession, and accident record (question 5). Although people are grouped differently, both systems are valid. In both the United States and Germany, a claim-free discount is used mainly as an incentive. The discount encourages people to settle small claims themselves, encourages better driving, and penalizes bad drivers.

Studies show accident records alone are not very helpful in predicting future accident risk. The U.S.-NATO tariff has no discount system. People who have no previous claims may want to see if they can get lower rates from a German tariff insurance company.

“I have full coverage, but my company will not pay me for all the damage to my car.”

Remember, your insurance company usually does not have to give you something new for something old. In many cases, you must pay the difference if new parts are used to repair your car. If your car is totaled, your company usually pays only the value of the car.

“I have liability insurance, but my company will not hire a lawyer to sue the other person for damages.”

Liability insurance protects you from the other person’s claim (questions 18 and 28). If you want to sue the other person, your insurance company will not help you, unless the other person is also suing you.

“My company refused to get my deductible back, even though they were suing the other person.”

Your company legally cannot sue the other person for your deductible. Since you paid that money, you have to recover it. Your company has no legal right to do it.

“I have a motorcycle that is financed. The finance company says I have to carry full coverage, but my agent says he cannot sell me collision or comprehensive coverage.”

This is a valid complaint. Unfortunately, there is no easy solution. Insurers are reluctant to sell collision and comprehensive coverage for motorcycles. They say the risk is too high and motorcycles depreciate rapidly. When a motorcycle is totaled, customers are often surprised how low the current value is. This causes complaints. Many companies may legally advise their agents not to sell full coverage for motorcycles.

Motorcycle owners who want full coverage should contact as many agents as possible. If they cannot find anyone willing to sell full coverage, they will probably have to register their motorcycle as nonoperational or sell it. No insurance is required for a nonoperational registration.

“I canceled my insurance when I sold my car. The company owes me a refund, but the agent keeps stalling.”

The procedure for calculating premiums can be complicated when insurance is canceled. Write to your company’s home office if you are not satisfied with your agent’s response. The home office should be able to explain things and take care of any refund.

“I had an accident and my car was in the repair shop for 2 months. The other person was at fault. I rented a car for the 2 months and now the other person’s insurance company will not pay the whole rental bill.”

If the other person is at fault, the insurance company may have to pay you the cost of renting a car; however, there are a lot of things that limit how much the company has to pay you. Here are some general rules:

- If your car can be safely driven, you do not need a rental car and will not get paid for one.
- If your car can be temporarily repaired while you wait for spare parts, you do not need a rental car and will not get paid for one.
- If the time you rent a car is longer than the time your car was undergoing repairs, you will not get paid the full rental cost. If your car is totaled and you rent a car while buying another one and keep the rental car after you get another car, you will not get paid the full rental cost. In both cases you will be considered to have rented the car too long.

If you have a right to car-rental costs, you still might not get all your money back. The other person’s insurance company can make deductions for the wear and tear you save on your own car. If you rent the most expensive car possible, you will have to pay the extra cost yourself. As a general rule, you should not rent a car that is a more expensive type than your own. It is safest to rent a less expensive model.

Be careful when renting a car after an accident. Many rental agencies have you sign an agreement that any liability insurer settling the claim will pay the rental bill before paying you. This could greatly reduce the money you actually receive. You may want to do without a rental car instead of risking this cost.

“I have full coverage. I skidded on an icy road and totaled my car. My insurance will not pay me to rent a car while I wait for my new one.”

Collision and comprehensive coverage never include payment for a rental car, no matter how much you need to rent a car. You get paid for a rental car only when someone else is at fault. The other person’s liability insurance pays for the cost.

