



FAQ for Revision of Cost of Insurance/ Insurance Charge for Investment-Linked Medical Riders

1. When will the cost of insurance/ insurance charge revision of the medical rider take place?

The cost of insurance/ insurance charge revision of the medical rider will take place upon your next policy anniversary on or after 1st January 2022.

For instance:

- (i) If the Policy Anniversary falls on 1st January 2022, then the revised cost of insurance/ insurance charge will take place on 1st January 2022.
- (ii) If the Policy Anniversary falls on 1st October 2022, then the revised cost of insurance/ insurance charge will take place on 1st October 2022.

2. Is the cost of insurance/ insurance charge for the medical rider(s) guaranteed?

As stated in the Policy Contract, the cost of insurance/ insurance charge for the medical rider(s) is not guaranteed. We reserve the right to revise the cost of insurance/ insurance charge by giving you at least 90 days prior written notice.

3. Why is there a change in the cost of insurance/ insurance charge of the medical rider?

The change is contributed by rising medical costs brought on by advancement of technology in the medical field, which increases at a pace faster than the general inflation. Another contributing factor is the increase in the hospital and doctor charges as well as usage of healthcare services.

To keep pace with the rising medical cost and increasing use of medical and health services, revision in the cost of insurance/ insurance charge of the medical rider(s) is required to ensure the medical rider(s) remains sustainable so that you can continue to enjoy long term medical insurance coverage.

In the event there is any further revision to the cost of insurance/ insurance charge of your medical rider(s), we will inform you by giving you at least 90 days prior written notice.

4. Is the cost of insurance/ insurance charge revision of the medical rider(s) a common practice in the industry?

As the cost of insurance/ insurance charge for the medical insurance rider are not guarantee, each insurer will conduct their own reviews regularly based on the prevailing medical insurance costs and past claim experience. To keep pace with the rising medical cost and increasing use of medical and health services, revision in the cost of insurance/ insurance charge of the medical rider(s) in the medical insurance portfolio is required to ensure the medical rider(s) remains sustainable so that you can continue to enjoy long term medical insurance coverage.

The condition for the revision varies from one insurer to another as the benefits and steps adopted for the claim management are different.

5. How much do medical costs rise each year?

The inflation of medical costs in Malaysia is currently increasing at average of 10% to 15% yearly. This is in comparison to the general inflation rate of 2% - 3% in the same period.

Source: [Aon 2019 Global Medical Trend Rates Report](#) and [Global Medical Trends Survey Reports by Wills Towers Watson 2020](#)

6. Who approved the revision of the cost of insurance/insurance charge on this medical rider?

This is a commercial decision by Tokio Marine Life Insurance Malaysia Bhd.



7. How does Tokio Marine Life Insurance Malaysia Bhd determine the quantum of increase for the cost of insurance/ insurance charge of the medical rider(s)?

We have taken into consideration on the past claim experience and medical cost in the near future while ensuring the revised cost of insurance/ insurance charge of the medical rider(s) remains reasonable.

8. Is the quantum of increase in the cost of insurance/ insurance charge of the medical rider fixed across all policies?

The quantum of the increase is not fixed across all policies as it varies depending on factors such as age, gender, occupation class and type of medical rider.

9. What is the difference between premium and cost of insurance/ insurance charge?

Premium is the amount that you pay to us for the insurance coverage. For an investment-linked insurance policy, a part or all of the premiums paid is used to purchase units in the investment-linked fund(s) selected while remaining amount is used to pay insurer's expenses and commission to agent/financial adviser.

Cost of insurance/ insurance charge is the charge to pay for your insurance cover. This charge will be deducted from the fund value of your Investment-Linked policy through unit deduction. Cost of insurance/ insurance charge will increase as the age increases.

If you require additional information about investment-linked insurance plan, you may refer to the **Investment-Linked Policy Guide** at our corporate website:

<https://www.tokiomarine.com/my/en/personal/learn/articles/liam-education-guide-on-investment-link-policies.html>

10. I have never made a claim before. Why is the cost of insurance/ insurance charge of my medical rider(s) being revised?

Insurance practices the concept of risk pooling/ sharing basis and spreading the risks among all those who are insured in the portfolio. The same concept applies to the medical rider(s). When you purchase medical rider, you join a group of other customers. We cover the entire group rather than individuals. Similarly, when we review our medical portfolio, it is conducted across the board. As such, the revision of the premium of the medical plan is carried out at portfolio level.

It is important for the products remain sustainable in the long run, this is to ensure that the you can continue to enjoy long term medical insurance coverage

11. My policy has lapse after I have received the notification letter. How will this revision of cost of insurance/ insurance charge of my medical rider(s) impact my policy?

