### Module Description

**Module title**: Social Insurance and the Welfare State  
**Abbreviation**: 12-M-F3-132-m01

<table>
<thead>
<tr>
<th>ECTS</th>
<th>Method of grading</th>
<th>Duration</th>
<th>Module level</th>
<th>Other prerequisites</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>numerical grade</td>
<td>1 semester</td>
<td>graduate</td>
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**Module coordinator**: holder of the Chair of Public Finance  
**Module offered by**: Faculty of Business Management and Economics

**ECTS**: 5  
**Numerical grade**: --  
**Method of grading**: Only after succ. compl. of module(s)

**Contents**

Description:
This module discusses the economic justification for implementing social security systems in a market economy and provides students with deeper insights into this topic with the help of specific issues of public health and retirement policy.  
Reading: lecture notes provided by Chair.

Contents:
1. Public intervention in insurance markets  
2. The insurance function of social security  
3. Social security and social morale  
4. The optimal health insurance contract  
5. Alternative financing schemes for public health in Germany  
6. Why do we need a public pension system?  
7. Funding vs pay-as-you-go financing of public pensions

**Intended learning outcomes**

After completing the module "Theorie der Sozialversicherung" students are able to explain the theoretical foundation of the social security system in a market economy. Using simple partial equilibrium models they can discuss the financing and contract structure of the public health and pension system. Finally they are able to analyze the consequences of policy reforms.

**Courses**  
(type, number of weekly contact hours, language — if other than German)  
V + Ü (no information on SWS (weekly contact hours) and course language available)

**Method of assessment**  
(type, scope, language — if other than German, examination offered — if not every semester, information on whether module is creditable for bonus)  
a) written examination (approx. 60 minutes) or b) term paper (approx. 15 pages)  
Language of assessment: German, English

**Allocation of places**

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**Additional information**

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**Referred to in LPO I** (examination regulations for teaching-degree programmes)

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**Module appears in**

- Master's degree (1 major) Business Information Systems (2013)  
- Master's degree (1 major) Business Information Systems (2014)  
- Master's degree (1 major) Business Management (2013)  
- Master's degree (1 major) Business Management (2014)  
- Master's degree (1 major) Economics (2014)  
- Master's degree (1 major) Economics (2013)