

CareShield Life

2025 Review Council Report



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Preface

Message from Chairperson, CareShield Life Council, to the Minister for Health

27 August 2025

Dear *Minister,*

On behalf of the CareShield Life Council, I am pleased to submit our recommendations arising from the CareShield Life 2025 review.

CareShield Life provides Singaporeans who cannot perform three or more Activities of Daily Living with lifelong protection for their long-term care needs. It is an integral part of how we provide Singaporeans with the assurance that long-term care will remain accessible and affordable.

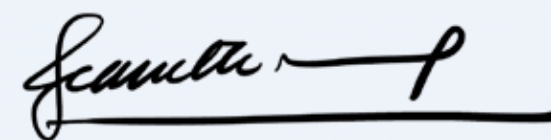
Earlier this year, the Council embarked on the first review of CareShield Life. In reviewing the scheme, the Council sought to ensure that the scheme remains a relevant source of support for Singaporeans in light of the evolving long-term care landscape and rising costs of long-term care. At the same time, the Council also recognised the need to ensure that premiums remain affordable for all.

Our recommendations in this review try to strike this delicate balance. The Council is confident that our recommendations, alongside existing long-term care subsidies and grants and impending enhancements that the Government will introduce next year, will better support Singaporeans in meeting their long-term care costs. The subsequent chapters of this report will elaborate on our recommendations.

In putting together these recommendations, I would like to express our appreciation to the Ministry of Health for entrusting us with this important review and for its support throughout the process.

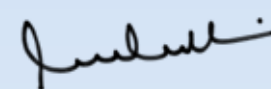
Most importantly, on behalf of my fellow Council members, I would like to thank those who came forward to share their diverse perspectives – as caregivers, care recipients, community leaders, healthcare professionals, and as fellow Singaporeans. Their views have helped shape the Council's recommendations in this report. This review would not have been possible without them.

Yours sincerely,



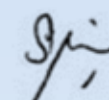
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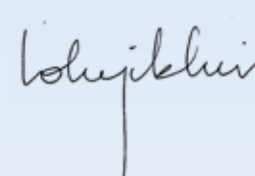
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Response from the Minister for Health to Chairperson, CareShield Life Council

27 August 2025

Dear *Jeannette*,

Thank you and your Council members for conducting this inaugural review of the CareShield Life scheme.

The review comes at an important time. By next year, Singapore will reach super-aged status with over one in five Singaporeans aged 65 and above. In an ageing population, more of us will need support for our Activities of Daily Living at a time when long-term care costs are also rising, following the global trend in rising healthcare costs.

Planning ahead, the Government therefore announced significant enhancements to long-term care subsidies and grants earlier this year. The Council's recommendations to enhance CareShield Life will complement these significant moves, to ensure that long-term care remains affordable for more Singaporeans.

The Government therefore accepts the Council's recommendations, in full.

The Council has highlighted that premiums will have to be adjusted, to support its proposed enhancements to CareShield Life payouts. To help Singaporeans shoulder the premium increase, the Government will provide an additional \$570 million in premium support over the next five years, up until the next review cycle. This will offset more than a third of the premium increase over the same period, and will ensure

CareShield Life premiums remain fully payable through MediSave. Premium subsidies and Additional Premium Support are also available for those with less means.

Looking ahead, the best way to manage long-term care costs is to delay or avoid it altogether. Through national initiatives like Healthier SG and Age Well SG, the Government is committed to helping Singaporeans stay healthy and independent for longer.

I look forward to continue to work with the Council to safeguard the well-being of senior Singaporeans.

Yours sincerely,



Ong Ye Kung
Minister for Health

Executive Summary

This report presents the recommendations of the CareShield Life Council following the first review of the CareShield Life scheme, five years since its launch in 2020. This review was initiated to ensure that the scheme is updated and remains effective in supporting Singaporeans who develop severe disability. Such individuals are likely to require long-term care. Under the CareShield Life scheme, they can benefit from cash payouts for as long as they remain in severe disability. Please see **Annex A** for the Terms of Reference of the Council.



Context for the Review of CareShield Life Scheme

Long-term care needs are uncertain, difficult to anticipate, and costly for individuals to fully provide for on their own. CareShield Life – our national long-term care insurance – allows us to pool resources and provide basic financial protection for long-term care needs for those among us who develop severe disability. Since its launch in 2020, around 1.9 million policyholders have enrolled in CareShield Life, including close to 800,000 Singapore Residents¹ who upgraded from the ElderShield scheme.

¹ Refers to Singapore Citizens and Permanent Residents of Singapore

The Council has been tasked by the Minister for Health to review the CareShield Life scheme to ensure that it continues to support Singaporeans in meeting long-term care needs. Over the course of the past few months, the Council engaged close to 300 members of public, stakeholders and experts. These engagements provided the Council with a better understanding of Singaporeans' views towards preparing for long-term care needs, both for themselves and their loved ones, and how the scheme could be refined to balance the needs of different policyholders. Based on the feedback, the Council has identified the following considerations to be important to Singaporeans.



First, CareShield Life payouts need to keep up with inflation.

Long-term care costs have been increasing at a rate that has outpaced general inflation and the current CareShield Life payout growth rate of 2%. The Government has recently announced significant enhancements to long-term care subsidies and grants. The Council believes that CareShield Life payouts should be enhanced in tandem to continue to play a meaningful role in defraying the cost of basic long-term care.



Second, CareShield Life should continue to be appropriately scoped so that premiums remain affordable.

The Council believes that CareShield Life, as a national scheme, should be designed to provide universal and basic long-term care support for Singaporeans. We should therefore strike a balance between better protection and premium affordability for all policyholders.



Third, the CareShield Life claims process can continue to be improved and made more claimant-friendly.

The Council recognises that the long-term care journey is stressful, involving emotional, physical and financial challenges for both the care recipient and caregiver. There is a need to ensure the processes for severe disability assessment and CareShield Life claims are streamlined and accessible, so that eligible policyholders and their loved ones can receive financial support in a timely manner.

