

Regulate steep hike in insurance premiums, Bank Negara told

Written by admin3

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PETALING JAYA: The National Consumer Complaints Centre (NCCC) has urged Bank Negara Malaysia (BNM) to regulate the steep increase in insurance premiums.

In a memorandum sent to BNM, NCCC, a division under the Federation of Malaysian Consumers Associations, said insurance companies were increasing premiums at such a rapid rate that consumers were unable to pay at short notice.

Its senior manager, Baskeran Sithamparam, said the time frame given for the increase in premium to take effect is often rather short.

◆Policyholders need time to adjust to the premium increase.◆

Baskeran said that if the premium increase was too big, there was also a high possibility that the policy may lapse, with the policyholder being unable to keep up with payments.

◆BNM should regulate the insurance premiums very strictly. If there is any increase, the justification must come from BNM as insurance companies are under its purview.◆

Baskeran added that although patients had medical cards, there had been numerous instances when insurance companies denied approval for certain treatments.

In fact, he said insurance companies would insist that the policyholders pay the expenses first and claim later in certain cases.

Baskeran said it was unfair for insurance industries to expect policyholders to pay first as they had been paying their premiums promptly.

◆Consumers paying their premiums but being unable to use their medical card will lead to distrust in insurance companies.◆

◆The ◆pay first, claim later◆ practice should be abolished. It should not be applicable when a medical card has been provided,◆ he said.

Baskeran also said BNM should ensure there are affordable medical insurance policies for those in the lower-income bracket.

◆In short, BNM must be more vigilant and ensure consumers who buy insurance policies are well protected,◆ he said.

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