25. What should I do if I have a complaint about my insurance company?

Contact your insurance company’s home office. Most companies want to prevent customers from being dissatisfied and will do their best to correct company errors. If you are still unhappy, notify your local legal assistance officer. You may also write to the Policy Adviser, USAREUR Registry of Motor Vehicles, Office of the Provost Marshal, HQ USAREUR/7A, Unit 29931, APO AE 09086-9931. Remember that the U.S. Forces have no authority over POV insurance companies in Germany. As a last resort, you may send a complaint to German insurance officials at the following address:

Bundesanstalt für Finanzdienstleistungen
Graurheindorfer Str. 108
53117 Bonn, Germany

Postfach 1308
53003 Bonn, Germany

26. If I drive to other European countries, is my insurance valid in those countries?

Yes. U.S.-NATO tariff collision and comprehensive insurance may, however, not apply in some former communist countries. When you plan a trip outside Germany, ask your insurance agent for an international green card. This card is good throughout Europe, unless specific countries are marked out. Frequently border guards will ask to see your green card. If you do not have one, they may not let you drive across the border, or they may charge you a fine, **or you may have to purchase insurance at the border to drive in their country.** It is a good idea to ask for your green card when you buy your insurance and to keep the green card in your car.

If you are transferred from Germany to another country in Europe, you will have **to register and purchase insurance in that country.** The green card is meant to be used **to prove insurance coverage on trips or visits to other countries where you are not stationed or registered.**

27. What do I need to know about German insurance regulations?

Under German regulations, you have many responsibilities. These responsibilities are part of your contract with your insurance company. If you do not fulfill your responsibilities, your insurance company may deny you coverage. The two main types of responsibilities are as follows:

- General responsibilities that always must be fulfilled.
- Responsibilities after an accident.

General Responsibilities

You will not let anyone drive your car without a valid drivers license.

You will not falsify any information on your insurance application.

You will pay your premiums promptly.

You will not use your car for a purpose other than the one stated on your application.

You will not increase the risk of having an accident. This is very important. It means that you must—

- Keep your car in good operating condition. German standards are very strict about things like tires and brakes. You should perform a maintenance check on your car regularly. If just one tire is below standard, you have increased your risk. You also increase your risk by having low brake fluid and then having an accident involving brake failure.

- Not drive after drinking.
- Not overload your vehicle.
- Not drive without eyeglasses if your license requires it.
- Not leave your car unlocked while it is parked.

If you do not fulfill these responsibilities, your insurance company may deny you coverage. If you file a collision, comprehensive, or *Unfallversicherung* claim, your company may refuse to pay you anything. For liability insurance, the insurance company usually must pay the claims of other people. If, however, the company believes you did not fulfill your responsibilities, the company may try to recover the money from you.

For example, you have liability, collision, and comprehensive insurance. You have an accident and are at fault. The tires on your car do not meet the minimum standards. Damages to your car cost €1,500. The other person's damages, property, and medical expenses add up to €7,500. Your insurer says you increased your risk by driving with bad tires and refuses to pay anything for your damages. It pays for the other person's damages and then requires you to repay (up to €2,500) what it paid the other party. You could also be sued by the injured person's insurance company for any claims it had to pay if costs were above the limits of your coverage. Insurance companies always have the right to ask to be paid back.

Responsibilities After an Accident

- You will report the accident even if you do not claim the accident through your insurance company. You must report an accident in writing to your insurance company within 1 week after the accident. Report all accidents, even minor ones, to your company. Report an accident even if you do not think you were at fault. You must tell your insurance company right away if other people make any claims against you.

- You will cooperate in the investigation of the accident. Follow the guidance provided in the answer to question 29.

Neglecting your responsibilities after an accident may result in your being denied coverage. You could end up paying your insurance company if it has to pay other people's claims. If you deliberately violate these rules (for example, by committing a hit-and-run offense or falsifying your accident report), your company can demand up to €2,500 from you.

28. Will I ever need to hire a German lawyer?

Lawsuits are expensive and take a lot of time. Most people would rather settle out of court. You may have to have a lawyer for out-of-court negotiations, but the fees will not be as high as those for a lawsuit.

The two types of court action you could be involved in after an accident are criminal and civil.

Criminal Action

If German authorities believe you have broken a law, they may bring criminal charges against you. If you are found guilty, you could be fined or put in prison. Your liability coverage will not pay to defend you against criminal charges. In some cases, the company may reimburse you for criminal court costs after the case is concluded.

In official duty cases the U.S. Government may pay the cost of hiring a lawyer to defend you against serious criminal charges. Otherwise you must hire a German lawyer at your own expense. Consult a legal assistance officer for advice.

Civil Action

Civil court actions do not involve criminal charges. Civil court actions connected with traffic accidents usually involve someone trying to get money for damages. You may get involved in a civil court action if you have an accident and—

- Someone sues you for damages.
- You want the other driver to pay for your damages or injuries.
- Your insurance company denies you coverage.

