

Bank Negara Malaysia (BNM) Interim Measures on Premium Repricing

Liberty General Insurance Berhad (LGIB) is supportive of Bank Negara Malaysia's recently announced interim measures for premium repricing and will provide further details periodically starting 15 January 2025. These interim measures aim to assist our **Medistar** in-force policyholders by staggering the increased premiums over a minimum period of three (3) years, ensuring that our customers can continue to afford their protection while accessing the medical care they need.

Frequently Asked Questions (FAQ)

1. What is this announcement all about?

The announcement is about the interim measures that were introduced by Bank Negara Malaysia to help manage the premium adjustments for existing Medistar policyholders, who are impacted by premium repricing. These are only temporary measures while the government will expedite the broader health reforms to achieve clear outcomes in addressing medical inflation in the coming years.

Please refer to the following for more information:

- a) [Press Release](#) by Bank Negara Malaysia
- b) [Frequently Asked Questions \(FAQ\)](#) by Bank Negara Malaysia
- c) [Press Release](#) by the Life Insurance Association of Malaysia, the Malaysian Takaful Association, and Persatuan Insurans Am Malaysia
- d) [Frequently Asked Questions \(FAQ\)](#) by the Life Insurance Association of Malaysia, the Malaysian Takaful Association, and Persatuan Insurans Am Malaysia

2. How will the current interim measures on premium repricing announced by Bank Negara Malaysia (BNM) affect my medical policy?

The interim measure of staggering the premium increase will be effective 1 January 2025. However, do note that the interim measures are not applicable to premium increases that may apply when a policyholder moves to a higher age band.

Please refer to the following scenarios for more details:

Scenario 1: You have received the renewal notice but have not yet paid the premium

Please continue to pay the new premium amount as indicated in the renewal notice you received to ensure your medical coverage remains active. For policies effective 1 January 2025 onwards, we may issue endorsement to reflect the applicable rates as per the interim measures and issue a refund (if any), starting from 10 February 2025. You may reach out to us again thereafter to check on the status of your policy.

Scenario 2: You have not received the renewal notice

If you have not received the renewal notice now, please take note that you may still receive the notification that is yet to reflect the new interim measures, as we continue to work on implementing the necessary changes by 10 February 2025. To ensure your medical coverage remains active, please continue to pay the revised premium amount as indicated in your renewal notice. We may then proceed to issue endorsement to reflect the applicable rates as

per the interim measures and issue a refund (if any). You may reach out to us again after 10 February 2025 to check on the status of your policy.

Scenario 3: You have received the renewal notice and have already paid the revised premium

If your policy is effective from 1 January 2025 onwards, we may issue endorsement to reflect the applicable rates as per the interim measures and issue a refund (if any), starting from 10 February 2025. You may reach out to us again thereafter to check on the status of your policy.

Scenario 4: You have lapsed or cancelled your policy in 2024 due to the repricing exercise

If you have lapsed or cancelled your policy due to the repricing exercise, you may reach out to us to reinstate your policy based on the interim measures without any additional underwriting, subject to the applicable terms and conditions. This special reinstatement request is only available from 10 February 2025 to 31 March 2025. Please reach out to us for more information.

3. How will these measures affect policyholders aged 60 and above?

For existing Insured Person who is:

- Aged sixty (60) years old and above at the renewal policy effective date when the repricing premium revision takes effect, and
 - Currently covered under Medistar Plan 1,
- you will be eligible for the one-year pause premium revision.

Please continue to pay the premium as per your renewal notice to ensure the continuity of your medical policy. If your policy is effective from 1 January 2025 onwards, the applicable premium adjustments under the interim measures will be refunded accordingly. Please reach out to us from 10 February 2025 onwards to check on the status of your policy.

4. If I have been given a one-year pause in repricing premium revision, what will happen to my policy in the following year after the pause?

You will be notified of the premium revision for the subsequent policy year at least thirty (30) days prior to the policy anniversary when the revised premium will take effect. The revised premium will be based on the applicable rates as per the interim measures.

5. Given the potential increase in premiums that may become unaffordable, what alternative options do I have to ensure continued access to necessary medical care, aside from maintaining my current medical plan?

We understand the importance of maintaining long-term medical coverage, and we recognize that financial circumstances can vary at different stages of life. With the implementation of the staggered price increase as detailed in Question 2 and Question 3, this should provide you with more flexibility in managing the premium changes.

However, if you still have difficulty meeting the staggered premium increases, you may consider the following options:

- (a) Renew to a lower plan in Medistar (this does not require additional underwriting)
 - (b) Switch to other more affordable medical products (subject to underwriting consideration).
- Note that some of the products may have zero-interest monthly installment payment plan with no administrative charges and/or deductible options.



Please reach out to your servicing agent or our Customer Contact Centre team to explore the options that better suit your needs.

6. What will happen to my insurance premium after the interim measures period ends?

While staggering the premium increment provides immediate relief to policyholders, the reality is that the cost of insurance/premium will require material adjustments in the near future unless systematic changes are implemented across the healthcare eco-system. As the current insurance premium 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 a “whole-of-nation” approach is strongly urged to address the rising costs of medical care with strong participation from policyholders, hospital providers, doctors and support from the Ministry of Health Malaysia. All these efforts are essential to ensure the sustainability of the ecosystem and equitable access to affordable healthcare for all.

7. What happens if I have already paid the new premium before these interim measures take effect? Will I get refunded and when?

As outlined in Scenario 3 under Question 2, any additional premium paid for policies effective 1 January 2025 prior to the interim measures taking effect may be refunded via endorsements, starting from 10 February 2025.

However, if the premium paid is for policies effective prior to 1 January 2025, there will not be any refunds to policyholders.

8. Who should I contact if I have further questions related to the interim measures?

If the FAQs do not address your questions or if you need further assistance, please do not hesitate to contact your servicing agent or our Customer Contact Centre team. We kindly ask for your patience and understanding as we work diligently to implement the interim measures to assist our policyholders.

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Liberty	1300888990	customer@libertyinsurance.com.my