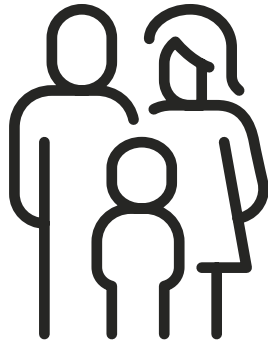




FINANCIAL
FORTRESS

What Insurance Should You Get For Your Child?



If you've just become a parent for the first time, you probably have a lot on your hands right now. Between early-morning feeds, irregular naptimes, diaper changes and the like, you're likely overwhelmed!

However, you do need to make time for something else as soon as possible: settling the matter of what insurance you need to get for your child.

Insurance may seem drastic, especially for babies or very young kids. But as you'll see here, this is the best time to get it.

We'll explain why in this article. We'll also help you figure out what insurance is best for your situation with the help of a template you can fill out and that will tell you what insurance you need.



Why Get It Now?

Let's answer this query first: why get insurance now, especially if your child is still only an infant?

Well, for one thing, insuring babies is actually easier than insuring adults, assuming the baby has no congenital problems or has not suffered any illnesses.

Why? Precisely because they likely haven't suffered illnesses yet!

It's similar to why it's always cheaper to get insurance in your 20s or 30s compared to getting it in your 40s or later.

The older you get, the likelier you are to have experienced major health issues or develop some ailment.



Most babies, in contrast, still have a clean bill of health. As they're lower-risk, they get lower premiums. They also get fewer exclusions.

And even if they do get an ailment of some sort later on (though we hope not!), the insurer will still have to abide by the original terms of the policy for as long as it lasts.

Now, that's just one aspect of it, of course.

The other is that as a parent, you should try to protect your child's future as soon as possible. Insurance is just another of the key tools you can use to do that.



What **Types of Insurance** Should You Get



Well, before we answer what types of insurance you *should* get your child, let's cover what types you *could* theoretically get first.

Broadly speaking, most parents want to provide the following things when it comes to their children: health, financial security, and a good education.

For the first, you can get your child health insurance.

For the second, you can invest in life insurance for yourself so your child isn't left penniless should something happen to you. This assumes you're a provider in the family, of course, and your child is your dependent.

For the third, you can get your child an educational endowment plan.

All of them are good to have, but not everyone can obviously afford all three at once.

Let's go over them quickly so you have an idea of which one you should prioritise.



Types of Health Insurance

There are several types of health insurance. Let's cover them, starting with the most common (and the one we recommend every parent gets, at least).



Integrated Shield Plan

An integrated shield plan or IP plan is basically a private insurance plan added to MediShield Life, which all Singaporeans get by default.

The IP strengthens the base coverage, helping plug the gaps in MediShield. For example, it can cover hospitalisation costs MediShield doesn't - and may even upgrade the policy-holder from a public to private hospital.



Critical Illness Plan

This will provide a payout if the child gets a critical illness.

Since it's a payout and not just coverage for hospitalisation or treatment, it can be used to help with other costs that may arise from a child getting a critical illness.

For example, if one parent has to stop working temporarily to care for the child, this can help you manage even with lower income.

Personal Accident Plan



This is a little similar to the previous option, but this covers you for accidents and sudden sickness in either of two ways.

It can grant you a single payout or multiple ones to cover expenses you may have incurred (or may incur) for treatment.

This is really useful for minor accidents that don't need your child to be hospitalised. Most of these plans also cover children for common infectious diseases.



Life Insurance

Life insurance basically pays out to the beneficiaries if the policy-holder passes away.

In this case, this is a policy you get for yourself. In spite of that, the people who can benefit from it are your children.

As mentioned earlier, this is because it's supposed to protect your dependents from the financial toll of one of their main providers passing away.

While it may be difficult to think of this, it still makes sense from a safety perspective.

The future's uncertainty means we should do all we can to provide for our children so they can weather the worst - even our absence.



Educational Endowment

This is basically a savings plan that pays out benefits for your child's university education.

These can be fairly hefty, though they're also a help when your little one reaches college. The average premium per year for these sits around SGD\$2,500, although there are variations.





Conclusion: Which Ones to Get?

Well, let's start with the basics.

As we noted earlier, the IP is probably the most important one to get now - especially given the benefits of getting health insurance plans for babies and the fact that healthcare costs are often the fastest wealth killers.

Get the other types of health insurance if you can afford them and see an urgent need, e.g. get critical illness insurance if you have a notable family history of cancer (cancer is considered a critical illness).

The same applies to life insurance: get it for yourself and list your child as a beneficiary if you think your child will suffer terribly (financially) in your absence.

Finally, get the educational endowment if you want added help for your child's future schooling.

Still not sure which of these to get? You can download our checklist and see which boxes you tick. Based on that, you can tell which plans you need or should prioritise.





You can also contact us and ask for personalised advice. Our financial advisors are more than capable of helping you with this matter, so don't hesitate to ask for assistance.

- Do you want added protection in case your child needs hospitalisation or treatment in the future?
- Do you have a family history of genetic diseases that are counted as critical illnesses, e.g. heart disease, cancer, or Parkinson's?
- Do you want coverage for alternative treatments?
- Do you want help defraying non-hospitalisation costs when your child is sick?
- Does your neighbourhood have occasional outbreaks of common infectious diseases like HFMD and dengue?
- Is your child prone to bumps, falls, or accidents?
- Is your child involved in any taxing physical hobby or extreme sport?
- Are you the main breadwinner? (And will your child suffer financially if you were unable to work?)
- Are you in a profession where your life is often at risk?
- Do you want another "savings account" for your child's uni fund?





If you answered yes to 1, you should think of an integrated shield plan for your child.



If you answered yes to 2 or 3, you should get your child critical illness insurance. Answering yes to more than one makes it more urgent.



If you answered yes to 4, 5, 6, or 7, you should get your child personal accident insurance. Answering yes to more than one makes it more urgent.



If you said yes to 8 or 9, you should get life insurance with income replacement or disability insurance. Answering yes to more than one makes it more urgent.



Finally, if you said yes to 10, you should consider getting your child an educational endowment plan.

Again, all of this is based on generalisations, it's important to note. There may be mitigating circumstances that make this guide more or less accurate for you.

Moreover, you may not have an idea of which insurance fits the bill given your needs.

In that case, reach out to us! We can put you in touch with financial advisors who can help you find the ideal insurance plans for your situation.

[CONTACT US](#)

