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Stay healthy to beat rising medical costs

Prudential offers innovative medical insurance solutions to meet different needs and budgets

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SPH Content Lab

With private healthcare costs rising at 18 per cent per annum, there is a need to change the way private healthcare insurance is structured, with everyone playing a more active role to take care of their health, says Prudential Singapore.

The status quo will lead to private healthcare plans becoming unaffordable in the long run, cautions Mr Mack Eng, head of Medical at Prudential Singapore.

Medical inflation is driven by several factors, including increase in demand, advances in medical technology and product design of insurance, which influence patients' choice of medical treatments.

The best insurance against rising medical costs is to maintain a healthy lifestyle. Importantly, insurance solutions must also help to promote positive, healthy behavioural changes.

MR MACK ENG
HEAD OF MEDICAL
PRUDENTIAL SINGAPORE

Today, the average bill size of private hospitals is nearly three times that of public hospitals, according to the multi-stakeholder Health Insurance Task Force (HITF). This in turn has led to an escalation in private medical claims and costs of private medical insurance, prompting the HITF to propose several mitigating measures, including removal of first-dollar coverage riders, which are add-on options to the ba-

sic health insurance plans. The HITF noted that riders with little or no out-of-pocket payments could lead to rising medical usage and claims.

The best insurance against rising medical costs is to maintain a healthy lifestyle.

Importantly, insurance solutions must also help to promote positive, healthy behavioural changes, Mr Eng adds.

Towards this end, Prudential has taken the lead to pioneer innovative insurance solutions with choices that cater for different needs and budgets and help consumers manage better their healthcare budgets amid rising medical costs.

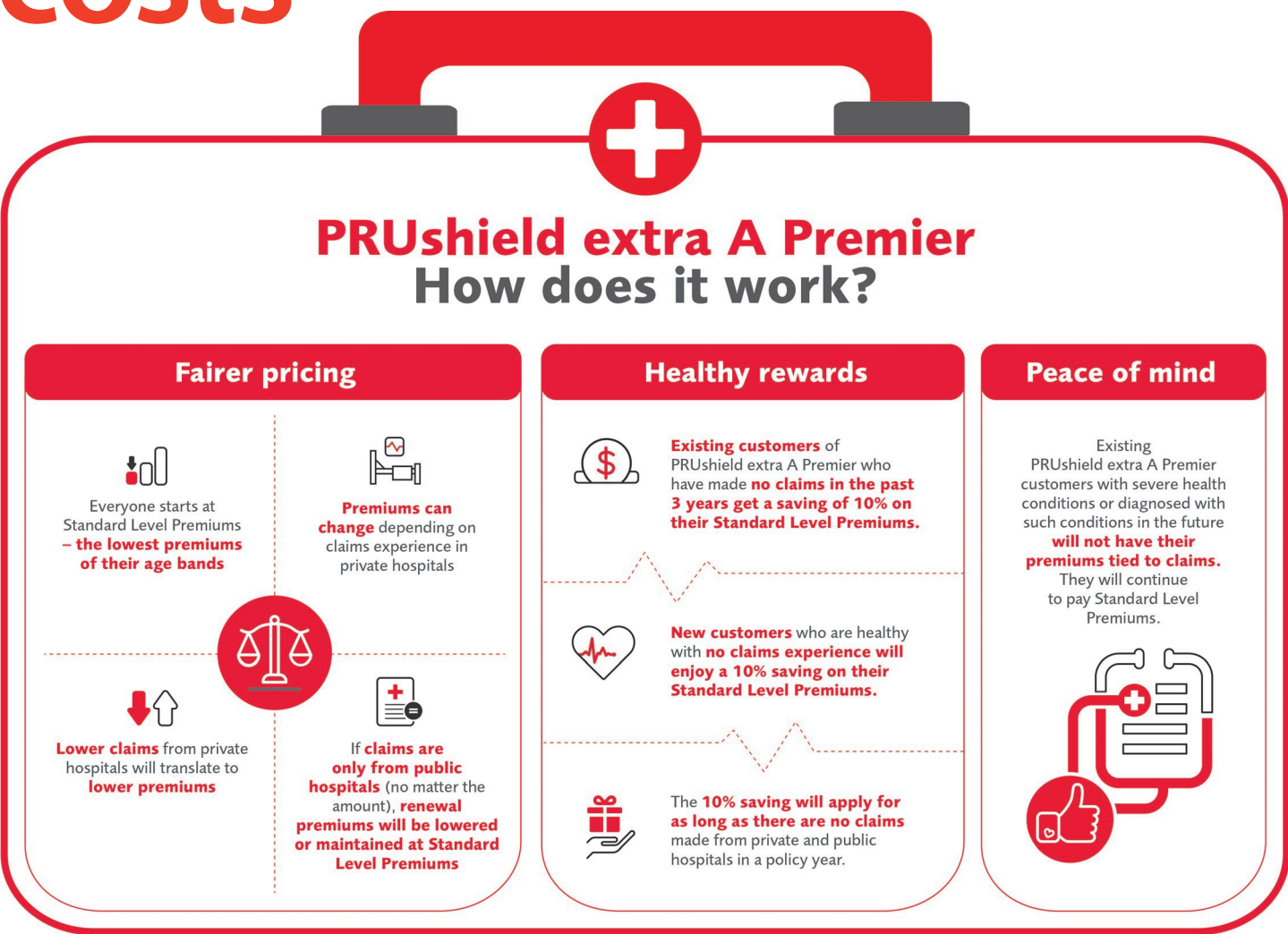
"As medical insurance is a long-term commitment, it is important to find a plan that offers you appropriate coverage at a cost you are comfortable with," Mr Eng stresses.

