Life Insurance Association Singapore
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Life Insurance Association, Singapore: Making informed decisions about your healthcare coverage with the latest IP rider changes

Attributed to: Life Insurance Association, Singapore (LIA Singapore)

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From 1 April 2026, new IP riders sold will no longer be permitted to cover the minimum IP deductibles set by MOH. The annual minimum co-payment cap will be raised from $3,000 to $6,000 per year. The new cap will apply on co-payments excluding the minimum IP deductible. The deductible and co-payments can be paid using MediSave, subject to prevailing withdrawal limits. There is no change to the minimum 5% co-payment requirement.

These requirements introduced by the Ministry of Health (MOH) represent an evolution in Singapore's health insurance landscape, aimed at strengthening the long-term sustainability of private healthcare. For all policyholders, understanding the implications of these changes on your healthcare protection is crucial before making any health insurance decisions.

As always, the decision to purchase or adjust private health insurance coverage should be made only after a comprehensive financial needs analysis with a qualified financial adviser representative (FAR). This process ensures that your coverage remains aligned with your lifestyle, health needs and financial situation, both now and into the future.

The Life Insurance Association, Singapore (LIA Singapore) strongly urges all individuals to proactively and regularly consult their FAR to review their health insurance coverage. This ensures that you make well-informed and appropriate decisions about your healthcare protection amidst these important updates.

Addressing Common Questions about changes to IP Riders

LIA Singapore aims to address common questions about private health insurance to support better decision-making about healthcare needs and insurance.

1. **Why were these changes introduced? How do they help keep healthcare costs and insurance premiums sustainable?**

   The changes to IP riders are part of broader efforts to manage rising healthcare costs and ensure the long-term sustainability of Singapore's health financing system.

   They are designed to encourage more responsible use of healthcare resources by addressing over-treatment and over-consumption, which are key drivers of medical inflation. They place greater personal responsibility on policyholders, prompting more prudent healthcare decisions.

   Overall, the changes to IP riders reinforce a positive shift towards shared responsibility and support a more sustainable healthcare system.

   However, it is important to recognise that these changes are not a complete solution. Other drivers of medical inflation, such as rising costs of medical equipment, treatments and labour, as well as an ageing population, continue to pose challenges to healthcare affordability, impacting claims and premiums.

   To address medical inflation and premium changes sustainably, all stakeholders in the healthcare ecosystem – healthcare professionals and providers, consumers, the authorities and insurers – need to work together to ensure healthcare remains sustainable for Singaporeans.

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2. What are the key changes to IP riders? What has changed and what remains unchanged?

Under MOH's new requirements, the premiums of new IP riders are reported to be approximately 16% to 84%[1] lower compared to legacy IP riders before 1 April 2026. The actual change in premiums will vary across ages, coverage level (e.g. private vs public hospital wards), and over time.

Policyholders will likely pay more out-of-pocket expenses since the deductible can no longer be covered, and the annual minimum co-payment cap was increased from S$3,000 to S$6,000 excluding the minimum deductible.

The table below summarises the key differences between legacy IP riders and new IP riders which came into effect on 1 April 2026.

	Legacy IP rider (sold before 31 March 2026)	**New IP rider (effective 1 April 2026)**
Deductible *A deductible is the initial amount you have to pay for your medical expenses before your health insurance makes a payout.* *You only need to pay the deductible once in a policy year.* *MOH sets the minimum IP deductible that each IP is required to have, this ranges from S$1,500 to S$3,500 per policy year* *Note: Policyholders from a higher age band (e.g. in their 80's and above) may need to pay a higher deductible than S$3,500.*	Able to cover minimum IP deductible set by MOH	No longer covers minimum IP deductible set by MOH
Co-payment (percentage) *A co-payment is the portion of the hospitalisation bill that you need to pay.*	Minimum 5% of hospital bill (excluding the minimum IP deductible for new IP rider wef 1 Apr 2026)	
Annual minimum co-payment cap *The maximum amount of money you must pay out-of-pocket for medical expenses.*	S$3,000	S$6,000 (t*he co-payment cap does not include the minimum IP deductible amount which policyholders have to pay out-of-pocket)*
Use of MediSave	MediSave can be used to pay for deductible and co-payment, up to the applicable withdrawal limits	

3. How will these new IP rider requirements impact my out-of-pocket expenses?

Previously, IP riders could cover the minimum deductible and capped co-payments at S$3,000 per year. This meant that a policyholder could pay:

- Only 5% of the total bill, subject to the annual minimum co-payment cap of S$3,000. A policyholder's total out-of-pocket costs could be limited to S$3,000 in that policy year.

[1] *Several insurers launch new IP riders with new features, going beyond lower premiums, The Straits Times. 1 April 2026. Available at: https://www.straitstimes.com/singapore/health/several-insurers-launch-new-ip-riders-with-new-features-going-beyond-lower-premiums*

Under the new requirements, a policyholder will need to pay:

- The minimum deductible ranging from S$1,500 to S$3,500 per policy year (varies by ward class); and
- 5% of the remaining bill, subject to the new annual minimum co-payment cap of S$6,000.

