

Transferable Medical Insurance Scheme

Overview

- TMIS Features
- Key Considerations in Selecting between PMBS/TMIS
- Simple Illustration

What is TMIS?

- Group hospitalization insurance arrangement
- Key Difference - 2 additional features
 - Transferability
 - Continuity
- Among 13 participating companies

Features of TMIS

- Transferability

- Waiver of pre-existing condition exclusion when joining new employer if previously continuously insured under TMIS for 12 months. Pays lower of current or previous benefits

- Continuity

- 12 months coverage from date of termination for any reason
- Premiums are paid at the prevailing premiums rates

- Medical Expenses covered

- R&B, ICU, Misc. hospital services, doctor's visits, surgery

Features of TMIS

- Which insurance plan eligible
 1. Minimum of 11 employees at inception
 2. Provides basic inpatient medical expense
 3. Wholly sponsored by employer
 4. Non-optional (ie employee cannot choose to be insured under plan)
- Can be offered to predefined group of employees

Features of TMIS

- Who is eligible for TMIS benefits
 1. Employees
 2. Below statutory retirement age
 3. Singaporean OR Permanent Resident
 4. Full-time employee on permanent contract or Temporary employment contract of at least 24 mths

Features of TMIS

- How will premiums be charged
 1. Additional premium loading required for the additional features
 2. Continuation benefits – charge for the 12 mths premium based on prevailing premium rates of the group insurance
 3. Insurers will bill the employer and collected from employer. No collection from individual employees.

Features of TMIS

- Submission of Claims
 1. Obtain TMIC – transferable medical insurance certification from employer
 2. Submit claims form to insurer together with TMIC

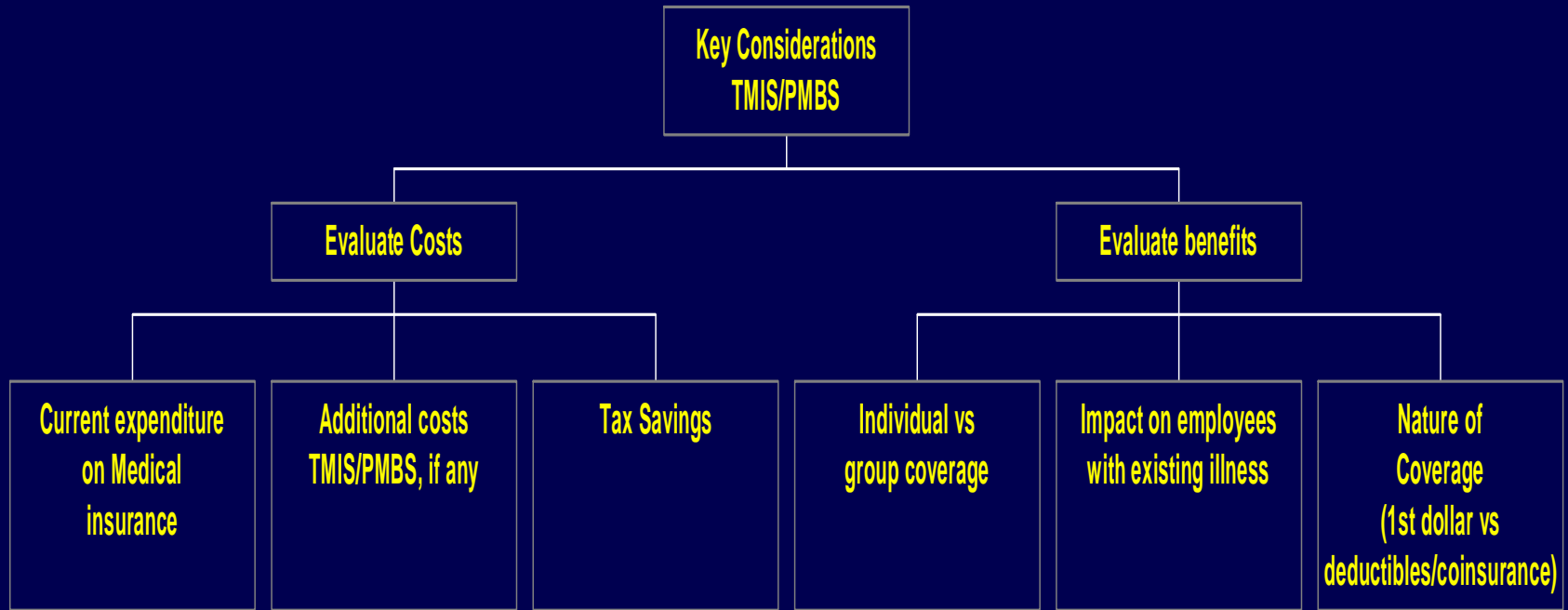
Difference between PMBS & TMIS

- Both enjoy tax deductibility of up to 2% of payroll for medical expenses
- PMBS of 1% into Medisave compared with group premiums ranging from 0.5% to 1.5%
- PMBS – long-term coverage available on individual basis but, due to deductible/coinsurance, payout may be fraction of bill

Difference between PMBS & TMIS

- PMBS: CPF approved schemes (eg shield plans) exclude pre-existing condition at point of sale
- TMIS: Employees in poor health more likely to obtain coverage as part of group medical program

Key Considerations in Selecting Between PMBS & TMIS



Simple Example of TMIS Cost Evaluation

Number of employees	100
Average salary pa	10,000
Payroll	1,000,000
Premium rate	1.00%
Group insurance premiums	10,000
Loading for TMIS (eg 5%)	500
Continuity benefit (10% turnover)	1,000
Tax savings	2200
Net costs	9,300
Actual savings	700
Actual Savings as % of Premium	7%

Simple Example of TMIS Cost Evaluation

Savings to Employers as a % of current group medical premiums

