

Raffles Medical Group unit enters integrated shield market

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RAFFLES Health Insurance (RHI) is venturing into the Integrated Shield space (IP) for the first time, undaunted by keen competition and rising underwriting losses among insurers in the scheme.

Its product, Raffles Shield, will be launched on Aug 1 and will mark a number of firsts. It will cover three common chronic pre-existing conditions – high cholesterol, diabetes and hypertension – as long as policyholders comply with a care management plan for their condition.

It will also offer the choice of a high deductible of S\$10,000 to allow employees who currently enjoy group cover to pay lower premiums for their Shield plan. The savings in premium range between 20 and 30 per cent depending on the type of plan.

When they retire or are unemployed, they can switch to the standard deductible rate without any further underwriting.

The deductible, which is the first layer of charges that the policyholder has to pay, is S\$3,500 for Class A and private hospital plans.

Raffles Medical Group executive chairman Loo Choon Yong says: "Insurance is the financing of healthcare. If we can make sure healthcare is delivered and used appropriately, I'm sure the underwriting loss ratio should be healthy and sustainable..."

"The lay public believes wrongly that the more healthcare you get, the healthier you are. But you must get the right amount in a timely manner." He believes in evidence-based medicine, and that unnecessary treatments do more harm than good.

"This is for the long haul. We prepared ourselves many years ago... There are gaps in the market. I hope we can bring our expertise to bear to make insurance more sustainable, to give people peace of mind if they fall sick."

There are four plans – a standard B1 plan; Raffles Shield B Plan, Raffles Shield A; and private hospital cover.

The Raffles Shield plans will have a panel of specialists drawn from private hospitals, who also espouse evidence-based medicine. On claims management, there will be audit mechanisms and adjudication of claims to ensure patients are "properly treated and appropriately

charged", said Christine Cheu, RHI general manager.

There is also a "guaranteed upgrade" feature for Raffles Shield B plans that allows an upgrade to Class A plan within five years without underwriting.

RHI has been licensed as an insurer since around 2005. It works with companies to offer group employee benefits, and also offers individual health plans.

The IP landscape has been marked by escalating underwriting losses. The latest analysis, by Wen Consulting, has found underwriting losses of S\$146 million in 2017 despite premium increases in that period, raising the spectre of yet more premium hikes.

On pre-existing conditions, it is understood that policyholders with diabetes, high cholesterol and hypertension will have to pay higher premiums. But by submitting to a care plan, those who manage to improve their conditions may get premiums reduced.

"We want people to adhere to a treatment plan. If they can keep themselves healthy, we will review the premiums," said Dr Loo.



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Apart from the high-deductible option, there is also a Raffles Hospital option which allows policyholders to get treatment at Raffles Hospital without paying full private premiums.

Customers may also take up a Key Rider which covers the deductible and co-insurance with a 5 per cent co-payment. Co-payment is capped at S\$3,000 for pre-authorised treatments.