

TRANSFERABLE MEDICAL INSURANCE SCHEME (TMIS)

FREQUENTLY ASKED QUESTIONS and ANSWERS

INTRODUCTION

DEFINITION of TMIS PLAN

A group hospital and surgical (H&S, or medical expenses reimbursement) insurance policy is an insurance policy which an employer can buy to insure all, or some, of their employees and their dependants.

A group H&S policy will reimburse the expenses incurred by an insured employee, or insured dependant, when he is hospitalized, or undergoes surgery or other forms of medical treatment provided for in the policy.

Typically, a group H&S policy will offer different plans, where each plan defines a set of benefits, and benefit limits, which an employee (or dependant) insured under that plan is entitled to.

Some of these plans may offer TMIS Benefits and only TMIS-eligible Employees may be insured under such plans. Such a plan will be called a **TMIS Plan**.

A group H&S policy may offer one or more TMIS Plans which vary in the expenses covered and the limits on benefits payable. The policy may offer plans which offer the same expense coverage and benefit limits as these TMIS Plans but NOT the TMIS Benefits.

A group H&S policy may offer only TMIS Plans and, in which case, will insure only TMIS-eligible Employees. Other employees and dependants may be insured under a separate policy.

DEFINITION of TMIS-ELIGIBLE EMPLOYEE

A **TMIS-eligible Employee** is an employee who satisfies the criteria for eligibility for TMIS Benefits.

A QUESTIONS on ELIGIBILITY of INSURANCE PLANS and EMPLOYEES

A1 Do all insurers in Singapore offer TMIS Plans?

No, only insurers who have agreed to participate in the TMIS, and abide by the Scheme's terms and conditions, can offer TMIS Plans. The names of the participating insurers can be found on the websites of the Life Insurance Association (www.lia.org.sg) and the General Insurance Association (www.gia.org.sg) of Singapore.

For simplicity, we shall call a participating insurer a **TMIS Insurer**.

A2 Can a TMIS Insurer offer group H&S insurance policies or plans which are not included in the TMIS?

Yes, but the TMIS Insurer must make it very clear to the employer as to whether the group H&S insurance plan it is offering is a TMIS Plan or not. Even if the group H&S insurance plan, and the employees to be insured, satisfy the eligibility requirements for the plan to be a TMIS Plan, the employer can choose not to include the plan in the TMIS. The employer will have to pay a higher premium if the plan is a TMIS Plan (see Question D1).

A3 Can a TMIS Plan pay benefits in reimbursement of medical expenses which are not eligible for TMIS Benefits?

A TMIS Plan may reimburse expenses incurred which are not eligible for TMIS Benefits: for example, pre/post hospitalization outpatient, emergency outpatient accident and outpatient kidney dialysis/cancer treatment expenses.

If an employee insured under a TMIS Plan, leaves an employer, the Continuation Benefit will insure only the TMIS eligible expenses such as daily room and board, intensive care unit, miscellaneous hospital services, in-hospital doctor's visit and in-patient and outpatient surgery expenses.

If the employee subsequently joins another employer and is then insured under the new employer's TMIS Plan, the insurer of the new employer's TMIS Plan may still reject a claim for reimbursement of non-eligible expenses incurred for the treatment of a condition which is pre-existing when the employee joins the second employer, and if the expenses are incurred within 12 months of so joining.

However, the TMIS-eligible expenses incurred for the treatment of the same condition may still be reimbursed if the criteria for the Transferability Benefit are met.

A4 Can an employee who is not a TMIS-eligible Employee be insured under a TMIS Plan?

No, only TMIS-eligible Employees can be insured under a TMIS Plan.

A5 A group H&S policy must insure a minimum of 11 members under plans designated to be TMIS Plans, before these plans can be eligible to be TMIS Plans. Can we count the non-eligible dependants when deciding whether the plan satisfies the minimum size criterion?

No, the number of TMIS-eligible Employees insured under all designated TMIS Plans in group H&S insurance policy itself must be 11 or more before the plans are eligible to be TMIS Plans.

A6 A group H&S policy commences with 11 or more TMIS-eligible Employees insured under TMIS Plans. If the number of such TMIS-eligible Employees fall to 10 or fewer during a period of insurance, will the plans remain as TMIS Plans?

Yes, until the subsequent renewal of the plan.

A7 If the number of TMIS-eligible Employees insured under TMIS Plans of a group H&S policy remains at 10 or fewer when the policy is renewed, can these plans continue as TMIS Plans?

No, the plans cease to be TMIS Plans at renewal, and all employees insured under these plans will lose their TMIS Benefits thereafter.

A8 If a TMIS-eligible Employee, who is insured under a TMIS Plan, leaves an employer after the plan he is insured under ceases to be a TMIS Plan on renewal, and joins another employer with a TMIS Plan, will the duration he is insured under TMIS Plans include the duration while insured under the first employer's TMIS Plan?

No, the employee's duration of insurance under TMIS Plan will be measured from the date he joins the second employer. The duration of insurance under the first employer's TMIS Plan will be disregarded.

A9 Can an employer offer TMIS Benefits to only selected categories of employees?

