

Notice No : MAS 120 (Amendment) 2015

Issue Date : 30 October 2015

DISCLOSURE AND ADVISORY PROCESS REQUIREMENTS FOR ACCIDENT AND HEALTH INSURANCE PRODUCTS

Introduction

1. This Notice is issued pursuant to sections 35P, 35TA and 64(2) of the Insurance Act (Cap. 142) and amends MAS Notice 120 on Disclosure and Advisory Process Requirements for Accident and Health Insurance Products dated 30 January 2004 (“the Existing Notice”).

Amendment

2. The Existing Notice is hereby amended as follows:

- (a) by deleting the words “an insured”, “the insured”, “its insured”, “the insured’s” and “insureds” wherever they appear in paragraphs 1, 11, 12, 13, 16, 18, 19, 20, 29, 34, 37 to 43, 45 and 52, and substituting in each case the words “a policy owner”, “the policy owner”, “its policy owner”, “the policy owner’s” and “policy owners”, respectively;
- (b) by deleting the word “registered” in paragraph 2(a) and substituting the word “licensed”;
- (c) by deleting paragraph 3 and substituting the following paragraph:

“3. This Notice sets out the following in two parts:

- (a) Part I — Mandatory Requirements
 - (i) Division 1: General requirements for accident and health policies
 - (ii) Division 1A: Disclosure requirements for accident and health policies;
 - (iii) Division 2: Disclosure requirements for life policies that contain accident and health benefits;
 - (iv) Division 3: Additional disclosure requirements for direct insurers;
 - (v) Division 4: Requirements on provision of advice relating to accident and health policies;

- (vi) Division 5: Requirements on provision of advice relating to life policies that contain accident and health benefits;
 - (vii) Division 6: Offences relating to this Part;
- (b) Part II — Non-mandatory Best Practice Standards.”;
- (d) by inserting, immediately after the definition of “accident and health insurance representative” in paragraph 5, the following definition:

“ “additional private insurance coverage” has the same meaning as in regulation 2 of the MediShield Life Scheme (Private Medical Insurance Scheme) Regulations;”
- (e) by deleting the definition of “ElderShield policy” in paragraph 5, and substituting the following definition:

“ “ElderShield policy” means a policy purchased under the ElderShield Scheme as defined in regulation 2 of the Central Provident Fund (Withdrawals for ElderShield Scheme) Regulations”;
- (f) by inserting, immediately after the definition of “ElderShield policy” in paragraph 5, the following definition:

“ “ElderShield supplement policy” means a policy purchased under the ElderShield Supplement Scheme as defined under regulation 2 of the Central Provident Fund (Withdrawals for ElderShield Scheme) Regulations;”
- (g) by inserting, immediately after the definition of “health policy” in paragraph 5, the following definitions:

“ “individual medical expense policy” means an accident and health policy, other than an integrated shield plan and a non-integrated shield plan –

 - (a) where the policy owner is an individual; and
 - (b) the main purpose of the policy is to reimburse an insured for the medical costs incurred by him in seeking inpatient medical treatment;”

“ “integrated shield plan” has the same meaning as in regulation 2 of the MediShield Life Scheme (Private Medical Insurance Scheme) Regulations;”

- (h) by inserting immediately after the definition of “insured” in paragraph 5, the following definitions:

“ “medisave account” has the same meaning as section 2 of the MediShield Life Scheme Act 2015 (No. 4 of 2015);

“Medisave-approved policy” means any ElderShield policy, ElderShield Supplement policy, integrated shield plan or non-integrated shield plan;

“MediShield Life Component” has the same meaning as regulation 2 of the MediShield Life Scheme (Private Medical Insurance Scheme) Regulations;

“MediShield Life Scheme” means the Scheme established under section 3 of the MediShield Life Scheme Act 2015 (No. 4 of 2015);

“Medisave Withdrawal Limits” means the respective withdrawal limits specified in regulation 5(1) of the MediShield Life Scheme (Private Medical Insurance Scheme) Regulations;

“non-integrated shield plan” has the same meaning as in regulation 2 of the MediShield Life Scheme (Private Medical Insurance Scheme) Regulations;”

