

Everyone needs private liability insurance!

Why?

A moment of carelessness can easily cause material damage to others. You then have to accept the consequences – and that can be expensive! It can happen more quickly than you think: for example, accidentally spilling red wine on a friend's sofa or carpet can lead to "compensation for damages". Carelessness when using kitchen appliances in a hall of residence could cause a fire, while forgetfulness might lead to losing the keys to a rented room or flat. Negligent behaviour by a pedestrian could result in a traffic accident and he/she will be held responsible for the damages – for all the costs, compensation and possibly even a life-long pension. That could cost millions of euros for the rest of that person's life. No-one can bear these sums by themselves. This is where private liability insurance comes in, taking on all these obligations.

Who is insured?

With a *single-person policy*, only the person named in the contract is insured. With a *two-person policy*, couples without children are insured and a *family policy* covers the entire family. A single-person policy is cheaper than a family insurance policy. The names of partners must be stated for them to be included in the insurance policy. However, any damage that they then cause each other will not be compensated. In these cases, it is important that claims of recourse by social insurance funds, social assistance funds, private health insurance contracts, public and private employers due to personal injury are also insured. If I inflict a health damage to the partner, the health insurance company could otherwise demand e. g. the treatment costs from me.

Parents' family liability insurance automatically continues to cover young people who are over 18 and not married while they are still at school or (without any interruptions) are students. The children remain insured with their parents even if they no longer live with their parents. Therefore, students should check whether they are still covered by their parents' liability insurance. International students should also ask in their country of origin whether they have liability insurance from their home insurance policies.

What should I look for in a liability insurance policy?

The insured sum should be for at least € 10 million and the contract should not be for longer than one year. Contracts are automatically extended if they are not terminated three months before they are due to expire. Students are not recommended to agree to an excess, i.e. an amount of money to be paid per claim. This may make the policy cheaper, but the saving is minimal as liability insurance is cheap anyway.

Here are some important aspects to be considered when choosing liability insurance: people who rent a room or a flat should ensure that they are insured for at least € 300,000 for damage to rented property. This covers the damage caused to flats. However, it does not include glass breakages and damage to heating systems. Damage caused gradually over time should also be insured, such as the problem of accidentally drilling onto a water pipe and causing damage by a water leak. Compensation for damage caused by the unintentional transfer of computer viruses and losing keys to rented property should also be insured. This insurance policy generally applies throughout the world.

What is not insured?

The liability insurance only covers damage for which the person who causes the damage is responsible in accordance with the German Civil Code (BGB). This insurance does not cover damage caused by children under 7 years of age (10 years of age in the case of traffic claims) – the aggrieved party must cover the costs by himself/herself, unless children who are not responsible by law for any harm they cause on others are explicitly insured. The parents' insurance covers this damage in the event that they have neglected their supervision duties. Damage caused deliberately is not insured by any policy!

What does it cost?

A cheap single liability policy costs approx. € 50 - 60. With more expensive companies, you quickly pay significantly more. Hamburg's consumer advice centre recommends obtaining quotes from HUK Coburg, HUK24, GEV Grundeigentümer or WGV, for example. Premiums are cheaper when they involve an agreed deductible and annual payment.

You can arrange to have an individual meeting with the consumer advice centre (Verbraucherzentrale Hamburg, www.vzhh.de) and request further information from the Counselling Centre for Social & International Affairs – BeSI at the Studierendenwerk Hamburg (www.stwhh.de).

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Grindelallee 9, 20146 Hamburg | Tel. +49 / 40 / 41902 - 155 | E-Mail: besi@stwhh.de



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