

Understand Common MHIT Terms

1

Annual limit

The maximum amount your insurer and takaful operators (ITOs) will pay for medical expenses **in a single policy year***. This limit will refresh annually at policy anniversary

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Lifetime limit

The maximum amount your ITO will pay **over your entire coverage duration**. Once the limit is fully utilised, your policy will be terminated

Example: Product A with annual limit of RM100,000 and RM500,000 lifetime limit

- ITO will pay up to RM100,000 annually, capped at RM500,000 over the duration of coverage
- Once you have reached these limits, your medical coverage will end and you will have to purchase a new product

Policy Year	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030
(A) Annual expenses	RM0	RM70,000	RM150,000	RM200,000	RM90,000
(B) Claimable amount (Limit: RM100,000)	RM0	RM70,000	RM100,000	RM100,000	RM90,000
(C) Total lifetime expenses (Limit: RM500,000)	RM0	RM70,000	RM170,000	RM270,000	RM360,000
(D=A-B) Non-claimable amount			RM50,000 (exceed annual limit)	RM100,000 (exceed annual limit)	

*Policy year refers to one-year period starting from the effective date of coverage commencement. For example, if your policy commences on 1 May 2025, the policy year will end on 30 April 2026



While MHIT products with high limits is attractive, they cost more. Hence it is important to choose MHIT product based on your expected needs that is within your budget

2

Non-guaranteed renewal

OR

Guaranteed yearly renewable

- Relatively lower premiums/contributions due to shorter duration of coverage
- More suitable for individuals looking for short-term protection
- Higher uncertainty as premiums/contributions and policy terms and conditions may be modified by ITOs at point of renewal based on individuals' risk profile

- Renewability is guaranteed throughout coverage duration as long as you continue paying the premiums/contributions
- Premiums/Contributions may be revised to account for factors such as individual claims history, depending on the product features (e.g. no-claims discounts)
- Provides security for continued coverage



- Premiums of MHIT products may be revised periodically to reflect shifting costs associated to medical inflation and claims experience
- Your decision should be based on your budget and how long you need coverage for

3

Standalone

OR

Rider



A standalone medical insurance policy/takaful certificate usually only covers your medical expenses. For instance, if you are hospitalised, this policy will cover your hospital bills, surgery costs, and other related medical expenses up to the policy's limit



- Additional protection for medical needs to supplement the base life insurance/family takaful policy
- Riders allow customisation of insurance coverage with additional premiums/contributions e.g. cover extra benefits, include additional family members, exclude specific conditions

4

Free-look period

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Waiting period

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Grace period

The duration you are given to cancel your newly-bought policy. Any premiums paid will be refunded

The time you have to wait after starting or reinstating your insurance or takaful plan before you can make a claim

Additional time given after premium payment is due. During this period, you can still make the payment without being charged a penalty, and your coverage will remain active