

Taking cover with health insurance

There is not much to worry about when you are in the pink of health. However, a debilitating illness or an unfortunate accident can strike anytime. What's worse, it can wipe out a large portion of your savings, leaving you not only sick but also broke.

As such, it is prudent to purchase an appropriate health insurance plan when you can afford it and more importantly, before you actually need it. Health insurance gives you and your family protection against financial losses that come from coping with accidents, illnesses or disabilities. It can provide you income during your hospitalisation or disability, or cover the cost of your medical treatment or nursing care.

Buying health insurance can be a mind-boggling process, given the gamut of products in the market today. Here, we help you untangle the mess a little by answering some common questions you may have about health insurance:

There are so many health insurance products out there. Which one should I purchase?

There are several types of health insurance products available to meet different needs. The type of product you will need depends on what you want protection against. For example, if you want to:

- Have your medical expenses paid, consider Medical Expense Insurance
- Reduce the financial impact when you are diagnosed with a major illness (e.g. cancer), consider Critical Illness Insurance
- Protect your income when you are unable to work, consider Disability Income Insurance
- Receive a fixed amount of cash when you are in hospital, consider Hospital Cash Insurance
- Pay the cost of care should you be too weak to look after yourself, consider Long-term Care Insurance

How much health insurance do I need?

When deciding the amount of health insurance to purchase, you should consider the quality of healthcare service and the level of income protection that you would want if you fall ill or become disabled. If you have a family, you should also consider how much your spouse and children require for their daily needs if you are unable to provide income for them over an extended period of time.

You have to find a balance between purchasing enough cover and being able to continue paying the premiums over the long term. Prioritise your needs and structure your coverage accordingly. You may seek the advice of your financial advisor if you are unsure.

My company provides health insurance coverage for all the employees. Should I still buy my own health insurance policy?

While most companies provide health, disability and accident coverage for their employees, the form, and the level of coverage are usually very basic.

It is therefore advisable for you to have your own individual health insurance policy where you have control over the amount of coverage for yourself and your loved ones. Your own policy also provides coverage when you are in between jobs.

I already own several health insurance policies. What should I look out for if I would like to purchase more?

If you already have several health insurance policies, you should note the following before buying another one:

- **Multiple Medical Expense Policies**

The total reimbursement from all your plans is limited to your actual expenses. Buying additional medical expense insurance plans may not give you extra benefits.

- **Switching Between Health Insurance Products**

Health insurance products usually do not cover any illness or disability you already have at the time you sign up. Before you switch from one product to another one that promises to give you more benefits, consider your current health status. Be aware that the new policy that you switch to may not cover for medical conditions that developed after taking up the original policy.

Is there an age limit for health insurance coverage?

Most health insurance products are not available to people beyond a certain age. This age limit varies from insurer to insurer but generally ranges between 65 and 75 years of age. As the probability of developing an illness or disease increases as we age, it is better to sign up for a health insurance policy early while you are still healthy, to enjoy all benefits of health insurance.

Some health insurance products provide cover for your whole life while others cover you only up to a certain age, so be sure that the product you choose has a length of cover that suits your needs.

Do health insurance premiums increase with age?

The cost of insurance cover does go up with age. Different products may charge premiums in different ways. In the case of hospital and surgical insurance, the premiums are charged by age band, that is, the premium will increase when the insured enters the next age band.

Does a health insurance policy provide protection till the day I die?

Some health insurance products guarantee that your cover will stay in force as long as you pay the premiums on time. However, some products allow the insurance company to change the benefits, premium rates or other terms and conditions (if specified so in the contract) when the policy is due for renewal.

Other products give the insurance company the right to cancel your cover by giving written notice before your policy is due for renewal.

Make sure you are clear on the specific terms and conditions of the product before buying it.

If I change my mind about buying a health insurance policy, can I terminate it?

You will be given 14 days to review your new policy after receiving it. During this time, if you decide that it does not meet your needs, you can cancel the policy by giving the insurance company written notice. The insurance company will refund all your premiums less any medical and other expenses they have had to pay.

I've heard of people who have been unable to claim when illness struck them. How do I ensure that the same does not happen to me?

There are several scenarios in which policyholders have been unable to claim for events which they thought they were covered for. Two common ones relate to exclusions in policies, and disclosure procedures.

- **Exclusions**

All health insurance products will carry some exclusions setting out the circumstances for which benefits will not be paid.

The most common exclusion in health insurance products is the “pre-existing condition” exclusion. This exclusion means that any illness or disability that you have or have had, when you sign up for the product will not be covered.

Exclusions vary from product to product, so you must read the policy contract carefully to find out exactly what you are or are not covered for.

- **Disclosure**

An insurance contract is based on trust. When you apply for health insurance, you must provide all information asked of you. This could include your age, occupation, and any history of illnesses, medical conditions or disabilities.

The insurance company will then assess the given information to decide whether or not to accept your application.

If you do not provide important information in your application, the policy you take up may not actually cover you. Hence, unhappiness will arise when you fail to make a claim.

How soon after being discharged from hospital do I need to make my claim?

You need to fill in a claim form from the insurance company and provide proof (such as hospital bills, medical reports, and test results) to support your claim.

You may be asked to provide more information for the insurance company to assess your claims.

If you have a claim, you should submit it as soon as possible as most health insurance policies impose a time frame within which you must inform the insurance company.

How do I ensure that my health insurance policy works to my best advantage?

In Singapore, high-quality public and private healthcare is easily available. However, the cost of healthcare differs greatly between private and public hospitals. So when deciding which hospital to check in to, you should:

- Check the ward charges, and the costs of related medical treatment;
- Check if the benefits under your health insurance will cover all the costs;
- Consider all available options; and
- Choose your ward or treatment according to what you can afford.