Prudential's new pricing approach applies to the first-dollar rider of its private hospitals insurance plan (PRUshield extra A Premier). Under the new pricing, policyholders who make small claims in private hospitals will pay a lower premium compared to those making larger claims.

"This pricing approach encourages and rewards healthy living. It is also fairer because future premiums will be determined by age and the policyholder's actual claims experience in private hospitals," Mr Eng explains.

According to Mr Eng, more than 80 per cent of Prudential's existing customers using its private hospitals rider have not made any claims in the last three policy years. This group of customers will receive a 10 per cent saving on their renewal premiums.

While Prudential offers no-claims customers lower premiums, the premiums for existing customers with severe illnesses that need long-term medical treatment will remain unaffected under the new pricing approach. The insurer's existing base of customers that gets



diagnosed with severe illnesses in the future years will also be excluded from this new pricing approach.

At the same time, to further encourage healthy habits, Prudential has introduced myDNA — an innovative health tool that analyses genetic information to provide diet and fitness recommendations. myDNA is currently available exclusively to Prudential's existing PRUshield extra A Premier customers.

The myDNA tool offers a comprehensive report with fitness and diet recommendations, an intuitive mobile application, on-demand chat with a dietitian and a suite of wellness activities to help customers adopt healthy lifestyle behaviours and habits.

Choosing a healthcare plan that is right for you

Prudential offers different medical insurance solutions to suit different needs, preferences and budgets.

For customers who wish to pay lower premiums and are willing to bear a small part of the private medical costs in the event of a health crisis, Prudential's newly launched co-pay rider option (PRUshield extra A Premier Saver)

maintains the benefits of private hospitals with a cap on out-of-pocket expenses. PRUshield extra A Premier Saver provides full coverage of medical expenses for public hospitals.

Another option is PRUshield extra A Plus, which offers significantly lower premiums for full coverage of medical expenses at public hospitals.

Everyone is unique. Even twins.

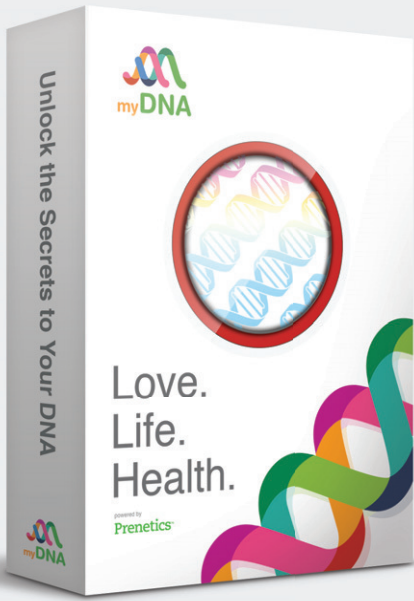


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