

Life Insurance Association (LIA) Critical Illness (CI) Framework 2019



PROFESSIONAL INVESTMENT ADVISORY SERVICES

SETTING THE PROFESSIONAL STANDARD
FOR FINANCIAL ADVICE IN SINGAPORE

The views expressed in this presentation does not necessarily reflect the views of Professional Investment Advisory Services Pte Ltd. The information provided herein is intended for general circulation and are not intended for distribution to, or use by, any person or entity in any jurisdiction or country where such distribution or use will be contrary to local law or regulation. This presentation may not be copied, either in whole or in part, or distributed to any other person without our specific prior consent. The contents on this presentation do not have regard to the specific investment objectives, financial situation or the particular needs of any recipient. Professional Investment Advisory Services Pte Ltd and its affiliates, directors, associates, connected parties, employees and/or financial adviser representatives may own or have an interest in the securities covered in this presentation.

The material and illustrations in this presentation may consist of the past performances of markets, sectors and funds as recorded by Financial Express, our data provider. These are provided for reference only and shall not be construed as an offer or solicitation to buy, sell or subscribe for any investment or life insurance product or the giving of advice thereof. Accordingly, no warranty whatsoever is given and no liability whatsoever will be accepted by Professional Investment Advisory Services Pte Ltd for any loss arising whether directly or indirectly as a result from you acting based on this information. Collective investment schemes and life insurance policies are subject to investment risks, including the possible loss of the principal amount invested. You are advised to read very carefully the applicable Product Highlight Sheet, prospectus and/or profile statement of the collective investment schemes, as well as the applicable Product Highlight Sheet, product summary and benefit illustration in respect of the life policies.

As with all investments, past performance of the mentioned collective investment schemes and life insurance policies and any projection of the economies, stock markets, bond markets and the economic trends of the markets are not necessary indicative of the future performance. Please seek advice from an Financial Adviser Representative or consult a professional regarding the suitability of the investment product, taking into account your specific investment objectives, financial situation or particular needs, before making a commitment to purchase the investment product. In the event that you choose not to seek advice from an Financial Adviser Representative or a professional, you should consider whether the product in question is suitable for you.

This presentation does not constitute or form part of, and should not be construed as an offer or inducement to sell, or a solicitation of an offer to buy, sell or subscribe for any investment or life insurance product or the giving of advice in any jurisdiction. This presentation does not constitute either advice or a recommendation regarding any products. Neither this presentation nor anything in it shall form the basis of any contract or commitment. This presentation is meant for informational / educational purposes only.

In August 2019, the LIA announced changes to the Critical Illnesses (CI) definitions and names (i.e. headers to the definitions), which have been **revised for clarity and continued relevance. There is no change to the intended scope of coverage, when compared against the definitions of 2014.**

Currently, LIA defines and maintains a list of 37 medical conditions at severe stage by way of common definitions. Under the revision, as shown by the table below, standard definitions of 21 severe stage CIs and names of 14 CIs have been refined to clearly reflect the intent of coverage.

Summary of changes	Changed	Unchanged
CI Definition	21	16
CI Header Name	14	23

Effective from 26 August 2020, all CI products based on previous definitions of 2014 may no longer be sold in Singapore.

	Critical Illness (Condition)	Change of Header?	Header of CI changed to...	Changes to current definition?
1	Major Cancers	YES	Major Cancer	YES
2	Heart Attack of Specified Severity	NO		YES
3	Stroke	YES	Stroke with Permanent Neurological Deficit	YES
4	Coronary Artery By-pass Surgery	No		No
5	Kidney Failure	YES	End Stage Kidney Failure	No
6	Aplastic Anaemia	YES	Irreversible Aplastic Anaemia	YES
7	End Stage Lung Disease	NO		NO
8	End Stage Liver Failure	NO		NO
9	Coma	NO		YES
10	Deafness (Loss of Hearing)	YES	Deafness (Irreversible Loss of Hearing)	YES
11	Heart Valve Surgery	YES	Open Chest Heart Valve Surgery	NO

	Critical Illness (Condition)	Change of Header?	Header of CI changed to...	Changes to current definition?
12	Loss of Speech	YES	Irreversible Loss of Speech	YES
13	Major Burns	NO		NO
14	Major Organ / Bone Marrow Transplantation	NO		NO
15	Multiple Sclerosis	NO		YES
16	Muscular Dystrophy	NO		YES
17	Parkinson's Disease	YES	Idiopathic Parkinson's Disease	YES
18	Surgery to Aorta	YES	Open Chest Surgery to Aorta	NO
19	Alzheimer's Disease / Severe Dementia	NO		YES
20	Fulminant Hepatitis	NO		NO
21	Motor Neurone Disease	NO		NO
22	Primary Pulmonary Hypertension	NO		NO

