



## FAQ for Revision of Premiums for Traditional Medical Riders

### 1. When will the premium revision of the medical rider take place?

The premium revision of the medical rider will take place upon your next policy anniversary on or after 1<sup>st</sup> January 2022.

For instance:

- (i) If the Policy Anniversary falls on 1<sup>st</sup> January 2022, then the revised premium will take place on 1<sup>st</sup> January 2022.
- (ii) If the Policy Anniversary falls on 1<sup>st</sup> October 2022, then the revised premium will take place on 1<sup>st</sup> October 2022.

### 2. Is the premium for the medical rider(s) guaranteed?

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

### 3. Why is there a change in the premium 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 premium 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 premium of your medical rider(s), we will inform you by giving you at least 90 days prior written notice.

### 4. Is the premium revision of the medical rider(s) a common practice in the industry?

As the premium for the medical insurance rider is not guaranteed, 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 premium 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 premium 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 premium 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 premium of the medical rider(s) remains reasonable.

### 8. Is the quantum of increase in the premium 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. I have never made a claim before. Why is the premium 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 you can continue to enjoy long term medical insurance coverage

**10. My policy has lapse after I have received the notification letter. How will this revision of premium 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 premium of your medical rider(s) will be revised from your next policy anniversary on or after 1<sup>st</sup> January 2022 or reinstatement date, whichever is later.

**11. I pay my premium using Advance Premium Option. How will the revision of premium of my medical rider(s) affect me?**

You do not need to do anything now so long the balance of your advanced premium remains sufficient. However, as there will be an increase in the premium of your medical rider, your advance premium fund balance will deplete faster.

Once your advanced premium fund balance is insufficient or becomes zero, you are required to continue paying your premium for your policy (basic and all riders attached).

If you would like to make up the difference now, you may speak to your servicing agents and approach our nearest branch.

**12. 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. 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 to be billed accordingly.
- FPX or autodebit with current transaction limit less than the revised premium amount: 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.

**13. What options do I have besides maintaining my current medical rider with the revised premium?**

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 premium provides lesser medical coverage, such as lower annual limit.
- (b) Change to MedShield which offers additional 10% room & board entitlement and recurring no claim discount up to 15% yearly on the renewal premium. However, you will be required to pay co-insurance (if applicable) upon utilization of the medical rider for hospitalization (including pre/post hospitalization treatment) and outpatient treatment.



Scan here for details of MedShield



Alternatively, you may also change your current medical rider to our flagship investment-linked medical rider, i.e. iMediCare via purchase of our regular pay investment-linked plan (TokioMarine-iLifeSecure 2), subject to underwriting.



Scan here for details of iMediCare

We strongly encourage that you discuss with your servicing agent to review your insurance coverage and benefits in accordance with your needs.

**14. 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 [customercare@tokiomarinelife.com.my](mailto:customercare@tokiomarinelife.com.my).