

Zurich Life Insurance Malaysia Berhad
INSURANCE CHARGES REVISION FOR FLEX MEDICAL
Frequently Asked Questions (FAQs)

NO	QUESTIONS	ANSWERS
1	Why are you revising my insurance charges?	<p>As you may be aware, medical and healthcare costs have been rising consistently in recent years - mainly driven by medical inflation and higher frequency of people seeking medical treatments. The medical inflation rate, which is the increase of medical costs, is within the range of 10% to 15% every year¹.</p> <p>At Zurich, we are committed to ensure that you are not only protected but have access to medical services and treatments when you need it. This is why we conduct reviews of our medical plans against healthcare costs on a regular basis. Revisions are necessary not only to keep up with the escalating healthcare costs and increasing claims of medical benefits, but more importantly, it helps to ensure that there is no interruption to your medical protection.</p> <p>¹ Source : Planning for healthcare cost in retirement, The Star</p>
2	How do you decide the quantum for revision of my insurance charges?	<p>Medical costs go up for many reasons; and they include increase in physician's fees or laboratory charges as well as discovery of new medical treatments and prescription drugs.</p> <p>With the escalation of healthcare costs and increasing claims of medical benefits, the total amount of claims that we pay out to our customers increases as well. In order to decide on the quantum for revision of insurance charges, we evaluate the sustainability of our medical portfolio by comparing the total insurance charges collected from all customers against the total claims paid to the same group.</p>
3	Why is there a revision to my insurance charge when I have not made any claims?	<p>Medical insurance operates on a risk-sharing basis where insurance charges collected are used to pay the claims. As a result, all policies will be affected regardless of whether you have made any claim before.</p>
4	When will my insurance charges be revised?	<p>The new insurance charges will take effect on your next policy anniversary date immediately on or after 11 February 2019.</p>
5	Do I need to pay a different premium amount after the revision?	<p>There will be no change to your policy premiums as only the insurance charges for your medical coverage are revised. With this revision, however, your investment-linked policy's fund value may be insufficient to pay for your insurance charges in the later years. Therefore, we would like to encourage you to consider topping up your premium to ensure that your policy has sufficient fund value to cover your insurance charges in the long term.</p>
6	What is the difference between premiums and insurance charges?	<p><u>Premiums</u> Premiums are the amount that you pay to Zurich for your insurance coverage. For an investment-linked insurance policy, a part or all of the premiums paid is used to purchase units in the selected investment-linked fund(s) while the remaining amount is used to pay upfront charges for insurance expenses and direct distribution costs.</p> <p><u>Insurance charges</u> Insurance charges are deducted monthly from the fund value of your investment-linked policy to pay for your insurance coverage. Typically, insurance charges go up as you age.</p>
7	How can I top up my premiums?	<p>You can opt to increase the amount of premiums payable on a regular basis to increase the fund value of your investment-linked policy. For more information, please speak to your Wealth Planner or contact our Customer Service at 1-300-888-622.</p>
8	Will there be another revision in the future?	<p>We conduct reviews of our medical plans against the healthcare cost on a regular basis to ensure that our medical portfolio is able to sustain the total amount of claims that are paid out. Should there be another revision in the future, we will notify you accordingly.</p>
9	Can I change my current medical plan to another medical plan?	<p>Yes. We have a wide range of insurance solutions designed to meet your needs at any stage of your life. To view our investment-linked medical plans, please visit our website at www.zurich.com.my. The available medical plans are:</p> <ol style="list-style-type: none"> 1) Max Medic 2) Zurich FlexMed 2 3) Zurich FlexMed 2 PLUS 4) Zurich MegaMed <p>If affordability is a concern, you can opt to downgrade your current plan to a lower level plan, provided that your current plan is not the lowest level plan. However, you should satisfy yourself that the selected plan would meet your protection needs. Before you decide to change your medical plan, we recommend that you speak to your Wealth Planner so they can review your current protection coverage and advise you on plans that best meet your protection needs. However, do note that you may be subject to underwriting and any terms and conditions applicable during the change.</p>