- (i) by inserting, immediately after the definition of “personal accident policy” in paragraph 5, the following definition:

“ “policy owner” includes an intending policy owner;”

- (j) by deleting the words “set out” in the definition of “representative” in paragraph 5;

- (k) by inserting, immediately after the definition of “switching” in paragraph 5, the following definition:

““upgrading” means varying the terms of an existing policy or terminating an existing policy to purchase a new policy with the same insurer for the purpose of having better benefits than that under the existing policy, and “upgrade” shall be construed accordingly.”;

- (l) by deleting the words “A&H intermediary” in paragraph 10 and substituting the words “A&H insurance intermediary”;

- (m) by inserting, immediately after the header “Part 1 – Mandatory Requirements”, the following paragraphs:

“Division 1 : General Requirements for Accident and Health Policies

10A. No direct insurer shall use the word “Shield” in the name, description or title of any accident and health policy issued by it unless that policy is a Medisave-approved policy.

10B. Notwithstanding paragraph 10A, a direct insurer may, prior to 1 November 2017, continue to use the word “Shield” in the name, description or title of any accident and health policy issued by it prior to 1 November 2015.”

- (n) by deleting the words “Division 1” in the sub-header “Division 1: Disclosure Requirements for Accident and Health Policies”, and substituting the words “Division 1A”;
- (o) by deleting the words “its name” and “it acts” in paragraph 13, and substituting the words “his name” and “he acts”, respectively;
- (p) by deleting paragraph 14 and substituting the following paragraph:

“14 Where there is a change to such information referred to in paragraphs 12 and 13, an A&H insurance intermediary or an A&H insurance representative, as the case may be, shall inform a policy owner, in writing, of any change to such information in the next dealing right after the change, with the policy owner.”

- (q) by deleting the words “shall, upon request of the insured, disclose in writing to the insured” in paragraph 15 and substituting the words “shall disclose in writing to a policy owner”;
- (r) by deleting paragraph 17 and substituting the following paragraph:

“17. When dealing with a policy owner who is an individual in respect of any accident and health insurance policy, an A&H insurance intermediary shall disclose the following information to the policy owner:

- (a) Nature and objective of the policy

The A&H insurance intermediary shall disclose and explain to the policy owner the nature and objective of the policy including:

- (i) whether the policy is a health policy or a personal accident policy; and
- (ii) whether the policy seeks to reimburse health services costs incurred by the insured, provide continuous income during disability or sickness, provide lump sum benefits on the occurrence of specified events, or a combination of these.

(b) Details of the insurer

In addition to disclosing to the policy owner the insurer underwriting the policy and its relationship with that insurer required under section 35P(1)(a) and (b) of the Act, an A&H insurance intermediary shall disclose to the policy owner the business address of the insurer.

(c) Contractual rights and obligations

The A&H insurance intermediary shall disclose and explain to the policy owner –

- (i) the party against which the policy owner may take action to enforce his rights with respect to the policy he has purchased;
- (ii) that he is responsible for the accuracy and completeness of the information given to the insurer when applying for the policy and when making a claim under the policy;
- (iii) that any mis-statement or non-disclosure of material facts may affect the validity of the policy; and
- (iv) the amount of, frequency with which, and period over which, payment is to be made in respect of the policy, including whether the premium rate is guaranteed or non-guaranteed.

(d) Benefits of the policy

The A&H insurance intermediary shall disclose and explain to the policy owner the benefits of the policy, including –

- (i) the conditions under which payment of policy moneys are made;
- (ii) the conditions under which payment of policy moneys will not be made;

- (iii) the amount and timing of the payment of policy moneys;
- (iv) whether the payment of policy moneys are guaranteed or non-guaranteed; and
- (v) any lien on the policy.

(e) Risks of the policy

The A&H insurance intermediary shall disclose and explain to the policy owner the risks to be borne by the insured or policy owner in the purchase of the policy, including:

- (i) whether the insurer may alter the terms of contract, and if so, what are the terms that may be altered and under what conditions would alterations be allowed; and
- (ii) whether the insurer may decline to renew the policy or unilaterally terminate the policy.

