Should I Buy Maternity Insurance When Iâ??m Pregnant?

Description

The latest and most comprehensive list of maternity insurance plans offered in Singapore (2018 edition). I compared between the 7 plans that I considered during my pregnancy term and spoke to 4 insurance agents to get the full quotes illustrated below.

As most of you guys know, Iâ??ve always been an advocate of buying insurance (after all, it is named as a core tenet under my Guide to Financial Independence tab here), so when I got pregnant, one of the first things I naturally thought about was whether I needed to get maternity insurance.



Photo Credit

What Is Maternity Insurance?

Maternity insurance is a type of policy which covers unexpected complications that arise during the course of your pregnancy, which could affect either mother or child. You pay a one-time premium for the plan and the policy provides a one-time payout to help offset any additional medical costs that could be incurred as a result of pregnancy complications or congenital illnesses in your child. Many insurers in Singapore also include a daily hospital benefit if warded for related illnesses.

How much does it cost?

$300 â?? $600.

I compared between AIA, AXA, Aviva, Great Eastern, Prudential, OCBC and NTUC Income while deciding whether I should get one. Thereâ??s also plans offered by Pacific Prime, but I excluded them in my analysis as they arenâ??t a recognisable household name in Singapore, and I had contacted them last year to enquire on another plan where no one *ever* got back to meâ?¦so letâ??s forget it.

What is covered under maternity insurance?

The benefits vary between insurers, but generally you can expect coverage for

- pregnancy complications for the mother,
- congenital illnesses for the child,
- hospital care benefit for both mother and child, including for premature births,
- death benefit for either mother or child, or both.

Often, many of these complications may require greater medical care and a longer hospital stay, which can lead to shockingly high medical bills. If that should ever happen, your maternity insurance can help to cover the gap left by Medisave (since there are limits to how much you can claim).

Of course, this is one insurance policy no family will ever hope they need to claim ð??•

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As the NTUC Maternity 360 plan offers the most extensive coverage in terms of the widest number of conditions, Iâ??ll use them as an illustration for the types of complications you can expect to get covered for:



Hospital care benefit[3]
• Inpatient psychiatric treatment • Post-natal anaemia • Puerperal pyrexia • Pulmonary embolism • Repair of 4th degree perineal tear • Septic pelvic thrombophlebitis • Surgical site infection following caesarian section • Uterine infection or transfusion due to retained placenta following childbirth

For the mother, do note that Great Eastern, OCBC and Prudential only cover 7 â?? 8 pregnancy complications.

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Insured events for child

23 types of congenital illnesses[2] covered

- Absence of two limbs
- Anal atresia
- Atrial septal defect
- Biliary atresia
- Cerebral palsy
- Cleft lip and cleft palate
- Club foot
- Congenital blindness
- Congenital cataract
- Congenital deafness
- Congenital diaphragmatic hernia
- Congenital hypertrophic pyloric stenosis
- Development dysplasia of the hip
- Down's syndrome
- Infantile hydrocephalus
- Patent ductus arteriosus
- Retinopathy of prematurity
- Spina bifida
- Tetralogy of fallot
- Trancheo-esophageal fistula or esophageal atresia
- Transposition of the great vessels
- Truncus arteriosus
- Ventricular septal defect

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Hospital care benefit[4]

- Bronchitis (including other lower respiratory tract infection)
- Dengue haemorrhagic fever
- Hand, foot and mouth disease
- Incubation immediately after birth for more than 3 consecutive days
- Phototherapy or blood transfusion for severe neonatal jaundice
- Pneumonia
- Premature birth

For your child, only Aviva and NTUC cover for 23 congenital illnesses ; the rest of the insurers cover only 17 â?? 18 conditions.

Is Maternity Insurance Worth It?

This is a tough question to answer, because it depends on many factors. Like all other insurance plans, maternity insurance is one where you buy for a peace of mind (especially if youâ??re *really* worried about potential complications) and hope you never have to claim it.

What are the risks, or the chances of you having to claim it?

Generally, I feel the risks are quite low, given Singaporeâ??s high medical standards and low infant mortality rate. The rate of pregnancy complications and congenital illnesses are relatively low in Singapore as well, so I wonâ??t be surprised if most people never end up claiming from their maternity insurance plans *(which is a good thing for them, but even better for the insurers).*

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Moreover, if you have done your foetus screening tests (OSCAR / Harmony / Paranoma, etc) as recommended by most gynaecologists, you would have a good idea beforehand as to whether your child is healthy or at risk for certain illnesses.

Since a pregnancy only lasts 9 months and the majority of deliveries go smoothly (albeit with a lot of pain for many mothers!), you should be thinking of this as a *really* short term insurance plan.

Is it affordable?