Recommended Changes to CareShield Life Scheme

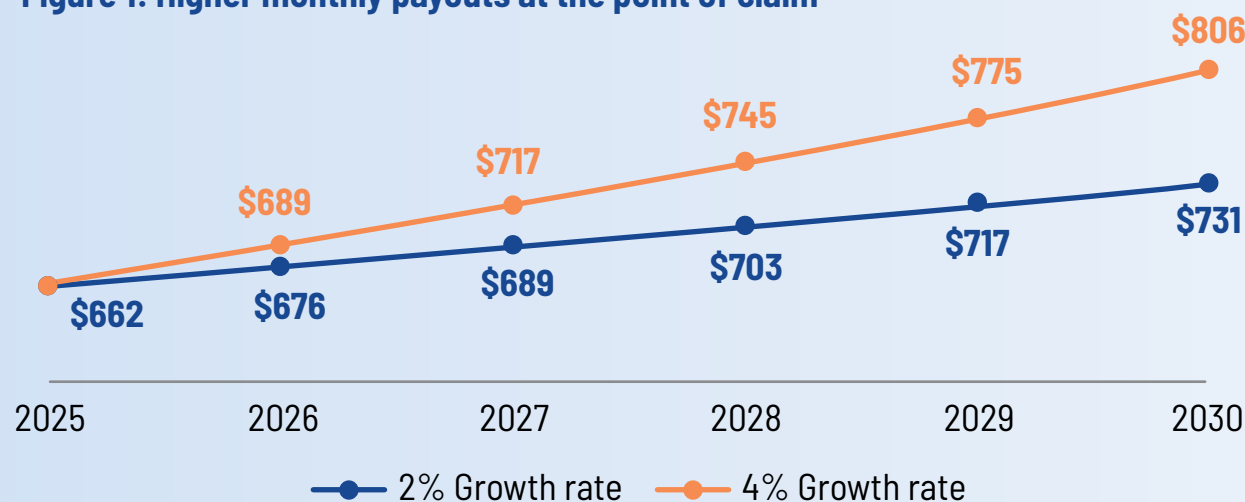
Based on the above considerations, the Council recommends the following:

First, double the payout growth rate from 2% to 4%.

From 2021 to 2025, the CareShield Life payout growth rate was set at 2% per annum. Once a claim is successfully made or the policyholder reaches age 67, the payout that a claimant receives at the point of claim will remain fixed for the rest of his claim period. To ensure that CareShield Life payouts continue to provide basic protection amid rising long-term care costs, the Council recommends increasing the payout growth rate to 4% per annum from 2026 to 2030. This increase in payouts becomes more significant over time. To illustrate, this means that those who make a claim in 2030 will receive higher monthly payouts of \$806 instead of \$731 under the current payout growth rate, an increase of \$900 a year (Figure 1).



Figure 1: Higher monthly payouts at the point of claim



Note: Once a claim is made, a beneficiary will receive the monthly payout value due at that age, which will remain constant for the rest of his claim period.

Second, maintain the current eligibility criteria for claiming CareShield Life payouts.

Today, one needs to be assessed to be of severe disability, defined here as being unable to perform three or more Activities of Daily Living (ADLs)², to successfully make a



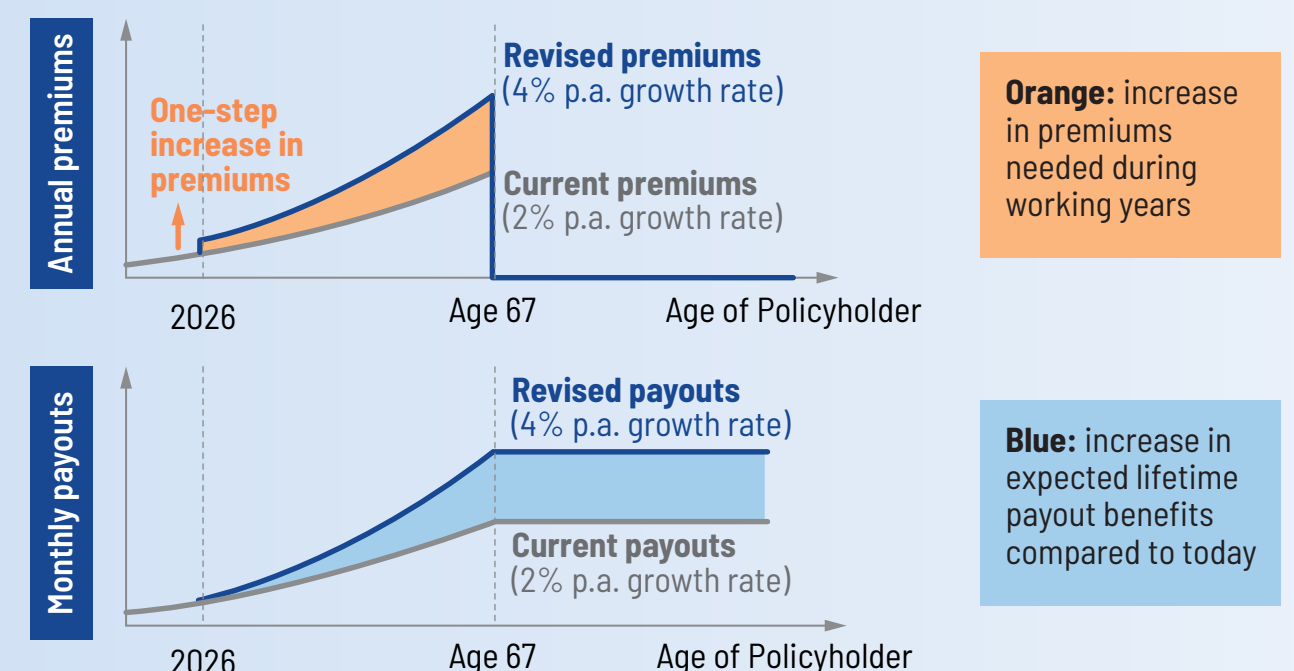
²The six ADLs refer to (i) feeding, (ii) washing, (iii) toileting, (iv) dressing, (v) mobility (walking or moving around), and (vi) transferring (e.g., from a bed to a chair).

CareShield Life claim. Being unable to perform three ADLs is not uncommon as one in two Singapore Residents is expected to develop severe disability at some point in their lifetime. The Council considered expanding the eligibility criteria to also allow those with less severe disability, such as an inability to perform two ADLs, to qualify for payouts. However, doing so would significantly increase CareShield Life premiums for all policyholders. Hence, on balance, the Council recommends maintaining the current claims criteria for CareShield Life. Those who wish to have additional coverage beyond the recommended enhancements to CareShield Life may purchase Supplements³ that are offered by private insurers.

Third, to support the higher payouts, Council recommends that premiums should correspondingly be adjusted, to keep the scheme sustainable.

