

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

(The interim measures above are not applicable to premium increases that may apply when a policyholder moves to a higher age band)

- c. Policyholders who have surrendered or whose MHIT policies have lapsed in 2024 due to the repricing can reach out to their ITOs to request for a reinstatement of their policies based on the adjusted premium under this measure without additional underwriting requirements.
- d. All ITOs will provide appropriate alternative MHIT products at the same or lower premiums for policyholders 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 policyholders 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 premium 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 policyholders will receive advance notice and a clear explanation of how their premiums or insurance charges 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. Customers will fall into one of the two categories below:

Category A: <ul style="list-style-type: none">- MedicaLife 210- Flex Medical	You may disregard the repricing notification letter received in December 2024. Your medical plan premium or insurance charge will not be repriced until an updated communication letter is issued in due course.
Category B: <ul style="list-style-type: none">- Zurich ValueCare- Zurich MegaMed- MaxMedic	We encourage you to continue paying your revised premium to ensure uninterrupted medical coverage. Rest assured, any changes to these interim measures will only apply from 1 January 2025 . Until the systems are ready, you may receive the repricing notification without these measures. Please be assured that we will make the necessary adjustments as per the interim measures effective 1 January 2025. We are committed to ensuring these changes are carried out smoothly and effectively for your benefit.

However, we wish to emphasize that the increase due to policyholders moving up to a higher age band will not be applicable under the interim measures.

For Customer with Medical Plan Fall under Category B

3. What happens if I choose not to pay my premium, and will the interim measures impact my current medical coverage?

We recommend that you continue paying your revised premium to ensure uninterrupted medical coverage. If you stop paying your premium, your coverage may lapse after the grace period. However, as long as you make timely premium, your medical coverage will remain unaffected, and you will continue to enjoy the same benefits.

4. What if I already paid the revised premium? How can I pay a lower premium?

The revised premium paid will be allocated into the investment account value. You can submit *Request for Change Form* and undergo a policy sustainability assessment if you wish to reduce the premium to a lower level.

Please contact our Zurich Wealth Planner or Zurich Call Centre at 1300-888-622 or email us at callcentre@zurich.com.my for further action.

5. I'm 60 years old. What is the additional BNM interim measures besides spreading the insurance charges in phases?

If you are aged 60 and above and currently hold the lowest medical plan within the product, you will be eligible for a 1-year repricing deferment from your policy anniversary starting from 1 January 2025. If you do not currently hold the lowest plan within the product, you can choose to downgrade to the lowest plan to qualify for this deferment.

The lowest plans eligible for the deferment are:

- a. Zurich ValueCare Plan 1
- b. Zurich MegaMed Plan1
- c. MaxMedic Plan 1

This additional interim measure ensures that you are protected and receive the coverage you need most during this time. Please note that this 1 year repricing deferment does not apply to the increase that results from a policyholder moving up to a higher age band.

For Customer who has Surrendered or Lapsed Medical Plan due to Repricing

6. I surrendered/lapsed my medical policy due to repricing. Will I be able to reinstate my policy when the interim measures are implemented?

If your medical policy has been surrendered or lapsed due to 2024 repricing, you can reinstate it within a year without the need to go through underwriting. The reinstatement involves paying overdue premiums, and meeting other criteria set by us.

For Customer who has Downgraded or Switched to a Different Medical Plan due to Repricing

7. 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. Policyholders 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 policyholders, on a case-to-case basis. Upon your reinstatement request, you will be advised on the policy reinstatement cost and procedures. In the event you wish to proceed for policy reinstatement, you will need to complete the form "Reinstatement Request Slip" and remit full reinstatement cost and surrender value (if applicable).

Criteria are as below:

- Your medical plan experienced repricing, with the policy anniversary falling between 1st June 2024 and 31st December 2024.
- Your medical plan has lapsed, surrendered, downgraded or switched or took over to another medical plan within 1st June 2024 to 28th February 2025
- Your request of reinstatement or reversal to original plan are within 1 year from the event date of your medical plan lapsed, surrendered, downgraded or switched or took over.

Any policies are not meeting the criteria above are **NOT ELIGIBLE** for this special measure. In other words, customer will be required to go through normal underwriting as per current process.

Please reach out to your wealth planner or Zurich branch for further assistance.

8. Am I entitled to reimburse my medical claims bills incurred during my medical plan lapse or surrender period?

You are **NOT ENTITLED** to reimburse your medical claim bills incurred during the period when your medical plan was lapsed or surrendered.

Other General Enquiries

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

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

As the current premium rates are inadequate, insurance and 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 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.

10. For Investment-Linked Policies, I have provided the reply slip with the new suggested premium. Can I change my premium?

Yes. As per current practice, if you wish to review and modify your current premium, you are required to submit a *Request for Change Form* and go through a policy sustainability assessment to reduce your premium to a lower level.

Please contact our Zurich Wealth Planner or Zurich Call Centre at 1300-888-622 or email us at callcentre@zurich.com.my for further action.

11. What if I'm unable to afford my premium 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.

12. 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 for more information and assistance.