At just $300 â?? $600 for a $5,000 sum assured, you have to consider if you have the spare cash to spend on this.

Also, note that thereâ??s a catch! Most maternity insurance plans come bundled with another policy â?? typically an Investment-Linked Policy (ILP) or an endowment plan. If you donâ??t believe in converting to another plan after your pregnancy term is over, then you can only choose from 2 insurers : NTUC and Great Eastern.

While Iâ??ve said repeatedly on this blog that Iâ??m not the biggest fan of ILPs (read why I cancelled mine here), you can also take a different perspective by viewing them as an education or endowment fund for your child. If youâ??re not a savvy investor or a disciplined saver, then perhaps an ILP is what you need to ensure that you have funds parked aside for your childâ??s future. *(This is why ILPs arenâ??t suitable for me, but might otherwise be for someone else if they canâ??t enforce their own disciplined savings and investments.)*

Using Prudentialâ??s PruFirst Gift as an example, you could opt for the $100 / month option for a $100k sum assured together with variable coverage for death, TPD and critical illness. In addition, a portion of your premiums will go towards investing in funds and if you have a baby girl, youâ??ll break even when sheâ??s 21 years old ($24k premiums paid vs. $24.2k non-guaranteed cash value assuming 4% investment returns) whereas a baby boy will break even slightly later at age 22. This means that you would have â??savedâ?• $24k which your child can now cash out to pay for their university tuition fees, with all assumptions remaining valid.

TLDR Conclusion

So should you buy maternity insurance?

YES if youâ??re worried about pregnancy complications (such as if youâ??re not completely healthy or if youâ??re an older mother),
OR if thereâ??s a history of congenital illnesses in your family,
OR if you really want to get your baby on a full coverage life plan before any chance of illnesses can strike, to avoid future insurability issues that your child may face next time.
This is your one and only chance â?? by buying before your baby is born and while theyâ??re still healthy. At just $300 â?? $600, the cost isnâ??t a lot *(skipping your weekly Starbucks will easily help you save that amount)* for the peace of mind youâ??ll get with insurance coverage.

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NO if youâ??re already tight on cash and your baby is healthy. This is one insurance plan that you could technically risk doing without, since the claims ratio is relatively low in Singapore. However, donâ??t forget that no one buys maternity insurance ever hoping that theyâ??ll claim it anyway!

Another thing you need to take note of is how these **maternity insurance plans do not cover for your hospitalisation bills**, and the daily benefit of $50 â?? $100 per day may or may not help to offset much, depending on your bill size. The general sentiment towards maternity insurance is that the $5,000 coverage (which is the key focus and reason for buying) is also quite low compared to the premiums youâ??ll be paying.

If you canâ??t afford this expenditure and youâ??re mainly worried about hospitalisation expenses, donâ??t forget that you can always claim it from your Integrated Shield Plan (ISP) as well! Although the coverage is not as extensive compared to maternity insurance plans, ISPs should be sufficient for *most* cases *provided* nothing goes wrong. *Do note though, that some ISPs exclude certain pregnancy-specific scenarios. Hospitalisation due to breech delivery, for instance, is not covered by any hospitalisation plan except under Great Eastern.*

My husband and I are still evaluating whether we should get maternity insurance *(weâ??re not adverse against it because of how affordable it generally is. It is either that, or we set aside $5k as â??self-insuranceâ?•)* and Iâ??ve narrowed it

down to Aviva, OCBC and NTUC for now.

Hereâ??s my table of comparisons among the ~~7~~ 8 (updated) maternity insurance plans in Singapore, accurate as of June 2018: *(please view on your laptop and not your mobile browser):*

Please be ethical and do not plagarise / attempt to steal my research and pass it off as your own. Iâ??ve hidden some â??Easter eggsâ?• in the table below so you can bet Iâ??m gonna catch you if you copy it off me wholesale!