However, steps must be taken to keep premiums affordable. Premiums are only collected over a limited duration, while the scheme continues to pay out for life as long as claimants are in severe disability. Hence, to support the increase in payout growth rate, there needs to be a one-step increase in premiums in 2026. This will be followed by premiums growing at 4% per annum subsequently (Figure 2).

Figure 2: Illustrative example of payouts and premium trajectory for CareShield Life policyholder



³ Private long-term care insurance that complements the national CareShield Life scheme by providing options for additional coverage and benefits.



To keep premiums for the older, optional cohorts more affordable, the Council also recommends that the adjustments to the underwriting criteria for older individuals proceed as planned. Today, CareShield Life is kept optional for older individuals (i.e. those born 1979 and earlier) as they may have already made other plans for their long-term care needs when CareShield Life was introduced. Those who wish to can nonetheless enrol in CareShield Life, as long as they do not have pre-existing severe disability. To be more facilitative for older individuals who wished to enrol in CareShield Life, underwriting was kept loose on a time-limited basis, and the Government also offered participation incentives to encourage enrolment.

Since then, the number of optional enrolment has dwindled. Monthly enrolment rates in the first half of 2025 have fallen by almost 90% compared to when the scheme was first launched for Optional Cohorts in 2021. Hence, the Council recommends that the underwriting criteria for these older individuals be adjusted, as earlier planned. With these adjustments, older individuals can only enrol in CareShield Life if they have no pre-existing disabilities. This will reduce adverse selection risks – where individuals enrol only after developing some disability. This adjustment will moderate the extent of premium increases for all older individuals and keep the scheme fair and sustainable.



With the recommended changes, younger cohorts will see larger increases in premiums given that they will benefit more from their payouts compounding over a longer period of time. Due to the adjustment of the underwriting criteria, older cohorts will see a smaller premium increase, with some even seeing lower premiums.

The Council recognises that the premium increases may pose affordability concerns for some policyholders. To mitigate these concerns, the Council is glad to note that the Government has accepted its recommendation to provide transitional support to cushion the impact of the premium increase. With the additional transitional support, annual premium increases from 2026 to 2030 will be moderated to about \$38 on average, and no more than \$75. The Council notes that premiums will continue to be fully payable via MediSave, which will minimise out-of-pocket payments for policyholders.

Four, further improve the disability assessment process and claims accessibility for policyholders and their caregivers.

In the Council's engagements, most Singaporeans appreciated that the disability assessment and claims process for CareShield Life was smooth and accessible. Some of them have shared valuable suggestions to further improve the claimants' experience and make the process more seamless. The Council welcomes such feedback and recommends that the Government explore further areas of improvement. These include exploring additional modes of disability assessment to better support claimants who are likely to face challenges with mobility issues, and streamlining applications for government disability schemes with similar assessment and eligibility criteria, to further reduce the administrative burden on caregivers.

Conclusion

The recommended changes will provide greater assurance to policyholders over their long-term care costs when in severe disability, while keeping premiums affordable for all. This will allow CareShield Life to continue being an integral part of how we assure Singaporeans that long-term care will remain accessible and affordable.



Background

How CareShield Life Supports Long-Term Care Needs

It is important to plan for long-term care

- We all aspire to live well and in good health even as we age. The CareShield Life Council acknowledges the efforts and initiatives by the Ministry of Health (MOH) to encourage everyone to take charge of their health and to lead active lifestyles. These include Healthier SG, which supports regular health screenings and preventive care plans, as well as Age Well SG, which improves the quality and range of care programmes for our seniors. These various initiatives support Singaporeans in taking charge of our own health, so that we can lead healthy, fulfilling lives in old age.
- Even as we all strive to lead healthy and active lives, some of us may still require support, at some point in our lives, to perform everyday tasks that we are able to do independently today. This can happen to anyone, regardless of age. Difficulties with managing everyday tasks could develop gradually, for example, when a chronic condition like diabetes worsens or an illness like dementia progresses. It could also strike when we least expect it, such as through a stroke or an accident.
- About one in two Singapore Residents could develop severe disability at some point in their lifetime⁴. Severe disability is defined as requiring maximal or total assistance with at least three out of the six ADLs.
- Those who need help performing their ADLs are also likely to require long-term care services, which support their personal or health needs.



⁴ MOH estimates based on local data and projections.

Figure 3: What are the Activities of Daily Living (ADLs)?

The six ADLs are feeding, dressing, washing, toileting, walking or moving around, and transferring (e.g. getting from bed to chair).



- Today, there are a variety of long-term care options that cater to different care needs, and individuals may transition between different options as their needs evolve.

- ▶ **Assisted living** options such as the Shared Stay-in Senior Care Services and Community Care Apartments are good options for those with lower care needs to be supported at home.
- ▶ **Community care** services help those with higher care needs and who have some family support to stay in familiar surroundings. For example, there are providers that offer day care and community rehabilitation services at various Senior Care Centres, and home care providers who visit their clients' homes to provide medical, nursing, and personal care services to meet their needs.
- ▶ **Institutional care** facilities such as nursing homes provide round-the-clock care in a residential facility, with comprehensive services including medical care, rehabilitation, and assistance with daily living needs. These services are suitable for those with more intensive care needs, beyond what can be provided at home or in the community, and have limited family support.





Some individuals may require minimal to moderate assistance with ADLs:

Mr S, a Pioneer Generation senior, started experiencing difficulties with performing ADLs after suffering a mild stroke in 2020, and subsequently developed dementia.

While he can perform some basic functions, he requires regular supervision and some assistance with his ADLs. He needs help with feeding due to poor food choices and confusion, assistance with toileting due to incontinence, and support with washing due to impaired motor coordination. His wife, Mrs S, serves as his primary caregiver in their one-bedroom HDB flat, managing his frequent wandering tendencies and ensuring his safety around the clock.

To support his care needs, Mr S attends a Dementia Day Care Centre on weekdays for structured activities and rehabilitation, while also participating in senior activities at a nearby Active Ageing Centre with his wife. He receives subsidies to offset his day care centre fees, and payouts from the Home Caregiving Grant and Pioneer Generation Disability Assistance Scheme for additional financial support.

This not only ensures Mr S receives appropriate care, but also provides crucial respite for Mrs S.