You may reinstate your policy, subject to the reinstatement clause in the policy contract. Upon reinstatement, the cost of insurance/ insurance charge of your medical rider(s) will be revised from your next policy anniversary on or after 1st January 2022 or reinstatement date, whichever is later.

12. Do I need to pay the recommended revised premium amount after the revision?

The additional recommended Regular Premium Top Up (RTU)/ Ad hoc Single Premium Top Up (SPTU) is required to cover the increase cost of insurance/ insurance charge and to meet the Expected Policy Sustainability.

With the increases of cost of insurance/ insurance charge, more units will be deducted from your fund value to pay for the higher cost of insurance/ insurance charge. If you continue to pay the same amount of premium after the new premium effective date or do not top up your policy after this revision, it is possible that your policy may lapse earlier than expected.

For better understanding on your overall policy sustainability, you are advised to refer to the Fund Value Sufficiency Notice shared by us annually.



13. I decided to increase my premium. How can I top up my premium based on the recommended revised premium?

You are required to fill the **Authorization Form** enclosed and submit directly to us, email us at customercare@tokiomarinelife.com.my or via your servicing agent before the stated next policy anniversary date of your policy as per the notification letter.

Note:

- (i) The premium payment must be up to date with no outstanding premium for any addition/ increase of Regular Top Up Premium.
- (ii) For payment method under **Biro Angkasa**:
 - 2 months of advance payment on the additional premium will be required.
 - Payslip will be required for additional premium of at least RM 50 per month.

14. How will the additional recommended premium be treated and how will it be allocated?

The additional recommended premium will be treated as RTU premium and will be subject to allocation rate of 95%.

Recommended Ad hoc SPTU amount (if any) will also be required to pay on top of the Recommended RTU premium as one-off premium with allocation rate of 95% upon the stated policy anniversary in order to meet the Expected Policy Sustainability for:

- non-monthly payment mode (annually, half-yearly, quarterly) policies and the current fund balance is unable to sustain till stated next policy anniversary;
- monthly payment mode policies where the customers have paid the future premium in advance and the current fund balance is unable to sustain till stated next policy anniversary.

15. How will this affect my current premium payment arrangement?

There is no change to your current premium payment arrangement as we will bill the revised premium accordingly (if any). However, if you are paying your premium through

- Standing instruction: you will be required to inform your respective bank in advance on the revised premium (if any) to be billed accordingly.
- FPX or autodebit with current transaction limit less than the revised premium amount (if any): you are required to inform your bank to change a new limit.
- Biro Angkasa: you will be required to inform Tokio Marine Life Insurance Malaysia Bhd. by submitting a copy of the latest payslip in order for us to inform ANGKASA on the revised premium to be deducted.

For other payment method, you are not required to do anything as we will bill the revised premium accordingly (if any).

16. The recommended revised premium is too high. Can I choose to increase my premium lower than the recommended amount?

While we encourage you to increase your current premium amount as recommended, it is entirely optional. However, please note that this may have an impact to your policy sustainability and there is a possibility that it might lapse earlier than expected.

17. Can I choose not to increase my current premium amount?

While we encourage you to increase your current premium amount as recommended, it is entirely optional. However, please note that this may have an impact to your policy sustainability and there is a possibility that it might lapse earlier than expected.

18. Can I top up my current premium amount more than the recommended amount?

Yes, you are allowed to top up your current premium amount more than the recommended amount. It is entirely optional. Any premium you pay will be allocated to your fund value at the prescribed premium allocation rate.

Note: The premium payment must be up to date with no outstanding premium for any addition/ increase of Regular Top Up Premium.



19. What options do I have besides maintaining my current medical rider with the revised cost of insurance charge?

You could consider any of the options below:

- (a) Lowering the plan type of your medical rider if the lower plan type is available. However, medical rider with lower cost of insurance/ insurance charge provides lesser medical coverage, such as lower annual limit.
- (b) Change to our flagship medical rider, i.e. iMediCare which offers new born reward, no lifetime limits and high annual limit, pregnancy complication benefit, alternative cancer treatment, outpatient infectious disease, no claim bonus and expert medical opinion, subject to underwriting.



Scan here for details of iMediCare

We strongly encourage you discuss with your servicing agent to review your insurance coverage and which option best suit your needs for medical protection on a long-term basis.

20. Who can I contact for further information?

If you require any further information, you may call our Customer Care Hotline at 03-26033999. Alternatively, you may contact your servicing agent or email us at customer care@tokiomarinelife.com.my.