Medical and Health Takaful

Introduction

This is an introductory guide to help you understand how medical and health takaful works. It gives you some basic information so that you can ask your takaful operator the right questions, understand the answers and make the right choice before you participate in any takaful plan.

What is medical and health takaful?

Medical and health takaful covers the cost of private medical treatment, such as the cost of hospitalisation and healthcare, if you are diagnosed with certain illnesses or have had an accident. The cover could be on a stand-alone basis or as a supplementary contract to a basic family takaful plan.

Takaful concept in medical and health takaful

When you participate in medical and health takaful, you will contribute a certain sum of money to a takaful fund in a form of participative contribution (tabarru’). You will undertake a contract (aqad) to become one of the participants by agreeing to mutually help each other, should any of the participants face a misfortune such as being hospitalised or diagnosed with certain illness.

Types of cover

The main types of cover provided by medical and health takaful plan are:

- **Hospital services and professional fees** – This plan covers you for expenses that you incur for hospital services and professional fees arising from injury or illness, such as ward charges, surgical fees and intensive care unit charges. The benefits can be limited to a maximum amount and/or number of days.

- **Hospitalisation benefits** – Under this plan, you will be provided with daily cash allowances for each day that you are confined in a hospital due to illness and/or injury, subject to a maximum number of days.

- **Critical illness** – The plan provides a lump sum benefit in the event you are diagnosed to have suffered any of the critical illnesses specified in the certificate.

A takaful operator may offer you these products individually or in combinations. You need to be very careful when choosing one that suits your needs by understanding the product features, conditions, benefits, limitations and exclusions of the takaful plan.
How to participate in medical and health takaful

You may participate in medical and health takaful through:

- **Individual plan** – You participate in the plan on your own; or

- **Group plan** – A plan where your employer contributes to the takaful fund or the employees contribute to the takaful fund individually. If a group plan is participated under a membership or card scheme, you should get the details on terms of the arrangement between the scheme arranger and the takaful operator. Please ensure that the cover offered under the scheme is provided by a registered takaful operator.

Individual takaful plan generally costs more than group takaful plan, however you may customise your medical and health takaful plan to meet your needs according to your financial capability.

Benefits covered under medical and health takaful

The payment of benefits will depend on the type of plan that you have participated in. You must check the certificate for details of the benefits, such as what is and what is not covered, when benefits will be payable and how they will be paid.

Some of the benefits covered under medical and health takaful plan are:

- Hospitalisation
- Intensive care unit
- Outpatient treatment
- Visit by doctors
- Pre-hospitalisation visits
- Surgery
- Anaesthetic
- Ambulance services
- Death benefits

The critical illness plan covers 36 common critical illnesses as follows:

- Heart attack
- Coronary artery bypass surgery
- Kidney failure
- Major organ transplant
- Multiple Sclerosis
- Blindness
- Deafness
- Loss of speech
- Major burns
- Terminal illness
- Parkinson’s Disease
- Occupational acquired HIV infection
- Aplastic Anaemia
- Benign brain tumour
- Chronic liver disease
- Acute Bacterial Meningitis
- Apallic syndrome
- Brain surgery
• Stroke
• Cancer
• Fulminant hepatitis
• Paralysis (paraplegia, tetraplegia)
• Primary pulmonary arterial hypertension
• Heart valve surgery
• Aorta surgery
• Alzheimer’s Disease
• Coma
• Motor Neurone Disease
• HIV infection from blood transfusion
• Accidental head injury resulting in major head trauma
• Muscular Dystrophy
• Viral Encephalitis
• Poliomyelitis
• Other serious coronary artery disease
• Full blown AIDS
• Chronic lung disease

The list may differ from one takaful operator to another.

The critical illness benefit is payable provided you survive for at least 30 days following the diagnosis of the critical illness.

Key terms and conditions

It is important that you understand the terms used in medical and health takaful. If you have any doubts about the meanings of these terms, you should ask your agent or the takaful operator. As the certificate is a legal contract, the meanings used in the certificate will apply when a claim is made.

Some of the more important terms are:

• **Pre-existing conditions** – These are disabilities that existed before the effective date of the plan, for which you are receiving treatment or have shown symptoms. If you had consulted a medical doctor for any pain or discomfort, this would be regarded as symptom of disability.

• **Overseas treatment** – You may be covered for treatment obtained overseas, subject to exclusions, limitations and conditions specified in the certificate.

• **Misstatement of age** – Your age is an important factor in your medical and health takaful. If you have misstated your age and lead to a lower contribution, any claim under the certificate will be pro-rated, based on the actual contribution paid to the contribution that should have been charged.

• **Qualifying period** – The eligibility of benefits under the takaful plan will only starts 30 days after the effective date of the certificate.
Exclusions

Medical and health takaful will usually not cover the following:

- Pre-existing illness at the time of application.
- Claims for illness or injury caused through illegal or unlawful acts.
- Pregnancy or childbirth.
- Venereal disease, infection or parasites.
- Murder or physical assault.
- Cosmetic or plastic surgery.

How do I make a claim?

Before you receive any treatment, call your takaful operator to check whether you are covered for the treatment that you will receive.

If you incur expenses that are covered under your medical and health takaful certificate, you are advised to do the following:

- Give a written notice to your takaful operator as soon as possible.
- Provide the following documents:
  - All original bills and receipts.
  - Full physician’s report stipulating the diagnosis of the condition treated.
  - Physician’s opinion on the date the disability commenced.
  - Physician’s summary of the cost of treatment including medical and services rendered.

It is important that you act on proper medical advice, as the takaful operator will not be liable if a treatment or service becomes necessary due to failure on your part to do so.
How do I lodge a complaint?

You may not be satisfied when the takaful operator has rejected your claim or with its offer of settlement. You should first make a complaint with the takaful operator.

If you are still not satisfied with the decision, you can appeal to the Insurance Mediation Bureau (IMB) or Bank Negara Malaysia.

You must make your appeal to the IMB within 6 months from the date of the takaful operator’s decision. The IMB can only handle claims for an amount up to RM100,000 per claim. For cases not within the purview of IMB, you may refer them to Bank Negara Malaysia.

Additionally, you could take your case straight to the court.

Detailed information on how to lodge a complaint is available under the General Information topic entitled 'Fundamentals of Insurance and Takaful'.

Do’s and Don’ts

When applying for takaful plan

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<tr>
<td>• Disclose all material facts on the risks to be covered.</td>
<td>• Leave any question in the Proposal Form unanswered.</td>
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<td>• Read the ‘Important Notice’ on the Proposal Form.</td>
<td>• Use ticks &amp; dashes to answer the questions requiring full answers.</td>
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<td>• Answer all questions fully and accurately.</td>
<td>• Withhold or misrepresent any material fact. Otherwise, the certificate issued will be void, meaning that the claim can be repudiated.</td>
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<td>• Complete and sign the Proposal Form yourself.</td>
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To ensure your takaful certificate remains valid

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<td>• Comply with all the terms, conditions and endorsements of the certificate.</td>
<td>• Forget to pay the contribution within the terms allowed by the takaful operator.</td>
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