

Interim Measures on Medical Repricing Frequently Asked Questions

Medical Repricing

1. What is medical repricing? Why is there a need for it?

Medical repricing is the adjustment of premiums of medical plans. Rising costs of medical care over time, or medical inflation, and increases in the frequency of policyholders seeking medical care all result in the need for insurers to adjust premiums periodically to ensure that we can continue to pay claims made by policyholders and provide policyholders with the coverage they need.

2. What factors do insurers consider when performing medical repricing?

When repricing, insurers consider factors such as claims experience from policies with similar characteristics like age, gender, and product.

3. What is medical inflation? What causes it?

Medical inflation is the increase in healthcare costs over time. This increase may be due to:

- Introduction of advanced medical treatments, new procedures, and better medications.
- Imported medical equipment and supplies.
- The rise in non-communicable diseases (i.e. diabetes and cardiovascular diseases), which require long-term care and hospitalisation.
- An aging population.

4. When my premium is increased, is it only because of the reasons above?

No. Other factors may also have contributed to your higher premium e.g. age band movement.

An increase in premium due to age band movement is different from the medical repricing increase described above. This increase occurs purely due to your increase in age.

5. What is age band movement?

Age band movement is the transition of a policyholder from one age group to another, which will result in an increase in their premium.

6. If I have not made any claims on my medical plan, could my policy still be repriced in the future?

Your policy may still be repriced in the future despite never having made a claim as insurance operates on the principle of risk-pooling. When you take up a medical plan, you join a larger group of customers with similar risk profiles. The premiums collected from you and all other members of the group are pooled together to cover future claims. If the claims paid from the pool exceed expectations over time, we may need to adjust premiums to ensure that all policyholders in the group remain covered in the long term, regardless of whether they have made a claim.

Bank Negara Malaysia (BNM) Interim Measures on Medical Repricing

1. What are the BNM interim measures on medical repricing?

On 20 December 2024, BNM announced interim measures on medical repricing to help policyholders affected by premium revisions on their Medical and Health Insurance/Takaful (MHIT) plan. A summary of the interim measures are as follows:

a. Future premium adjustments to be spread out over a minimum period of three years.

For policyholders affected by medical repricing in 2024 and policyholders who will be affected by medical repricing in 2025 and 2026, the changes in premium will be spread out over a minimum period of three years.

b. Deferment of premium adjustments due to medical repricing for one policy year for policyholders aged 60 and above.

For policyholders aged 60 and above who are covered under a minimum plan of a MHIT product, there will be no premium adjustment for one policy year due to medical repricing.

c. Policy reinstatement option for policies surrendered or lapsed due to medical repricing in 2024.

For policies surrendered or lapsed due to medical repricing in 2024, affected policyholders may reinstate their policies without any additional underwriting by contacting their insurer. These policyholders will also have their premium adjustment spread out over a minimum of three years.

As MCIS Life did not carry out any medical repricing exercises in 2024, you would not have had any surrender or lapse of your policy due to medical repricing. Therefore, this does not apply to our policyholders.

However, there were policies where age band increases would have occurred.

For further information regarding the interim measures, you may visit the links below:

- [Bank Negara Malaysia's Press Release](#)
- [Bank Negara Malaysia's Information on Interim Measures](#)
- [Life Insurance Association of Malaysia's \(LIAM\) Press Release](#)
- [Life Insurance Association of Malaysia's \(LIAM\) Frequently Asked Questions](#)

2. How does MCIS Life plan to implement these interim measures?

MCIS Life fully supports BNM's interim measures on medical repricing and their efforts in ensuring that policyholders can continue to afford their medical coverage. MCIS Life did not carry out any medical repricing exercises in 2024. However, we will implement the interim measures for medical repricing exercises that may be carried out in 2025 and 2026.

3. How will these interim measures affect me?

How these interim measures may affect you will depend on your scenario. Please refer to the scenario below that best applies to you:

a. My medical repricing took effect in 2024.

MCIS Life did not carry out any repricing exercises in 2024, therefore this is not applicable to you.

b. My medical repricing is to take effect in 2025 or 2026.

For repricing effective in 2025 or 2026, your premium adjustment will be spread out over a minimum of three years. Further information will be detailed in your medical repricing notification letter.

4. Will these interim measures affect my current medical plan's benefits and annual limit?

No, these interim measures will not affect your current medical plan's benefits and annual limit in any way.

