

For Immediate Release

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FPAM MEDIA STATEMENT

FPAM Welcomes Interim Measures for Medical and Health Insurance/Takaful Policyholders but Stresses the Need for Long-term Solutions.

Alvin Tan, President of Financial Planning Association of Malaysia (FPAM)

Kuala Lumpur, 21 December 2024 — The Financial Planning Association of Malaysia (FPAM) welcomes the interim measures announced by Bank Negara Malaysia (BNM) to address the concerns of Malaysians regarding premium revisions for medical and health insurance/takaful (MHIT) products.

The move by insurers and takaful operators (ITOs) to cap yearly premium adjustments due to medical claims inflation at 10% for at least 80% of policyholders is a positive step. FPAM believes this measure will help alleviate the financial burden faced by many Malaysians, particularly in light of escalating healthcare costs.

FPAM President Alvin Tan said, “We encourage Malaysians who have recently surrendered their policies due to premium revisions to contact their insurance agents or ITOs immediately to discuss the possibility of reinstating their policies at a lower premium as per BNM’s directive. Ensuring uninterrupted protection is critical for financial stability and peace of mind.”

However, FPAM remains concerned that these interim measures are set to expire by the end of 2026. Without addressing the root causes of rising medical costs and the increasing utilisation of medical services, Malaysians may continue to face significant premium adjustments beyond 2026. A sustainable, long-term solution is urgently needed to ensure MHIT products remain affordable for all.

FPAM also highlights the concerns of households whose annual income growth does not keep pace with double-digit premium inflation. “Many families are worried about the rising costs, which outstrip their ability to pay for necessary insurance coverage. This disparity



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underscores the importance of systemic reforms to balance affordability with adequate protection,” said Alvin Tan.

In addition, FPAM calls on regulators, ITOs, and other stakeholders to work together to improve public literacy on medical billing practices in private healthcare facilities. “The public must be equipped with the knowledge to scrutinize hospital bills and question any potential overcharges. Transparency and education are vital to containing unnecessary costs,” Alvin Tan emphasized.

FPAM remains committed to advocating for measures that ensure the financial security of all Malaysians while supporting efforts to create a more sustainable and transparent healthcare ecosystem.

For more information or to connect with a licensed financial planner, please visit SmartFinance.my

About FPAM

The Financial Planning Association of Malaysia (FPAM) is a non-profit organisation dedicated to promoting financial literacy and establishing financial planning as a recognised profession through the promotion of excellence in financial planning for the benefit of all Malaysians.

End of Release

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