



Understanding Medical and Health Insurance / Takaful

Part 2: Making MHIT Claims and Renewal Processes A Breeze

Nowadays, the skyrocketing cost of healthcare has propelled many of us to consider ways of protecting our savings in the event of a medical emergency. Medical and Health Insurance/ Takaful (MHIT) is one financial risk management tool that is worth considering.

For those who have purchased their MHIT policy of choice, the national general and life insurance and takaful associations, PIAM, LIAM and MTA are stepping forward to advice on how you can avoid potential setbacks when the time comes to make a medical insurance/takaful claim.

Making a claim can be simple and hassle free when you know what to do and what your responsibilities are.

Making a MHIT/HSIT Claim

Hospitalisation and surgical insurance/takaful (HSIT) policies are one of the most common types of MHIT policies. These policies cover actual medical expenses incurred for hospital treatment/surgery for covered conditions.

In the event that you are hospitalised, you as a HSIT policyholder/participant are required to present your medical card (if any) and fill out the forms with all your personal and insurance/ takaful information. Your insurance company/takaful operator is then tasked to pay the medical benefits that are stipulated in your policy.

Although this may seem easy enough, many MHIT/ HSIT policyholders/participants still encounter problems in the claims process.

In order to minimise any unnecessary delays, the insurers advise that the following key actions are required as part of the claims process:

- Before receiving any non-emergency treatment, do call the customer care helpline of your insurance company or its third party administrator or your insurance agent to check whether your doctor's proposed treatment is covered in your policy and whether your hospital of choice is part of the insurer's/takaful operator's panel of hospitals.
- Do request your doctor or specialist to fill in and sign your claim form. Your doctor may charge a small administration fee which may not be covered by your MHIT / HSIT policy.
- Do note that different insurers/takaful operators or different policy types offer different claim methods. Some insurers/takaful operators offer hospital guarantee letter issue service (cashless admission privilege) whilst others only reimburse hospitalisation costs on receipt



of original bills/receipts. Also the cashless admission privilege is only applicable for an insurers'/takaful operator's panel of hospitals/specialists. Non panel hospitals/specialists usually require the patient to settle the bill first then claim bill amount from their insurer/takaful operator later.

- Do submit a written notice to your insurer/takaful operator as soon as possible, or within 30 days of the treatment period if you are diagnosed with a disability that would incur claimable expenses.
- Do send all claims documents together with the original bills and receipts, full doctor's reports, physician's cost summary of treatment and referral letter, if any.

More often than not, the payment process is slowed down or denied when the paperwork submitted is incomplete or supporting documents are missing. It is therefore important to check that all payment receipts, documents that require signatures are properly signed off and ensure that any other necessary reference materials are attached as proof of treatment.

- Do study your policy for any exclusion clauses. Please note that most HSIT policies do not cover pre-existing conditions (i.e. medical conditions you had prior to the issuance of the policy). Other commonly excluded conditions include maternity related problems, congenital disorders etc. In the event that you require treatment for a condition that is not covered under your insurance/takaful plan, you may opt for treatment at a lower cost hospital. By knowing specifically what you are covered for would also save you the unnecessary hassle of submitting the paperwork for reimbursement and only to be denied payment later.

Guaranteed renewable MHIT

On a separate note, many MHIT policies available in Malaysia are 'guaranteed renewable' policies.

This is good news indeed as what this means is that as long as premiums are paid on the policy, the health insurer/takaful operator is obliged to renew the policy (if the lifetime claim limit has not been exceeded). The insurer/takaful operator can, however, raise premiums/ contributions as long as the change affects an entire class of policyholders/participants and does not single you out.

For non-guaranteed policies (where policies are renewable on yearly basis), the renewal of these policies are subject to the insurers' approval, which you usually have no control over. Thus annual renewable MHIT plans are not suitable for consumers looking for a long-term coverage to meet their medical needs during old age.

In the long run guaranteed renewable policies though more expensive are a safer option.



Selecting a MHIT policy takes effort and requires careful analysis of what is being offered that can meet your needs and budget. As there is no standard MHIT policy that can be used for comparison, it is recommended that you shop around for insurance cover that is affordable and best suited to protect you financially during an unexpected health crisis. As long-term premiums are not guaranteed and are likely to increase in the future to cater for inflation and medical advances, a good rule of thumb is to select a MHIT policy that not only meets your long term needs but also fits your long-term budget (taking into account drop in income after retirement and amount of savings you expect to accumulate). Remember, a goal without a plan is just a wish. Start planning your protection today for a secure life tomorrow.

CONTINUE TO PART 3: MHI Premiums Not Spared from Rising Healthcare Costs

This article is the second in a three-part series brought to you by Persatuan Insurans Am Malaysia (PIAM), Life Insurance Association of Malaysia and the Malaysian Takaful Association. This series aim to offer a better understanding of MHIT and what it offers, the dos and don'ts when making a medical claim and how the high costs of healthcare services have impacted on MHIT premiums/contributions.

Issued by : PIAM, LIAM and MTA

ABOUT PERSATUAN INSURANS AM MALAYSIA (PIAM)

PIAM is the national trade association of all licensed direct and reinsurance companies for general insurance in Malaysia. Currently, PIAM has 28 member companies. More information on PIAM can be obtained from its Web site: www.piam.org.my.

ABOUT LIFE INSURANCE ASSOCIATION OF MALAYSIA (LIAM)

LIAM is a trade association registered under the Societies Act 1996. LIAM has a total of 16 members, of which 14 are life insurance companies and 2 life reinsurance companies. More information on LIAM can be obtained at www.liam.org.my.

ABOUT MALAYSIAN TAKAFUL ASSOCIATION (MTA)

MTA is a trade association for the Takaful industry in Malaysia. MTA has a total of 15 members and is dedicated in promoting the interest of its members and to supervise the exercise of self-regulation within the Takaful industry. More information on MTA can be obtained at www.malaysiantakaful.com.my.

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