

IGP Country Profile **Romania**



A vertical photograph on the left side of the page shows a Romanian flag (blue, yellow, and red horizontal stripes) waving in the foreground. In the background, there is a rugged mountain peak with a white cross on top, set against a clear blue sky. A telecommunications tower is visible on a lower slope of the mountain.

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Customary employee benefits

Death benefits

Introduction

Interest in prevention is rarely found at the population level, especially since it is not part of the list of mandatory insurances, but it is increasing recently, since companies are looking for effective solutions for finding specialists and retaining employees. Group life insurance for employees is offered as an additional benefit to salary rights and as a financial support in case a disease, an accident, or death.

The main criteria for offering a life insurance proposal are that the company is registered in Romania, even if the parent company is foreign. The group must have at least 10 employees, and any subgroups must be very well defined (e.g., only staff, middle management etc.).

Sum insured

Usually, the sum insured is established as lump sum, or it can be a multiple of annual gross salary.

Benefits

Death due to any cause is the main coverage of the product and additional coverages can be added.

Coverage	Max Insured Amount Per Person Limit (RON)	Max Insured Amount Per Person (EUR)	Non-standard Insured Limit Per Person (EUR)
Death from any cause	150,000	35,000	300,000

List of benefits

- The riders listed below can be attached to the main life coverage.
- The maximum sum insured that can be offered in standard cases has been specified.
- Non-standard requests need approval.

Coverage	Max Insured Amount Per Person Limit (RON)	Max Insured Amount Per Person (EUR)	Non-standard Insured Limit Per Person (EUR)
Accidental death	150,000	35,000	300,000
Permanent disability due to accident	150,000	35,000	300,000
Permanent disability for any reason	150,000	35,000	300,000
Accident hospitalization – 90 days allowance	350	80	200
Accident hospitalization - 180 days allowance	350	80	200
Hospitalization for any reason – 90 days allowance	350	80	200
Hospitalization for any reason – 180 days allowance	350	80	200
Post-hospital convalescence from accident – 90 days allowance	350	80	200
Post-hospital convalescence from accident – 180 days allowance	350	80	200
Post-hospital convalescence for any reason – 90 days allowance	350	80	200
Post-hospital convalescence for any reason – 180 days allowance	350	80	200
Temporary incapacity for work due to accident – 90 days allowance	50	10	100

Customary employee benefits (cont'd)

Coverage	Max Insured Amount Per Person Limit (RON)	Max Insured Amount Per Person (EUR)	Non-standard Insured Limit Per Person (EUR)
Temporary incapacity for work due to accident – 180 days allowance	50	10	100
Temporary incapacity for work for any reason – 90 days allowance	50	10	100
Temporary incapacity for work due to any reason – 180 days allowance	50	10	100
Surgery due to accident	25,000	5,000	10,000
Surgery for any reason	25,000	5,000	10,000
Medical expenses from the accident	1,000	250	1,500
Medical expenses for any reason	1,000	250	1,500
Fractures due to an accident	30,000	6,500	15,000
Burns due to an accident	50,000	11,000	15,000
Serious diseases	25,000	5,000	20,000

Premium

The insurance premium is calculated according to the dimension of the group, the number of employees, the activity domain/ industry, subgroup structure, coverage time (24h/ 24h or only during working hours) etc.

Disability Benefits

Added as a rider to the main coverage.

Coverage	Max Insured Amount Per Person Limit (RON)	Max Insured Amount Per Person (EUR)	Non-standard Insured Limit Per Person (EUR)
Permanent disability due to accident	150,000	35,000	300,000
Permanent disability for any reason	150,000	35,000	300,000

Medical Benefits

Added as a rider to the main coverage.