Yes, but the categories must be bona fide staff categories. The employer cannot select employees specifically to be insured under TMIS Plans. Also, the number of TMIS eligible employees in all the selected categories must be 11 or more.

A10 Subsequently, can the employer withdraw the TMIS Benefits from these categories of employees?

Yes, but all these employees will lose the duration of insurance under TMIS Plans then and will not be eligible for TMIS Benefits thereafter.

A11 Can the employer increase the number of categories of employees it offers TMIS benefits to?

Yes, if the TMIS Insurer agrees, but only at the renewal of the group H&S policy offering the TMIS Plans.

B QUESTIONS on TMIS BENEFITS

Continuation Benefit

B1 Can a TMIS-eligible Employee who is insured under one of his employer's TMIS Plan, and who is dismissed for misconduct be eligible for the Continuation Benefit?

Yes, a TMIS-eligible Employee, whose service with an employer (which had insured him under a TMIS Plan) is terminated, is eligible for both the Continuation and Transferability Benefits, regardless of the reason for the termination.

B2 If an employer with TMIS Plans is wound up or is liquidated, will the TMIS-eligible Employees insured under the plans continue to have TMIS Benefits?

Yes, upon the cessation of business by the employer, the services of the TMIS-eligible Employees are effectively terminated and all these employees are entitled to Continuation Benefits.

B3 A contract worker whose contract is of 24 months' term (and who is a TMIS-eligible Employee) decides to terminate his contract before the expiry of the term. Will the contract worker be entitled to the Continuation Benefit?

No, a contract worker must be employed continuously for 24 months before he is entitled to TMIS Benefits, including the Continuation Benefit.

Transferability Benefit

B4 A TMIS-eligible Employee who is insured under a TMIS Plan leaves an employer and joins another employer within 12 months of leaving. The new

employer insures him under a TMIS Plan also. Is he entitled to the Continuation Benefit?

Yes, the employee will be granted a 12-month Continuation Benefit insurance upon termination of service with the first employer. The insurance under the Continuation Benefit is regarded as a part of the continuous insurance under TMIS Plans and, as such, the employee will be entitled to the Transferability Benefit.

B5 If he joins the second employer more than 12 months after leaving the first, is he still entitled to the Transferability Benefit?

If he joins after more than 12 months since leaving the first employer, his Continuation Benefit has expired, and his insurance under TMIS Plans will no longer be continuous. As such, his continuous period of insurance under TMIS Plans will start again from the date he joins the second employer.

B6 The TMIS commences only on 01 January 2004.

A TMIS-eligible Employee has been insured under a group H&S plan for more than 12 months already when he leaves his employer. His employer has not had the opportunity to renew his group H&S policy in 2004 and convert it to a TMIS Plan.

He joins another employer, and is insured under a TMIS Plan. Is the employee entitled to the Transferability Benefit?

No, unfortunately. However, this is a transition problem and will be resolved by 2005, by which time all employers will have exercised their option, if available, to offer TMIS Plans to their employees or convert an existing group H&S plan to TMIS Plans.

C QUESTIONS on CLAIMING for TMIS BENEFITS

C1 A TMIS-eligible Employee has a Continuation Benefit which is still in-force while he is insured under one of his current employer's TMIS Plan, and incurs expenses which are eligible for TMIS Benefits. Under which insurance should he claim for benefits first : his current TMIS Plan or his Continuation Benefit?

He should claim first under his current employer's TMIS Plan. If the TMIS-eligible expenses are not fully reimbursed, he can then claim for reimbursement of the balance under the Continuation Benefit insurance.

C2 If his current TMIS Plan reimburses all eligible expenses, can he claim from his Continuation Benefit insurance the remaining (non-eligible) expenses?

No, the Continuation Benefit insurance reimburses TMIS-eligible expenses only, even if the TMIS Plan the employee was insured under, when employed by the first employer, may have covered non-eligible expenses.

C3 Does a TMIS-eligible Employee submit his claim for reimbursement of eligible expenses, which are not reimbursed under his current TMIS Plan, through his previous employer or directly to the insurer insuring his Continuation Benefit?

The employee should submit his claim directly to the TMIS Insurer of the Continuation Benefit insurance.

- C4 If the TMIS-eligible Employee incurs medical expenses within 12 months of joining his current employer (and is insured under a TMIS Plan) and the expenses are incurred for the treatment of a condition which had already existed when he joined his current employer, what will his current employer's insurer do?**

The TMIS Insurer of the current employer's TMIS Plan will request for the employee's Transferable Medical Insurance Certificate (TMIC). The insurer will then contact the insurer of the employee's Continuation Benefit and request for a computation of the benefit payable if the employee had submitted a claim for reimbursement under the Continuation Benefit insurance only. The insurer of the current employer's TMIS Plan will then pay a benefit which is the lower of

- (a) The benefit payable under the current employer's TMIS Plan, and
- (b) The benefit payable under the Continuation Benefit insurance.

If the condition was not pre-existing when the employee joined the first employer [or if he has completed 12 months' insurance under the first employer's TMIS Plan, including insurance under the Continuation Benefit], the employee can claim for reimbursement of the balance of expenses, not reimbursed under the current employer's TMIS Plan, under the Continuation Benefit insurance.