You may need to hire a lawyer for a civil court action if the other driver was at fault and you want to collect for your damages. In this case, a German lawyer is recommended, since a German lawyer—

- Will take care of all dealings with the other driver and the insurance company.
- Can help you evaluate the chances of winning your case.
- Knows German insurance laws and can help you claim everything you are entitled. In some ways, German law provides more to accident victims than many U.S. State laws.

Your insurance company may hire a lawyer to defend you against a liability claim. This could happen if someone (the other driver or a passenger in your car) makes a claim against you.

If someone involved in the accident has a civil complaint or payment order made against you, you must take quick action. Otherwise a final decision could be made against you automatically. Tell your insurance company right away about any court actions against you. Your insurance company must defend you against claims by other people. Often the company tries to defend you by proving the other driver was at fault. If your company succeeds, a court may tell the other driver to pay you; however, cases do not always work out this way.

For example, you are involved in an accident. You are very badly injured, but the other driver has only a little damage to his car. Each of you says that the other driver is at fault. Your insurance company might decide it is cheaper to pay the other person's claim than to argue it in court. After all, the damage was small. The company pays out of court and you get nothing. If you want to try to get any money for your injuries, you will have to hire a lawyer on your own. Legal protection insurance would pay for this.

- If you have collision coverage and your company pays for damage to your car, the company can sue the other driver for the money the insurance company paid you. In its suit, the company cannot try to help you get money for your injuries. If you want money for your injuries, you will have to hire a lawyer. Legal protection insurance would pay the legal fees.

- You may need to hire a lawyer for a civil court action if your company refuses to settle a claim or tries to get back money from you.

29. What do I do if I have an accident?

German law and U.S. Forces regulations are very strict about what you must do after an accident. If you violate these regulations, you risk fines or imprisonment. You also could lose your insurance coverage. Drivers should obtain a copy of AE Form 190-1Y and keep it in the POV for quick reference. Local field registration stations have copies of this form.

Immediate Action After an Accident

- Secure the scene of the accident. Turn on your vehicle's warning lights and set up the warning triangle to guide traffic around the accident.

- Help any injured persons. Provide first-aid to injured persons, but do not move badly injured persons. Have someone call for medical help.

- Note the time and place of the accident and the names and addresses of witnesses. If you have a camera, take pictures of the scene. Photographs can be more reliable than accident reports and are acceptable in court. If you do not have a camera, sketch the scene (placement of the vehicles, traffic signals, and so on). If no one is hurt and damage is minor, move the POVs. Do not block traffic after a minor accident.

At the Scene

- If you are involved in an accident in which someone else's property is damaged or someone else gets hurt, stay at the scene of the accident until all information is exchanged. Sometimes, however, it is not possible to do so. For instance, the owner of the property is not at the scene at the time of the accident or the injured person is physically unable to exchange the information. You must wait at the scene for a reasonable time for the owner of the property to show up or for the injured person to recover sufficiently.

- Exchange the following information with the other driver or drivers (when possible):

- Name.

- Address.

- License-plate number.

- Insurance company and policy number.

- Notify the police. All incidents on-post must be reported immediately to the local MP or SF. If an accident occurs off-post, it must be reported to the German police immediately and to the MP or SF within 72 hours. When a report to the German police is required, it must be done immediately or as soon as reasonably possible under the particular circumstances. If you fail to meet these reporting requirements in a timely manner, you could be charged with hit and run.

- German police may ask you to say how the accident happened or to sign a statement. If you are the driver or are related to the driver, you are not required to make a statement or sign anything. You may want to see a lawyer first. A lawyer will help you decide whether or not you should make a statement and will ensure the correct wording.

- German police may give you an on-the-spot fine (*Verwarnungsgeld*). You may refuse to pay, but you risk paying a more serious fine (*Bußgeldbescheid*) later. Paying an on-the-spot fine will not necessarily hurt you in any later lawsuit.

Later Actions

- Do not drink any alcohol after an accident. You may be required to take a blood-alcohol test. If there is too much alcohol in your blood, you may be charged with drunken driving and your insurance company may refuse to cover you. It usually does not help to say you drank the alcohol after the accident occurred.

