

CAUGHT IN BETWEEN - The Sandwich Generation

Individuals can now protect themselves, their children, and their parents against critical illness, with just one plan.

WHEN Siti Aminah Ishak's mother-in-law was diagnosed with Alzheimer's disease at the age of 66, her family struggled - both financially and emotionally.

She fought the good fight, and battled the debilitating illness over the next 12 years.

But she was also bed-ridden for eight gruelling years, which took a toll on the family as they struggled with the financial outlay of hiring private care, and simultaneously paying for the things they required.

"It was a tough time for the whole family," shared the mother of four, who also had to look after her young children.

While the family decided to care for her mother-in-law at home, her condition deteriorated to a point where nurses had to visit their home to change the nasogastric tubes when she could no longer eat normally, Ms Siti explained.

"It was a very stressful time, the patient herself can't remember us, and she can't speak... And we were very busy, as both my husband and I had to work late to take care of the finances."

The Mathematics tutor added that her in-laws didn't have any insurance plans as they weren't financially literate, and wouldn't have been able to afford the monthly premiums.

Ms Siti's situation is not unique in Singapore, and many families face a dilemma when deciding on the best care option for their elderly loved ones. Among other things, cost is often a major consideration.

In fact, one in every four working adults is part of the sandwich generation, who bear the responsibility of caring for both their ageing parents, and their growing children. Coupled with rising childcare costs, tuition fees and healthcare expenses, the financial burden on this generation is growing, and fast.

Having experienced how looking after a family member with Alzheimer's could quickly drain her family's savings, Ms Siti jumped on the opportunity to purchase the GREAT Family Care plan, launched by Great Eastern (GE) recently.

Essentially, the critical-illness term plan which is a market-first in Singapore, protects all three generations within a single plan. The product covers the life assured, as well as his children and parents. A life assured can be insured against death, total and permanent disability, terminal illness and 53 critical illnesses for a sum assured between S\$50,000 and S\$3 million.

In addition, every child of the life assured - including those born in the future - is automatically given free coverage until the age of 18, against 53 critical illnesses and 25 juvenile conditions, such as severe asthma and severe epilepsy.

On top of that, a Parent Protect rider can be purchased for the life

assured's elderly parents without medical underwriting, as long as they are under 80 at the time the rider is bought. The rider covers both the life assured's parents until the age of 100, but is terminated once a payout has been received for either parent. It provides coverage against major cancers, Alzheimer's disease or severe dementia and Parkinson's disease.

Granted, pre-existing conditions are excluded from coverage. Among other conditions, no claim is payable in the first year under the Child Protect benefit and Parent Protect rider, and only 50 per cent of the eligible payout will be payable in the second year.

That said, no medical underwriting is required for the children or parents of the life assured. For a limited period, existing GE customers may also purchase the GREAT Family Care Special plan without any medical assessment, subject to the maximum sum assured offered for eligible customers, GE noted.

In the case of Ms Siti, what drew her in was the three-generation coverage, especially for a big family like hers.

"I'm pleased that with one policy, I'm able to cover myself, my parents and four of my kids," she said.

The thirty-three year old mum added that while her family members may be healthy now, she "cannot know for sure" what might happen in the future, and that having this coverage for her family gives her "a peace of mind".

Another feature she likes about the plan is that it covers major cancers and diseases common in Singapore. "I found this particular plan, and I grabbed it as soon as I heard of it," she said.

Ms Siti now pays about S\$700 annually for her policy, with a sum assured of S\$50,000.

Fuss-free and affordable

According to Keith Chia, GE's head of group brand and marketing in Singapore, uptake of the GREAT Family Care plan has been encouraging, and purchasing the policy is also administratively easy, as one need not fill in the personal details of their family members. Instead, the only time one will have to verify the relationship between himself and his child or parent, is upon making a claim.

More importantly, Mr Chia noted that many Singaporeans, particularly the elderly, are under-insured against critical illnesses.

Following research collated by GE, one in every four to five Singaporeans is at risk of developing cancer in their lifetime. Furthermore, one in 10 aged 60 and above will suffer from dementia, while three in 1,000 aged 50 and above will suffer from Parkinson's disease.

Despite these sobering statistics, findings from the 2017 LIA



Ms Siti (third from the right in the back row) with her husband, and her four kids dressed in red and brown, at her sister's wedding.

(Life Insurance Association) Protection Gap Study revealed that Singaporeans and permanent residents are covered for only 20 per cent of their critical illness protection needs on average.

Said Mr Chia: "The coverage provided for major cancers, Alzheimer's disease or severe dementia and Parkinson's disease for the Parent Protect rider were selected as these are long-term afflictions that put a strain on caregivers. With financial support, they can opt for professional healthcare support to help alleviate the physical burden of care giving."

He also noted that the premiums are deliberately kept low to make it affordable for the sandwich generation, who may face financial strain as their limited time and resources are spread over the needs of their children and ageing parents.

Separately, Mr Chia added that while the older generation may have a stigma against getting insured, this innovative product now enables one to purchase a policy for their parents directly through a bundled deal.

"In the Asian context, we are still financially responsible and would like to do something for our parents. Traditionally for such coverage, the elderly parents have to be the ones signing off, but we've designed this product to allow customers to do that act of filial piety on their own accord, making it easy and convenient."

Providing the best care for your loved ones

Interestingly, Daniel Tan, 48, who is a veteran in the insurance

industry, and also Ms Siti's financial representative, suggested that the GREAT Family Care plan opens up new possibilities for people who may want to purchase insurance, but were unable to do so previously.

"I have clients who are willing to pay an arm and a leg to buy insurance, but they can't," he said.

He added that one person he would recommend this policy to is a client whose previous attempt to buy insurance from another firm had been declined as he is overweight. In this instance, Mr Tan noted that his client who has a daughter in her 20s will be able to purchase the plan, and in turn, provide critical illness coverage for her father, with the addition of the Parent Protect rider.

For Mr Tan, elderly care is also an issue close to his heart, as his own dad suffered from dementia, before passing away four years ago. He recalled that it was a challenge for

his family, as his dad had to be placed in a nursing home which was costly.

Mr Tan estimates that the family had to fork out some S\$80,000 for the four years that his dad needed the professional healthcare. And this was notwithstanding that he could do certain things on his own, which means that the costs could be even higher for families who have seniors with more severe illnesses.

On a lighter note, Mr Tan quipped that while one's "retirement plan" in the past was simply to have many children, the occurrence of smaller family units these days means that the burden of the sandwich generation is heavier now, more so than ever before.

"I always tell my clients, I know you want to look after your parents, but wouldn't it be nice if you can. Let's prepare yourself financially, so that you can be there when they need you."

Key features of the GREAT Family Care plan

- Free coverage for all your children - including those born in the future - against 53 critical illnesses and 25 juvenile conditions till age 18.
- Parent Protect rider option to cover your parents against major cancers, Alzheimer's disease or severe dementia and Parkinson's disease till age 100.
- No medical underwriting required for children or parents of the life assured.

Notes and disclaimers:

Premium rates for GREAT Family Care and Parent Protect rider are not guaranteed, and may be adjusted based on future experience.

All ages specified refer to age next birthday.

Terms and conditions apply.

This advertisement has not been reviewed by the Monetary Authority of Singapore.

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