(f) Provision on free-look period of the policy

The A&H insurance intermediary shall disclose and explain to the policy owner, where applicable –

- (i) the time frame for the policy owner to reconsider his purchase of an accident and health policy (“free-look provision”); and
- (ii) the terms and procedures for exercising the policy owner’s rights under the free-look provision.

(g) Claim or termination

The A&H insurance intermediary shall disclose and explain to the policy owner the procedures for, and restrictions on a claim under his accident and health policy and the procedures and charges for, and restrictions on the termination of the policy.

(h) Warnings, exclusions and disclaimers

The A&H insurance intermediary shall disclose and explain to the policy owner all warnings, exclusions and disclaimers in relation to the product it has recommended to the policy owner.”

- (s) by deleting the word “available” in paragraph 18 and substituting the words “given to the policy owner”;

(t) by deleting paragraph 23 and substituting the following paragraph:

“23. An A&H insurance representative shall only use marketing materials which –

- (a) with respect to an integrated shield plan, is approved by the insurer issuing the policy; and
- (b) with respect to an accident and health policy, is approved by the A&H insurance intermediary for which an A&H insurance representative acts for.”

(u) by deleting paragraphs 24 and 25, and substituting the following paragraphs:

“24. Where an A&H insurance intermediary engages in any marketing of accident and health policies which are not Medisave-approved policies over the telephone in a manner that is designed to solicit and close a sale, it shall –

- (a) where no advice is provided, communicate to the call recipient a warning that –
 - (i) the call recipient may wish to seek advice from an A&H insurance intermediary before making a commitment to purchase the policy; and
 - (ii) in the event that the call recipient chooses not to seek advice from an A&H insurance intermediary, he should consider whether the policy in question is suitable for him; and
- (b) maintain a record of all conversations made over the phone sufficient for the purpose of conducting audit checks where necessary.

24A. An A&H insurance intermediary shall not close a sale of any Medisave-approved policy over the telephone where it has engaged in the marketing of the Medisave-approved policy over the telephone. Where an A&H insurance intermediary engages in the marketing of any Medisave-approved policy over the telephone in a manner that is designed to solicit a sale, it shall –

- (a) communicate clearly to the call recipient that it is calling only to provide information and not to advise the call recipient on the Medisave-approved policy or sell that policy over the telephone;

- (b) follow the script approved by the insurer issuing the policy, in providing any information relating to the policy; and
- (c) maintain a record of all conversations made over the phone sufficient for the purpose of conducting audit checks where necessary.

25. Where an A&H insurance intermediary engages in the marketing of accident and health policies using direct response advertising communications through any medium, including mail, print, TV, radio and electronic media, that is designed to solicit and close a sale, it shall include, in all its marketing materials, a prominent warning that –

- (a) the policy owner may wish to seek advice from an A&H insurance intermediary before purchasing the policy;
 - (b) in the event that the policy owner chooses not to seek advice from an A&H insurance intermediary, he should consider whether the type of policy in question is suitable for him; and
 - (c) in the event that the policy owner decides that the policy is not suitable after purchasing the policy, he may terminate the policy in accordance with the free-look provision, if any, and the insurer may recover from the policy owner any expense incurred by the insurer in underwriting the policy”.
- (v) by inserting, immediately after the words “any A&H insurance representative who is a representative” in paragraph 26, the words “of such a licensed financial adviser or an exempt financial adviser”;
 - (w) by deleting the words “(d)(ii), and (e)” in paragraph 27 (a) and substituting the words “(d)(ii), (e), (f), (g) and (h)”
 - (x) by inserting, immediately after the words “a product summary for policies” in paragraph 28, the word “that”;
 - (y) by inserting, immediately after paragraph 28, the following paragraph:

“28A. For every integrated shield plan or non-integrated shield plan which a direct insurer issues, where the direct insurer provides the policy owner with any of the following documents, it shall disclose the following information in the respective documents:

- (a) the information specified in Part A-1 of Appendix A in any product summary that the insurer issues for the policy;
- (b) the information specified in Part A-2 of Appendix A in any proposal form that the insurer issues for the policy;
- (c) the information specified in Part A-3 of Appendix A in any acceptance letter that the insurer issues for the policy;
- (d) the information specified in Part A-4 of Appendix A in any conditional letter of offer that the insurer issues for the policy;
- (e) the information specified in Part A-5 of Appendix A in any premium notification letter that the insurer issues for the policy;
- (f) the information specified in Part A-6 of Appendix A in any termination letter that the insurer issues for the policy; and
- (g) the information specified in Part A-7 of Appendix A in any claims settlement letter that the insurer issues for the policy.

