

FAQs on BNM Interim Measures for Medical Repricing

1. How does Tokio Marine Insurans Malaysia (“TMIM”) plan to implement the BNM interim measures for medical repricing?

TMIM understand the challenges faced by Malaysians amidst the increasing medical claim cost. In order to assist our policyholders, we fully support the interim measures announced by BNM on 20th December 2024 in the following areas:

a. Spread out future premium adjustments

Any future premium adjustment for Medical insurance in year 2025-2026 will be spread over a minimum of three-years period. The yearly premium adjustments due to medical claim inflation will be less than 10%.

b. Special provisions for policyholders aged 60 and above

One-year pause of premium adjustment due to medical claims inflation for those aged 60 and above who are covered under the minimum plan of our Medical insurance products.

c. Policy reinstatement options

Under the interim measures announced by BNM, policyholders whose MHIT policies have lapsed due to repricing in 2024 will be eligible for reinstatement without additional underwriting requirements.

This is not applicable to TMIM as we have not implemented any repricing for Medical insurance products in year 2024.

d. Alternative MHIT products

More details will be shared once we have received further clarification from BNM.

Kindly note that these interim measures are not applicable to premium increase due to change in age band. More details refer to FAQ #10.

2. How does spread out of premium adjustments work?

This is offered by TMIM to spread out premium adjustments over a minimum period of three years. This will provide policyholders with some flexibilities to manage the premium adjustments. This is to assist policyholders in paying their premiums during this interim period.

3. Am I entitled to the spread out of the premium adjustments?

Yes, as long as your medical policy has been repriced due to medical claims inflation between year 2024 to 2026.

4. I do not have a medical insurance policy currently. Can I purchase insurance with spread out repricing?

The interim measures are only applicable to existing policyholders affected by repricing in year 2024, 2025 and 2026.

5. Am I entitled for the one year pause of premium adjustment?

If you are aged 60 years old and above at the policy anniversary when the repricing takes effect and is covered under the minimum plan of the MHIT product that has been repriced, you are entitled for a one-year pause in premium adjustment.

This interim measure is NOT applicable to the following:

- a. Policyholders aged 60 years old and above who are not on the minimum plan.
- b. Policyholders move to a higher age band.

6. What does a 'minimum MHIT plan' mean?

A minimum plan here refers to the lowest plan of our Medical products.

- Plan PM160 of Premier Medic Partner
- Plan MPE of Medic Plus

7. What happens after the one-year temporary pause?

After the one-year temporary pause, policyholders will subject to repricing of less than 10% per year in the subsequent years.

8. Why are my premium/contributions increasing even though I haven't made any claims?

Medical insurance work on the concept of risk pooling. When you take up a medical plan, you join a larger group of customers who have similar risk characteristics or profiles as you. The insurance premiums that are collected from you and all other customers in the group are pooled together to provide for future claims.

If claims paid from the pool become higher than expected over time, the insurance company may have to revise the insurance premium to make sure that all customers in the group can continue to be covered in the long run (regardless of whether you have made a claim or not).

9. Why is my medical insurance premium increasing?

Medical insurance premiums are revised periodically because of the rising cost of medical care and increases in the number of policyholders going to hospitals, resulting in increases in medical claims cost. Insurance companies need to adjust premiums to ensure claims can be paid, so they can continue to provide you with the medical coverage you need.

10. Will my medical insurance premium increase as I get older?

Yes, it is common for medical insurance premiums to increase with age, as older individuals tend to have higher healthcare needs and are more likely to make medical claims.



11. What factors cause medical costs to rise?

- Advanced medical treatments, new procedures, and better medications are expensive.
- Private hospitals invest in the latest imported equipment, supplies, and medicines.
- The rise in non-communicable diseases (like diabetes, high cholesterol, and obesity) requires long-term care and hospitalisation.
- Older individuals typically need more frequent and costly medical treatments.
- Enhanced policy benefits often lead to more claims, driving costs higher.

12. How sustainable are these interim measures and how will it affect my premiums in the long-run?

While staggering premium increase provides immediate relief to policyholders, the reality is that the premium rates will require material adjustments in the near future unless systematic changes are implemented across the healthcare eco-system.

As the current premium rates are inadequate, insurance and takaful providers may have to step up cost containment initiatives, as part of the industry's commitment to provide accessible, affordable and effective healthcare. However, this alone won't be sufficient, and we strongly urge a "whole-of-nation" approach to address the rising costs of medical care with strong participation from hospital providers, doctors and support of the Ministry of Health Malaysia.

This, is in addition to bringing down pharmaceutical drug prices, promoting a higher usage of generic drugs in tandem, ensuring appropriate and cost-effective diagnosis and treatments with price transparency in the short term as well as the implementation of Diagnosis-Related Group (DRG) initiatives in the medium term. All these efforts are essential to ensure the sustainability of the ecosystem and equitable access to affordable healthcare for all.

13. Will these interim measures affect my current medical coverage e.g. the benefit and annual limit?

No. As long as you continue to pay your premium on time, your medical coverage will not be affected and will retain the same benefits.

14. What if I cannot afford to pay my medical insurance premium?

If medical premiums are becoming unaffordable, you have options:

- Switch to a lower plan:** This reduces your premium/contribution but provides less coverage. Consult your agent to ensure it still meets your needs.
- Opt for a plan with co-payment option:** You agree to pay a specified percentage of the hospital bill to reduce your insurance premium.

15. Who can I contact to get more information on these measures?

- Telephone : 1-800-88-0812
- Email address : letusknow@tokiomarine.com.my
- Whatsapp livechat : +603 2027 8488
8.30am - 5.30pm, Mon - Fri (except public holidays)