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THE government should consider putting a cap on insurance companies increasing premiums and adding conditions as they please on existing medical insurance policyholders who have yet to make claims.

I am a victim of such a situation. I have a medical insurance with a prominent company, signed in August 2004 with a premium of RM2,016.55. This was increased to RM2,516.55 in 2007 as per the age band. I was told the next increase would be in 2012.

To my surprise, I received a letter from the company dated March 12, informing me that with effect from the next policy anniversary due on Aug 10, my premium would increase to RM2,758.55.

The reason cited by the company is that in recent years, medical costs have increased rapidly because of inflation.

The company also said that as a result of persistently high claims across the majority age groups, it was necessary to adjust the premiums depending on the insured's age group and re-categorise the age band of 40 to 49 into two age bands of 40 to 44 and 45 to 49.

I have enjoyed good health and the company has not been dragged into paying medical bills for me. Is the company justified in increasing the premium for policyholders like me?

Within two years, the premium will spiral by 36.79 per cent. Should I not want to pay the increase in premium, the company offers me an option to convert the cashless facility to a non-cashless facility at a lower premium of RM1,958.55.

This means should I need hospitalisation for treatment at any time I would have to pay the medical bill and submit all claims to the company for reimbursement.

This puts the company at an advantage of either reimbursing me part or rejecting the claims outright. Why make this offer now? It should have given me the option at the point of signing. Insurance companies should not be allowed to make changes to the policy after it takes effect.

In the case of the cashless facility, it paves the way for me to present my insurance card to any of the panel hospitals should I require hospitalisation.

After receiving the letter, I called up the company and was told that Bank Negara had approved the increase. If this was the case, does it mean there will be another increase next year and would I have to pay? The company declined to respond.

On March 15, I phoned Bank Negara and spoke to an officer who told me to write a letter to the head of corporate communications to lodge a complaint.

She said the letter would then be forwarded to the person dealing with complaints pertaining to insurance.

This officer who took my call refused to reveal the name of the unit or the one whom I could write directly to.

If what the company says is true that Bank Negara had approved the increase, then how can the officer tell me that I could write in and lodge a complaint?

Prior to signing up with this insurance company, I had a policy with another company but I terminated it after five years as it had increased the premium three times within that period. I did not make any claims here as well.

Based on the escalating premiums of medical insurance, I would not be wrong to say that it is just a matter of time before more sick people, even those who can afford to buy medical insurance, will turn to government hospitals for hospitalisation and treatment.

Source: http://www.nst.com.my/Current_News/NST/Thursday/Letters/2526663/Article/index_html