- Report the accident to your insurance company within 1 week. In most cases, your local agent will help you complete the accident report. Do not cover up the facts. If you do, your company may refuse to cover you.

Your insurance company must know what happened to do a good job in defending you. Let your insurance company know right away if a claim is made against you. Send the insurance company copies of any letters related to the accident.

For More Information

This pamphlet should answer most of your questions on POV insurance in Germany. If you have other questions, consult your legal assistance officer or write to the following:

Policy Adviser, USAREUR Registry of Motor Vehicles
Office of the Provost Marshal, HQ USAREUR/7A
Unit 29931
APO AE 09086-9931

**APPENDIX A
OVERVIEW OF THE GERMAN AND U.S.-NATO TARIFFS**

| Type of Coverage | U.S.-NATO Tariff | German Tariff |
|---|---|--|
| A-1. LIABILITY (MINIMUM) | | |
| Premiums determined by— | Age and marital status. | Vehicle design, use, and horsepower; geographic location; profession of the person buying the insurance; and claims (accident) record. |
| What is covered by both the U.S.-NATO tariff and the German tariff: Claims against you up to— | €2,500,000 or €7,500,000 for bodily injury. €500,000 for property damage. €50,000 for consequential damage. NOTE: Higher coverage is available for a small surcharge. | |
| A-2. COMPREHENSIVE (<i>TEILKASKO</i>) | | |
| Premiums determined by— | Age, marital status, value of privately owned vehicle (POV). | Make and model of POV (no change in premium for age of POV). |
| What is covered: | Damage to your POV caused by theft, vandalism, flood, fire, falling objects, water, earthquake, explosion, windstorm, hail, glass breakage. | Damage to your POV caused by theft, flood, fire, storm, explosion, hail, lightning, collision with animals, damage to wiring due to short circuit, glass breakage. |
| Deductibles (depending on insurance company): | €150; €250; €500; \$50; \$100; \$150; \$200; \$250; \$300. | €0; €150 |
| A-3. COLLISION (<i>VOLLKASKO</i>) | | |
| Premiums determined by— | Age, marital status, value of POV. | Make and model of POV; claims record. |
| What is covered: | Damages to your POV due to overturning or collision with another object (including animals). | Everything under <i>Teilkasko</i> , plus damages due to vandalism, overturning, or collision with another object. |
| Deductibles: | €250; €500; €750; \$100; \$150; \$200; \$250; \$300; \$500; \$1000. | €0; €150; €300; €500; €1,000 |

APPENDIX B TECHNICAL EXCESS REBATES

B-1. TECHNICAL EXCESS

a. A technical excess is a profit that insurance companies make when the money they earn in premiums is more than the cost of administration and settling claims.

b. According to German insurance regulations, if a company has a technical profit of more than 3 percent, it has to set up a rebate fund with the extra profits. When this fund gets to be a certain size, rebates have to be paid to the person who bought the insurance. Collision, comprehensive, *Vollkasko*, and *Teilkasko* rebates are not required. Also, a company does not have to rebate money if its technical profit is 3 percent or less.

c. You are eligible for a rebate if you had an insurance policy continuously from 1 January to 31 December of the year for which the rebate is being paid. Rebates usually are paid in the summer of the following year. For example, rebates paid in the summer of 2008 were for excess profits for 2007.

d. If your car is totaled, junked, or sold, and you cancel your insurance until you get another car, you are eligible for a rebate if the break in coverage was not longer than 6 months and you meet all other established criteria.

e. If you switched companies during the year but maintain continuous coverage, you are eligible for a rebate. The company insuring you on 31 December will pay you if it is paying rebates that year. You are not eligible for any rebates your former insurance company may be paying.

B-2. DISTRIBUTION OF REBATES

a. A company may divide its rebate fund among eligible persons who bought insurance in three ways:

(1) The company may pay the same percentage rebates to everyone eligible (for example, all eligible persons who bought insurance may get a 5-percent rebate of their premium).

(2) The company may pay different percentages to everyone eligible, depending on the numbers of years of claim-free driving. Someone with 1 claim-free year may get a 1-percent rebate while someone with 9 claim-free years may get a 5-percent rebate. A company could decide to pay no rebates to people with fewer than 5 years of claim-free driving.

