

## **Frequently Asked Questions**

### **BNM Interim Measures for Medical Repricing**

#### **1. How will Zurich implement BNM's interim measures for medical repricing?**

At Zurich Malaysia, we support the recent announcements by Bank Negara Malaysia (BNM) and the insurance and takaful associations on the interim relief measures to assist customers affected by the repricing of Medical and Health Insurance and Takaful (MHIT).

These interim measures are designed to offer accessible and affordable protection to our valued customers:

- a. To help manage the impact of MHIT contribution adjustments, Insurance and Takaful Operators (ITOs) will spread out the changes in contribution over a minimum of 3 years for all certificate holders affected by the repricing. This measure will remain in place until the end of 2026. With this measure, at least 80% of certificate holders are expected to experience yearly contribution adjustments due to medical claims inflation of less than 10%.
- b. For certificate holders aged 60 years old and above who are covered under the minimum plan within the MHIT product that they signed up, ITOs will temporarily pause contribution adjustments due to medical claims inflation for one year from their certificate anniversary.

*(The interim measures above are not applicable to contribution increases that may apply when a certificate holder moves to a higher age band)*

- c. Certificate holders who have surrendered or whose MHIT certificates have lapsed in 2024 due to the repricing can reach out to their ITOs to request for a reinstatement of their certificates based on the adjusted contribution under this measure without additional underwriting requirements.
- d. All ITOs will provide appropriate alternative MHIT products at the same or lower contributions for certificate holders who do not wish to continue their existing MHIT plans that have been repriced. ITOs that do not currently offer appropriate alternative products must make these products available to certificate holders by the end of 2025. Switching to the alternative MHIT products will not require any additional underwriting or involve any switching cost. This, together with other reforms to contain medical cost inflation, will serve to avoid significant future contribution adjustments.

We are committed to implementing BNM's interim measures for medical repricing with transparency and in accordance with the framework. Starting 15 January 2025, we will provide more details regarding these measures. Please rest assured that

certificate holders will receive advance notice and a clear explanation of how their contributions may be affected.

**2. How will the interim measures announced by BNM impact me as a customer?**

As the interim measures have just been introduced, we appreciate your patience and understanding during the implementation process. For all Medica2015 customers, you may disregard the repricing notification letter received between October and December 2024. Your medical plan's contribution will not be repriced until an updated communication letter is issued in due course. However, we wish to emphasize that the increase due to certificate holders moving up to a higher age band will not be applicable under the interim measures.

**For Customer's who Downgraded or Switched to a Different Medical Plan due to Repricing**

**3. I have recently downgraded or switched to a different medical plan. Can I switch back to my original plan?**

Yes, this is allowed for any changes made before 31 December 2024. Certificate holders who downgraded their medical plan or switched to another medical plan due to repricing will be allowed to revert to their original plan within one year from the effective date of change without additional underwriting requirements. This option will be available upon request from certificate holders, on a case-to-case basis and meeting other criteria set by us.

**Other General Enquiries**

**4. How sustainable are these interim measures and how will they affect my contribution in the long run?**

While staggering contribution increases provides immediate relief to certificate holders, the reality is that the contribution rates will require material adjustments in the near future unless systematic changes are implemented across the healthcare ecosystem.

As the current contribution rates are inadequate, takaful providers may have to step up cost containment initiatives, as part of the industry's commitment to provide accessible, affordable and effective healthcare. However, this alone won't be sufficient, and we strongly urge a "whole-of-nation" approach to address the rising costs of medical care with strong participation from hospital providers, doctors and support of the Ministry of Health Malaysia.

This includes bringing down pharmaceutical drug prices, promoting a higher usage of generic drugs, ensuring appropriate and cost-effective diagnosis and treatments with price transparency in the short term as well as the implementation of Diagnosis-Related Group (DRG) initiatives in the medium term. All these efforts are essential to ensure the sustainability of the ecosystem and equitable access to affordable healthcare for all.

**5. What if I'm unable to afford my contribution even after spreading the increase over the next few years?**

If you are experiencing difficulty with affordability, we recommend reaching out to your Wealth Planner. They can guide you through different options, including the possibility of switching to a more budget friendly plan that still meets your medical needs.

**6. Where can I get more information?**

Please contact our Zurich Wealth Planner or Zurich Call Centre at 1300-888-622 or email us at [callcentre@zurich.com.my](mailto:callcentre@zurich.com.my) for more information and assistance.