

[Amended]
3 September 2024

13 June 2024
Ref: LIA MU 58/24

LIA CRITICAL ILLNESS (CI) FRAMEWORK 2024

The LIA Critical Illness (CI) Framework provides guidance on the provision of CI benefits by member companies of the Life Insurance Association (LIA) and of the General Insurance Association (GIA).

MAS has been informed of the changes.

OPERATIONAL ASPECTS

1. For new products launched on or after 1 July 2025, the amended standard definition will apply.
2. Starting from 1 July 2025, products using the Version 2019 definitions may no longer be sold in Singapore. This applies even if an insurer has not yet launched its Version 2024 products.
3. Please refer to the information below regarding the remedy for Individual and Group Policies.

For Individual Policies

4. New CI products introduced before 1 July 2025 may adopt either Version 2019 or Version 2024 definitions. If the insurer chooses Version 2019, the CI product must be phased out by 1 July 2025.
5. The application of Version 2024 definitions will be based on the Proposal Signed Date.
6. For proposals that are signed by 30 June 2025, insurers must ensure that the policies are issued by 30 September 2025. This gives insurers a grace period of three months to issue all such policies under Version 2019 definitions.

For Group Policies

7. The application of Version 2024 definitions will be based on the CI Policy Effective Date.
8. Any group policy that is **newly effected or renewed** on or after 1 July 2025 to carry the Version 2024 definitions.
9. Insurers may adopt Version 2019 definitions before 1 July 2025.

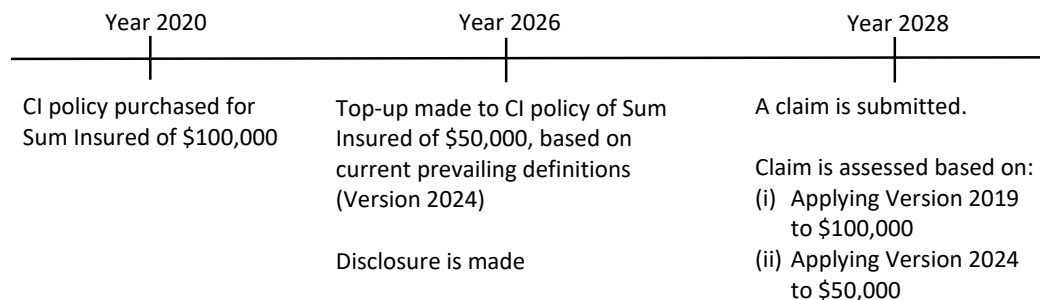
IMPLEMENTATION

Individual insurers are to make their own company decisions and rollout timelines.

IN-SCOPE

1. New individual policies or benefits
2. New group policies or renewals, including any new CI cover during the policy year
3. CI benefits issued as a standalone policy or a rider
4. CI benefits issued on an individual basis or a group basis
5. CI benefits issued as a rider to an H&S policy or a PA policy
6. For cases of top-up to existing CI policies, insurers are given the discretion to decide to either apply the existing definitions to the top-up amount or apply the prevailing current definitions to the top-up amount. Where it is the latter, **it is for the insurer to decide on the date of implementation of such a practice. Further, the insurer should disclose this practice to the policyholder in order to avoid any misunderstanding or difficulties in the future.**

Hypothetical Example



7. Where an existing individual CI term policy (yearly renewable type) is auto-renewed or has to be cancelled and re-issued due to administrative reasons, for example: change of payment mode or credit cards, **the same approach applies as per paragraph (6).**
8. Where an existing CI benefit attached to a health policy (including Integrated Shield Plan) is auto-renewed, **the same approach applies as per paragraph (6).**

ABOLITION

1. Since November 2014, the previous maximum limit of 30 medical conditions per CI plan is abolished.
2. From March 2022 onwards, the \$25,000 cap on sum payable in respect of "Angioplasty & Other Invasive Treatment for Coronary Artery" is removed.
3. From November 2022, member insurers can independently determine the suitable waiting periods in all of their CI insurance policies.

OUT-OF-SCOPE

1. CI products for Male or Female or Children which do not cover any of the CI conditions in its entire scope. Example, a Female CI product which covers only Female Organs Cancer does not need to apply the Major Cancer definition.
2. Terminal Illness issued under the general benefits of a basic plan.