(3) The company may pay the same percentage rebate to all eligible persons who bought insurance and who made no accident claims during the rebate year.

b. Companies are free to choose the method they like the best.

c. According to German regulations, an insurance company should pay rebates automatically to eligible people who still have a policy when the rebate is declared. Larger U.S.-NATO tariff companies claim it is hard to pay U.S. personnel automatically. According to these companies, U.S. personnel often move without giving the company their new address and mailed checks often get lost or returned. Most companies now send either rebate checks or notices directly to eligible persons who bought insurance and who are still with the company. People who have changed companies must apply for their rebate. Check with your agent for more information on rebates.

d. If you return to the United States between January and July, take your policy number and the name and address of your insurance company. You can then write to the insurance company to ask if you are entitled to a rebate for your last year in Germany.

APPENDIX C INSTALLMENT PLANS

C-1. U.S.-NATO TARIFF

a. An installment plan is available for personnel who buy this tariff. The buyer may be required to make a minimum 20-percent down payment with the balance paid in up to 10 equal installments. Most companies will accept a down payment of 1 month's premium with 11 monthly installments.

b. Ask your agent the dates that the second and following payments are due. Timely payment will ensure your insurance policy is not canceled. Each installment payment will result in a small charge.

C-2. GERMAN TARIFF

An installment plan is available for personnel who buy this tariff. Options are as follows:

a. Payments twice a year with a 3 percent surcharge.

b. Payments four times a year with a 5 percent surcharge.

c. Twelve monthly payments with a 5 percent surcharge. This option is available only if you authorize the insurer to withdraw the monthly payment from your German or military bank account. This withdrawal procedure is common in Germany.

APPENDIX D
THE SHORT TARIFF

The table below explains the percentage of an annual premium charged for short-tariff policies.

| Length of Policy | Percentage of Annual U.S.-NATO Tariff | Percentage of Premium Charged (German Tariff) |
|-------------------------|--|--|
| 1 month | NA | 15 |
| 2 months | 20 | 25 |
| 3 months | 30 | 30 |
| 4 months | 40 | 40 |
| 5 months | 50 | 50 |
| 6 months | 60 | 60 |
| 7 months | 70 | 70 |
| 8 months | 75 | 75 |
| 9 months | 80 | 80 |
| 10 months | 85 | 90 |
| 11 months | 90 | 100 |
| More than 11 months | 100 | 100 |

APPENDIX E

CANCELLATION OF AN INSURANCE POLICY AND ITS EFFECT ON PREMIUMS

E-1. GENERAL

a. Under German insurance law, specific circumstances give you or your insurance company the right to cancel a policy. The German regulations are very complicated.

b. Insurance companies are required by German law to notify the USAREUR Registry of Motor Vehicles (RMV), Office of the Provost Marshal, HQ USAREUR/7A, when a policy is canceled. In turn, the RMV is required to tell the company what happened to the privately owned vehicle (POV) (if the vehicle is sold, insured with a different company, junked, registered as nonoperational, or shipped to the United States). If you and the RMV give conflicting reports about what happened to a vehicle, the conflict can affect your premium. You must make sure POV transactions are done according to AE Regulation 190-1/CNE-C6F Instruction 11240.6W/USAFE Instruction 31-202.

c. It is a good idea to get an AE Form 190-1S from your local registration station when you cancel or transfer your POV registration. Submit the AE Form 190-1S to your insurer. Most insurance companies will accept AE Form 190-1S when processing a request to cancel a policy.

E-2. EXAMPLES

The following are examples of situations in which a policy may be canceled:

a. The insurance company or you may cancel a policy as of the policy's expiration date. The U.S. NATO tariff policy expires automatically. Under the German tariff, you must give 3 months' written notice before the expiration date of your policy; otherwise the policy will be automatically renewed. No further premium is due if written notice is provided.

b. The insurance company or you may cancel an insurance policy when a claim is filed. Notice must be given within 1 month after the insurance company has taken action (positive or negative) on a claim. If the insurance company cancels your policy, the cancellation takes effect 1 month after the notice is given. If you cancel your policy, you may choose an effective date up to the normal expiration date. If the insurance company cancels your policy, it must pay for the period of coverage provided. If you cancel your policy, the balance of the annual premium due must be paid.

