

5 Reasons Why Skipping Critical Illness Insurance is a Big Mistake

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What is a critical illness (CI) insurance?

As the name suggests, a CI insurance pays a lump sum if you are diagnosed with a critical illness or after having undergone a type of surgery covered by the insurance plan¹.

Some use the payout to pay for medical expenses that aren't covered by their health/hospitalisation insurance or MediShield Life. Others use it to cover non-medical costs related to the illness, such as transportation, childcare or engaging a domestic helper.

CI plans are not meant to replace other health insurance plans. Rather, the CI plan provides you with an additional financial support, to lessen your financial burden so you can focus on your recovery.

Find out the difference between hospitalisation/health insurance and critical illness insurance [here](#).

Why is a critical illness (CI) insurance necessary?

If you're lucky, you'll live the rest of your life without getting seriously ill. But without coverage, just one critical illness can be a massive financial burden for you and your family. Here's why skipping out on CI insurance is a big mistake.

1. The odds of getting critically ill are high.

Most CI plans in Singapore cover you for 37 critical illnesses. What are the odds of you actually making a claim, especially when you're young, active, and healthy?

No matter how healthy a lifestyle you live, there's no telling when critical illness will strike. The National Registry of Diseases Office estimates that 1 in every 4 to 5 Singaporeans have a lifetime risk for developing cancer². Studies³ have also shown that breast cancer accounts for 1 in 3 cancers among women in Singapore, while 1 in 7 men in Singapore get prostate cancer.

The good news is early detection and better treatments result in higher survival rates. The payout from a CI plan helps you afford ongoing treatments and the related costs that come with recovery.

2. There is a chance of your illness relapsing.

It is definitely not ideal, but also not uncommon for certain illnesses to relapse. Therefore, you can consider getting a critical illness plan that can cover you again when such situation happens.

3. There are limits to MediShield Life coverage.

Most Singaporeans think that CI plans aren't needed as they have MediShield Life. While it can soften the financial blow of hospital stays and medical expenses, there are limits to what government health insurance can cover.

For instance, MediShield Life benefits are designed based on Class B2/C bills, so as to keep premiums affordable⁶. This means when you choose Class A/B1 wards or private hospitals, your MediShield Life will only be able to cover a small portion of your bill.

When you're recovering from a serious illness, being unable to afford the full cost of your treatment is the last thing you need. This is where a CI plan becomes useful. The payout can be used to cover the co-pay portion of the medical bill and any excess can be used to make-up for any temporary loss of income to ease the financial burden.

4. Integrated Shield Plan (IP) won't cover all your expenses.

You can opt for Integrated Shield Plan (IP), provided by private insurers, to add on to your MediShield Life for additional coverage of bills in Class A/B1 wards or private hospitals⁶. However, it is important to note that all IPs will still require a minimum of 5% co-payment⁷.

Also, a CI plan can help to make up for what hospital insurance can't cover – and not just in terms of medical fees. For example, you can use the payout from a CI plan to make up for lost income, or pay for things like day care for your kids while you recover.

5. Your savings won't last long in the wake of a critical illness.

Critical illnesses are more expensive than the average medical emergency, and not just because there's more treatment involved. These diseases often leave you with impairments that restrict your mobility and require long-term rehabilitation.

A stroke, for example, requires costly surgical procedures to help you return to your daily life. But even after surgery, you may find it difficult to walk or do basic routines like showering or dressing yourself⁸. Stroke rehabilitation includes working with speech, physical and occupational therapists⁹ which are all additional costs.

Another cost to consider is the loss of income if you take time off work to recover, or are unable to return to work. Not only will you have difficulty paying your medical bills; you might be unable to take care of your living expenses or your family's needs.

Realistically speaking, your savings alone might not be able to keep up with all the long-term costs related to a critical illness.

The real value of a CI plan comes from its flexibility. Unlike health insurance, you're free to use the CI payout for expenses beyond medical treatment. Whether it's paying for household bills or long-term rehabilitation fees, a CI plan lets you take care of your financial obligations so you can focus on recovering.

6. Critical illness plans are affordable – especially while you're young.

It seems strange to get a CI plan while you're young, healthy, and have no immediate need for it. However, getting a CI plan is trickier once you've been diagnosed by a health condition. So, it is advisable to get a CI plan while you're healthy.

7. Critical illness plans are designed to meet your needs.

The great thing about CI plans is that they're not a one-size-fits-all product. We can help you find a CI plan that suits your needs and your budget. Speak to a Manulife Financial Consultant to find out more about how a CI plan can protect you.

Worried that you will not be able to get a critical illness plan given your age or existing health conditions?

The good news is, there are critical illness plans which are still applicable to those of higher ages or with existing medical conditions. [Find out how you can choose a Critical Illness Plan for your elderly parents here.](#)

For example, [Manulife's Critical SelectCare](#) is applicable for those after 40 years old and even those with existing health conditions¹⁰ - such as high blood pressure, high blood sugar, high cholesterol or diabetes.

Critical SelectCare

Crafted to protect you against selected major critical illnesses and age-related conditions.

[Learn more](#)

Protection against the financial burden of critical illness.

[View all CI plans](#)

Ready to get started?

Let's arrange for a no obligation chat with our financial consultant now!

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Footnotes:

1. <https://www.moneysense.gov.sg/articles/2018/10/critical-illness-insurance>
2. https://www.nrdo.gov.sg/docs/librariesprovider3/Publications-Cancer/cancer-registry-annual-report-2015_web.pdf?sfvrsn=10
3. <https://www.straittimes.com/singapore/health/breast-prostate-cancers-rising-sharply-in-spore>
6. <https://www.moh.gov.sg/cost-financing/healthcare-schemes-subsidies/medishield-life/medishield-life-faqs>
7. <https://www.moh.gov.sg/news-highlights/details/co-payment-in-integrated-shield-plans-for-specific-hospital-categories-and-breakdown-of-average-claims-made-through-full-riders-of-integrated-shield-plans>
8. <https://www.healthhub.sg/a-z/diseases-and-conditions/672/post-stroke-conditions>
9. <https://www.cdc.gov/stroke/treatments.htm>
10. You must be between 40 to 70 years old and pass the underwriting questions to qualify.

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We recommend that you seek advice from a Manulife Financial Consultant or our Appointed Distributors before making a commitment to purchase a policy.

Information is correct as at 5 July 2022.