Other individuals may develop severe disability, which is defined here as the inability to perform three or more ADLs:

Mdm L is an elderly woman with multiple chronic conditions including dementia, high blood pressure, high cholesterol, diabetes, and a painful autoimmune skin condition that causes blisters and broken skin. Due to these conditions, she experienced a gradual decline in her ability to perform daily activities.

While she was initially able to move around with walking aids under supervision, her condition has deteriorated significantly. She now requires total assistance with most ADLs including walking (she relies on a wheelchair for mobility), transferring from bed to chair, dressing, as well as toileting and washing due to her skin condition. The complexity of her medical conditions and care needs led her daughter to make the difficult decision to arrange for institutional care.

Mdm L now receives round-the-clock professional support in a nursing home, equipped with specialised facilities for her care requirements. Her daughter remains actively involved in her care journey, providing emotional support through regular visits and engaging her in familiar activities like bringing her favourite foods, magazines, and music. This caregiving arrangement ensures Mdm L receives appropriate medical and daily care in a safe environment, while allowing her daughter to maintain work-life balance.



- Long-term care costs can add up over time. It is also difficult to anticipate when we will require long-term care, how much care we will need and for how long. Among those who develop severe disability, half would stay in severe disability for at least four to five years. In addition, three in 10 could remain in severe disability for 10 years or more. Hence, it is important that we plan early, and plan well for our own and our loved ones' possible long-term care needs.

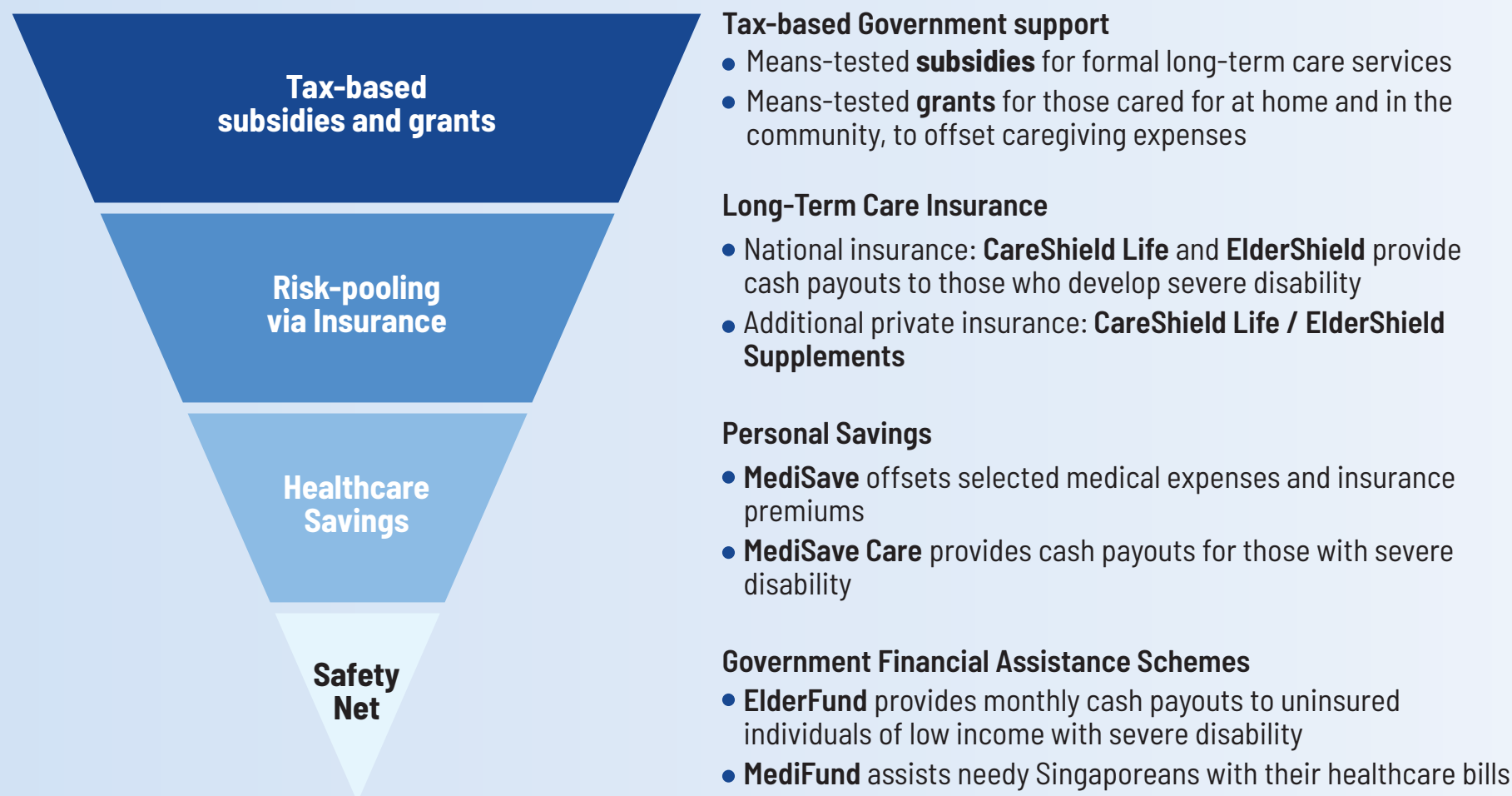
Long-term care can be financed in various ways, including insurance

- Today, Singaporeans who require long-term care are supported through various financing schemes, such as broad-based Government subsidies and grants. Those in severe disability can tap on their MediSave to offset their long-term care costs. Needy individuals can also rely on safety nets such as MediFund to further offset their long-term care expenses. Details in **Annex B**.

- Risk-pooling through pre-funded insurance is an important part of our long-term care financing framework. With pre-funding, policyholders in each generation individually contribute premiums when they are younger and working, which are pooled towards supporting cash payouts for those who eventually need support in the event of severe disability. This is unlike subsidies and grants that are funded by the tax contributions of the current working population to support current care needs. Pre-funded insurance, which is designed for each generation to support its own needs, is more sustainable with Singapore's ageing population, as the old age dependency ratio increases. By 2030, around one in four Singaporeans will be aged 65 and above, up from one in 10 in 2010⁵.

⁵Source: Department of Statistics. Population in Brief 2024.

