



AXA Insurance is committed to understanding the evolving needs of our customers so we can continue to provide them with products that are relevant and beneficial at every stage of their lives.

The Health Insurance Task Force ("HITF") suggested 6 recommendations to manage health insurance costs in Singapore. These are:

- (a) the introduction of medical fee benchmarks or guidelines,
- (b) the clarification on existing process to surface inappropriate medical and excessive medical intervention the relevant authorities,
- (c) the use of preferred healthcare provider panels to manage medical costs through fee agreements,
- (d) the inclusion of co-payment features,
- (e) the pre-approval of medical treatments, and
- (f) consumer education.

AXA Insurance had in fact already implemented some of the claims management measures suggested by the HITF. Since AXA Shield was launched in 2016, we have had in place a panel of more than 400 preferred private healthcare providers and a process for the pre-authorisation of claims so our customers can seek treatment with the added assurance that eligible treatments have been pre-approved. Both initiatives working in tandem allow customers to avoid cash payment for medical bills of up to \$100,000 at private hospitals if they are referred through our panel of private healthcare providers.

AXA Insurance is supportive of the HITF recommendation to introduce co-payment. The new co-pay Integrated Plan ("IP") rider change communicated on 7 March 2018 together with other planned actions, are necessary to combat medical inflation and IP claim costs to ensure IP premiums remain sustainable and affordable in the future.

Please refer to the Frequently Asked Questions relating to this matter.

AXA Insurance Frequently Asked Questions

1. Are all Integrated Shield Plan ("IP") insurers bound to follow the new guidelines proposed by the Ministry of Health ("MOH")?

Yes, it is the result of an industry wide exercise based on guidelines issued by MOH to all IP insurers, following the recommendations of the Health Insurance Task Force.

2. How are these changes going to benefit me?

At AXA Insurance Pte Ltd (“AXA”), we strive to deliver the best product and experience possible for you as a health partner. The introduction of this co-pay rider will help not only manage the healthcare costs effectively, but also moderate the escalation of our premiums. We believe the co-pay riders will encourage everyone to play a more active role in managing their medical expenses and not over-utilise healthcare services. This helps to keep premiums at a sustainable and reasonable level for everyone, including yourself.

3. How will AXA's new co-pay rider features look like?

There will be a co-payment percentage of your eligible hospitalisation expenses that you have to pay, while the rest will be payable by AXA. Your co-payment is subject to a cap on panel and/or pre-authorised admission in each policy year, so as to protect you from large medical bills. The co-payment will be lower (meaning AXA will provide better coverage) if you seek treatment from our panel of specialists and healthcare providers, or if you go to public hospitals. More details will be shared closer to the launch date.

4. With the new co-pay rider, does it mean AXA will not increase rider premiums anymore in the future?

Globally, healthcare cost inflation has increased significantly in the last few years and the same has been observed in Singapore. With this new co-payment, AXA will continue to monitor the experience of our portfolio, with the aim of providing sustainable comprehensive protection, whilst ensuring premiums remain fair and affordable for you. We will continue our efforts to pursue claim costs containment initiatives in order to keep future premium rate increases to the minimum when necessary.

5. When will the new AXA co-pay rider take effect?

It will be launched for new business no later than 1 April 2019, as per MOH guidelines.

6. What if I wish to switch insurers as a result of this change?

This change to co-pay rider is an industry wide exercise based on guidelines issued by MOH to all IP insurers. Each insurer will be introducing new riders that are in line with MOH’s guidelines. We wish to highlight that pre-existing conditions may not be covered when switching insurers.

7. Can I remain on the existing rider structure?

Under the new MOH guidelines, if you purchase an existing rider between 8 March 2018 and 31 March 2019, you have to transit to the new co-pay rider from 1 April 2021 upon your policy renewal. At the moment, there will not be any changes in the product design for our policyholders who have riders before 8 March 2018. We will notify our policyholders of any changes 90 days in advance.

8. How are the new premiums compared to the competition?

At this stage, all insurers are reviewing their propositions and features for the new rider structure. We will endeavour to be competitive in terms of benefits and premiums when we develop our new co-pay rider. More information will be shared closer to the launch date.

9. What else is AXA doing to manage claims to keep premiums sustainable and affordable?

As per the recommendations of the Health Insurance Task Force, a range of measures have been undertaken by various stakeholders, such as introducing medical fee benchmarks for procedures, establishing a panel of preferred healthcare providers, conducting pre-approval of treatments to reduce costs of unnecessary treatments and allowing insurers to report to relevant authorities on inappropriate treatments of excessive costs.

As part of our ongoing efforts to manage claims to mitigate escalation of premiums for you, we already established a preferred panel of 400 private healthcare providers, where we engage a spread of specialists and healthcare providers who uphold a high quality of care for their patients. This ensures that you receive appropriate treatments at reasonable costs.

We also practise pre-authorisation of claims, so that you can seek medical treatment with peace of mind that your medical expenses will be paid for. We highly encourage you to obtain pre-authorisation of their treatment, in order to qualify for our Letter of Guarantee (LOG) of up to \$100,000 if referred through our panel of healthcare providers.

We believe the above actions, together with the new co-pay rider, will help us better manage claims to keep premiums sustainable and affordable in the long run.