The future trend of Medical Insurance

Do you know that **Malaysia was ranked No.2 out of 13 countries in Asia** in terms of medical costs?

Last year, **medical costs in the country increased 13.1%,** mainly due to the availability and adoption of **new medical technologies and equipment.** The countries with the highest increase in medical costs were Vietnam (16.3%), followed by Malaysia, the Philippines (11.5%), Indonesia (10.8%) and China (10.7%).

Medical insurance premiums have been increasing **at an annual rate of 6% to 8%** over the past few years. Such a trend could render medical insurance plans unaffordable to many people, including those from the middle-income group.

But the medical costs are not the only factor to the high medical insurance premiums, it also has to do with **the design of these medical insurance plans** or particular hospital charges, which include consultation fees, hospitalisation fees, the cost of operating theatre and more. There are many components to it.

The issue of escalating premiums is not unique to Malaysia. In fact, Singapore acted last year to contain the rising medical insurance premiums in the city state.

One of the things the Singaporean government did was to introduce **co-insurance plans**. Put simply, policyholders of co-insurance plans **pay a lower medical insurance premium in exchange for paying a fixed percentage of the medical costs in their claims.**

While co-insurance plans are not new in Malaysia, there are currently very few of them in the market, and more co-insurance products could be introduced in the future to counter the rising medical insurance premiums trend.

Under these plans, the fixed medical costs required to be paid by policyholders could be at RM500 or 5% to 10% of the bill with a maximum cap. It is affordable and does not need to be burdensome to policyholders, they will buy such a product if the premium were attractive."

Do you have an appropriate medical insurance plan which will be able to cope with the future medical expenses inflation? If not, why not approach us for a consultation for the suitable plan for you and your family.

Still not sure how to pick up a suitable insurance policy, feel free to contact us now and we will be glad to advice you accordingly.

(An extract from The Edge Malaysia dated September 29, 2020)

> ***Contact us now for a free consultation on insurance related matters***

1. Email your queries to insurance@edindings.com or
2. Call us at 012-2861817 (M), 03-21622515 (O)