

Insurers should 'assess if rise in IP premiums is warranted'

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SINGAPORE – Any future premium increases in Integrated Shield Plans (IPs) would be a commercial decision insurers have to make, as they consider factors such as business costs and claims experience, said Minister of State for Health Lam Pin Min.

But as MediShield Life would cover a higher proportion of the IP payout and future claims would differ, IP insurers should take this into consideration when reviewing the premiums. "(Twelve) months is a reasonable time frame for (insurers) to assess the situation and see whether an increase will be warranted," Dr Lam said yesterday, noting that the Ministry of Health (MOH) is in discussions with the LIA on keeping premiums affordable.

Noting that there are five insurers providing IPs, he said: "They have to be competitive as well, so they do not price themselves out of the market."

Dr Lam was speaking to reporters in response to a statement issued by the Life Insurance Association (LIA), in which it had revealed estimates as to how much less in IP claims payouts would come from the "top-up" portion.

The "top-up" refers to the additional private-insurance portion of IPs that covers stays in private hospitals and Class A and B1 wards in public hospitals. For IPs that target Class A and B1 ward users, the proportion would fall by an estimated 14 percentage points, said LIA, which represents the five insurers: AIA, Aviva, Great Eastern, NTUC Income and Prudential.

LIA also reiterated that it would maintain premiums for a year after the implementation of MediShield Life, but noted that an upward adjustment of premiums would be needed.

Dr Lam also provided updates on the implementation of MediShield Life, saying that the ministry is reviewing the list of pre-existing serious medical conditions that would warrant additional premiums, and would announce details in one to two months.

MediShield Life is set to cover all Singaporeans when it kicks in at the end of the year, including those with pre-existing conditions, but some who are not covered under MediShield and have serious pre-existing conditions would pay higher premiums.

Conditions that may mean higher premiums include chronic renal failure, but Dr Lam said the MOH would be "very fair and compassionate" in the review. He added that an announcement on the standardised IP plan for treatment at Class B1 wards could be expected early next year.

Pre-existing conditions warranting higher premiums

● The Health Ministry is reviewing the list of pre-existing serious medical conditions that would warrant additional premiums, and will announce details in one to two months. Conditions that may mean higher premiums include chronic renal failure, but Dr Lam said the MOH would be 'very fair and compassionate' in the review.



* From strength to strength

Former President SR Nathan (centre), who recently recovered from a stroke, gracing the Singapore National Stroke Association's Striking a Chord for Stroke Awareness event as guest of honour yesterday. This was his first major public appearance since suffering the illness in April. The annual event aims to raise public awareness of the disease and funds to benefit stroke survivors in Singapore.

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