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Media Release

BE PROTECTED FROM MEDICAL INFLATION WITH THE ENHANCED AIA HEALTHSHIELD GOLD MAX WHICH OFFERS YOU 'AS CHARGED'¹ BENEFIT FOR AN UNLIMITED LIFETIME CLAIM PERIOD

Enhanced AIA HealthShield Gold Max Essential (rider) ensures coverage for co-insurance and deductibles so you enjoy coverage from the first dollar²

Singapore, 28 January 2013 – In line with its objectives to help customers in Singapore manage rising healthcare costs, AIA Singapore today launched the enhanced AIA HealthShield Gold Max (AIA HSG Max) and AIA HealthShield Gold Max Essential (AIA HSG Max Essential). The enhanced AIA HSG Max is a Medisave-approved Integrated Shield Plan which consists of three plan types – A, B and C - developed based on consumer insights and tailored to match individual needs for comprehensive hospitalisation and medical coverage. The plan can be purchased using CPF Medisave and provides reimbursement of medical expenses 'as charged'³ with guaranteed unlimited lifetime claims subject to policy year limit and any overall benefit limits. The enhanced plans support MediShield revisions which will take effect from 1 March 2013.

Healthcare costs have been increasing as a result of higher costs of living and inflation. The Singapore healthcare inflation rate was found to be 8.4 per cent in 2011⁴ and the average hospital bill in Singapore has almost doubled between 2006 and 2010⁵. As such, any unexpected medical expenses incurred could have a substantial impact on a family's finances. Statistics released by the Central Provident Fund (CPF) Board, also found the average Medisave balance to be S\$18,000 in 2011⁶ and only 56% of medical bills were self-funded from the patient's own Medisave⁷ account monies.

While the government has picked up 51 per cent of the cost of hospitalisation in the form of subsidies and Singapore's basic healthcare model of Medisave, MediShield and Medifund pay for almost one-quarter of the total cost of hospital stay in 2009, employers and patients are responsible for the remaining 27 per cent⁸. Singaporeans are encouraged to get personal health insurance plans while they are still healthy and working, and upgrade their health insurance coverage to ensure that they are prepared should they be hospitalised.

The enhanced AIA HSG Max provides the basic component of health insurance planning and is fundamental to providing financial protection for the family. AIA Singapore is one of the leading provider of integrated shield plans in Singapore and provides the enhanced AIA HSG Max through its AIA Financial Services Consultants (AIA FSCs) as well as independent financial advisors (IFAs). The enhanced AIA HSG Max plan includes the following extensive benefits:

- Congenital Abnormalities Benefit for Insured – Immediate cover from inception.

Caring for babies born with birth defects does not come cheap. In 2010, about 9,000 babies were hospitalised for congenital and neonatal conditions in subsidised wards at public hospitals. While they were in B2 or C class wards, some 700 had bills that came to more than S\$5,000⁹.

- Congenital Abnormalities of Female Insured's Biological Child¹⁰ and Living Donor Organ Transplant Benefit – Extended cover to persons other than the insured such as the biological child of the female insured and a non-insured person who is donating an organ to the insured.

¹ AIA HealthShield Gold Max (A and B) offer most benefits on an 'as charged' basis and all 3 plans (A, B and C) are subject to a deductible and co-insurance (if applicable), policy year limit, overall benefit limits and pro-ration factor (if applicable).

² If the Enhanced AIA HealthShield Gold Max Essential is added after inception of the basic plan, and waiting period applies from the Essential inception date, there may be possibility where the deductible and co-insurance are not covered by Essential despite the medical expenses being covered by the basic plan.

³ AIA HealthShield Gold Max (A and B) offer most benefits on an 'as charged' basis and all 3 plans (A, B and C) are subject to a deductible and co-insurance (if applicable), policy year limit, overall benefit limits and pro-ration factor (if applicable).

⁴ 'Tackling rising healthcare costs holistically' (May 18, 2012), *The Business Times*.

⁵ 'Jump in hospital bills over past four years' (January 8, 2011), by Salma Khalik, *The Straits Times*

⁶ 'Medisave Minimum Sum', CPF Board website, http://mycpf.cpf.gov.sg/NR/rdonlyres/47052D5F-31BF-4D2F-8CDA-CC15E91824D0/0/CPFTrends_MedisaveMinimumSum2012.pdf

⁷ 'Payment of Medical Bills Using Medisave Account Monies', CPF Board website, <http://mycpf.cpf.gov.sg/NR/rdonlyres/13858FFB-3299-4700-9214-2ACFC60F37F3/0/CPFTrendsPymtMedBillsusingMAmonies.pdf>

⁸ Government picks up 51% of hospital bills: Khaw' (March 1, 2011) *The Straits Times*.

