

A GUIDE TO MORTALITY AND CRITICAL ILLNESS COVERAGE IN SINGAPORE

ARE YOU ADEQUATELY INSURED?

PROTECTION GAP STUDY 2017

WHAT IS MORTALITY PROTECTION?



MORTALITY COVERAGE

Mortality protection coverage typically protects against financial loss by paying out a death benefit when the insured passes away. It usually also covers Total and Permanent Disability or Terminal Illness.

WHAT IS CRITICAL ILLNESS PROTECTION?



CRITICAL ILLNESS COVERAGE

Critical Illness protection coverage provides you with financial protection if you are diagnosed with a major illness, and ensures that you and your family's needs continue to be met during your recovery period during the assumed CI recovery period of five years.

VARIATIONS IN CI PLANS

Early CI coverage; Specific CI coverage (eg. Cancer plans); Multiple-Claim coverage

WHAT SHOULD I LOOK OUT FOR WHEN CHOOSING A POLICY?

TYPES OF COVERAGE

TERM INSURANCE | WHOLE LIFE INSURANCE | INVESTMENT PLAN

ASSESS YOUR NEEDS AND SUITABILITY, CONSIDER THE FOLLOWING: AGE; COVERAGE DURATION; EXCLUSIONS; NO. OF DEPENDENTS

TYPES OF COVERAGE

STANDALONE CI PLAN | RIDER (SUPPLEMENTARY BENEFIT FROM A MORTALITY PLAN)

ASSESS YOUR NEEDS AND SUITABILITY, CONSIDER THE FOLLOWING: CONDITIONS COVERED; COVERAGE DURATION; EXCLUSIONS (INCL FAMILY & MEDICAL HISTORY); PERSONAL FINANCIAL STANDING

IS MORTALITY PROTECTION NECESSARY?

MORTALITY PROTECTION IS NECESSARY IN FINANCIAL PLANNING AS IT IS USUALLY USED FOR:



Expenses incurred upon the insured's death, e.g funeral expenses



Mortgage loan for family's home



Securing financial future for family and protect their standard of living

WHAT'S THE DIFFERENCE?

MEDISHIELD LIFE & INTEGRATED SHIELD PLANS (IPS) VS ELDERSHIELD VS CI PLAN



MEDISHIELD LIFE & IPS

Hospitalisation and surgical plans that provide coverage for inpatient, pre- and post-hospitalisation expenses



ELDERSHIELD

Severe disability insurance scheme providing monthly payout for a period of time for citizens and PRs above 40 with Medisave Accounts



CI PLANS

Provide a lump sum payout for all financial needs and obligations not covered under hospitalisation plans

PROTECTION PRIORITIES AT DIFFERENT LIFE STAGES

YOUNG ADULTS

MORTALITY AND CI PROTECTION OF MODERATE PRIORITY

Encouraged to start early when one is healthy and when premium is most affordable as premiums increase with age

SANDWICHED POPULATION

MORTALITY AND CI PROTECTION OF HEIGHTENED PRIORITY WITH INCREASED LIABILITIES AND FAMILY COMMITMENT

- Sufficient coverage required for aged parents
- Sound financial planning to support priorities such as home loans or childrens' education

SOLE BREAD WINNERS FAMILIES

MORTALITY AND CI PROTECTION OF CRITICAL PRIORITY TO SAFEGUARD FAMILY FROM UNEXPECTED LOSS OF INCOME

Ensuring family savings will not be wiped out should an unfortunate event happen to the breadwinner

RETIRES

CI COVERAGE IS OF HIGHER PRIORITY DUE TO INCREASED HEALTH ISSUES WITH AGE

Having adequate health protection cushions the cost of medical treatment, ensuring quality of life without digging into savings

MORTALITY PROTECTION COVERAGE VS CI PROTECTION COVERAGE: WHICH IS MORE IMPORTANT?

BOTH MORTALITY AND CI PROTECTION COVERAGE ARE EQUALLY IMPORTANT AS THEY MEET DIFFERENT SAFETY NEEDS.

MORTALITY COVERAGE

Provides financial support for the family to sustain their lifestyle without major disruption



CI COVERAGE

Alleviates financial distress in the event of major illnesses which can result in loss of income

WHAT CAN I DO FOR A START?

1

Talk to a financial consultant to map out your protection gaps and needs



2

Check your mortality protection gap using the Protection Gap Calculator available at: www.lia.org.sg/pgc



3

Compare and find life insurance products suited to your financial objectives at: www.compareFIRST.sg



FOR FULL REPORT, VISIT: WWW.LIA.ORG.SG

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*"Severe disability" is the inability of an individual to independently perform at least three of the six Activities of Daily Living (ADLs) including washing, dressing, feeding, toileting, walking and transferring, with or without mobility aids (e.g. walking aids, wheelchair). This means that the individual will require the physical assistance of another person for the ADL. Source: Ministry of Health (MOH)

Life Insurance Association Singapore
LIFE IS WORTH PROTECTING. INVEST IN IT.