
Apply Medishield with disastrous side effects

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I heard of a real life case of a cancer patient who was undergoing treatment. She was claiming on an on-going basis from private-integrated shield plan. However, she was advised by a friend to apply for Medishield from CPF Board. She listened to the advice and DIY the transaction herself. To her horror, the private-integrated shield plan was terminated automatically as it was thought she only wanted the Medishield and didn't want the private shield plan. Many people did not know that the private-integrated shield plan includes the Medishield portion already. There is no need to "apply" a new one. Besides, this patient is already uninsurable, why on earth did she apply for a new insurance? Here are some lessons that one can learn:

1. Be careful whom you get advice from. It may be from well intended friends or family or an unqualified insurance salesperson but that advice can be a disaster. This applies for investing based on rumors and hearsay from unqualified investment sales persons.
2. It is important to ask for professional advice before proceeding in any financial transaction.
3. The integration of the Medishield and the "enhanced" private shield plan was announced and published in the newspaper because the Ministry of Health took quite a lot of effort to educate the public on this. In other words, it was public knowledge. Therefore, equipping one's with financial knowledge is not optional – it can cause your life if you do not know.

My colleague, who came to know of this case, appealed to the insurer to reinstate the shield policy. If the insurer went by the book and focused on profits, it would have avoided the issue by insisting it is right and thus saved huge amount of claims. But the insurer focuses on policyholders. The insurer was gracious and permitted reinstatement. I found this is the right way to do business and have earned many goodwills. The insurer is NTUC Income.