	AXA MumCare	AIA Mum2Baby Choices	Aviva MyMaternityPlan	NTUC Maternity 360	Prudential PruFirstGift	PruLady (Maternity Cover Plus)	Great Eastern Flexi Maternity Cover (Essential)	OCBC MaxMaternity Care
Pregnancy Complication Conditions	$5,000 (10 conditions)	$5,000 (10 conditions)	$5,000 (10 conditions)	$5,000 (10 conditions)	$5,000 (7 conditions)	$5,000 (15 conditions)	$5,000 (8 conditions)	$5,000 (8 conditions)
Hospital Care Benefit for Mother	$100 / day ; capped at 30 days ; if warded for 10 insured events	$100 / day ; capped at 30 days ; if warded for 8 insured events	1% of Sum Assured / day ; capped at 30 days ; if warded for 18 insured events	1% of Sum Assured / day ; capped at 30 days ; if warded for 8 insured events	NA	1% of Sum Assured / day ; capped at 30 days ; if warded for 13 insured events or Zika	1% of Sum Assured / day ; capped at 30 days ; if warded for 8 insured events	$100 / day ; capped at 30 days ; if warded for 8 insured events
Hospital Care Benefit for Child	$100 / day ; capped at 30 days ; Normal ward : Incubation > 3 days or HFMD ; ICU or HDU for any related illness	$100 / day ; capped at 30 days ; Normal ward : Incubation > 3 days or HFMD ; ICU or HDU for any related illness	1% of Sum Assured / day ; capped at 30 days ; Normal ward : Incubation > 3 days or HFMD or Phototherapy or Blood transfusion for severe neonatal jaundice ; ICU or HDU for any related illness	1% of Sum Assured / day ; capped at 30 days ; if warded in ICU or HDU due to 7 conditions	$100 / day ; capped at 30 days ; Normal ward : Incubation > 3 days or premature birth requiring neonatal ICU or HFMD	1% of Sum Assured / day ; capped at 30 days ; Normal ward : Incubation > 3 days or premature birth requiring neonatal ICU or HDU, or HFMD or Zika	1% of Sum Assured / day ; capped at 30 days ; if warded in ICU or HDU due to 7 conditions	$100 / day ; capped at 30 days ; Normal ward : Incubation > 3 days or HFMD ; ICU or HDU for any related illness
Death Benefit	$5,000 for Mum	$5,000 for Mum	$5,000 for both Mum and Child	$5,000 for both Mum and Child	$5,000 for Mum ; Refund of premiums for child	$5,000 for both Mum and Child	$5,000 for both Mum and Child	$5,000 for both Mum and Child
Congenital Conditions Coverage	$5,000 (18 congenital conditions)	$5,000 (23 congenital conditions)	$5,000 (23 congenital conditions)	$5,000 (23 congenital conditions)	$5,000 (17 congenital conditions)	$5,000 (21 congenital conditions)	$5,000 (18 congenital conditions)	$5,000 (18 congenital conditions)
Outpatient Phototherapy Benefit	NA	NA	1% of Sum Assured up to 10 days	1% of Sum Assured up to 10 days	NA	NA	NA	NA
Stem Cell Treatment	NA	NA	50% of Sum Assured	NA	NA	NA	NA	NA
Developmental Delay	NA	NA	10% of Sum Assured	NA	NA	NA	NA	NA
Coverage for >1 Child for Same Pregnancy	Yes	No	Yes	No	Yes	Yes	No	No
IVF Coverage	Yes, subject to 100% loading	Yes	Yes, subject to 75% loading	Likely to be declined	No	No	No	No
Bundling Requirement	Yes, need to take up a Par Plan or ILP	Yes, only life or ILP allowed	Yes, need to take up a Par Plan or ILP or Term Plan	No	Yes, need to take up ILP	Yes, need to take up Female CI plan	Optional	Yes, need to take up ISP for Child
Newborn Cover Purchase Option	GIO with Critical Illness, within 60 days, capped at $150k after enhancement	Transfer of ILP from Mum to Child within 60 days	GIO without Critical Illness, within 90 days, capped at $150k after enhancement	Simplified underwriting with Critical Illness, within 60 days, capped at $150k after enhancement	$300k cover transferred to child's life $200k cover for child's critical illness	NA	GIO with or without Critical Illness, within 90 days	Simplified underwriting with Critical Illness, starts within 15 days
Application Period	16 - 36 weeks of pregnancy	13 - 32 weeks of pregnancy	13 - 36 weeks of pregnancy	13 - 35 weeks of pregnancy	18 - 32 weeks of pregnancy	During pregnancy and PruLady policy term	13 - 40 weeks of pregnancy	13 - 40 weeks of pregnancy
Premiums (Single Payment) for Mums < 30	$339.20	$325	$326	$390.55	$320	$480	$542	$443
Premiums (Additional, every year)	Yes, depends on Sum Assured	Yes, depends on Sum Assured	Yes, depends on Sum Assured	No	Yes, depends on Sum Assured, $100 - $300 per month for $100k - $300k respectively	Yes, $538 yearly for PruLady	Optional	Yes, depends on Sum Assured

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View my full table here in Google Sheets.

P.S. If youâ??re an insurance agent and have spotted any mistakes in the above table, please feel free to leave me a comment below or email me on the corrections! Also, a word of thank you goes out to the 2 readers who recommended that I look at the revamped AIA plan + alternative Prudential maternity rider plan available with PruLady!

With love,
Budget Babe (and mum-to-be!)

Category

1. Family
2. Insurance

3. Pregnancy

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