MINISTRY OF HEALTH
SINGAPORE

Annex A

Key Features of CareShield Life

Coverage

- CareShield Life will be universal for all Singapore Residents born in 1980 or later, starting from 2020. Those aged 30 to 40 in 2020 (born in 1980 to 1990) will be enrolled in 2020, with subsequent cohorts joining when they reach the age of 30.

- Singapore Residents born in 1979 or earlier are encouraged to join CareShield Life if they are not severely disabled, but it will be optional for them.

- To make joining CareShield Life more convenient, Singapore Residents born in 1970 to 1979 will be auto-enrolled in CareShield Life in 2021, if they are insured under the ElderShield 400 scheme and are not severely disabled. If they do not wish to participate in the scheme, they have up to 31 Dec 2023 to opt out from the scheme and have their CareShield Life premiums refunded.

Benefits and Premiums

- CareShield Life provides lifetime payouts for as long as one is severely disabled, defined as the inability to perform three or more Activities of Daily Living (ADLs).

- Payouts will start at $600 per month in 2020, and increase over time. Payout increases are supported by premium increases over time, and cease when a policyholder stops paying premiums. For the first five years of scheme implementation, payouts and premiums will both increase by 2% per year.

- Premiums are paid from the age of enrolment until age 67. However, Singapore Residents aged 59 or older when they join the scheme will be able to pay their premiums over 10 years, beyond age 67. This will keep their annual premiums more manageable.

- All Singapore Residents from existing cohorts who join CareShield Life will pay a base premium. This base premium will take into account the premiums already paid by ElderShield 400 policyholders in their cohort who did not opt out when they were auto-enrolled.

- Other groups, including existing ElderShield 300 policyholders, as well as those not insured under ElderShield, will pay an additional catch-up component, as they would not have paid as much premiums as those in their same cohort who are insured under the ElderShield 400 scheme[1]. The catch-up component will be paid over a period of 10 years

[1] Other groups that may also need to pay a catch-up component include ESH 400 policyholders who opted out when they were auto-enrolled and then opted back in later, those who join after 2021, and policyholders whose

and will remain flat. An illustration of the base premium and the catch-up component is provided in Figure A-1.

- Singaporeans will be able to use their MediSave to pay for all of their CareShield Life premiums and that of their immediate family members.

Government Support

- The Government will provide premium support for Singaporeans through permanent means-tested premium subsidies and Additional Premium Support. No one who joins the scheme will lose coverage due to their inability to pay their premiums.

- The Government will also provide transitional subsidies for Singapore Citizens from future cohorts and participation incentives for Singapore Citizens from existing cohorts. More details are in Annex B.

Administration and Claims Process

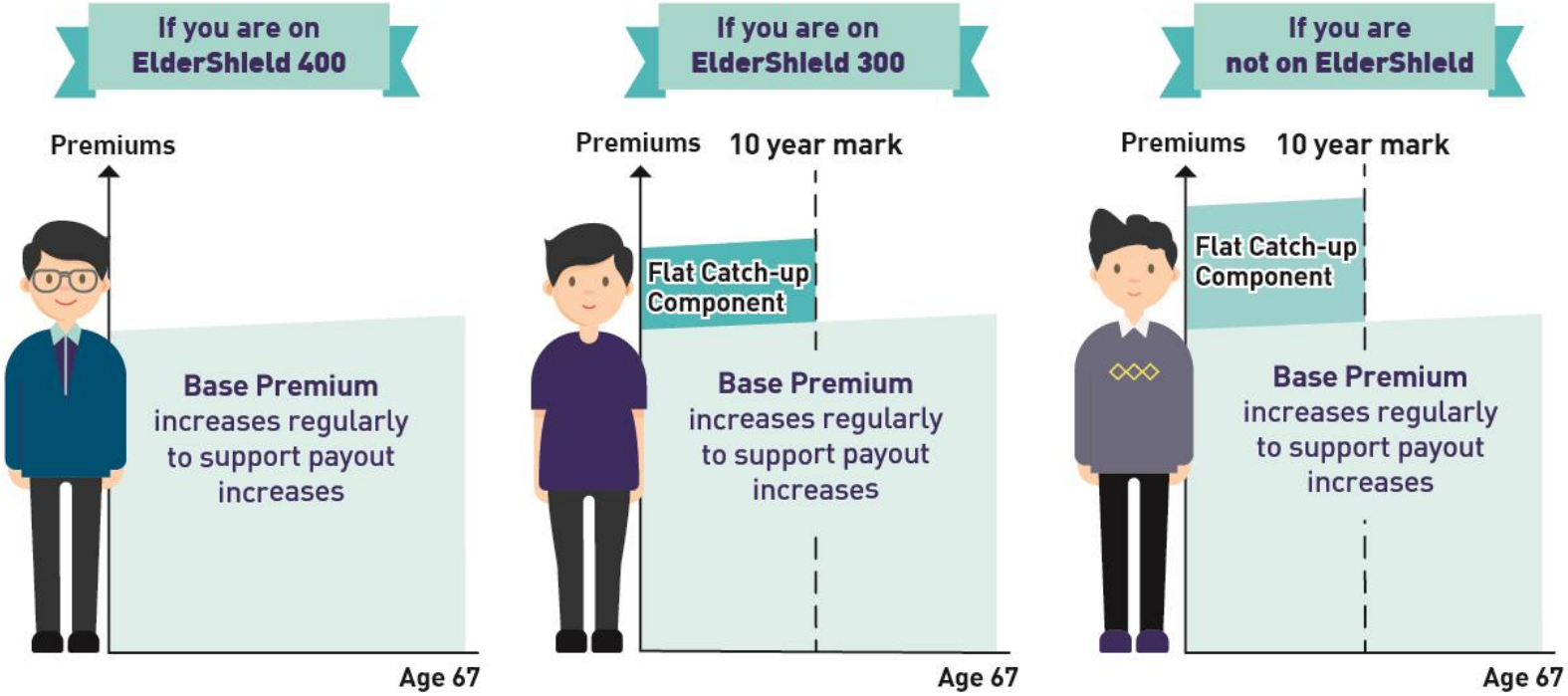
- CareShield Life will be administered by the Government on a not-for-profit basis.

- Central Provident Fund Board (CPFB) and the Agency for Integrated Care (AIC) will be the government agencies administering CareShield Life.

- The claims process for CareShield Life will be simplified. For instance, the Government will expand the pool of accredited assessors, accept equivalent assessments done by qualified healthcare professionals for claims, and modify the disability assessment framework to explicitly consider the impact of cognitive impairments on functional ability.

policies became paid-up, i.e. their policies lapsed after a minimum number of years of premium payment, which qualifies them for a lower payout amount.

Figure A-1: Illustration of Base Premium and Catch-up Component Payable by Singapore Residents from Existing Cohorts Who Join CareShield Life



Note: Existing cohorts who join CareShield Life at age of 59 or older will end their premium payment after age 67, as they will have a 10-year premium payment term.

Diagram not drawn to scale