



Medical Insurance

Medical expenses for treatment of a sickness or accidental bodily injury balloon faster than inflation. Sudden medical outlay often will catch one by surprise. Medical insurance enables better financial planning. The planned use of funds such as down payment for buying a new house/car, education fees for children studying overseas will not be affected by unexpected medical outlay.

Medical insurance offers the following:

Hospital and surgical benefits (basic cover)

1. Room and Board
2. Miscellaneous Hospital Services
3. Intensive Care
4. In-Patient Physician's Fees
5. Surgeon and Attendance Fees
6. Anaesthetist's Fees
7. Operating Theatre Fees

Clinical benefits typically (optional cover) cover the following expenses:

1. General Medical Practitioner
2. Specialist Medical Practitioner
3. Diagnostic Imaging and Laboratory Tests
4. Physiotherapists, Chiropractors
5. Chinese Herbalist/ Chinese Bonesetters

Dental benefits (optional cover) typically cover the following expenses:

1. Scaling and Polishing
2. Fillings and Extractions
3. Abscesses, X-Ray, Root Canal Work, Periodontal Surgery and Medications

Since 2019, medical insurance packages following the Voluntary Health Insurance Scheme ("VHIS") have become more popular as they carry the following attractive attributes not otherwise available in ordinary individual medical insurance:

1. Guaranteed renewal up to the age of 100 despite changes of the health conditions of the insured person;
2. No maximum "lifetime benefit limit"
3. Include unknown pre-existing conditions and ambulatory procedures including endoscopy
4. Premium of approved plans can be used for tax deduction up to a specified amount

Medical insurance products of various insurers may look similar but they differ a lot in their policy wording. For example, the brochure usually just tells you that only "medically necessary" expenses are covered, and "pre-existing condition" is excluded. However, the definition of "medically necessary" or "pre-existing condition" in the policy wording among insurers may be different. Therefore, you have to read the policy wording carefully when comparing the medical insurance products of insurers. In addition, you have to pay attention to the followings:

1. Whether the medical plan is guaranteed lifetime renewable irrespective of your health condition and your claims record.
2. If you buy a medical plan starting with a high limit, whether you can afford to pay the premium which usually will increase yearly due to the medical cost inflation and your age.
3. Whether the insurer can pay the hospital bill for you directly. It is less preferred if you have to pay the bill first and then get reimbursement from the insurer.
4. Whether clinical operation and day case procedure carried out at a clinic or day-care unit of a hospital is covered? Or only an operation done in a hospital with a specified minimum number of hours of hospital confinement is covered?

Many would think group medical insurance provided by the employer is good enough. The protection under a group medical plan is usually inadequate, not to mention, the group medical cover will terminate when the employee leaves the employer. One therefore should still consider having an individual medical insurance policy.