

Pointers on buying a health insurance plan

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THE ongoing Covid-19 pandemic has certainly raised awareness on the importance of health and this has led to some people reviewing their existing health and medical insurance policies, while others take on new ones.

Health insurance essentially covers your medical expenses in the case of an accident or illness. It normally includes hospitalisation costs, medicines and consultation fees.

Globally, the demand for health insurance is fast growing and Allied Market Research expects it to reach US\$4.15 trillion (RM17.18 trillion) by 2028 from US\$1.98 trillion (RM8.20 trillion) last year.

"Insurance is slowly moving away from being an afterthought with people willing to adjust their budgets in order to take up insurance plans or extend their coverage," said Sun Life Malaysia chief executive officer and president/ country head Raymond Lew.

If you are employed, it is likely that your employer will pick up the medical tab even though some may require employees co-pay some of the expenses.

However, if you are looking into buying a cover for you and your family amid rising medical costs, it is best to do some research before you embark on it.

There is really no one plan that fits all since age, gender, health conditions and budgets differ from person to person.

When buying an insurance cover, Lew said, if possible, start at a younger age, and if you are healthy, you will qualify for lower premiums.

“If you wait to purchase medical insurance until after retirement, it will not be easy to get accepted because of your age and health conditions,” AIA Bhd chief marketing officer Heng Zee Wang added.

There are many other insurers in Malaysia apart from AIA and Sun Life.

Those listed on the Life Insurance Association of Malaysia website include Allianz, AmMetLife, AXA, Affin, Etiqa, Gibraltar BSN, Great Eastern, Hannover Re, Hong Leong Assurance, Malaysia Life Reinsurance, Manulife, MCIS Life, Prudential, Tokio Marine and Zurich.

There are also hundreds of agents selling insurance policies, but remember to always check if they are authorised. If in doubt, call the company they represent for verification.

There are essentially four main types of health and medical insurance/takaful policies to opt for: hospitalisation and surgical plan; critical illness; disability income plan; and hospital income plan.

“Remember the golden rule – purchasing a health insurance policy/takaful contract begins with identifying what you want for yourself and your loved ones.

“While it is quite common for policyholders to take up more than one health insurance, it is advisable to look into purchasing one single, comprehensive health insurance, in order to avoid duplicate coverage,” Lew said.

Heng added that it is best to understand the features of a plan and its terms and conditions.

When buying a policy, Heng said it is also important to find out details about the hospital room and board benefit limit, period of cover, waiting period imposed (if any), the limit claimable (annual or lifetime limit), any exclusions, do premiums change with age, deductibles and co-insurance.

He said the common major exclusions in a medical plan include pre-existing illnesses, hospitalisation for investigatory purposes, any treatment or investigation that is not medically necessary and others.

Be truthful to disclose details of your or family's medical history, if any, at the time of purchase, to avoid any possible disputes in the future. "Your medical premium rates are normally not guaranteed as they are subject to review from time to time in line with medical inflation," Heng added.

If you already have some policy in hand, make sure you review it once a year as the rising healthcare costs may mean that the plan you bought years ago may no longer be enough to meet current and future needs. Upgrade it if possible.

When faced with eventualities, the most common grouse is that insurers take a long time to process the payment.

Lew said each insurer tries their best to make the process as smooth as possible but each claim is different and processes vary slightly depending on the situation.

What policyholders can do to help is ensure the documents are in order, premiums are updated, and they understand their eligibility benefits.

Lew said most insurance plans offer the option of guaranteed lifetime renewal or annual renewal. For the former, policyholders will receive coverage so long as the premium is paid. "Normally, an annual renewal policy will have slightly lower premiums as compared to a policy with guaranteed lifetime renewal," Lew added.

Make sure that your policy covers pre-and-post hospitalisation, outpatient department and post-retirement aspects.

Be mindful of out-of-pocket expenses that you may incur if you are hospitalised as these may not be part of your policy. It is advisable that you read the fine print before signing off for a policy so that you will not feel you have been shortchanged later.

The out-of-pocket costs could include deductibles, co-insurance and co-payments for covered services plus all costs for services that are not covered, Lew said.

Whatever your financial situation, the decision to buy a medical or hospital insurance cover is entirely yours but research helps you identify those that "provide added value, especially in times of need."