(z) by inserting, immediately after paragraph 28A, the following paragraphs:

“28B. Where a direct insurer provides the policy owner who is an individual who is a citizen or permanent resident of Singapore with a conditional letter of offer or termination letter for any individual medical expense policy it issues, it shall include, in a font size Times New Roman 10-point or larger, in the conditional letter of offer or the termination letter, as the case may be, the statements as set out in Appendix B.

28C. Where a direct insurer provides the policy owner with a product summary of any accident and health policy it issues which is not a Medisave-approved policy, it shall include, in a font size Times New Roman 10-point or larger, in the product summary, the statement as set out in Appendix C.

28D. Where a direct insurer provides the policy owner with a product summary of any renewable short term accident and health policy it issues, it shall include, in a font size Times New Roman 10-point or larger, in the product summary, the statement as set out in Appendix D.”

(aa) by deleting paragraphs 35 and 36, and substituting the following paragraphs:

“35. In order for an A&H insurance intermediary to provide an advice to an individual that takes into account a policy owner’s investment objectives, financial situation and particular needs, the A&H insurance intermediary shall collect and document the following information from the policy owner:

- (a) the objectives of the policy owner, including—
 - (i) the event, or events, which financial impact the insured is seeking protection from; and
 - (ii) the nature of benefits payment that the policy owner is seeking, whether it is a lump sum payment or in periodical payments, and whether it relates to cost actually incurred by the policy owner or insured; and
 - (iii) the class of hospital ward that the insured is seeking to stay in;
- (b) the employment status of the policy owner;
- (c) the financial situation of the policy owner, including assets, liabilities, cash flow and income;
- (d) the source and amount of the policy owner’s regular income;
- (e) the financial commitments of the policy owner;
- (f) any existing health policy of the insured, including any policy moneys arising from any insurance scheme established and maintained by the Central Provident Fund Board;
- (g) any medical conditions that the insured may have; and
- (h) for any recommendation made in respect of a health policy that intends to include the policy owner’s dependants as the insureds, the information listed in (a) to (e) for such dependants.

36. In order for an A&H insurance intermediary to provide advice in relation to a group insurance policy that takes into account a policy owner’s investment objectives, financial situation and particular needs, the A&H insurance intermediary shall collect and document the following information from the policy owner:

- (a) the objectives of the policy owner, including
 - (i) the financial impact of any event for which the policy owner is seeking protection for members of the group;

- (ii) the mode of policy moneys payment that the insured is seeking, whether it is a lump sum payment or in periodical payments, and whether it relates to cost actually incurred by the policy owner or insured; and
 - (iii) the class of hospital ward that the insured is seeking to stay in.
 - (b) the size and composition of the group, including a breakdown by gender, age, income, occupation;
 - (c) the claims history of the group; and
 - (d) any medical conditions that members of the group may have.”
- (bb) by deleting the words “an insured” immediately after the words “An A&H insurance intermediary shall not provide advice to” in paragraph 44 and substituting the words “a policy owner”;
- (cc) by deleting the word “insured” in paragraphs 44(a) and 44(b), and substituting the words “policy owner”;
- (dd) by deleting paragraph 46 and substituting the following paragraph:
- “46. An A&H insurance intermediary shall disclose, in writing, to a policy owner –
- (a) any fee or charge the policy owner would have to bear; and
 - (b) the changes in level of benefits,
- if he were to switch from one accident and health policy to another, in order to ensure that the policy owner is able to make an informed decision on whether to switch.”
- (ee) by inserting, immediately after the words “any A&H insurance representative who is a representative” in paragraph 47, the words “of such a licensed financial adviser or an exempt financial adviser”;
- (ff) by deleting the words “A&H insurance intermediaries” in paragraph 48 and substituting the words “A&H insurance intermediary”;
- (gg) by deleting the words “(d), (e), (f),” in paragraph 48 and substituting the words “(f), (g), (h),”;