Figure 4: Singapore's long-term care financing framework



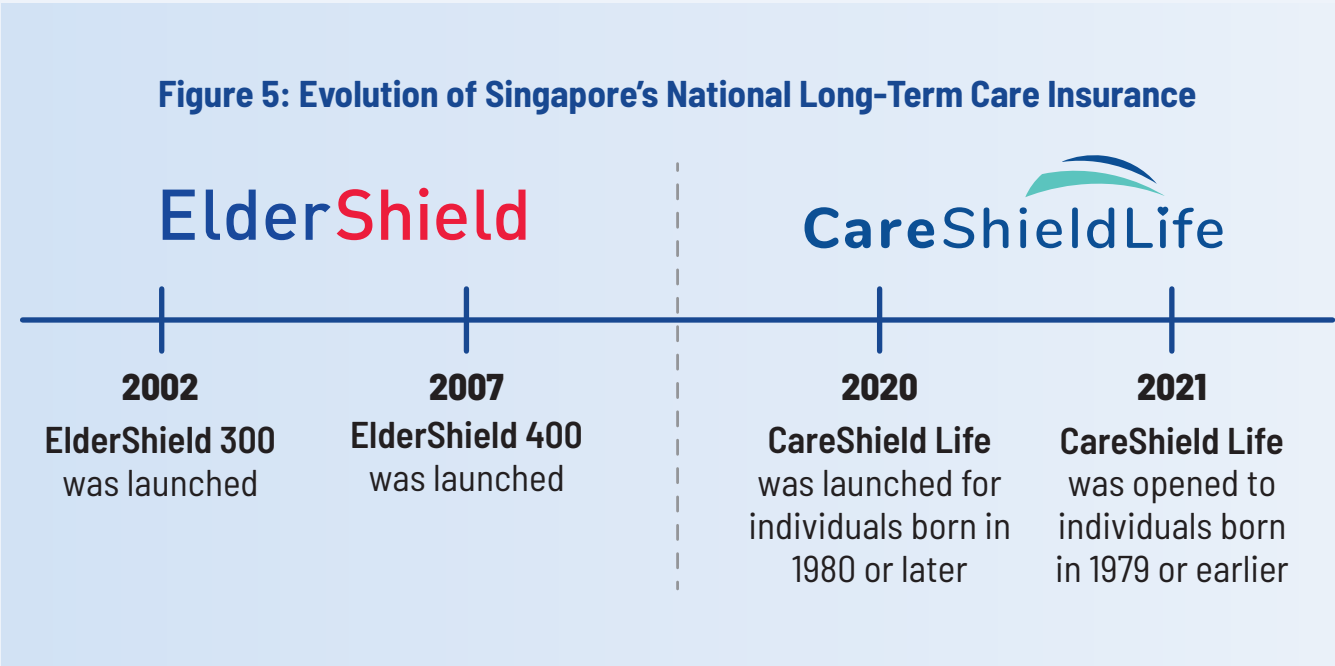
Greater Government Support

Enhancements to subsidies and grants to support long-term care costs and improve affordability. From 2026:

- Subsidies for long term care services will increase, with additional cohort-based subsidies for Singaporeans born in or before 1969. Income eligibility criteria will similarly increase. With these enhancements, the maximum subsidy will increase to 80% for residential long-term care, and 95% for community care.
- The Home Caregiving Grant monthly payout will be raised from up to \$400 to up to \$600, to better support more caregivers with loved ones who permanently need some assistance with at least three out of the six ADLs. The income eligibility threshold will also be raised from \$3,600 to \$4,800 to allow more caregivers and their loved ones to benefit.
- More Singaporeans will also be able to benefit from the move to raise the income eligibility threshold for Seniors' Mobility and Enabling Fund and Assistive Technology Fund from \$2,600 to \$4,800.

CareShield Life scheme today

Our first national long-term care insurance scheme was ElderShield, launched in 2002. ElderShield offered fixed payouts over shorter payout durations to provide some relief to policyholders with severe disability. This scheme was reviewed by the ElderShield Review Committee in 2018, which identified opportunities to strengthen the design of ElderShield to better support those with severe disability. Their review culminated in the introduction of CareShield Life in 2020, to provide greater assurance over basic financial protection for as long as one has severe disability.



Key Principles of CareShield Life

Universal coverage for all born in 1980 or later

- All Singapore Citizens and Permanent Residents born in 1980 or later are covered by CareShield Life from age 30, regardless of pre-existing disability or medical conditions. This is intended to promote inclusivity and collective responsibility, and provide assurance to all Singaporeans, especially those from lower-income families.

“It is good that the Government requires us to have insurance coverage, as some may not plan for their future healthcare costs.”

- Participation in CareShield Life is optional for those born in 1979 or earlier, as older Singaporeans may have already made arrangements for their care needs. Those who wish to can nonetheless enrol in CareShield Life, as long as they do not have pre-existing severe disability. To be more facilitative for older individuals who wished to enrol in CareShield Life, underwriting was kept loose on a time-limited basis. This was complemented with Government-funded participation incentives to encourage their enrolment.

“In my opinion, it’s a very good scheme because it supports people who have disabilities, and the age of people getting disabilities is actually getting younger.”

Protection against severe disability

- Alongside subsidies, grants and personal savings, CareShield Life offers basic support for long-term care costs for as long as an individual remains in severe disability. The payouts are in the form of cash to allow for greater flexibility in deciding one’s preferred care arrangement.

Collective responsibility through risk-pooling

- Long-term care needs are unpredictable. As an insurance scheme which pools risks, CareShield Life collects annual premiums from policyholders during their working years and provides regular payouts to those among them who eventually develop severe disability.

Affordable premiums for policyholders

- As CareShield Life’s coverage is focused on severe disability, its premiums are likely to be lower compared to products which offer coverage for mild or moderate disability.
- CareShield Life premiums can be fully paid by MediSave. To keep premiums affordable, means-tested premium subsidies of up to 30% are available for policyholders from lower- to middle-income households. Additional Premium Support is also available for those who still face genuine difficulties in paying premiums even after premium subsidies and family support. No one will lose CareShield Life coverage due to an inability to pay premiums.