⁹ 'Caring for babies with birth defects' (13 October, 2012), by Salma Khalik, *Business Times*.

¹⁰ This benefit is not applicable to AIA HealthShield Gold Max plan C.

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- Community Hospital Benefit – When medically necessary to stay longer, this benefit will provide cover for unlimited length of stay.

Our population is ageing rapidly. By 2030, 1 in 5 Singaporean residents will be aged 65 and above. This is a threefold increase to 960,000 elderly, from about 350,000 today. Studies have shown that they are about 4 times more likely to be hospitalised than younger Singaporeans. They are also likely to stay longer once hospitalised. With increasing life expectancy and more sedentary lifestyles, we are faced with a growing burden of chronic diseases. We have therefore been shifting our focus from episodic care in the acute hospitals, to keeping people healthy and managing their chronic conditions in the community hospitals which are more cost effective and sustainable in the long-term¹¹.

Policyholders have the option of adding a supplementary rider - the AIA HSG Max Essential plan to cover any deductible¹² or co-insurance¹³ portions of a hospital bill not covered by the basic plan and to ensure that hospitalisation bills are covered starting from the first dollar. This optional add-on complements the HSG Max plan and addresses the concerns of Singaporeans where 69% of those surveyed cited unexpected medical expenses as the biggest threat when asked about uncertainties which could threaten their finances¹⁴.

The rider premiums are payable in cash and benefits of the AIA HSG Max Essential plan include:

- Daily hospital incentive
- Immediate family member accommodation
- Post-hospitalisation alternative medicine (for cancer and stroke)
- Post-hospitalisation home nursing
- Emergency outpatient treatment due to an accident

Existing policyholders of AIA HealthShield Gold series plan and AIA HealthShield Gold Essential series rider will be automatically enhanced to the new AIA HSG Max and AIA HSG Max Essential rider respectively.

Mr. Tan Hak Leh, Chief Executive Officer of AIA Singapore said; "Given the rising costs of medical care, it is increasingly crucial for families to secure adequate medical coverage at all stages of life and while healthy, to avoid situations of tapping into one's savings or burdening our loved ones.

As a pre-eminent life insurer, AIA Singapore continues to be committed to providing real solutions by creating innovative products and services to meet the protection and long term savings needs of families. The enhanced AIA HSG Max and AIA HSG Max Essential offer more extensive coverage and benefits to meet the evolving protection needs of Singaporeans and Singapore Permanent Residents. AIA Singapore is also ready to support more initiatives aimed at keeping healthcare accessible. Our aim is to help families in Singapore lead healthier and fuller lives."

AIA Singapore's enhanced Medisave-approved Integrated Shield Plan follows from the launch of the AIA Retirement Saver which allows policyholders to continue enjoying their current lifestyle and celebrate retirement by providing Singapore's highest¹⁵ lump sum guaranteed benefit payout at retirement age of 24 times the selected guaranteed monthly retirement income. AIA Singapore will continue its efforts to bridge the underinsurance gap among families in Singapore and better manage their long-term finances. More innovative products and services will be launched within the year to help ensure families in Singapore are protected at every stage of their lives.

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¹¹ http://www.moh.gov.sg/content/moh_web/home/pressRoom/speeches_d/2012/moh_2012_committeeofsuppliespeechhealthcare2020improvingaccessibi.html

¹² Deductible is the portion of any claim that is not covered by the insurance provider. The deductible portion is usually a fixed amount that you have to pay first before the policy benefits are paid, up to a stipulated deductible limit each policy year.

¹³ Co-insurance is the percentage of the medical bill that you have to pay after deducting the deductible amount.

¹⁴ 'More Singaporeans want to save for a rainy day: Survey' (23 January 2010), by Siow Li Sen, AsiaOne.

[Http://www.asiaone.com/Business/News/My+Money/Story/A1Story20100121-193449.html](http://www.asiaone.com/Business/News/My+Money/Story/A1Story20100121-193449.html)

¹⁵ Information is correct as at 7 January 2013.

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About the AIA Group

AIA Group Limited and its subsidiaries (collectively "AIA" or "the Group") comprise the largest independent publicly listed pan-Asian life insurance group in the world. It has wholly-owned main operating subsidiaries or branches in 14 markets in Asia Pacific – Hong Kong, Thailand, Singapore, Malaysia, China, Korea, the Philippines, Australia, Indonesia, Taiwan, Vietnam, New Zealand, Macau and Brunei and a 26 per cent joint venture shareholding in India.

