Life Insurance Association Singapore
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Forum Letter to The Straits Times: Balance level of health insurance coverage with long-term affordability

27 April 2026

We refer to the letters by Dr Tan Eng Loy (Health insurance wording must reflect modern care, March 24) and Dr Chua Jun Jin (Extend direct purchase insurance model to Integrated Shield Plans to reduce premiums, April 7) and thank them for their feedback.

Insurance is fundamentally designed as a risk-pooling mechanism to protect policyholders from large, unpredictable expenses resulting from major illnesses or complex surgeries.

Focusing coverage on such high-cost procedures and including features like deductibles and co-payments help keep premiums more manageable.

More comprehensive coverage will come with higher costs as the likelihood of claims being made also increases.

It is important that consumers carefully assess the level of health insurance coverage they require, balanced against long-term affordability.

This is why consumers who purchase hospitalisation insurance, such as Integrated Shield Plans (IPs) and IP riders, can benefit from advice from a qualified financial adviser representative.

The adviser can help propose coverage levels, explain the terms of the policies recommended, and conduct regular reviews to keep coverage aligned with a consumer's evolving healthcare and financial needs.

For example, IPs generally cover specific, serious pregnancy and delivery-related complications that require hospitalisation, such as postpartum haemorrhage and pre-eclampsia.

Consumers who prefer more comprehensive coverage for pregnancy and childbirth-related complications can buy additional maternity-specific insurance products, after weighing the cost and potential benefit.

The recent adjustments in IP premiums reflect rising healthcare costs, based on claims experience, utilisation patterns, medical inflation and customer demographics.

Insurers regularly review IPs and IP riders to ensure they remain sustainable while providing suitable coverage for policyholders.

The new IP riders launched on April 1, 2026, comply with MOH's requirements to remove rider coverage of the minimum IP deductibles and increase co-payment caps.

These features encourage more prudent healthcare utilisation and are hence priced more affordably. Changes like these help moderate future IP and IP rider premium levels.

The life insurance industry is committed to strengthen awareness and advance educational efforts to help people make well-informed decisions about their health insurance coverage.

Additional guidance can be found on LIA's website for industry guidelines on ensuring the right level of health insurance for consumers.

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