

Confusion on medical insurance coverage

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Many aren't aware of what exactly is covered under Hospital and Surgical Insurance or some of its major limitations

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In general, the Hospital & Surgical Insurance (HSI) policy covers you against expenses incurred whilst you are hospitalised, due to a covered illness or as a result of an accident.

Generally, you would only be covered as an in-patient unless it is an emergency out-patient treatment due to an accident. In addition, day surgeries are also covered for certain procedures nowadays, like cataract operation, whereby you need not stay overnight at the hospital. With the "Day Surgery" benefit, you need not purposely stay a night to qualify for the coverage and this reduces your total medical costs.

A HSI policy usually covers hospital accommodation and nursing expenses, surgical expenses (surgeon's fees & costs associated with surgery), physicians' expenses and in-patient tests.

This policy sometimes includes overseas cover, accidental death benefit and out-patient tests or consultation. HSI policies usually exclude any hospitalisation / treatment charges as a result of pregnancy related conditions, congenital abnormalities, cosmetic surgery, non accidental related dental treatment, sexually transmitted diseases, routine medical check up's and psychiatric related illnesses.

One common exclusion under a HSI policy is that of pre-existing conditions or illnesses that existed before the effective date of a HSI policy, for which you are receiving treatment or have shown symptoms.

If you consulted a medical doctor for any pain or discomfort in connection with the condition, it would be regarded as a symptom of a disability and will be excluded from your policy.

There is also a list of specified illnesses for which you will not be covered if the illnesses have been treated or occurred during the first 120 days from the commencement of your policy, irrespective of whether you were aware of them or not.

For example, you may only discover that you have a cyst in your abdomen two months after you purchased the HSI policy and was advised to remove it. You'll not be covered

for this procedure as it is one of such specified illnesses and is still within the 120 days period.

Therefore, you may want to check through this list of illnesses to prevent any future dispute or misunderstanding.

Take note that you will not be eligible for any claim arising from any medical or physical conditions within the first 30 days of the cover, except for accidental injuries. Again, this is irrespective of whether you were aware of such conditions or not.

However, this does not necessarily mean that you'd be automatically covered after the first 30 days as you're still subjected to the 120 days waiting period for certain specified illnesses and the pre-existing condition exclusion.

It is also important that at policy application you truthfully disclose all your relevant medical information. Insurance companies have the right to reject a medical claim if they have evidence that the insured did not disclose any material information at time of purchasing the policy.

Most HSI policies today extend their coverage to age 80 and some even up till 100. However, there's always a last entry age and be sure to get into the plan before that stipulated age and never let it lapse. Otherwise, you'd not have the cover when you need it most.

Also, while a typical HSI policy may cover overseas treatment, the benefits would be limited to reasonable, customary and medically necessary charges for such equivalent local treatment in Malaysia and shall exclude the cost of transport to the place of treatment.

For example, let's say a typical appendicitis operation here costs RM2,000 but you had to undergo the operation in Singapore which cost you S\$3,000. You'd then be reimbursed for RM2,000.

Further, if you were to live or travel out of Malaysia for more than 90 consecutive days, no benefits will be payable for medical treatment outside Malaysia. Therefore, if you do not plan to be back in Malaysia for more than 90 consecutive days, you may need to get another HSI plan in the country where you'd be residing.

However, the moment you step back into Malaysia, your HSI coverage will resume until such time you are out of Malaysia again for more than 90 consecutive days.

This article is provided purely as an advisory. For specific details, please consult an insurance professional by contacting any life insurance company listed in the Life Insurance Association of Malaysia (LIAM) official website at www.liam.org.my.

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