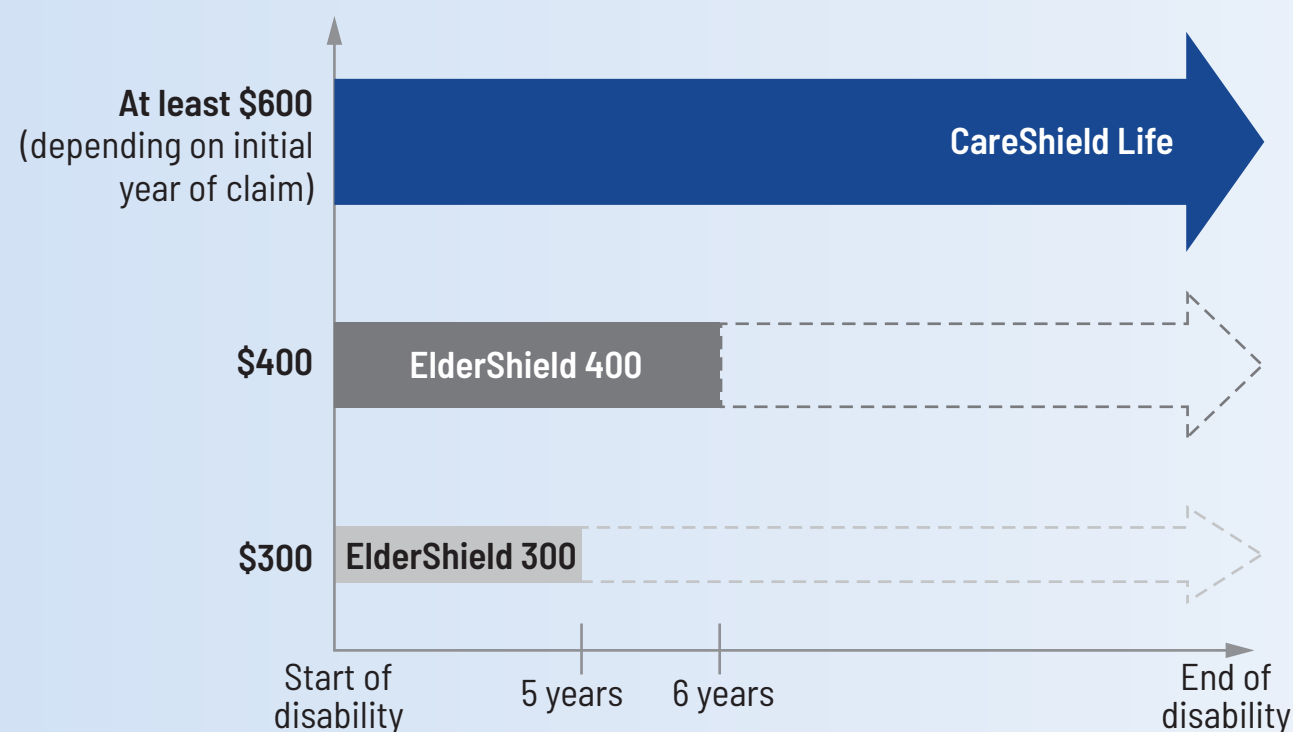
Key Design Features of CareShield Life

Benefit features

- CareShield Life provides basic support in the event of severe disability. Unlike ElderShield 300 and ElderShield 400, which provide coverage of \$300/month for up to five years and \$400/month for up to six years respectively, CareShield Life payouts started at \$600/month in 2020 and currently grow by 2% annually. The payout amount is designed to increase every year at this rate until a claim is made or upon the policyholder reaching 67, whichever is earlier.
- Once a claim is triggered, claimants will receive payouts for as long as they remain in severe disability, with the payout amount remaining the same for the rest of the claim period as when the payout was first triggered. In 2025, the CareShield Life monthly payout is \$662.

Figure 6: Difference between CareShield Life and ElderShield

Payouts under CareShield Life are for life and at higher quantum, compared to payouts under the ElderShield scheme which are capped at 6 years and \$400.



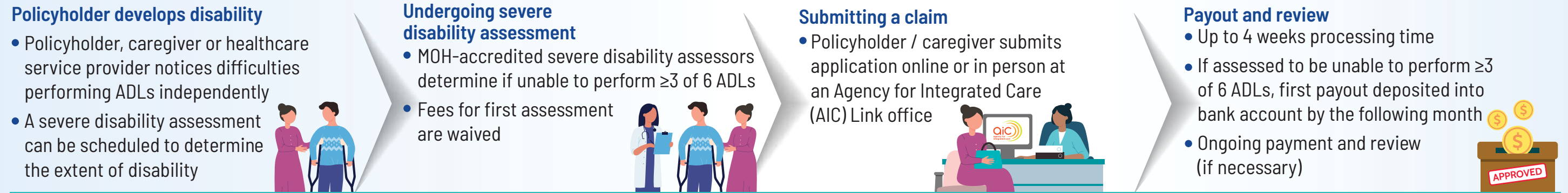
"I was on ElderShield at that time. But unfortunately, ElderShield payouts are not for life. In my case, if something happens, I will receive \$300 a month for five years. So to me, **upgrading to CareShield Life** was an easy decision, because the premiums are not much higher, but the payouts are doubled. It's \$600 plus versus \$300, and the amount increases by 2% every year. The main thing is that **it covers you for life**. And you can use MediSave for the premium payment."

Premium features

- CareShield Life premiums are pre-funded and collected during one's working years, from ages 30 to 67. Premiums are pooled by birth cohort to support that cohort's current and future expected claims. This minimises inter-generational transfers.
- For individuals who join the scheme at a later age, such as some individuals from the Optional Cohorts, they pay their premiums over a minimum period of 10 years, or until age 67, whichever is later. Premiums are waived once a successful claim is made.

Current disability assessment and claims process

Figure 7: Disability assessment and claims process



1 Policyholder develops disability

- When a policyholder or their loved one needs help with daily activities, he or she can speak to service providers in our healthcare system (e.g. public health institutions) to start assessing their eligibility for CareShield Life claims.
- Our providers also proactively reach out to such patients to inform them of the support available to them and to help them schedule a severe disability assessment.

2 Undergoing severe disability assessment

- There are more than 700 MOH-accredited severe disability assessors islandwide who are trained to assess whether a policyholder is unable to perform three or more of the six ADLs.
- The assessments can be done in the policyholder's own home or at the assessor's place of practice (e.g. clinic).
 - More General Practitioners (GPs), as well as therapists and nurses are being trained to expand the pool of assessors and improve access to the disability assessment. For instance, every public hospital now has in-house assessors. This allows patients to conveniently arrange for assessments where they already receive care.
- The assessment fees for a policyholder's first disability assessment for CareShield Life claims are waived, regardless of outcome – the policyholder does not need to pay.