The following examples illustrate how the changes may affect your out-of-pocket costs across different bill sizes.

Example 1: Assuming a S$10,000 private hospital bill and S$3,500 deductible

	Legacy IP rider (Policyholder pays 5% co-payment capped at annual minimum of S$3,000)	**New IP rider (Policyholder pays deductible and 5% co-payment capped at annual minimum of S$6,000)**
1. Eligible Bill	S$10,000	S$10,000
2. Deductible	S$0 (Covered by rider)	**S$3,500**
3. Bill after deductible (1 - 2)	S$10,000 - $0 = **$10,000**	S$10,000 - S$3,500 = **S$6,500**
4. Co-payment (Percentage of remaining bill paid after the deducible)	5% of S$10,000 = **S$500**	5% of S$6,500 = **S$325**
5. Your total out-of-pocket costs (2 + 4)	S$0 + S$500 = **S$500**	S$3,500 + S$325 = **S$3,825**
6. What your insurance pays (1 - 5)	S$10,000 - S$500 = **S$9,500**	S$10,000 - S$3,825 = **S$6,175**

Example 2: Assuming a S$125,000 private hospital bill and S$3,500 deductible

	Legacy IP rider (Policyholder pays 5% co-payment capped at annual minimum of S$3,000)	**New IP rider (Policyholder pays deductible and 5% co-payment capped at annual minimum of S$6,000)**
1. Eligible Bill	S$125,000	S$125,000
2. Deductible	S$0 (Covered by rider)	**S$3,500**
3. Bill after deductible (1 - 2)	S$125,000 - S$0 = **S$125,000**	S$125,000 - S$3,500 = **S$121,500**
4. Co-payment (Percentage of remaining bill paid after the deducible)	5% of S$125,000 = S$6,250 **BUT capped at S$3,000**	5% of S$121,500 = S$6,075 **BUT capped at S$6,000**
5. Your total out-of-pocket costs (2 + 4)	S$0+ S$3,000 = **S$3,000**	S$3,500 + S$6,000 = **S$9,500**
6. What your insurance pays (1 – 5)	S$125,000 - S$3,000 = **S$122,000**	S$125,000 - S$9,500 = **S$115,500**

4. How will these changes affect me?

This depends on when you purchased your IP rider. Here is what matters at a glance:

When you purchased your IP rider	What it means for you	What happens next
Before 27 November 2025	There is no immediate impact. Individual IP Insurers are independently studying the approaches for their existing rider policyholders of any changes and will inform these policyholders in due course.	You may choose to switch to a new IP rider which is compliant with MOH's requirements from the same IP Insurer with equivalent or lower benefits than your existing IP rider without additional underwriting.
27 November 2025 to 31 March 2026	Your IP rider's existing benefits continue to apply.	IP Insurers will facilitate a seamless switch to a new IP rider with equivalent or lower benefits without additional underwriting by the first policy renewal on or after 1 April 2028.
From 1 April 2026 onwards	Only new IP riders are available.	You can purchase the new IP riders to meet your needs.

5. What should I be aware of when reviewing my health coverage? How does it differ for individuals at different life stages?

We strongly recommend doing a thorough review with a qualified FAR to ensure that you are well-informed to make appropriate decisions about your healthcare protection amidst these important updates.

To start off, here are some questions to ask your FAR:

- What does each recommended policy cover/not cover?
- What are the IP rider options available, based on the type of hospitals/facilities and benefits that I wish to have access to?
- Will I still be able to afford the plan as premiums increase with age?

For younger policyholders

Younger policyholders should keep two things in mind:

- Insurance decisions should start with your healthcare needs; and
- Choices made today can affect your future coverage options and affordability.

All Singapore Citizens and Permanent Residents are covered under MediShield Life, which is a basic health insurance scheme that protects all against large medical bills, regardless of age or health conditions. MediShield Life premiums are deducted automatically from your MediSave Account.

The first step is to assess whether MediShield Life meets your healthcare needs, and if not, whether getting an IP and IP rider aligns with your budget and preferences. This includes considerations such as, whether you intend to seek treatment at a public or private hospital, your preferred ward class and whether you would like the option to choose your own doctor.

Starting with a more affordable IP rider with higher co-payments may be more manageable for young adults with limited budgets. If you do so, you need to be aware that to upgrade your coverage later, this will typically involve underwriting. As we age, the likelihood of developing health conditions increases, which can lead to additional exclusions and higher premiums when attempting to upgrade to a more comprehensive plan.

For young, healthy adults, it can be advantageous to choose comprehensive coverage early, provided it aligns with your expected healthcare needs in the future, budget and ongoing financial ability. This is because you can more easily reduce your coverage if your health conditions, needs or financial situation change, without needing additional underwriting.

Where budget permits, securing more comprehensive coverage early typically offers better flexibility and protection over the long term, while still giving you room to adjust coverage as life circumstances change.

Ultimately, beyond considering premiums and co-payments, it is important to consider your long-term healthcare needs, your preferred level of coverage, and what you can sustainably afford over time.

