

For Immediate Release

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FPAM MEDIA STATEMENT

Addressing the Rising Medical Insurance and Takaful Premiums: FPAM's Recommendations to Manage Private Healthcare Costs and Protect Your Coverage.

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

The Financial Planning Association of Malaysia (FPAM) is deeply concerned about the significant medical insurance and takaful premium hikes anticipated in 2024, with increases reportedly ranging between 40% and 70%. These sharp increases pose challenges to many policyholders, who may be considering surrendering their policies due to financial strain.

FPAM President, Alvin Tan, urges the public to carefully evaluate their options before making any decisions that could jeopardise their health coverage. Terminating an insurance or takaful policy might seem like a short-term solution, but it can have long-term financial consequences, especially in times of unexpected medical emergencies.

Alternatives to Consider Before Surrendering Your Policy

FPAM recommends the following steps to help policyholders manage private healthcare costs without sacrificing their coverage:

- 1. Review Your Existing Coverage:**
Evaluate your policy to identify any redundant or non-essential coverage that can be adjusted. This may help reduce the premium amount while retaining essential benefits.
- 2. Explore Policy Adjustments:**
Speak with your Insurer/Takaful Operator (ITO) to discuss restructuring your policy. Options like increasing the deductible amount or opting for a co-payment structure can make premiums more affordable.
- 3. Shop for Competitive Rates:**
Compare similar plans from other ITOs to find a more cost-effective option without



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compromising on critical coverage.

4. Leverage Employer-Provided Coverage:

Check if your employer offers medical insurance as part of your employment benefits. Supplement this coverage with a private plan tailored to your specific needs.

5. Reassess Financial Priorities:

Evaluate your overall financial situation and make adjustments to your budget to accommodate rising premiums while maintaining your health coverage.

Call for Collaboration Among Stakeholders

Tan emphasises that managing private healthcare costs requires collective action. He calls on regulators, healthcare providers, and Insurer/Takaful Operators (ITOs) to work collaboratively toward holistic solutions that address rising medical inflation. Efforts must focus on creating sustainable strategies to manage healthcare costs and their impact on insurance and takaful premiums, ensuring affordability and accessibility for all Malaysians.

Seek Professional Guidance

Given the complexity of managing insurance and takaful policies, FPAM strongly advises the public to consult with a licensed financial planner. A financial planner can provide personalised advice, helping you make informed decisions that align with your financial goals and health care needs.

To learn more about insurance and takaful, or to find a licensed financial planner, visit SmartFinance.my. The platform is a reliable resource for understanding your options and connecting with professionals who can guide you in protecting your future.

Protecting Your Future

Health insurance and takaful coverage are vital components of a sound financial plan. Surrendering a policy may save money in the short term but could leave you exposed to significant risks in the long run. FPAM remains committed to supporting Malaysians in navigating these challenging financial decisions and ensuring the continued wellbeing of their families.

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.



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