Coverage	Max Insured Amount Per Person Limit (RON)	Max Insured Amount Per Person (EUR)	Non-standard Insured Limit Per Person (EUR)
Accident hospitalization – 90 days allowance	350	80	200
Accident hospitalization – 180 days allowance	350	80	200
Hospitalization for any reason – 90 days allowance	350	80	200
Hospitalization for any reason – 180 days allowance	350	80	200
Post-hospital convalescence from accident – 90 days allowance	350	80	200
Post-hospital convalescence from accident – 180 days allowance	350	80	200
Post-hospital convalescence for any reason – 90 days allowance	350	80	200

Customary employee benefits (cont'd)

Coverage	Max Insured Amount Per Person Limit (RON)	Max Insured Amount Per Person (EUR)	Non-standard Insured Limit Per Person (EUR)
Post-hospital convalescence for any reason – 180 days allowance	350	80	200
Temporary incapacity for work due to accident – 90 days allowance	50	10	100
Temporary incapacity for work due to accident – 180 days allowance	50	10	100
Temporary incapacity for work for any reason – 90 days allowance	50	10	100
Temporary incapacity for work due to any reason – 180 days allowance	50	10	100
Surgery due to accident	25,000	5,000	10,000
Surgery for any reason	25,000	5,000	10,000
Medical expenses from the accident	1,000	250	1,500
Medical expenses for any reason	1,000	250	1,500
Fractures due to an accident	30,000	6,500	15,000
Burns due to an accident	50,000	11,000	15,000
Serious diseases	25,000	5,000	20,000

Legislative news

November 2023*

Romania's government enacts social insurance reform legislation with the following provisions (effective January 1, 2024):

- Normal retirement age for women will gradually increase from 62 and 1 month to 65 (the normal retirement age for men) by January 2035.
- Women with a full contribution period (32 years and 4 months of contributions) can receive a 6-month reduction to their normal retirement age for each child they raise until age 16, up to a maximum reduction.
- Contribution period required for women to receive a full old-age pension will gradually increase from 32 years and 4 months to 35 years (same as for men).
- Eligibility for Early Retirement: individuals can receive their full old-age pension up to 5 years before their normal retirement age if they have contributed for at least 5 years beyond the time required for a full pension.
- Modification of the old-age pension benefit formula
- Adjustments for cost of living.

* For more information:

- https://www.ssa.gov/policy/docs/progdesc/intl_update/2023-12/index.html#:~:text=On%20November%2029%2C%20Romania%27s%20government,age%20pension%20benefit%20formula%2C%20and
- <https://www.euraxess.gov.ro/romania/information-assistance/pensions-and-other-social-security-rights>
- <https://ec.europa.eu/social/main.jsp?catId=1126&langId=en&intPagId=4754>

Trends

Group Life Insurance

- Group Life Insurance is an optional type of insurance, and it can be provided to all the employees, or only for a very well-defined subgroup of occupation, and it is not deductible.
- Voluntary membership is not allowed.
- The coverage is international, 24/7, or only for working hours and occupational events.
- The Policyholder / Employer pays the premium, but often, when dependents are covered, the premium is deducted from the employee's monthly net salary.
- Life insurance is among the most desired extra-salaries benefits. Therefore, employers who offer this benefit can more easily use it as a motivation tool to attract new employees and keep existing employees.
- The product is very flexible so that a policy can be written depending on the client's budget and needs.
- The standard duration of a contract is one year, with the possibility of annual renewal.
- Exclusions:
 - Pre-existing conditions;
 - Events directly or indirectly related to war operations, even if undeclared, areas of conflict, invasion, military occupation, hostility of a foreign enemy, civil war;
 - Participation in games, training, or competitions of any kind as a professional athlete, as well as participation, even occasionally, in competitions with motor vehicles, held on land, on water, or in the air;
 - Extreme sports, such as skydiving, hang gliding, paragliding, bungee jumping, rafting, boxing, horse racing, scuba diving;
 - Treatments performed for cosmetic purposes, bariatric surgery, except those needed for the results an accident;
 - Suicide or attempted suicide or self-harm of the insured;
 -

- Lack of security measures and protection of workers, required by the specifics of the activity carried out;
- If the insured is under the influence of alcohol, drugs, toxic substances, or narcotics

Romanian Market Survey*

- The salary benefits most offered to employees by Romanian companies are meal tickets.
- Bonus in money and/or in kind, including gift vouchers, for special occasions - are the benefits that more than 85% of respondents choose to offer additionally to employees.
- Reimbursement for transportation to and from work is the third most accessed benefit that accompanies basic pay: 67% of employers said they cover the cost of travel to and from work for their employees.
- In the middle of the statistics are the benefits by which employees cover their social needs (health services, life insurance, optional pensions, and holiday vouchers)
- The least accessed and/or offered benefits are cultural tickets, subscriptions for sports activities.