3 Submitting a claim, payout and review

- After completing their severe disability assessment, the policyholders or caregivers can submit their claim application online via <https://efinance.aic.sg/> or in person at any AIC Link offices located in hospitals.
- If the policyholder is assessed to be unable to perform three or more ADLs, the first payout will be paid into claimant's nominated bank account by the following month. This process usually takes up to four weeks.

"It is a very easy process. There's a pre-approved list of service providers that we can call. The staff process all the paperwork, and it's very easy for the patient."

How are physical impairments and/or cognitive impairments (e.g. dementia) considered in the disability assessment for CareShield Life payouts?

The current severe disability assessment framework considers how both physical and cognitive impairments affect a person's ability to independently perform ADLs.

Even if an individual is not physically impaired, assessors are trained to also look out for cognitive impairments that

might affect one's ability to independently perform an ADL. Individuals with cognitive impairments may have difficulty with understanding, memory, problem solving, or safety awareness, which can affect their ability to perform ADLs.

For example, persons with severe dementia may be

physically capable of completing the various ADLs, but are unable to perform them due to cognitive impairments. Such individuals can qualify for CareShield Life payouts if their cognitive impairments result in the inability to perform three or more ADLs.



1

Severe disability can happen to anyone

Mr T is a young man in his 30s leading an active life. One day, he suddenly experienced a stroke and was unable to lift his left limbs. He was admitted into Tan Tock Seng Hospital. Nearing the end of his hospitalisation stay, his wife arranged a severe disability assessment with one of the assessors stationed at the hospital, and he was assessed to be in severe disability.

"I called them and they told me that they could come down to assess even when he was hospitalised. So they came down and the claim was processed quite quickly."



The CareShield Life application was then processed shortly, and he now receives monthly CareShield Life payouts of \$649. On top of CareShield Life, the family has also been receiving \$250 monthly from the Home Caregiving Grant.

"The CareShield Life payouts have been helpful to a certain extent. Currently, we receive \$649 monthly from CareShield Life and we use it for our daily expenses. Of course, given Singapore's cost of living, this only offsets a portion of the cost, but we are still grateful that we are able to benefit from the scheme. Every bit counts."

Mr T's family shared that they are grateful for the mandatory enrolment into CareShield Life upon age 30 for those born in 1980 and after, which has provided them with basic financial support to cope with the costs of Mr T's care.

"We are grateful that we were enrolled into the scheme, because who would have expected that this would happen to him at age 36."

2

Universal coverage supports young Singaporeans for life

Mr J, 33, was born with cerebral palsy. Due to his condition, he requires a wheelchair to move around and is unable to perform multiple ADLs. His mother and primary caregiver, Mdm S, 68, learnt about his eligibility for CareShield Life through Tan Tock Seng Hospital.

"The application for CareShield Life was seamless, as the staff at the Tan Tock Seng Hospital's AIC Link and AIC HQ guided me clearly through each step."

The application was promptly approved, and the family has been receiving monthly payouts of \$600 effectively since 2020. On top of CareShield Life, Mr J has also been receiving \$400 monthly from the Home Caregiving Grant. For Mdm S, who is also caring for another son with epilepsy, these payouts provide crucial financial support for Mr J's ongoing care needs.

"These grants and subsidies are helpful in offsetting the cost of medical care for my son, as well as his living expenses."

What gives Mdm S particular reassurance is knowing that the payouts for her son will be for life. She said: "After I am gone, at least there will still be this money for his care."



3 Protection when it matters the most

At his sister-in-law's encouragement, Mr C, 84, decided to opt in to CareShield Life with his wife in November 2023, with their premiums paid through MediSave. This decision proved timely when he subsequently developed severe disability due to Parkinson's Disease, which led to him requiring significant assistance with his daily activities like washing, transferring, mobility, and toileting.

"Both of us were not on any scheme. We decided to join CareShield Life as we felt that we were of age and are still able to afford to pay. The premiums were paid by MediSave."

His CareShield Life claim was successfully approved in March 2025, and the monthly payouts of \$612 have helped the elderly couple manage his care expenses.

"The payouts have been extremely helpful. They are used to pay for [my husband's] regular medicines, mobility assistive devices and therapy sessions."

Mrs C particularly appreciates the support received during the application process.

"I appreciate AIC's support very much in helping with the application. I would definitely encourage all those who can to join CareShield Life."



4 A son's journey in caring for both parents

Mr A, 36, is a caregiver to his parents, both of whom receive support from a number of long-term care schemes.

Knowing the significant costs of caregiving, Mr A enrolled his father in CareShield Life in July 2023.

"My dad was previously on ElderShield. We decided to enrol my dad on CareShield Life back then because MOH was running a campaign to attract more elderly to sign up for the scheme. We thought it was worth converting and hence decided to opt in for him."

As his father's dementia progressed, Mr A sought AIC's help in June 2025 to arrange for a disability assessment and submitted a CareShield Life claim. The claim application was approved in July 2025.

"My dad's dementia has impaired his cognitive abilities. Though his disability isn't physical and so may not be as pronounced, he still requires assistance with his ADLs, such as dressing, as he has difficulties figuring certain things out."

Besides CareShield Life, Mr A's father receives the Home Caregiving Grant and benefits from the Migrant Domestic Worker Levy Concession. For his mother, who also has severe disability, the family has been receiving ElderShield payouts and the Home Caregiving Grant.

Mr A is appreciative of the support available to meet the long-term care needs of his family.