- (hh) by deleting paragraphs 49 and 50;
- (ii) by deleting the words “on Information Disclosure and Provision of Advice” in the header “Part II – Non-mandatory Best Practice Standards on Information Disclosure and Provision of Advice”;
- (jj) by inserting, immediately after the header “Part II – Non-mandatory Best Practice Standards”, the following sub-header “Information Disclosure and Provision of Advice”;
- (kk) by inserting, immediately after paragraph 53, the following paragraphs:

“Monitoring of switching for long term accident and health policies

54. To facilitate the monitoring of switching for long-term accident and health policies that may be detrimental to an insured’s interests by an A&H insurance representative, the A&H insurance intermediary should ensure that the policy owner declares in writing whether he had been advised by an A&H insurance representative to switch policy. For the avoidance of doubt, such a declaration should also be made in the following situations:

- (a) the switch is to another accident and health policy with different accident and health benefits as the policy that was terminated; and
- (b) the policy that was terminated was purchased from another A&H insurance intermediary.

55. If the policy owner declares that he had been advised by an A&H insurance representative to switch, the A&H insurance intermediary should ensure that the policy owner makes a declaration on –

- (a) whether the A&H insurance representative has drawn his attention to the costs and possible disadvantages associated with the switch; and
- (b) whether he wishes to proceed with the switch notwithstanding that the fees, charges or disadvantages that may arise from the switch could outweigh any potential benefits.

56. Where the policy owner declares that the A&H insurance representative has recommended a switch, the A&H insurance intermediary should ensure that the supervisor of the A&H insurance representative reviews the switching

recommendation, and indicates in writing, whether he agrees with the recommendation made and if not, the actions that have been taken to rectify the situation. In considering whether a switch is appropriate, the supervisor should take into account the factors stated in paragraph 44.

57. An A&H insurance intermediary should institute controls, processes and procedures to effectively monitor and track the switching of long-term accident and health plans, including but not limited to the following –

- (a) tracking the volume of switches so as to identify any A&H insurance representative with an unusually high volume of switching transactions;
- (b) putting in place procedures to ensure that each switch recommended by an A&H insurance representative is reviewed by a supervisor from the A&H insurance intermediary for appropriateness; and
- (c) implementing procedures and controls to identify any unusual trends in switching transactions.

58. Where an A&H insurance intermediary detects a switch that is not declared by the policy owner, the A&H insurance intermediary should ensure that the supervisor of the A&H insurance representative reviews the switch and indicates in writing whether he agrees with the recommendation made, if any, and if not, the actions that have been taken to rectify the situation. In considering whether a recommended switch is appropriate, the supervisor should take into account the factors stated in paragraph 44.

59. An A&H insurance intermediary should ensure that the back-end controls, processes and procedures implemented are commensurate with the A&H insurance intermediary's nature of business and risks.”

3. The Existing Notice is amended by inserting the following Appendix.

APPENDIX A: Information to be included in the respective documents for integrated shield plans and non-integrated shield plans

A-1: Information to be disclosed in the product summary

Comparison of Benefits

1. The insurer shall –
 - (a) disclose that an integrated shield plan comprises a MediShield Life Component and the additional private insurance coverage;
 - (b) disclose that the final payout, in the event of hospitalisation or medical treatment, will comprise both the MediShield Life Component payout and the integrated shield plan payout, where applicable; and
 - (c) provide a comparison of the benefits provided by the MediShield Life Scheme and the integrated shield plan.

Breakdown of standard premium rates

2. The insurer shall provide a breakdown of the premiums payable for all age bands on the basis that the insured does not have any pre-existing condition at the time that the product summary is prepared in respect of --
 - (a) a citizen or permanent resident of Singapore insured under an integrated shield plan; and
 - (b) a foreigner insured under a non-integrated shield plan.

The insurer shall also include information on the applicable Medisave Withdrawal Limits and cash outlay. Where the plan is an integrated shield plan, the insurer shall ensure that the breakdown of premiums payable shows separately the premiums payable for the MediShield Life Component and the additional private insurance coverage.