	Critical Illness (Condition)	Change of Header?	Header of CI changed to...	Changes to current definition?
23	HIV Due to Blood Transfusion and Occupationally Acquired HIV	NO		YES
24	Benign Brain Tumour	NO		YES
25	Viral Encephalitis	YES	Severe Encephalitis	YES
26	Bacterial Meningitis	YES	Severe Bacterial Meningitis	NO
27	Angioplasty & Other Invasive Treatment For Coronary Artery	NO		NO
28	Blindness (Loss of Sight)	YES	Blindness (Irreversible Loss of Sight)	YES
29	Major Head Trauma	NO		YES
30	Paralysis (Loss of Use of Limbs)	YES	Paralysis (Irreversible Loss of Use of Limbs)	NO
31	Terminal Illness	NO		NO
32	Progressive Scleroderma	NO		YES

	Critical Illness (Condition)	Change of Header?	Header of CI changed to...	Changes to current definition?
33	Apallic Syndrome	YES	Persistent Vegetative State (Apallic Syndrome)	NO
34	Systemic Lupus Erythematosus with Lupus Nephritis	NO		YES
35	Other Serious Coronary Artery Disease	NO		YES
36	Poliomyelitis	NO		YES
37	Loss of Independent Existence	NO		YES

Category	Major Changes & Added Definition	Exclusions Added	Reason for Exclusion
Major Cancer	Added: “Major Cancer diagnosed on the basis of finding tumour cells and/or tumour associated molecules in blood, saliva, faeces, urine or other bodily fluid in the absence of further definitive and clinically verifiable evidence does not meet the above definition.”	<p>Skin confined primary cutaneous lymphoma and dermatofibrosarcoma protuberans.</p> <p>All bone marrow malignancies which do not require recurrent blood transfusions, chemotherapy, targeted cancer therapies, bone marrow transplant, haematopoietic stem cell transplant or other major interventionist treatment.</p>	Excluded terms are easily treatable and do not fulfill the intent of a severe stage coverage.
Heart Attack of Specified Severity	<p>Old: Death of heart muscle due to obstruction of blood flow.</p> <p>New: Death of heart muscle due to ischaemia</p>		
Stroke with Permanent Neurological Deficit	<p>Change in Header</p> <p>Old Header: Stroke</p> <p>New Header: Stroke with Permanent Neurological Deficit</p>	Secondary haemorrhage within a pre-existing cerebral lesion	

Category	Major Changes & Added Definition	Exclusions Added	Reason for Exclusion
Irreversible Aplastic Anaemia	<p>Old Header: Aplastic Anaemia New Header: Irreversible Aplastic Anaemia</p> <p>Addition of Haematopoietic stem cell transplantation.</p>		
Coma		Medically induced coma, and coma resulting directly from alcohol or drug abuse	
Muscular Dystrophy	The unequivocal diagnosis of muscular dystrophy must be made by a consultant neurologist		
HIV Due to Blood Transfusion and Occupationally Acquired HIV	<p>No longer required: Proof of the accident giving rise to the infection must be reported to the Company within 30 day of the accident taking place.</p> <p>Removed: The insured does not suffer from Thalassaemia Major or Haemophilia.</p>		

Category	Major Changes & Added Definition	Exclusions Added	Reason for Exclusion
Benign Brain Tumour		Abscess, Angioma and Tumours of Skull Base	
Severe Encephalitis	<p>Old Header: Viral Encephalitis New Header: Severe Encephalitis</p> <p>Permanent neurological deficit has to be documented for at least 6 weeks.</p> <p>Diagnosis to be supported by any confirmatory diagnostic tests.</p>	<p>Removed from the definition: Permanent and permanent neurological deficit</p>	
Blindness (Irreversible Loss of Sight)	The blindness must not be correctable by surgical procedures, implants or any other means.		
Other Serious Coronary Artery Disease	Has to be proven by invasive coronary angiography	Branches of the coronary arteries	
Poliomyelitis	Diagnosis to be confirmed by a consultant neurologist in the relevant medical field.		

Pros

HIV Due to Blood Transfusion and Occupationally Acquired HIV: Those suffering from Thalassaemia Major or Haemophilia can now get covered under the HIV CI condition.

Viral Encephalitis: Previously, viral infection has to be the cause for it. The scope is now expanded to include all causes – not just viral infection.

Clearer definitions should lead to reduced ambiguity for the claiming process.

Things to note:

Revised definitions, with added clarity to exclusions, for Benign Brain Tumour, Coma, Stroke, Aplastic Anaemia, Heart Attack, and Major Cancers, amongst other things.

More requirements needed for certain claims to be made. For example, other serious coronary artery disease now needs invasive procedures to confirm it. Viral Encephalitis, Poliomyelitis also need to be confirmed with diagnostic tests.

You now have to prove that the condition is both chronic and irreversible with the addition of 'irreversible' to deafness, blindness, and aplastic anaemia.



PROFESSIONAL INVESTMENT ADVISORY SERVICES PTE LTD

Co. Reg. No. 200106346Z | FA Licence No. FA000008-4

Head Office 6 Shenton Way, OUE Downtown 2, #09-08, Singapore 068809
Main Line +65 6372 5700
Fax +65 6372 5950
Email enquiry@pias.asia
Web www.proinvest.com.sg

PIAS

PROFESSIONAL INVESTMENT ADVISORY SERVICES

SETTING THE PROFESSIONAL STANDARD
FOR FINANCIAL ADVICE IN SINGAPORE