



Self-unemployed and on the sick

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Employees have compulsory health insurance via their employer. Self-employed entrepreneurs do not, because they do not have a single employer but work for several clients. So as a self-employed entrepreneur you are not insured for the loss of income that arises if you fall ill. You can decide for yourself whether, and if so how much, you want to be assured of an income during your illness. You can do so by taking out a regular insurance to cover incapacity for work (AOV), but there are other possibilities.

If you are intending to take out some form of insurance for yourself, there are a number of questions that you must ask yourself first.

- **How long can you manage without an income?** Do you want a waiting period, in other words, a period that is not covered? This is the period that you will have to bridge yourself until the payment of your allowance begins. In the case of a regular insurance policy to cover incapacity for work, the longer this period is, the lower the premium you pay.
- **How much do you need?** Remember that this is an emergency allowance. Once you know how much you need to live per month, you will be able to make a better choice of the insurance policy that you take out. Are you a breadwinner with a family to support, or do you live by yourself in rented accommodation?
- **How long do you want the allowance to last?** There are insurances with a maximal allowance period. Most self-employed entrepreneurs are able to resume work within two years, though sometimes in a different kind of work from what they did before.
- **Are you healthy?** Do you have any medical complaints, and if so, do you want to include them in the insurance? This may have major consequences for the monthly premium.
- **Do you want to exclude psychological disorders?** This may have consequences for the monthly premium.
- **Do you have a physically demanding profession?** If so, the risk of incapacity for work is higher. A regular insurance to cover incapacity for work takes the kind of work you do into account in calculating the premium.
- **Are you at higher risk?** Do you engage in extreme sports, such as winter sports? You can opt to exclude these risks from the insurance to keep the monthly premium lower.

Insurance to cover incapacity for work via an insurance company

Regular

This is the most common type of insurance. The level of the monthly premium depends on your age, your profession and how long you have been exercising it, and on your individual requirements. The level of the allowance also depends on individual choices.

Safety net

Self-employed entrepreneurs who are turned down for a regular insurance to cover incapacity for work by insurance companies because of illness or disability can make use of the safety net scheme. This also applies to self-employed entrepreneurs who are only eligible for an insurance to cover incapacity for work at a higher premium. A condition is that this insurance is taken out within 15 months of starting up the enterprise. The waiting period of this insurance is 12 months and the monthly allowance is a maximum of 70% of the minimum wage, equivalent to the social minimum.



The social minimum is a sum fixed by the government of the minimum necessary to satisfy your basic needs.

Budget

Most insurance companies have created a budget, risk, safety net or entry scheme. Each company applies different conditions, but for each type of insurance it is possible to reduce the costs considerably, though for a limited coverage.

Solidarity fund

You and a group of participants who have all been proposed take part in a circle of donors. Each participant opens an account and deposits a prearranged sum there each month. When a member of the group becomes incapacitated for work, each participant transfers a prearranged sum to that person's account to meet his or her living expenses. The best-known of these funds is the Broodfonds (literally 'Bread Fund').

This concept is based on trust; each participant must be proposed, and the group may not consist of more than fifty members. The monthly deposit is linked to the level of the monthly allowance. You can choose from eight different levels. The waiting period is usually two to four weeks, depending on the fund in which you participate. The maximum allowance period is two years. Besides the Broodfonds, there are other initiatives that operate in a similar way, such as the Smartfund.

Voluntary Public Employment Agency (UWV) insurance

Former employees who start up their own enterprise can take out a voluntary insurance with the Public Employment Agency (UWV). An important condition for this is that the insurance is taken out within 13 months of the termination of paid employment. As an entrepreneur who is starting up, you can choose between sick benefit and disablement benefit (WIA). For the short-term allowance for a maximum of 2 years you choose the sick benefit. For the long term, i.e. more than two years on the sick, you choose the disablement benefit. You cannot choose the disablement benefit without choosing the sick benefit, but vice versa is possible.

Alternatives

Putting money aside yourself

You can put money aside, for example on a business savings account, though remember that this may have fiscal consequences.

Job on the side with an employer

Another option that many entrepreneurs who are starting up choose is to have a job on the side. If you have an employment contract, you are compulsorily insured against loss of income via your employer. The sick benefit that you receive is usually 70% of your last wage. If this falls below the social minimum, you can apply for a supplement.

Combinations

As a self-employed entrepreneur, you can also decide on a combination of several of these options. For instance, you can engage in employment on the side for an allowance at the level of the social minimum and at the same time take out a regular insurance to cover incapacity for work to raise the level of this allowance. In that case the monthly premium will not be so high.

Another common option is to combine participation in the Broodfonds with a regular insurance to cover incapacity for work. With a waiting period of two years, you pay the insurance company a lower monthly premium.



Diagram

	voluntary UWV insurance	regular AOV	Safety net scheme	Budget insurance	Broodfonds
Waiting period	2 days ¹	- ⁴	- ⁴	- ⁴	yes ⁵
Acceptance without medical inspection	yes	no	no	no	yes
You can choose the level of the allowance	yes	yes	yes	yes	yes
Tax-deductible premium	yes	yes	yes	yes	no
Taxable allowance	yes	yes	yes	yes	no
Term of notice	no	yes	yes	yes	yes
Premium and allowance always modifiable	no ²	no ⁴	no ⁴	no ⁴	no ⁶
Policy or administrative expenses	no	yes	yes	yes	yes
No premium during payment of allowance	yes ³	no ⁴	no ⁴	no ⁴	yes
Wage-indexing possible	yes	yes	yes	yes	no
Freedom to choose maximum allowance period	no	yes	yes	yes	no
Freedom to choose exclusions	no	yes	yes	yes	no
Premium depends on no-claim behaviour of self-employed entrepreneur without personnel	no	yes	yes	yes	no
Length of time as self-employed entrepreneur without personnel	maximal 13 weeks	no	no	no	minimal 1 year

1. Sick benefit 2 days, disability benefit 104 weeks
2. Only possible with a wage increase of more than 25%
3. No premium in case of allowance for full week
4. Depending on insurance company and/or choice self-employed entrepreneur without personnel
5. Depending on agreement per fund
6. twice a year: 1 January / 1 July



More information

On BeroepKunstenaar.nl

- I want to insure myself well

Other websites: (all-in Dutch)

- [Broodfonds](#)
- [Compare insurances](#)
- [Private insurance via the UWV](#)
- [Zzp Nederland](#)