Risks and limitations of switching or upgrading

3. The insurer shall highlight the risks and limitations of—
 - (a) switching the integrated shield plan issued by the insurer to that issued by another insurer; and
 - (b) upgrading the integrated shield plan.

Option to downgrade an existing integrated shield plan

4. The insurer shall highlight that, where the policy owner has concerns on affordability, the policy owner has the option to switch to another integrated shield plan with a lower coverage but more affordable plan or, terminate his integrated shield plan. Where the insured is a citizen or permanent resident of Singapore, the insurer shall inform the policy owner that the insured will continue to be covered by the MediShield Life Scheme, even if the policy owner terminates the insured's existing integrated shield plan.

A-2: Information to be disclosed in the proposal form

Monies in medisave account

5. The insurer shall ensure that the policy owner declares, before he purchases any integrated shield plan issued by the insurer, that he has received advice from his A&H insurance representative to consider the policy owner's long-term financial commitment to pay the premiums for an integrated shield plan and, that the policy owner should have sufficient monies in his medisave account or sufficient means to pay the MediShield Life Scheme premiums on an ongoing basis.

Risks and limitations of switching or upgrading

6. Where the policy owner has indicated to the insurer that he intends to switch or upgrade the policy owner's existing integrated shield plan, the insurer shall ensure that the policy owner declares that the policy owner's A&H insurance representative has highlighted to the policy owner the risks and limitations of —

- (a) switching the integrated shield plan issued by the insurer to that issued by another insurer; or
- (b) upgrading the integrated shield plan.

A-3: Information to be disclosed in the acceptance letter

Risks and limitations of switching or upgrading

7. Where the policy owner has indicated to the insurer that he intends to switch or upgrade the policy owner's existing integrated shield plan, the insurer shall highlight to the policy owner the risks and limitations of—

- (a) switching the integrated shield plan issued by the insurer to that issued by another insurer; or
- (b) upgrading the integrated shield plan.

Start of policy coverage

8. Where the inception date of the policy is after the issuance of the acceptance letter, the insurer shall state that –

- a) the policy commences on the inception date of the policy and not on the date of the acceptance letter;
- b) the policy inception date will be reflected in the policy schedule, which will be sent to the policy owner after the issuance of the policy; and
- c) where the inception date of the policy is dependent on the successful deduction of monies from the policy owner’s medisave account, the insurer shall also state that the policy schedule will be sent to the policy owner upon the successful deduction of monies from the policy owner’s medisave account.

A-4: Information to be disclosed in the conditional letter of offer

Breakdown of premiums payable for insured

9. The insurer shall, in respect of any integrated shield plan--

- (a) provide a breakdown of the premiums payable for the MediShield Life Component and the additional private insurance coverage;
- (b) a further breakdown of the premiums payable for the MediShield Life Component to reflect any applicable government subsidy, any premium rebate and any additional premiums for serious pre-existing conditions;
- (c) provide a further breakdown of the premiums for additional private insurance coverage to reflect any rebates or any loading imposed by the insurer; and
- (d) indicate the respective amounts payable from the policy owner’s medisave account and cash outlay, where applicable.

10. The insurer shall, in respect of any non-integrated shield plan, provide a breakdown of the premiums payable to reflect any rebates or any loading imposed by the insurer. The insurer shall indicate the respective amounts payable from the policy owner’s medisave account and cash outlay, where applicable.

Medisave Withdrawal Limits

11. The insurer shall provide information on the Medisave Withdrawal Limits applicable for-
- (a) the MediShield Life Component of an integrated shield plan;
 - (b) the additional private insurance coverage of an integrated shield plan, in the case where the insured is a citizen or permanent resident of Singapore; or
 - (c) the non-integrated shield plan, in the case where the insured is a foreigner.

Risk-loading factor and standard premium rates

12. Where an insurer offers a policy which provides benefits for any medical conditions that would otherwise be excluded, for additional premiums, the insurer shall indicate the risk-loading factor to be applied to the premiums on the basis that the policy owner does not have any pre-existing condition.

