

LIAM on insurance policy

CI plans are not just privy to LIAM member companies as they are also sold by general insurers and takaful operators

Response to Consumers Association of Penang (CAP) for the letter on Critical Illness Insurance (CI) policy

WE ARE writing to you in response to your article on Critical Illness Insurance (CI) policy which appeared in *The Malaysian Reserve* on Oct 28, 2011.

We are grateful that you have brought up the matter to our attention. We take note of the issues and we are constantly working towards improving the service delivery of our member companies especially the front line personnel consisting of agents and counter/customer service executives.

We hope the explanation below answers the major points brought up in the article.

1. Member companies ensure that their agents, who are professionally trained, promote products that suit the needs of the consumers. These agents are given at least an overview of the type of critical illnesses covered by the policy. Agents also have to ensure they fulfill 30 Continuing Professional Development (CPD) hours thus are responsible in providing clear disclosure.

2. At member companies' customer service centres, they are manned by staff who are knowledgeable and are fully capable of

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providing information to customers/insured on the various critical illnesses covered in the policy. These dedicated personnel also play a key role in attending to queries, provide advisory services as well as attend to complaints.

3. Companies engage medical practitioners to provide advice and training to the underwriting and claims departments. If there are any medical queries beyond the staffs' competency, such inquiries are referred to them or an appointed panel of medical practitioners.

4. The company's claims decision is made by referencing objective evidence, and it is based on the conditions stated in the contract.

5. Companies do highlight the exclusion clauses to provide freedom of choice to potential customers.

6. Companies do have other channels of communication/information where customers can seek to get further explanation specifically on critical illnesses before and after they purchase a policy. Customer service centres will also attend to customers who seek redress.

7. LIAM members and LIAM have embarked on its consumer education exercise through various channels of communication and it is an ongoing concern. We believe that this constant financial literacy programme via the newspapers, magazines, websites and printed product literature, will benefit all parties if the consumers' understanding are raised.

8. We are constantly looking into various ways to totally distinguish between the two products, Critical Illness and Medical & Health Insurance to avoid consumers' confusion.

9. Moving forward, plans are underway for the industry to embark on the usage of simple language in the CI definition to be more consumer-centric.

We understand that there have been instances, whereby several customers may not be comfortable with their policy purchases and they have brought them to CAP's attention. Citing lack of understanding, unaware of the policy coverage and unsure of policy benefits are some of the complaints we have received as well.

But as policies now require sales illustration and product explanation, we believe these are isolated cases and we would seriously like to help sort out the matter. Therefore, we hope the complainant/s could furnish the details for LIAM to assist/investigate as soon as possible.

A point to note is that CI plans are not just privy to LIAM member companies as it is also sold by general insurers and takaful operators. Therefore, if you could share with us the specific complaints, it would help us in addressing these complaints more proactively.

We hope our explanation above suffices. Please feel free to call us at 03 2691 6168 or email us at liaminfo@liam.org.my if there are further developments that need our attention.

Yours faithfully
Nancy Tan,
Executive Secretary
Life Insurance Association
of Malaysia (LIAM)