- C5 Must the employee submit his original Transferable Medical Insurance Certificate (TMIC)?**

The TMIS Insurer reserves the right to require the employee to submit the original TMIC, which will be returned to him.

- C6 How can an insurer validate the authenticity of his TMIC?**

If necessary, the TMIS Insurer will check with the employer which issued the TMIC, or the TMIS Insurer of that employer's TMIS Plan.

- C7 If the employee cannot produce his TMIC, what right can the TMIS Insurer of his current employer's TMIS Plan exercise?**

The insurer can regard the employee as not having being insured under any TMIS Plan prior to joining his current employer, and apply the pre-existing condition exclusion, if appropriate, to reject a claim by the employee.

- C8 If the employee has less than 12 months continuous insurance under TMIS Plans (which includes the Continuation Benefits enjoyed during breaks between employment) and incurs medical expenses for the treatment of a condition which had existed even before he was insured under the very first TMIS Plan, will any benefit be payable?**

No. In this case, the condition was pre-existing before the employee was insured under any TMIS Plan, and as his continuous period of insurance under TMIS Plan is less than 12 months, all TMIS Insurers have the right not to pay any benefits.

- C9 If a TMIS-eligible Employee moves from Employer A to Employer B and then to Employer C, all of which have TMIS Plans, and incurs medical expenses while both his Continuation Benefits granted by Employers A and B are still in-force, in which order should he claim for reimbursement of eligible expenses?**

The employee should claim for reimbursement under TMIS Plans, including Continuation Benefits insurance, in reverse chronological order, i.e, C then B then A, in this example.

However, if the condition treated is pre-existing when he joins Employer C and the expenses are incurred within 12 months of joining Group C, the insurer of Employer C's TMIS Plan can reduce the benefit payable to that payable under the Continuation Benefit granted by Employer B, if lower than that payable under Employer C's TMIS Plan.

Similarly, the insurer of Employer B's TMIS Plan can reduce the benefit payable under the Continuation Benefit granted by Employer B to that payable under the Continuation Benefit granted by Employer A if the condition was pre-existing when he joined Employer B, and the expenses are incurred within 12 months of joining Employer B (notwithstanding that he is no longer employed by Employer B).

C10 Some group H&S insurance policies are administered on a headcount basis, i.e. where the employer is required to inform the insurer only of the number of employees (and dependants) insured under each class of benefits. The employer is not required to provide individual details of employees (and dependants) insured. When an employee insured under such a policy submits a claim, how will the insurer validate that the employee

- (a) Is a TMIS-eligible Employee?**
- (b) Has a TMIC from the previous employer?**

- (a) The TMIS Insurer will require the employer to certify that the employee is a bona fide employee, and provide the details of the employee which will allow the insurer to validate the employee's eligibility for TMIS Benefits: for example, date of birth, date of joining the employer and NRIC number.
- (b) The insurer will request for the TMIC, if necessary.

D QUESTIONS on PREMIUMS for TMIS BENEFITS

D1 If an employer has a group H&S insurance plan which can be converted into a TMIS Plan, will it have to pay a higher premium to cover the TMIS Benefits?

Yes, as the TMIS Benefits increase the risks to TMIS Insurers, TMIS Insurers will add a loading to the premium which will otherwise have been charged if the group H&S insurance plan does not offer TMIS Benefits, with all other terms and conditions being the same.

Continuation Benefit Premium for an Employee Whose Employment is Terminated

D2 Can an employer recover the premium it pays for the Continuation Benefit insurance, from the employee whose employment is terminated?

This is an arrangement between the employer and its employees. The TMIS Insurer will expect the premium from the employer, and not the employee.

D3 If the employee refuses to pay the premium, can the employer withhold the employee's TMIC?

No, the employee is entitled to the TMIS Benefits. The obligation to pay the premium for the Continuation Benefit is solely the employer's.

D4 If the employer fails to pay the Continuation Benefit premium for an employee whose employment is terminated, will the employee lose all his TMIS Benefits?

The employee will not enjoy the Continuation Benefit and will not be able to claim for reimbursement of expenses, until the employer has paid the premiums.

D5 When the employee joins another employer with a group H&S insurance plan, can the employee request a refund of the premium paid for his Continuation Benefit insurance which overlaps his new insurance and cancel the Continuation Benefit?

No, the Continuation Benefit insurance will be available to the employee until expiry of the 12 months' continuation period.

D6 If an employer does not renew its TMIS Plans, what will happen to all the Continuation Benefits already granted? Will they continue to remain in-force until the expiry of each Continuation Benefit insurance period (12 months)?

The Continuation Benefits granted will continue in force until expiry of their respective continuation periods of 12 months each.

D7 If the employer cancels its TMIS Plans midway through its period of insurance, will the insurer refund any premium?

The insurer will refund only the premiums for employees who remain insured under the TMIS Plan. The insurer will not refund any premium paid for the Continuation Benefit insurance.

The employee insured under these TMIS Plans will immediately lose all their TMIS Benefits.