The business that is now AIA was first established in Shanghai over 90 years ago. It is a market leader in the Asia Pacific region (ex-Japan) based on life insurance premiums and holds leading positions across the majority of its markets. It had total assets of US\$119,494 million as of 31 May 2012.

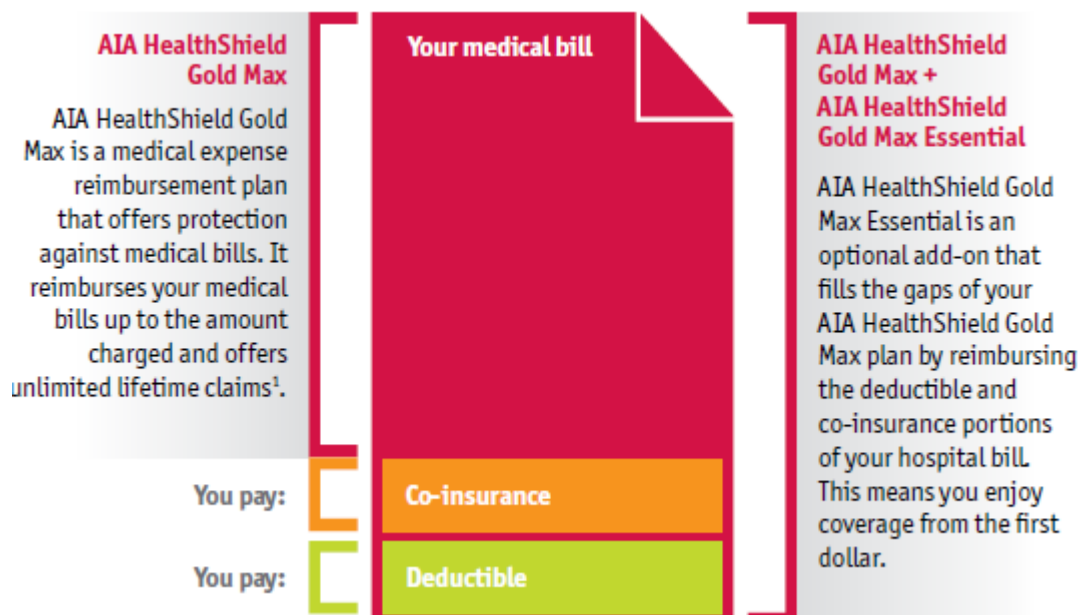
AIA meets the savings and protection needs of individuals by offering a range of products and services including retirement planning, life insurance and accident and health insurance. The Group also provides employee benefits, credit life and pension services to corporate clients. Through an extensive network of agents and employees across Asia Pacific, AIA serves the holders of more than 24 million individual policies and over 10 million participating members of group insurance schemes.

AIA Group Limited is listed on the Main Board of The Stock Exchange of Hong Kong Limited under the stock code "1299" with American Depositary Receipts (Level 1) traded on the over-the-counter market (ticker symbol: "AAGIY").

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Appendix:

Illustration of how AIA HealthShield Gold Max & Max Essential works



EXAMPLE

Mr Khor, a 32-year-old sales engineer is covered under the **AIA HealthShield Gold Max A** with **AIA HealthShield Gold Max Essential A plan**. After experiencing an unexplained weight loss and blood in his stool, he visited a specialist for a colonoscopy examination, which revealed a stage 3 colon cancer. He was hospitalised in a Government Hospital A class ward for 30 days and underwent surgery. After being discharged from the hospital, Mr Khor went for chemotherapy treatments for a year. His condition has now stabilised.

The following table illustrates the list of benefits and claims payable by AIA:

Medical Expenses	Amount Payable (S\$)
Pre-Hospitalisation Benefit (specialist consultation and colonoscopy)	549
Hospitalisation and Surgical Benefits	
• Daily Room and Board (30 days in Restructured Hospital A ward)	27,243
• Surgery	10,590
Outpatient Benefit	
• Chemotherapy for cancer	31,458
Total medical expenses subject to Deductible and Co-insurance	69,840 (X)
Less Deductible (not applicable to Outpatient Benefit)	3,500 (Y)
Balance less Deductible	66,340
Less 10% Co-insurance (10% x S\$66,840)	6,634 (Z)
AIA HealthShield Gold Max A pays	59,706 (X-Y-Z)
AIA HealthShield Gold Max Essential A pays:	
• Deductible and Co-insurance	10,134 (Y+Z)
• Daily hospital incentive (S\$150 x 30 days)	4,500
Mr Khor pays	0

¹ Subject to policy year limit and any overall benefit limits.