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Insurance/Takaful Industry Touts 90% Medical Claims Approval

Without Specifying GL Denial Rate

By CodeBlue | 23 October 2025

In response to CodeBlue's poll among specialists, LIAM, MTA, and PIAM tout an average medical claims approval rate of over 90% in the insurance/takaful industry. But the associations omit details on the rate of guarantee letter (GL) denials or revocation.



Life Insurance Association of Malaysia (LIAM) chief executive Mark O'Dell speaks in a briefing at the Health parliamentary special select committee (PSSC) in Parliament on December 10, 2024, in the PSSC's inquiry into rising medical insurance premiums. Photo by Parlimen Malaysia.

KUALA LUMPUR, Oct 23 — The life and general insurance, and takaful industries have jointly reported a medical claims approval rate of over 90 per cent, following *CodeBlue's* nationwide survey that found widespread complaints of insurer and third-party administrator (TPA) interference in doctors' clinical decisions.

In a joint statement today, the Life Insurance Association of Malaysia (LIAM), the General Insurance Association of Malaysia (PIAM), and the Malaysian Takaful Association (MTA) said the industry has consistently approved more than one

million claims annually.

“The insurance and takaful industry has maintained an average claims approval rate of over 90 per cent,” the associations said. “Collectively, the industry has consistently approved over one million claims annually, demonstrating a strong commitment to paying legitimate claims promptly and fairly.”

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They said the main reasons for claim rejections include policy exclusions, failure to meet policy eligibility criteria, pre-existing conditions or non-disclosure, and treatments not related to the admission.

The statement also highlighted the industry's ongoing efforts to balance fair claims payments with maintaining sustainable premium and contribution rates.

"Insurers and takaful operators are responsible for paying all eligible claims while safeguarding the collective medical claims pool to maintain sustainable premium and contribution rates for consumers," the associations said.

However, the joint statement did not provide figures on guarantee letter (GL) approval or revocation rates, despite *CodeBlue's* request for this data.

CodeBlue's survey (<https://codeblue.galencentre.org/2025/10/poll-nearly-all-specialists-perceive-insurer-interference-with-clinical-decisions/>) of 855 private hospital specialists found that most doctors said their patients were referred to government hospitals when GLs were denied or revoked, while only about four per cent reported that their patients paid out-of-pocket and claimed later.

One oncologist in Melaka, cited in *CodeBlue's* survey, described a recent case where an insured patient with RM500,000 coverage was forced to seek treatment in the public sector after being denied cashless access.

"Patient was asked to pay and claim. They didn't have the cash upfront, so had to be referred to a government hospital despite having RM500,000 coverage," the oncologist said.

The industry's statement also did not address the main finding of *CodeBlue's* specialist survey – insurer and TPA interference in doctors' clinical decision-making and the practice of medicine, particularly in treatment approvals and GL issuance.

Industry Cites High Customer Satisfaction

The associations also highlighted findings from the Malaysia Insurance & Takaful Customer Satisfaction Survey 2024, involving 2,796 medical and health insurance and takaful (MHIT) policyholders, as evidence of continued confidence among consumers.

Insurers and takaful operators scored between 84 points to 89 points in 2024 out of 100 points, across key metrics such as responsiveness, trustworthiness, satisfaction and peace of mind, the statement said.

The industry said these results reflected continuing efforts to improve efficiency, trust, and service quality for policyholders.

The associations also noted that *CodeBlue*'s series of articles (<https://codeblue.galencentre.org/2025/10/codeblue-releases-full-responses-in-health-insurance-survey/>) highlighted areas "where the insurance and health care sectors can collaborate further to enhance service delivery and efficiency for policyholders and certificate holders".

As part of ongoing reforms, the insurance and takaful industry said several initiatives would be prioritised to address concerns raised by doctors, hospitals, and patients.

"As part of our ongoing commitment to excellence, the following initiatives will be prioritised: resuming the Industry Grievance Mechanism Committee – to strengthen communication, foster better understanding, and provide a platform for addressing grievances from all stakeholders including physicians, hospitals, insurers and takaful operators, the Ministry of Health (MOH) and Bank Negara Malaysia (BNM)," the associations said.

They added that internal working groups comprising insurers, takaful operators, and TPAs would be established "to analyse the root causes of the issues raised and develop solutions to prevent recurrence".

The industry said it would continue engaging constructively with the MOH and BNM through an all-of-nation approach to strengthen Malaysia's private health care ecosystem.

"This is evident in the industry's active involvement in the joint ministerial committee on RESET," the associations said.

"Our collective goal is to enhance the claims process, improve service delivery, and ensure a positive health care experience for all Malaysians."

"Ultimately, the care and protection of Malaysians is our primary concern, and the industry will continue to explore ways to support the nation's health care system as well as ensure that every Malaysian has access to quality protection and care."

CodeBlue's nationwide survey received responses from over 850 private hospital specialists across Malaysia. Ninety-nine per cent of respondents said they had experienced insurer or TPA interference in their clinical decision-making.

Many described “Deny, Delay, Revoke” practices

(<https://codeblue.galencentre.org/2025/10/deny-delay-revoke-specialists-reveal-health-insurance-underbelly-in-malaysia/>) – where insurers allegedly deny coverage for essential treatment, delay approvals for GLs, or revoke them after admission – which they said compromised patient care.

When coverage was denied or revoked, most specialists said patients were referred to public hospitals, as few could afford to continue treatment privately and pay out-of-pocket.