

Insurance premiums of sickness insurance contracts

Upon agreement with employees, employers can conclude health insurance contracts with insurance companies to cover possible medical expenses or compensate the employees for payments made on the basis of expense documents tax-exempt up to the limit of the tax incentive.

Voluntary health insurance is necessary especially for those who for some reason are not covered by the Health Insurance Fund or cannot/do not wish to purchase it separately from the Health Insurance Fund.

Private health insurance is mostly intended for those who:

- ✓ do not consider the services of the Health Insurance Fund sufficient
- ✓ wish to be treated in private medical facilities
- ✓ if necessary, want to go abroad for treatment

Example

The employer concludes a health insurance contract offered by the Health Insurance Fund for a person who does not have state health insurance (e.g. the service is provided on the basis of a contract under the law of obligations and the monthly fee is lower than the monthly rate based on the minimum obligation of social tax).

Pursuant to the insurance contract, the person (insurer) undertakes, upon the occurrence of an insured event, to compensate for damage caused by the insured event or to pay the agreed amount of money or to perform the contract as otherwise agreed and the other person (policyholder) undertakes to pay insurance premiums to the insurer (**§ 422 of the Law of Obligations Act**).

Insurance activity is the taking over of insurance risks based on an insurance contract and compensation for damage in case of an insured event (**subsection 1 of § 2 of the Insurance Activities Act**). To engage in insurance activities, a company must hold an activity licence (authorisation). The Estonian Financial Supervision and Resolution Authority grants authorisations to companies established in Estonia.

Insurance institutions

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