Most of the respondents in the survey (93%) are offering to their employees, in addition to their salary, various benefits. This means that HR departments and top management of companies understand the two big advantages of this option: the loyalty and maintenance of the workforce, and on the other hand, the reduction of the tax base, implicitly the fiscal effort and the release of some funds that can be used in the development of the company.

- In the top of the most popular benefits, we find:
 - Meal vouchers – offered by almost all employers. According to the EY survey, more than 9 out of 10 companies, provide meal vouchers in the salary package.

* The study EY in Romania, on the topic of extra-salary benefits took place between December 2022 and January 2023 and is based on the answers of 114 respondents, members of management teams with functions from middle-management to CEOs/Managing Partners, Chief Financial Officer, Presidents, Directors, from various companies, belonging to the following sectors: trade (19.7%), professional services - research, consultancy, communication (7.9%), IT, software and internet (13.2%), financial services (10.5%), real estate/construction (10.5%), heavy industry (3.9%), pharmaceutical industry (3.9%), agriculture (2.6%), automotive industry (2.6%), telecommunications (1.3%), oil and gas (1.3%).

Trends (cont'd)

- Bonus in money and/or in kind, including gift vouchers for special occasions – more than 85% of the respondents confirmed that they agree with the tax facilities they benefit from for this type of benefit.
- Settlement of the cost of transportation to and from the workplace – 67% of employers bear the cost of travel to and from the workplace for their own employees.

Next, in descending order are the top benefits offered in addition to the basic salary: voluntary health insurance premiums and/or medical services provided in the form of a subscription.

Around two-thirds of companies (60%) facilitate employees' access to private medical services. Also, almost 40% of respondents consider it useful, therefore, to bear the related costs for life and/or professional insurance, and almost a third of them (32%) contribute additionally to optional pension funds for their employees.

A gratifying result of the survey is that 8 out of 10 employers, stated that they are aware of the fiscal news regarding salary benefits, which came into force on January 1, 2023.

Typical employee benefits plans and benchmarking

Benchmarking information (based on the IGP Network Partner's portfolio)

Coverage	% in portfolio
Main coverage	
Death due to any cause	100.00%
Additional coverages	
Burns	4.53%
Serious diseases	1.25%
Medical expenses from the accident	1.74%
Medical expenses for any reason	8.27%
Post-hospital convalescence from accident - 180 days allowance	0.09%
Post-hospital convalescence from accident - 90 days allowance	0.50%
Post-hospital convalescence for any reason - 90-day allowance	0.31%
Post-hospital convalescence for any reason - 180-day allowance	0.25%
Accidental death	5.51%
Fractures	5.48%
Temporary incapacity for work due to accident - 180 days allowance	0.24%
Temporary incapacity for work due to accident - 90 days allowance	0.62%
Temporary incapacity for work for any reason - 90 days allowance	0.34%
Temporary incapacity for work for any reason - 180 days allowance	0.09%
Accidental surgery	3.98%
Surgery for any reason	0.92%
Permanent disability from the accident	28.25%
Permanent disability for any reason	2.25%
Accident hospitalization - 180 days allowance	0.90%
Accident hospitalization - 90 days allowance	10.23%
Hospitalization for any reason - 90-day allowance	0.60%
Hospitalization for any reason - 180-day allowance	0.23%

Sample employee benefit plans

Industry: Construction

- Small Plan: <100 employees
- Group size: 14
- Average age: 40 years
- Premium paid by the Employer