13. The insurer shall provide a breakdown of the premiums payable for all age bands on the basis that the policy owner does not have any pre-existing condition at the time that the product summary is prepared in respect of –

- (a) a citizen or permanent resident of Singapore insured under an integrated shield plan; and
- (b) a foreigner insured under a non-integrated shield plan.

The insurer shall also include information on the applicable Medisave Withdrawal Limits and cash outlay. Where the plan is an integrated shield plan, the insurer shall ensure that the breakdown of premiums payable shows separately the premiums payable for the MediShield Life Component and the additional private insurance coverage.

Risks and limitations of switching or upgrading

14. Where the policy owner has indicated to the insurer that he intends to switch or upgrade the policy owner's existing integrated shield plan, the insurer shall highlight to the policy owner the risks and limitations of—

- (a) switching the integrated shield plan issued by the insurer to that issued by another insurer; or
- (b) upgrading the integrated shield plan.

MediShield Life coverage

15. Where the insured is a citizen or permanent resident of Singapore, the insurer shall disclose that –

- a) the integrated shield plan comprises a MediShield Life Component; and .
- b) if the policy owner does not purchase the integrated shield plan, the MediShield Life Scheme will continue to provide lifetime cover to the insured, without excluding any existing medical condition.

Start of policy coverage

16. Where the inception date of the policy is after the issuance of the acceptance letter, the insurer shall state that –

- a) the policy commences on the inception date of the policy and not on the date of the acceptance letter;
- b) the policy inception date will be reflected in the policy schedule, which will be sent to the policy owner after the issuance of the policy; and
- c) where the inception date of the policy is dependent on the successful deduction of monies from the policy owner’s medisave account, the insurer shall also state that the policy schedule will be sent to the policy owner upon the successful deduction of monies from the policy owner’s medisave account.

A-5: Information to be disclosed in the premium notification letter

MediShield Life coverage

17. Where the insured is a citizen or permanent resident of Singapore, the insurer shall disclose that –

- a) the integrated shield plan comprises a MediShield Life Component; and .
- b) if the policy owner does not purchase the integrated shield plan, the MediShield Life Scheme will continue to provide lifetime cover to the insured, without excluding any existing medical conditions.

Option to downgrade an existing integrated shield plan

18. The insurer shall highlight that, where the policy owner has concerns on affordability, the policy owner has the option to switch to another integrated shield plan with a lower coverage but more affordable plan or, terminate his integrated shield plan. Where the insured is a citizen or

permanent resident of Singapore, the insurer shall inform the policy owner that the insured will continue to be covered by the MediShield Life Scheme, even if the policy owner terminates the insured's existing integrated shield plan.

List of policies due for renewal

19. The premium notification letter shall include a list of the policies issued by the insurer that are purchased by the policy owner, at least one month before the date of renewal of each policy. The insurer shall, in respect of any integrated shield plan –

- (a) provide a breakdown of the premiums payable for the MediShield Life Component and the additional private insurance coverage;
- (b) provide a further breakdown of the premiums payable for the MediShield Life Component to reflect any applicable government subsidy;
- (c) indicate where there are exclusions imposed on the insured in the policy; and
- (d) indicate the respective amounts payable from the policy owner's medisave account and cash outlay, where applicable.

The insurer shall, in respect of any non-integrated shield plan –

- (a) indicate where there are exclusions imposed on the insured in the policy; and
- (b) indicate the respective amounts payable from the policy owner's medisave account and cash outlay, where applicable.

Breakdown of premiums payable for insured

20. The insurer shall, in respect of any integrated shield plan –

- (a) provide a breakdown of the premiums payable for the MediShield Life Component and the additional private insurance coverage;
- (b) a further breakdown of the premiums payable for the MediShield Life Component to reflect any applicable government subsidy, any premium rebate and any additional premiums for serious pre-existing conditions;
- (c) provide a further breakdown of the premiums for additional private insurance coverage to reflect any rebates or any loading imposed by the insurer; and

- (d) indicate the respective amounts payable from the policy owner's medisave account and cash outlay, where applicable.

21. The insurer shall, in respect of any non-integrated shield plan, provide a breakdown of the premiums payable to reflect any rebates or any loading imposed by the insurer. The insurer shall indicate the respective amounts payable from the policy owner's medisave account and cash outlay, where applicable.