5. Why have I not received any medical repricing notification letter from MCIS Life in 2024?

You have not received any medical repricing notification letter from us as we did not carry out any repricing exercises in 2024.

6. What if I don't want to pay my premium?

If you do not pay your premium, your policy may lapse after the grace period, which will result in you losing the coverage offered by your plan. We recommend that you continue to pay your premiums to ensure the continuity of your medical coverage.

7. What if I can't afford to pay my premium despite these interim measures?

We encourage policyholders who are struggling to afford their premiums to contact their agent to explore other available options. An alternative could be switching to a lower plan that still meets your affordability and medical coverage needs. Please contact us for further information.

8. How sustainable are these interim measures? How will they affect my premium in the long run?

The interim measures announced by BNM seek to provide immediate relief to policyholders. However, the reality is that premium rates may still require significant adjustments in the near future unless changes are made to address the root cause of the issue – the increasing costs of medical care in Malaysia.

We urge our policyholders to use their medical insurance responsibly. We are also making efforts to address the issues listed above to ensure fair and reasonable premium adjustments for future medical repricing exercises.

9. Who can I contact for more information on the interim measures?

For further information on the interim measures, you may:

- Contact our Customer Care team at +603 7652 3388 from Monday to Friday, 8.30am to 5.30pm (excluding public holidays); or
- Email us at customerservice@mcis.my or medicalplans@mcis.my.

BNM Interim Measure for Policyholders Aged 60 and Above

1. What is BNM’s interim measure for policyholders aged 60 and above?

For policyholders aged 60 and above who are covered under a minimum plan of a MHIT product and were impacted by medical repricing in 2024 or are to be impacted by medical repricing in 2025 or 2026, a deferment of premium adjustments due to medical repricing for one policy year will be granted. This means that there will be a one-year temporary pause where your premium will not be increased due to medical repricing. This increase due to medical repricing will only take effect in the following policy year.

Please note that this one-year temporary pause does not apply to premium adjustments due to age band movement.

2. What does “minimum plan under a MHIT product” mean?

A Medical and Health Insurance/Takaful (MHIT) product refers to any insurance/takaful product that provides medical or health protection. Under said MHIT product, an insurer may offer a few plans, and the plans may be differentiated by Room and Board (R&B) limit and/or annual limit. A minimum plan refers to the lowest plan of a MHIT product offered by the insurer.

3. How do I check if I’m covered under a minimum plan of a MHIT product?

You may contact your agent, our Customer Care line, or access our [Customer Portal](#) to check if you’re covered under a minimum plan of a MHIT product.

4. I’m 60 years old and above, and I’m currently covered under a minimum plan of a MHIT product, what does this mean?

If you’re 60 years old and above and currently covered under a minimum plan of a MHIT product, this means that you will be eligible for a one-year temporary pause in your premium adjustment due to medical repricing. This one-year temporary pause does not apply to premium adjustments due to age band movement.

5. What happens after the one-year temporary pause in premium adjustments due to medical repricing?

After the one-year temporary pause, your premium adjustment will be spread out over a minimum period of three years. You will then need to pay your revised premium accordingly to continue to maintain your medical coverage.

6. I’m 60 years old and above, and I’m not covered under a minimum plan of a MHIT product, how will these interim measures impact me?

If you are 60 years old and above but not covered under a minimum plan of a MHIT product, you will not be eligible for the one-year temporary pause should your medical plan be repriced. Instead, your premium adjustment will be spread out over a minimum period of three years.

BNM Interim Measure for Policies Surrendered or Lapsed due to Medical Repricing

1. What is BNM's interim measure for policyholders whose policies have surrendered or lapsed due to medical repricing in 2024?

For policyholders whose policies have lapsed due to medical repricing in 2024, a reinstatement of policies will be granted without any additional underwriting, subject to request for reinstatement by the policyholder. These policyholders will also have their premium adjustments spread out over a minimum of three years.

However, MCIS Life did not carry out any medical repricing exercises in 2024, hence you would not have had any surrender or lapse of your policy due to medical repricing.

2. My policy was surrendered or lapsed due to medical repricing in 2024, how do I reinstate my policy?

MCIS Life did not carry out any medical repricing exercises in 2024, hence you would not have had any surrender or lapse of your policy due to medical repricing. Therefore, this does not apply to our policyholders.

3. My policy was surrendered or lapsed due to some reason other than medical repricing in 2024, does this interim measure still apply to me?

No. This interim measure does not apply to you.

Reinstatements of policies will be subject to MCIS Life's existing practices.