LIA SECRETARIAT

OBJECTIVES

1. Overall, the framework seeks to balance the interests of both consumers and product providers.
2. For consumers, the core value of the critical illness benefit, which is the “severe” stage of cover, is standardised for 37 medical conditions by way of common definitions. Offering clear and consistent coverage across the industry promotes consumer confidence in the CI product. Furthermore, the adoption of common definitions facilitates product comparison by consumers.
3. Claims assessment based on the same definition regardless of insurer helps to achieve more consistent outcomes. Incidences of one insurer paying a claim and another rejecting due to differences in definition are reduced.
4. Since November 2014, the previous industry maximum limit of 30 medical conditions per CI plan is abolished. The Competition Commission of Singapore was consulted. For insurers, the flexibilities accorded under the framework are intended to facilitate product innovation and provision of good value to consumers.
5. From 9 March 2022, the \$25,000 cap on sum payable in respect of “Angioplasty & Other Invasive Treatment for Coronary Artery” is removed. The objective of having standardised CI definitions is to achieve consistency across industry, where the policies of all insurers carry the same definitions, thereby ensuring that all claimants have the same starting basis. The portion about payment is not relevant and is a potentially strong risk of a violation of competition laws.
6. From 16 November 2022 onwards, the 90-Day waiting period that was intended to combat anti-selection issue have been abolished and member insurers can independently determine the suitable waiting periods in all their insurance policies. The scope of the CI definitions should only cover the clinical aspect of medical conditions.

SCOPE OF COVERAGE

There are two aspects to be considered - the medical condition, and the stages of illness progression of the medical condition.

Common Definitions “Version 2024”

1. LIA defines and maintains a list of 37 medical conditions. For their common definitions, please refer to “LIA CI Framework 2024_LIA Definitions for 37 CIs.pdf”.
2. **The LIA’s common definitions describe the respective medical conditions at the “severe” stage.**

Other CI Products

With reference to the LIA framework, other than the “severe” stage for 37 medical conditions, all other medical conditions and their stages of illness progression are not defined by LIA. They have been loosely/variously categorised by individual insurers under terms such as “mildly-moderately severe”, “severe” (referring to LIA’s common definitions) or “extremely severe”.

INDUSTRY REVIEW 2024

1. The objective of the review exercise was to bring LIA's 2019 common definitions up to date and aligned with advances made in medical technology and medical practice as well as to address areas of ambiguity based on insights gained from the past three years of experience.
2. The definitions of 7 CIs were updated whilst 30 definitions remained unchanged. The headers of 2 CIs were enhanced to better reflect the intent of coverage.
3. For the specific updates and reasons, please refer to "LIA CI Framework 2024_Comparison of LIA Definitions_2019 and 2024.pdf". For a summary, please refer to "LIA CI Framework 2024_Summary of changes.pdf".

Regular Review

The industry will review the LIA's common definitions for continued relevance once every three years.

LIA CRITICAL ILLNESS (CI) FRAMEWORK 2024

Medical Condition is found in the LIA's List	Stages of Illness Progression		
	Mildly-Moderately (Company's own definition)	Severe (LIA's common definition)	Extremely Severe (Company's own definition)
Scenario 1	√	√	√
Scenario 2	√	√	
Scenario 3		√	√
Scenario 4		√	
Scenario 5: Not allowed if issued on standalone basis	√		
Scenario 6: Allowed if issued on standalone basis			√
Scenario 7: Not allowed if issued on standalone basis	√		√

Number of Medical Conditions and Stages of Illness Progression under One Plan

1. An insurer may choose to cover **any number** of medical conditions under a CI plan, including a single illness type of plan.
2. For each medical condition, subject to "Adoption of LIA's Common Definitions", there are no restrictions on how many stages and what the stages of illness progression are, which may be covered.

