

# Costly medical insurance

## Policyholders to pay more for coverage

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**PETALING JAYA:** Faced with higher claims from rising medical costs, many insurance companies have increased their charges and premiums by up to 20%.

National Association of Malaysian Life Insurance Field Force and Advisers (Namlifa) deputy president Kho Chui Ing said most companies had adjusted their charges and premiums for medical, health and investment-linked policies over the last few months to cope with medical inflation.

"Some companies are offering policy upgrades and at the same time increasing premiums while others just raise the existing policy charges and premiums," he said, adding that insurance companies only needed to issue a 30-day written notice to policyholders for the hike to take effect.

Policyholders must comply with the new rates or risk their policy lapsing.

Admitting that agents have a tough time explaining the increases, Kho said Namlifa had a duty to protect the welfare of its 12,000 members and policyholders.

"We are also policyholders and we too have to pay the same rates for the same benefits as our clients. Policyholders have to see what is causing the inflation and solve that rather than get angry with the insurance companies and agents.

"Even hawkers are raising their prices insisting it's not by choice but a necessity as ingredients are expensive," he said, adding that Namlifa would engage with Bank Negara to ensure a more sustainable growth for the industry.

Prudential Assurance Malaysia Berhad (PAMB) recently notified its policyholders that the PRU major med plans (PMM) premiums and charges would be increased effective from the individual's policy anniversary date. PMM is a medical and hospitalisation rider that is attached to investment-linked insurance plans (known as PRUlink plans) offered by PAMB.

PAMB CEO Philip Seah said only those with a PMM plan attached to their investment-linked policies were included in the revision.

He said the percentage of increase varied from

### Are we paying more in medical insurance premiums?

To ensure that policyholders are adequately covered in light of rising healthcare costs, a new or revised policy series is offered periodically.

#### Plan A: Room and board (RM100)

Age	Series (RM)						% increase since 1998
	1	2	3	4	5	6	
35	515	560	560	728	764	861	67
50	860	980	980	1,274	1,338	1,435	67

#### Plan B: Room and board (RM200)

Age	Series (RM)						% increase since 1998
	1	2	3	4	5	6	
35	915	1,000	1,000	1,000	1,050	1,235	34
50	1,535	1,760	1,760	1,760	1,848	1,885	22

Note: A new series usually comes with higher premiums and enhanced benefits. It is usually introduced to cope with medical inflation. Insurance agents are concerned that premium prices are being increased not only for new, upgraded policies, but also for existing ones.

Source: A survey of a medical insurance product compiled by insurance agents.

individual to individual, depending on the type of plan. Any revision was only made after taking into consideration the rising costs and frequency of people seeking treatment. This was to ensure that policyholders continued to enjoy medical coverage in the long run.

"We've increased the lifetime limit of all PMM plans to ensure that policyholders are able to cope with rising medical inflation," he said, adding that medical inflation in Malaysia was currently about 10% yearly and projected to continue rising.

In December, the Government allowed a maximum 14.4% rise in private medical fees – almost half of the 30% requested by the Malaysian Medical Association (MMA).

General Insurance Association of Malaysia (PIAM) chairman Chua Seck Guan said medical and health insurance, which accounted for RM920mil of the sector's total market share last year, was projected to grow as demand in the

healthcare sector increased in line with the country's development as a medical hub.

MMA president Datuk Dr N.K.S. Tharmaseelan said insurance companies should control wasteful expenditure by hospitals instead of increasing premiums. They should also be "eagle-eyed" when presented with hospital bills and speak up when they are overcharged.

"(Instead) they take the easy way out by arm-twisting doctors to lower their fees," he said.

Fomca secretary-general Datuk Paul Selvaraj said insurance companies should not hold consumers to ransom because health insurance was a necessity.

"Any increase should only be on new or upgraded policies and policyholders must be given an option whether or not they want the extra benefits. If they are happy with the present coverage, insurance companies should not force them to pay more," he said.