Medisave Withdrawal Limits

22. The insurer shall provide information on the Medisave Withdrawal Limits applicable for –

- (a) the MediShield Life Component of an integrated shield plan;
- (b) the additional private insurance coverage of an integrated shield plan, in the case where the insured is a citizen or permanent resident of Singapore; or
- (c) the non-integrated shield plan, in the case where the insured is a foreigner.

Breakdown of standard premium rates

23. The insurer shall provide a breakdown of the premiums payable for all age bands on the basis that the policy owner does not have any pre-existing condition at the time that the product summary is prepared in respect of –

- (c) a citizen or permanent resident of Singapore insured under an integrated shield plan; and
- (b) a foreigner insured under a non-integrated shield plan.

The insurer shall also include information on the applicable Medisave Withdrawal Limits and cash outlay. Where the plan is an integrated shield plan, the insurer shall ensure that the breakdown of premiums payable shows separately the premiums payable for the MediShield Life Component and the additional private insurance coverage.

A-6: Information to be disclosed in the termination letter

Risks and limitations of switching or upgrading

24. The insurer shall highlight the risks and limitations of —
- (a) switching the integrated shield plan issued by the insurer to that issued by another insurer; or
 - (b) upgrading the integrated shield plan.

MediShield Life coverage

25. Where the insured is a citizen or permanent resident of Singapore and is not terminating this policy in order to switch to another integrated shield plan, the insurer shall inform the policy owner that the insured will continue to be covered by the MediShield Life Scheme, without excluding any existing medical condition, even if the policy owner terminates the insured's existing integrated shield plan.

Reinstatement period

26. For cases where a policy owner terminates a policy with the intention to switch, the insurer shall highlight to the policy owner that the policy owner may reinstate the policy within 30 days of the date of notice of termination without the need for the insured to provide a health declaration.

A-7: Information to be disclosed in the claims settlement letter

Breakdown of claims paid out

27. In the event of a claims payment, the insurer shall provide the policy owner with a breakdown of the claims to be paid out under each of the following, where applicable —
- (a) the MediShield Life Component;
 - (b) the additional private insurance coverage; and
 - (c) integrated shield plan rider, if any.

4. The Existing Notice is amended by inserting, immediately after Appendix A, the following set of Appendices.

APPENDIX B: Standardised Disclosures for all Individual Medical Expense Policies

Statement to be included in the Conditional Letter of Offer for the policy

If you are a citizen or permanent resident of Singapore, you are covered by MediShield Life for life, for treatments in Singapore, regardless of pre-existing medical conditions or other circumstances that you face. For more details on your coverage, please visit www.medishieldlife.sg.

Statement to be included in the Termination Letter for the policy

If you are a citizen or permanent resident of Singapore, you are covered by MediShield Life for life, for treatments in Singapore even though you have terminated the policy. The cover is provided regardless of pre-existing medical conditions or other circumstances that you face. For more details on your coverage, please visit www.medishieldlife.sg.

APPENDIX C: Standardised Disclosures for all accident and health policies which are not Medisave-approved policies

Statement to be included in the product summary of the policy

| |
|---|
| <p>This policy is not a Medisave-approved policy and you may not use Medisave to pay the premium for this policy.</p> |
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APPENDIX D: Standardised Disclosures for renewable Short-term Accident and Health Policies

Statement to be included in the product summary of the policy

This is a short-term accident and health policy¹ and the insurer is not required to renew this policy. The insurer may terminate this policy by giving you ____² notice in writing.

*If you have any existing medical condition at the policy renewal date, you may not be covered under the renewed policy for such a medical condition. If such a medical condition is covered under the renewed policy, you may need to pay additional premiums.

¹The insurer shall use in the above statement the same term that is used in the product summary to refer to the short-term accident and health policy.

²The insurer shall set out the relevant notice period, whether in days, weeks or months.

* The insurer shall include this statement only if it imposes exclusions or require additional premiums to cover existing medical conditions under the short-term accident and health policy at renewal.

Commencement

5. Subject to paragraph 6, this Notice shall take effect on 1 November 2015.
6. Paragraphs 2(z) and 4 shall take effect on 30 June 2016.