



# MEDICAL INSURANCE COVERAGE: VARIOUS TYPES AND PLANS

BY **JEANETTE GOH**

ADVISER, PERSONAL FINANCIAL SERVICES  
FIRST PRINCIPAL FINANCIAL

**W**e will in the course of our lives require medical care. Beyond the hospital stay, we may run into other healthcare needs which would be timely met if we are medically insured. Here is an overview of the various medical and healthcare insurance plans, and their respective benefits.

## 1 HOSPITAL AND SURGICAL (H/S) COVER

### A. SHIELD PLAN

While your MediShield Plan and Medisave Account can help ease your financial burden on medical bills, they might not be enough to cover all aspects of your Hospital and Surgical (H/S) needs. A Private Shield Plan or Integrated Shield Plan provides higher medical coverage than the basic MediShield programmes offered by the government. These enhancements are suitable if you plan to enter a B1 or A Class ward in the restructured hospitals or a stay at a private hospital. These plans are combined with basic MediShield, and policyholders pay one premium for coverage under both the private plan and basic MediShield. To make the premium more affordable and to prevent abuse, policyholders are responsible for the co-insurance and deductible portions of these plans.

However, should the policyholder prefer to have the deductible and co-insurance covered, Integrated Shield Plan providers offer add-on riders to cover the deductible and co-insurance portions for a higher premium.

### B. COMPANY OR PRIVATE HOSPITAL AND SURGICAL (H/S) PLANS

Healthcare plans provided by employers often have limits that can leave you financially exposed to large hospital bills should you have an accident or illness. The coverage usually ceases once an employee is no longer in employment with the company. Such plans are not portable should you have a change of job. A private H/S plan not only provides lifetime cover, it ensures peace of mind in the event that you are in-between jobs.



### C. INTERNATIONAL/GLOBAL HOSPITAL AND SURGICAL (H/S) PLANS

Should your work and lifestyle require frequent travel and relocation, coverage under an international health insurance plan is not specific to any one country. When relocating to a new country or back to the home country, the policy can be taken with you and the coverage will remain the same. When comparing such expatriate policies, you will realise that insurance companies split up the coverage into specific geographical zones, usually into one of two regions:

- WORLDWIDE
- WORLDWIDE, EXCLUDING NORTH AMERICA

After comparing international insurance plans, it becomes obvious that the cost of a worldwide plan is much more expensive than a plan that excludes cover in USA or Canada. This is because of the high cost of medical treatment in these countries. It is important to choose a plan that aligns with a geographical zone pertinent to your needs and lifestyle.



## 2 MAJOR ILLNESS COVERAGE

### A. CRITICAL ILLNESS OR DREAD DISEASE INSURANCE

While Hospital and Surgical (H/S) insurance will pay for inpatient and specific outpatient medical expenses incurred in an accident or illness, it will not pay more than the actual medical expenses incurred or for prolonged medical expenses after discharge from the hospital. In this instance, Critical Illness insurance, also known as Dread Disease insurance, pays out a lump sum after the diagnosis of serious illnesses.

The benefit is payable should you fall ill with any of 30 critical conditions, including heart attack, stroke, lung disease, kidney or liver failure, coma and cancer. This lump sum payout is made without affecting the benefits or coverage of any existing medical plan, so you will continue to also receive medical expense benefits from your other insurance policy. You can use the lump sum benefit payment to help bridge the financial gap between your existing medical insurance cover and additional expenses required to treat the illness. The benefits from this policy will also function as replacement income that is needed for recuperation, following a major illness.

## 3 DISABILITY PLANS

### TOTAL PERMANENT DISABILITY (TPD) AND DISABILITY INCOME

Total Permanent Disability coverage pays a lump sum when a policyholder becomes totally and permanently disabled due to sickness or injury. The payout acts as a safety net if you have an accident or illness which isn't fatal but results in permanent disability. TPD differs from income protection insurance in that the policyholder must be permanently disabled for the insurer to pay out, rather than just being absent from work for an extended period of time. TPD comes with most life plans, and with more stringent definitions, as compared with disability income plans and long-term care plans.

Disability income plans pay up to 75% to 80% of a policyholder's income in the event that employment income is terminated because the policyholder is unable to work due to injury or sickness. Such coverage will start after a period of time following the start of any disability. This compensation from the insurance company can be continued up to retirement age, depending on the type of plan that was bought.

### B. CRITICAL ILLNESS PLAN WITH EARLY STAGE AND MULTIPLE CLAIMS

While most conventional critical coverage only allows claims to be paid once a critical illness is diagnosed, there are plans which allow multiple and early claims for certain early stage critical illnesses. The policyholder will continue to be protected even after early payout, with additional claims permitted should the condition deteriorate to a more serious or advanced stage. There are products in the market that allow a policyholder to make further claims up to 200% of the insured amount. It is possible to claim for a combination of multiple early, major or catastrophic critical illnesses up to a maximum of 200% of the insured amount.



## 4 LONG-TERM CARE INSURANCE

Long-term Care insurance pays a fixed amount every month toward expenses incurred for long-term nursing care treatment. Most long-term care insurance is bought to assist with support services, such as activities of daily living like dressing, bathing, feeding, using the bathroom, mobility transferring from a bed to a chair or vice-versa. Long-term care can be provided at home, in the community, in assisted-living environments or in nursing homes. Our national healthcare scheme, Eldershield, is a long-term care insurance product.

Singapore citizens and permanent residents with Medisave accounts are automatically covered under Eldershield at age 40. The Ministry of Health (MOH) offers Eldershield via three private insurance companies – AVIVA, Great Eastern and NTUC Income. Private insurers are now able to offer their customers suitable supplementary benefits, including higher monthly benefit payout and longer benefit payout periods, in addition to their basic Eldershield. The additional premium for such Eldershield supplements can be funded through the Medisave account, up to the prevailing withdrawal limit set by MOH.

## ARE YOU ADEQUATELY COVERED TODAY?

Adequate medical insurance coverage is in effect all of the above. "A stitch in time saves nine", where timely insurance purchase and adequate coverage will prevent much heartache and pain further down the road. Why not speak to our Advisory representative today. Together, we can help formulate a plan to see to your complete healthcare needs.

### FIRST PRINCIPAL FINANCIAL PTE LTD

24 Raffles Place #14-02 Clifford Centre Singapore 048621

Tel: 6220 5333 Fax: 6220 5377

Email: [enquiry@firstprincipal.com](mailto:enquiry@firstprincipal.com)

[www.firstprincipal.com](http://www.firstprincipal.com)