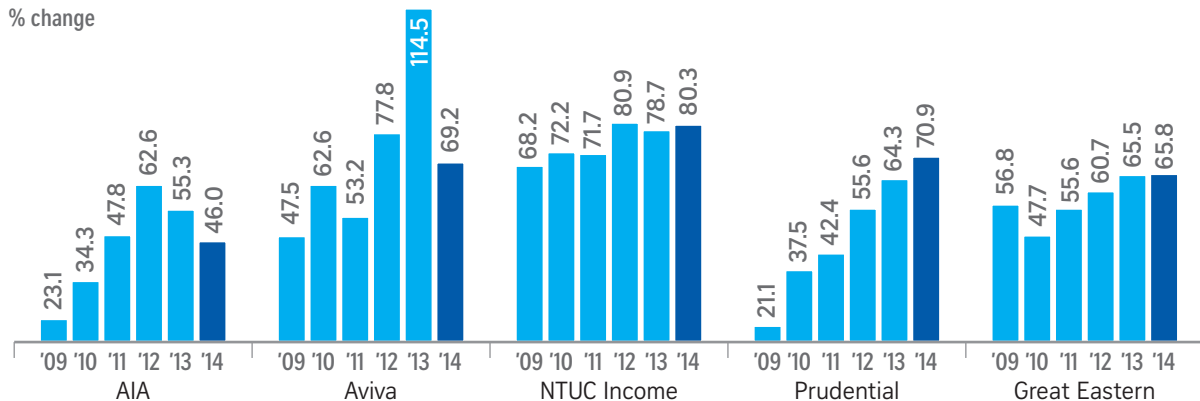


Claims ratios of IP insurers (2009-2014)

% change



Effect of MediShield Life v claims inflation

- Real-life case study: 55-year-old IP policyholder (citizen) who went for total knee replacement surgery for rheumatoid arthritis at a private hospital.
- Example illustrates effect of MediShield Life versus claims inflation faced by insurers, on eventual payouts by insurers.

Components	Year T		Year T + Under MediShield Life	
	MediShield (S\$)	MediShield Life (S\$)	Assuming 5% bill inflation (S\$)	Assuming 10% bill inflation (S\$)
Private bill size	55,000	55,000	57,750	60,000
Less: Deductible	3,500	3,500	3,500	3,500
Co-insurance (10%)	5,150	5,150	5,425	5,700
IP claim payout	46,350	46,350	48,825	51,300
MediShield/MediShield Life payout	6,646	9,354	9,834	10,314
Eventual payout by insurers	48,354	45,646	47,916	50,186
% of original payout	Original payout	94%	99%	104%