Adoption of LIA's Common Definitions

1. The LIA's common definitions describe the respective medical conditions at the "severe" stage.
2. If an insurer decides to choose a medical condition that is found in the LIA's list for inclusion in a CI plan or any plan that offers the benefit at severe stage, e.g. Special Benefits plan, the insurer in such a case must adopt the LIA's common definition for the medical condition.
3. An insurer may offer a CI product that cover one or more conditions, and for each covered condition, a range of severity levels (that is, early to severe or extremely severe) is covered. In this circumstance:
 - If the product pays the same level of benefit regardless of severity of the condition, LIA's common definition for the severe stage does not apply.
 - If the product pays different levels of benefit, depending on the stages of severity of the condition, LIA's common definition for the severe stage applies.
4. For example: A Cancer product that covers all stages of severity and pays the same benefits if the policyholder is diagnosed with any form of Cancer at any stage. LIA common definition for Major Cancer does not apply as it pays the same benefits regardless of the severity level.
5. The insurer may choose to also cover the medical condition in question under other stages of illness progression.
6. Scenarios 5 and 7 in the above Table are not allowed. Acceleration riders that are attached to the basic CI plan are allowed, as taken together the requirement for the severe stage to be covered is met.

Adoption of Company's Own Definitions

1. For any medical condition found in the LIA's list, insurers are to use their own definitions in respect of the mildly-moderately stages or the extremely severe stage of illness progression.
2. For any medical condition not found in the LIA's list, insurers are to use their own definitions in respect of all stages of illness progression.

Use of Terminology

1. For mildly-moderately stages of CIs, insurers can give their own "headers" to them. For the severe stage of CIs that are defined by LIA, the headers as stated in the LIA list are to be adopted.

Example of what is acceptable

"Stroke with Permanent Neurological Deficit [the LIA header] and other Serious Cerebrovascular Conditions [company's own header]"

2. Insurers can make minor modification to the LIA's CI definitions for consistency with the company's overall use of terminology. In no instance should any modification change the coverage as defined by LIA.

Examples of what are acceptable

- LIA's CI definition uses "Life Assured"; "Life Insured" can be used instead.
- LIA refers to "Critical Illness"; "Dread Disease" can be used instead.
- LIA refers to "Mildly Stage", "Moderately Stage"; "Early Stage Medical Conditions", "Intermediate Stage Medical Conditions" can be used instead.

DISCLOSURES IN THE PRODUCT SUMMARY

1. In their Product Summary, insurers are required to state the Critical Illnesses that are covered.
2. For group business, disclosures are to be stated in the Quotation Sheet issued to prospective corporate clients.
3. There is no standardisation of the presentation format/layout. For example, the CIs can be organised as a listing(s), table(s) or block(s).
4. **The explanatory statement is mandatory and the wordings are to be adopted verbatim, including the words to be underlined.** However, insurers may modify the terminology to be consistent with their company's overall terminology whilst still ensuring that clarity is achieved in terms of the disclosure of which of the definitions are defined by LIA and which are defined by the company.

Example of what is acceptable

LIA refers to "Critical Illness"; "Dread Disease" can be used instead.

5. If a **single CI product** or **all** of the CIs is/are required under this MU 58/24 to adopt the LIA definition(s), the CI or CIs must be denoted, for example by an asterisk (*), to draw attention to an explanatory statement.
6. The statement is as follows:

*The Life Insurance Association Singapore (LIA) has standard Definitions for 37 severe-stage Critical Illnesses (Version 2024). **This Critical Illness falls / These Critical Illnesses fall – delete one as appropriate** under Version 2024. You may refer to www.lia.org.sg for the standard Definitions (Version 2024).*

7. If **one or more** of the CIs is/are required under this MU 58/24 to adopt the LIA definition(s), the CI or CIs must be denoted, for example by an asterisk (*), to draw attention to an explanatory statement.
8. The statement is as follows:

*The Life Insurance Association Singapore (LIA) has standard Definitions for 37 severe-stage Critical Illnesses (Version 2024). **This Critical Illness falls / These Critical Illnesses fall – delete one as appropriate** under Version 2024. You may refer to www.lia.org.sg for the standard Definitions (Version 2024). For Critical Illnesses that do not fall under Version 2024, the definitions are determined by the insurance company.*

9. If **none (including a single CI product)** of the CIs is required under this MU 58/24 to adopt the LIA definition(s), the CI or CIs must be denoted, for example by double asterisk (**), to draw attention to an explanatory statement.

10. The statement is as follows:

*The Life Insurance Association Singapore (LIA) has standard Definitions for 37 severe-stage Critical Illnesses (Version 2024). **This Critical Illness does not / These Critical Illnesses do not – delete one as appropriate** fall under Version 2024. For Critical Illnesses that do not fall under Version 2024, the definitions are determined by the insurance company. You may refer to www.lia.org.sg for the standard Definitions (Version 2024).*

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