For older policyholders

When reviewing their health insurance coverage, older policyholders should focus on long-term affordability. Premiums increase with age and may be further adjusted upwards due to medical inflation. It is important to evaluate if your current and future premiums remain manageable within your retirement budget and consider how these costs will fit alongside other essential expenses.

As your life stage and/or financial circumstance change, your treatment preferences may also change, and your insurance coverage should reflect this. We strongly encourage all policyholders to have regular reviews with your FAR to ensure that your policy remains relevant for your needs. This includes reassessing your treatment preferences, ward choice, and whether your plan continues to meet your evolving health and financial needs.

6. What should I consider if I'm thinking of downgrading my IP rider to the new IP rider?

Downgrading coverage fundamentally means shifting a greater portion of potential healthcare costs claimable from your IP insurer back onto yourself.

While the idea of reducing current expenses through lower premiums has its benefits, it is important to consider other factors beyond immediate cost savings.

Recognise that downgrading your coverage without a holistic review of your needs may leave you under-insured and vulnerable to significant out-of-pocket costs. You should carefully evaluate any changes to your health insurance coverage with your FAR to understand what benefits you might be giving up if you downgrade your current plan and thus what adjustments to make in future care episodes.

Here is what you should consider if you are thinking of downgrading your IP or IP rider:

- Does the revised coverage better align with your evolving healthcare needs, preferences and long-term financial capacity?
- Do you have a readily accessible emergency fund for potential medical expenses?
- Are you comfortable paying a significantly larger bill for an unexpected illness or accident?
- Consider your family medical history, current health status and lifestyle factors. Are there indicators that suggest a higher likelihood of needing medical care as you age?
- If you have family members who rely on your financial stability, how would a substantial, unexpected medical bill impact their well-being and future plans?
- Understand exactly which benefits you would lose, which limits would be impacted, and how much your maximum out-of-pocket liability would increase.
- The accumulated savings from downgrading your IP or IP rider can be used to pay for the increased out-of-pocket expenses due to the lower coverage.
- Do bear in mind that healthcare costs will increase over time and you should prepare accordingly.

Ultimately, making changes to your coverage should be a carefully considered decision, not a reaction. It is important to ensure that the short-term relief does not create significant future financial strain for you and your loved ones.

Also refer to Reviewing your health insurance: MediShield Life, Integrated Shield Plans and IP riders explained (The Straits Times) for more information.

APPENDIX

What is an IP rider, and why do some people choose to buy one?

An Integrated Shield Plan (IP) rider is an optional add-on to your IP that is designed to cushion major out-of-pocket expenses during hospitalisations.

A co-payment is the portion of the hospitalisation that you would have to pay and is expressed as a percentage of the bill. The standard co-insurance payment is 10% under the IP Policy. Some new IP riders lower the co-payment amount to 5% of the bill capped at annual minimum of S$6,000 (excluding the annual minimum deductible), and provide protection against large hospitalisation bill with co-payment cap.

IP riders also provide coverage for additional treatments that MediShield Life and IPs may exclude, such as non-Cancer Drug List (CDL) treatments. Some people choose to buy an IP rider (without upgrading to a higher-class ward than their plan entitlement) to help keep out-of-pocket costs more manageable.

IP riders come with varying levels of premium and coverage. You should carefully choose an option that aligns with your healthcare needs and budget, remembering that premiums are determined annually and increase over time as you age. It is also important to note that IP rider premiums must be paid in cash; they cannot be paid using MediSave.

The best way to determine if an IP and IP rider is appropriate for you is by assessing your healthcare needs and financial capacity in the long-term. Your care preferences, financial situation, and health status may change over time, and your insurance needs may evolve accordingly. It is important to review your coverage regularly with your FAR – especially at a new stage of life - to ensure your policy remains relevant to your current and future needs and continues to fit within your budget.

Here are some considerations:

1. ***Where do you wish to seek treatment?***

   If you plan to seek subsidised treatments in public hospitals in Class B2 and C wards, MediShield Life may be sufficient.

   If you plan to choose B1 or A wards, seek treatment at private hospitals, or choose your own doctor, an IP can provide additional coverage for these choices. These may come with higher out-of-pocket expenses, and an optional IP rider add-on reduces the out-of-pocket expenses (for e.g. the co-payment amount).

   More comprehensive coverage often comes at higher premiums. Every IP insurer offers a range of options for both IP and IP riders, with varying levels of protection. Individuals should weigh the benefits and costs for these options.

2. ***What am I able to afford now and in the long-term?***

   It is crucial to match your coverage to what you can comfortably afford in the long-term.

   As in the case of other insurance plans, premiums for your IP and IP rider will increase over time as you age and may also be adjusted to reflect rising medical costs. Considering ongoing affordability helps to ensure that your health insurance remains sustainable and continues to provide meaningful protection without putting undue strain on your finances over the long term.

3. ***Does my coverage suit my current life stage and needs?***

   Your care preferences, financial situation, and health status may change over time, and your insurance needs may evolve accordingly. It is important to review your coverage regularly with your FAR – especially at a new stage of life – to ensure your policy remains relevant to your current and future needs and continues to fit within your budget.

   Your policy should provide protection for the treatments and care options you wish to have, while staying within your allocated budget for insurance.