Risk	Deductible Franchise Applicable	Sum Insured Per Person (EUR)
Death by any cause		1xAGAS*
Total and partial invalidity by any cause		60,000
Hospitalization by any cause coverage for max. 180 days	1 day	40
Convalescence by any cause coverage for max. 180 days	1 day	40
Surgery by any cause		3,000
Medical expenses by any cause	EUR 10	700
Fractures		1,000
Burns		1,000
Serious diseases		2,000

Industry: Construction

- Medium Plan: 100-500 employees
- Group size: 191
- Average age: 42 years
- Premium paid by the Employer

Risk	Deductible Franchise Applicable	Sum Insured Per Person (EUR)
Death by any cause		1xAGAS**
Total and partial invalidity by any cause		30,000
Hospitalization by any cause coverage for max. 180 days	1 day	20
Convalescence by any cause coverage for max. 180 days	1 day	20
Surgery by any cause		2,000
Medical expenses by any cause	EUR 10	500
Fractures		500
Burns		500
Serious diseases		2,000

* Average Gross Annual Salary = EUR 90,000

** Average Gross Annual Salary = EUR 41,000

Industry: Construction

- Large Plan: >500 employees
- Group size: 1070
- Average age: 39 years
- Premium paid by the Employer

Risk	Deductible Franchise Applicable	Sum Insured Per Person (EUR)
Death by any cause		1xAGAS*
Total and partial invalidity by accident		13,500
Hospitalization by any cause coverage for max. 180 days	1 day	15
Surgery by any cause		2,000
Medical expenses by any cause	EUR 10	300
Fractures		500
Burns		500
Serious diseases		1,700

Industry: Pharmaceutical

- Small Plan: <100 employees
- Group size: 49
- Average age: 40 years
- Premium paid by the Employer

Risk	Deductible Franchise Applicable	Sum Insured Per Person (EUR)
Death by any cause		2XAGAS**
Total and partial invalidity by any cause		2XAGAS
Hospitalization by any cause coverage for max. 90 days	1 day	350
Temporary work incapacity by any cause coverage for max. 90 days		200
Surgery by any cause		7,000
Birth		1,000
Fractures		2,500
Serious diseases		20,000

* Average Gross Annual Salary = EUR 13,700

** Average Gross Annual Salary: RON 178.500

Industry: Automation & engineering

- Small Plan: <100 employees
- Group size: 42
- Average age: 40 years
- Premium paid by the Employer

Risk	Deductible Franchise Applicable	Sum Insured Per Person (EUR)
Death by any cause		30,000
Total and partial invalidity by any cause		50,000
Hospitalization by any cause coverage for max. 90 days		30
Convalescence by any cause coverage for max. 90 days		20
Surgery for illness		1,500
Surgery by accident		10,000
Medical expenses by any cause		500
Serious diseases		9,000

Industry: Chemicals & consumer goods

- Medium Plan: <500 employees
- Group size: 439
- Average age: 42 years
- Premium paid by the Employer

Risk	Deductible Franchise Applicable	Sum Insured Per Person (EUR)
Death by any cause		15,000
Total and partial invalidity by any cause		15,000
Convalescence by any cause coverage for max. 180 days		10
Medical expenses by any cause	EUR 10	500
Serious diseases		1,500
Birth		1,000
Fractures		2,500
Serious diseases		20,000

Industry: Automotive & engineering

- Large Plan: >500 employees
- Group size: 2616
- Average age: 38 years
- Premium paid by the Employer

Risk	Deductible Franchise Applicable	Sum Insured Per Person (EUR)
Death by any cause		2,500
Death by accident		27,000
Total and partial invalidity by accident		15,000
Hospitalization by any cause coverage for max. 180 days		200
Medical expenses by any cause		4,000
Serious diseases		30,000
Medical expenses by any cause		500
Serious diseases		9,000

Useful links

Demographic information and macro-economic indicators

[CIA World Factbook](#) (please select the country to review)

[World Bank Group](#) (please select the country to review)

Social security

[mmuncii.ro](#)

More information on Asirom Vienna Insurance Group

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07/17/2025 - WCAG AA