c. The insurance company may cancel the insurance policy when a premium payment is overdue. The insurance company must give 2 weeks' notice before canceling your policy. The cancellation takes effect at the end of the 2-week period if payment is not made. You owe the insurance company the premium until the end of the contract period.

d. The insurance company or you may cancel an insurance policy when a POV is bought or sold. If the insurance company finds out that the buyer of your POV has bought his or her own policy, the knowledge is taken as notice of cancellation. When you sell your POV, you must give the insurance company 1 month's notice of the sale. After you sell your POV, you must notify the insurance company of the transfer. RMV provides the seller with two copies of AE Form 190-1S, one for the seller's insurance company as proof of the transfer, and one for the authorization to cancel the insurance policy. Only with this form can the POV owner cancel the insurance policy. If the insurance company cancels the policy, the cancellation takes effect 1 month after the notice. If the buyer of your POV cancels the policy, the cancellation takes effect either immediately or when the policy expires. The insurance company is entitled to the premium for the period of coverage provided. If, at the time you sell your POV, you have had the insurance policy for less than 1 year, the premium is calculated at the short-tariff rate.

e. You may cancel the insurance policy when your vehicle is totaled, junked, or shipped to the United States by showing proof of the disposition, cancelling the registration, and obtaining AE Form 190-1S (insurance cancellation) as proof to provide to your insurance company to cancel/terminate the policy. The cancellation takes effect immediately. The premium due is determined as explained in subparagraph d above. If you buy a new policy from the insurance company within 1 year, a short-tariff surcharge is credited to the new policy. If an insurance company settled a collision or comprehensive claim on a totaled or stolen vehicle, the full unpaid annual premium is due for these coverages.

f. When you register a vehicle as nonoperational, you will also be provided an AE Form 190-1S as proof that liability insurance is no longer required, and by providing a copy to your insurance company you can cancel the insurance policy. The cancellation takes effect immediately. The premium due is determined as explained in subparagraph d above.

g. You may cancel your insurance policy when your vehicle has temporary plates and fails a safety inspection. Vehicle must be registered nonoperational or otherwise legally disposed of, and the RMV will provide the owner an AE Form 190-1S to submit to the insurance company to cancel the policy. The cancellation is immediate. Generally, 2 percent of the annual premium is charged for each 5-day period.

h. The insurance company may cancel a U.S.-NATO tariff collision or comprehensive insurance policy anytime. Individuals can only cancel policy at the expiration of the contract, or when the vehicle is sold, destroyed, legally disposed of or registered as nonoperational. Individuals can only change insurance to other companies upon completion of the contract or upon mutual agreement with the insurance company. The insurance company is entitled to the premium for the period it provided coverage. If you cancel the policy, the premium due will be calculated at the short-tariff rate.

i. Insurance policies may be canceled by mutual agreement between the insurance company and you. Giving notice is not required. It is always beneficial to get the agreement in writing.

GLOSSARY

SECTION I ABBREVIATIONS

| | |
|---------------|--|
| AE | Army in Europe |
| AEPUBS | Army in Europe Publishing System |
| AR | Army regulation |
| HQ USAREUR/7A | Headquarters, United States Army Europe and Seventh Army |
| ICC | insurance confirmation card |
| kph | kilometers per hour |
| MP | military police |
| mph | miles per hour |
| NA | not applicable |
| NATO | North Atlantic Treaty Organization |
| PM | Provost Marshal, United States Army Europe |
| POV | privately owned vehicle |
| RMV | United States Army Europe Registry of Motor Vehicles, Office of the Provost Marshal, Headquarters, United States Army Europe and Seventh Army |
| SF | security forces |
| U.S. | United States |
| USAFE | United States Air Forces in Europe |
| USAREUR | United States Army Europe |

SECTION II GERMAN TERMS

Bundesanstalt für Finanzdienstleistungen (BaFin)
Federal Agency for Financial Services

Bußgeldbescheid
fine

Kurztarif
short tariff

Teilversicherung (Teilkasko)
comprehensive coverage

Unfallversicherung
accident insurance

Verwarnungsgeld
on-the-spot fine

Vollversicherung (Vollkasko)
comprehensive and collision coverage