

Rationale for Foreign Workers Medical Insurance

1. What is the new policy requirement on medical insurance for Foreign Workers (FW), including Foreign Domestic Workers (FDWs)?

From 1 January 2008, employers will be required to purchase and maintain insurance for the medical expenses of their FWs. The requirement will apply to:

- All new and existing FWs on Work Permit (WP) or S Pass from 1 January 2008.
- All new FDWs, and existing FDWs when employers renew their Work Permits, from 1 January 2008.

The medical insurance coverage must be at least \$5,000 a year for each FW's inpatient care and day surgery. The requirement will be a Condition of Work Permits/S Pass.

2. Does the Ministry of Manpower (MOM) require employers to purchase and maintain insurance for the medical expenses of Employment Pass holders?

No. This requirement applies only to WP and S Pass holders. This is in line with the employers' existing responsibility for the upkeep and maintenance of their FWs, including the provision of medical treatment.

3. Why is MOM requiring employer-paid medical insurance for FWs (including FDWs)?

The Ministry of Health (MOH) will withdraw hospital subsidies for all foreigners, including FWs, from 1 January 2008. The medical insurance requirement will help employers manage the potentially high medical bills of their FWs.

4. Why is the minimum medical insurance coverage required for FWs set at \$5,000 for inpatient care and day surgery only?

The insurance coverage is set at a basic level, to keep premiums affordable. Based on statistics from MOH, \$5,000 will sufficiently cover 9 out of 10 hospital bills for FWs from all ward classes.

5. How is the medical insurance requirement for FWs different from the other employer-financed insurance requirements by MOM?

Under the Workmen's Compensation Act, employers are required to purchase Workmen's Compensation Insurance (WCI), to cover the medical costs and compensation for work-related injuries suffered by their workers. This applies to both local and foreign workers.

Employers of FDWs are required to purchase Personal Accident Insurance (PAI) for their worker. PAI insures against accidental death and permanent disablement. The minimum sum assured is \$10,000 and any compensation payable will be made to the FDW or her beneficiaries.

The medical insurance requirement serves a different purpose. It provides basic cover for the FWs' medical expenses, including hospital bills that may not be work-related.

6. Would the medical insurance for FWs result in duplication with the Workmen's Compensation Insurance in terms of insurance coverage?

Workmen's Compensation Insurance covers the medical costs for work-related injuries suffered by the worker. The medical insurance will help cover employers for medical expenses not claimable under the Workmen's Compensation Insurance.