

Life Insurance

And YOU

This is the second of a 6-part series introducing the various concepts of insurance and giving tips on what to look out for when buying insurance products. This series is by the Central Singapore CDC and the Life Insurance Association as part of the MoneySENSE national financial education programme.

Part II of III on Health Insurance

In the previous issue, we share with you general information on health insurance. In this second issue, we highlight some important features that you should look out for when buying a health insurance product.

Age Limit

Most health insurance products are not available to people beyond a certain age. Therefore, it is generally better to sign up early while you are still healthy, to enjoy all benefits of health insurance.

Premiums

Different products may charge premiums in different ways. With regular-premium policy, you will have to pay regular premiums throughout the life of the policy. With single-premium policy, you pay a one time premium at the start of your policy.

The insurance company may have the right to change the premium at any time by giving you written notice. You should find out whether the policy you are considering allows the company to do this.

Renewing a Policy

Some health insurance products guarantee that your cover will stay in force as long as you pay the premiums on time. However, the insurance company may change the benefits, premium rates or other terms and conditions (if specified so in the contract) when the policy is due for renewal.

Other products give insurance companies the right to cancel your cover by giving written notice before your policy is due for renewal.

Make sure you are clear on the specific terms and conditions of the product before buying it.

Policy Exclusions

All health insurance products will carry some exclusions setting out the circumstances under which benefits will not be paid.

The most common exclusion in health insurance products is a "pre-existing condition" exclusion. This exclusion means that any illness or disability that you have or have had, when you sign up for the product will not be covered.

Exclusions vary from product to product, so you must read the policy contract carefully to find out exactly what you are or are not covered for.

In the next issue on health insurance, we discuss your rights and responsibilities when buying a health insurance product.

If you are interested to know more about Health Insurance, log on to the websites of the Life Insurance Association (www.lia.org.sg), the General Insurance Association of Singapore (www.gia.org.sg) or MoneySENSE (www.mas.gov.sg/consumer) for a copy of the consumer guide "Your Guide to Health Insurance".

The information in this article is of a general nature and may not apply to every situation or to your own personal circumstances. This article should not be regarded as a substitute for seeking legal advice on any specific issue.

For educational resources on personal financial matters and information on MoneySENSE events, visit the MoneySENSE website at www.mas.gov.sg/consumer.

Any questions about insurance? You can send them to lifelonglearning@centralsingapore.org.sg. Selected questions will be answered in subsequent issues.



CONTEST

Win a \$50 book voucher!

Simply answer these simple questions and send the contest form to :
"Life Insurance and YOU"

Central Singapore Community Development Council
HDB Hub Biz Three, 490 Lorong 6 Toa Payoh, #04-10, S(310490)

3 Winners will be picked! Closing date is 13 August 2004. Winners will be notified by post.

Q1 :The most common exclusion in health insurance products is a _____ exclusion.

Q2 : This series of financial planning talks is part of the _____ national financial education programme initiative.

Name: _____

IC: _____

Age: _____

Tel: _____

Email: _____

Address: _____

Please update me on other MoneySENSE programmes