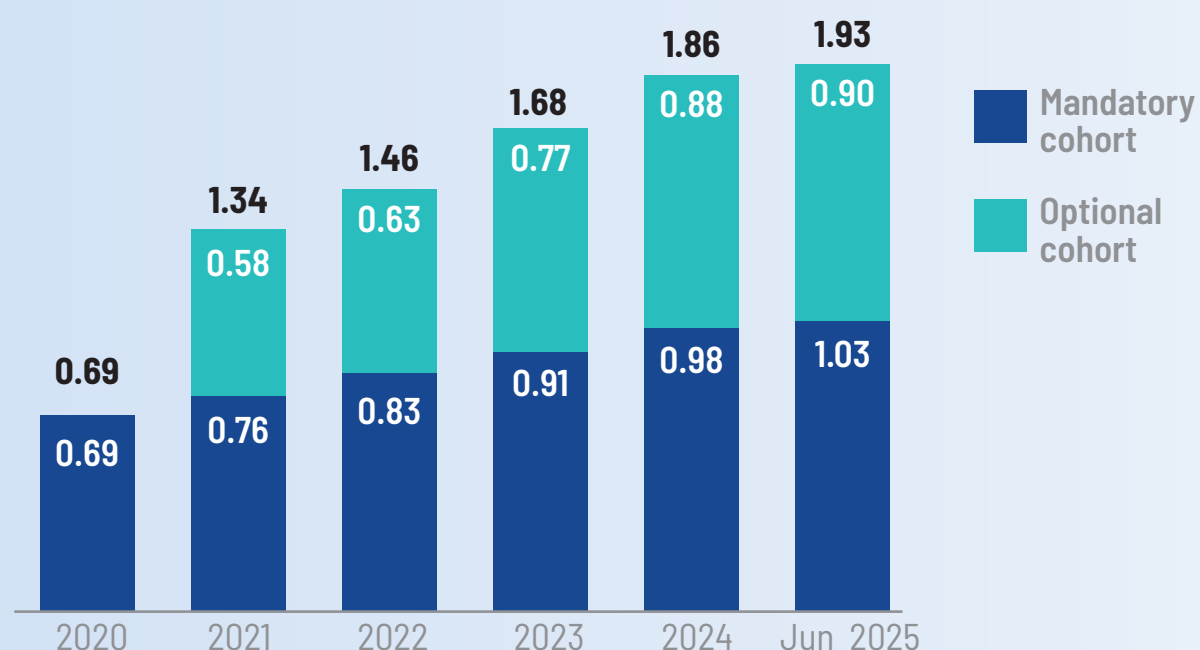


CareShield Life over the last five years

Enrolment

- Since CareShield Life's launch in October 2020, many Singapore Residents have joined the scheme, with around 1.9 million Singapore Residents enrolled to date. More older Singaporeans have enrolled in recent years as they became aware of the importance of planning for their long-term care needs, as well as the value of having long-term care disability insurance for basic financial protection against long-term care costs.

Figure 8: Number of CareShield Life policyholders over the years (in Millions)



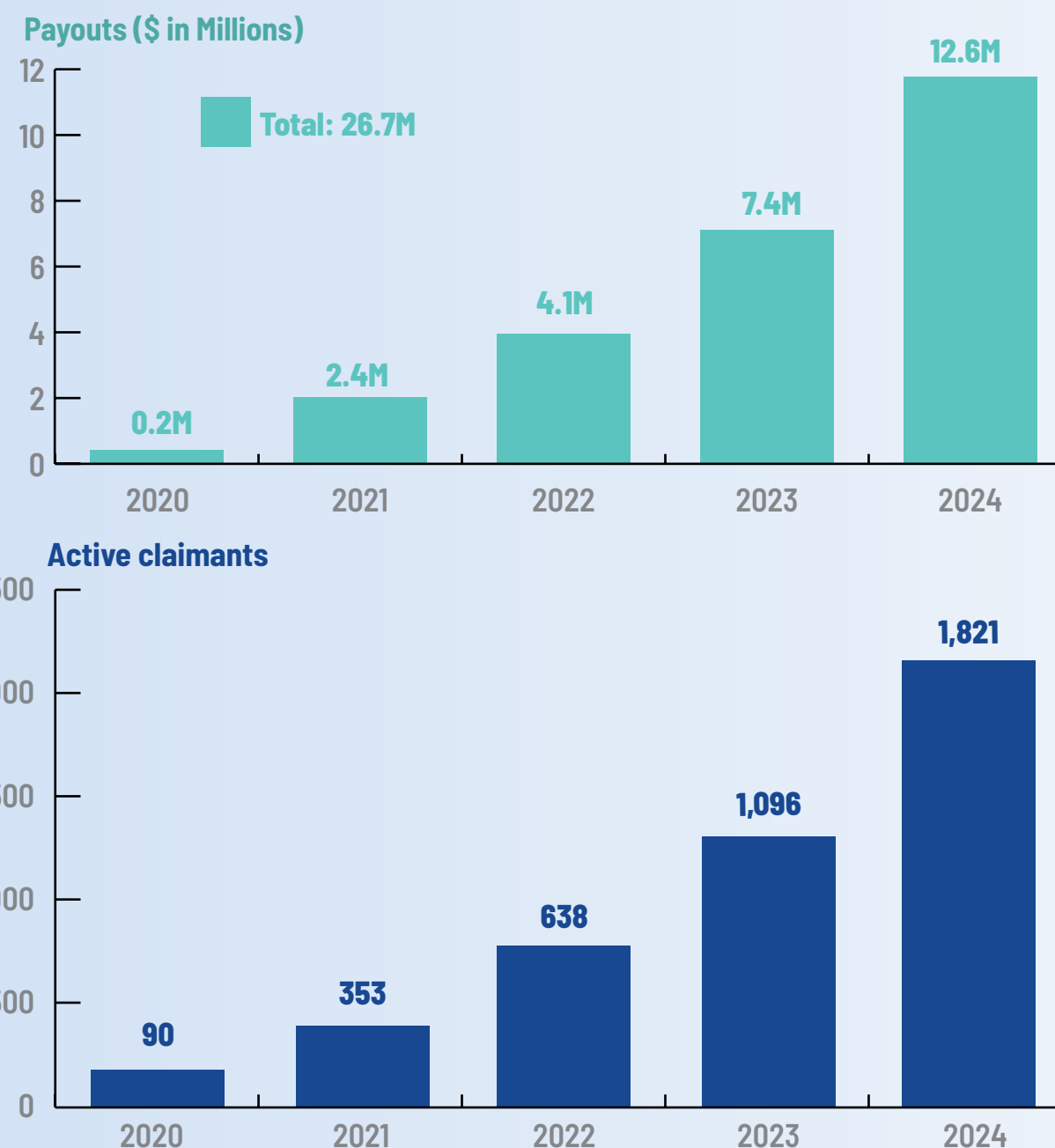
CareShield Life and ElderShield Insurance Fund

- As CareShield Life is a not-for-profit health insurance scheme, its premiums are priced to ensure fairness and accuracy with no margin for profit.
- CareShield Life operates on a pre-funding model where premiums are collected during policyholders' working years, to set aside and build sufficient financial resources for current and future liabilities. This approach ensures CareShield Life remains sustainable to provide lifelong coverage while keeping premiums affordable. Premiums collected in the CareShield Life and ElderShield Insurance

Fund are used solely for the benefit of policyholders and to cover the administrative cost of the scheme. The Government does not profit from the scheme.

- As many of the CareShield Life policyholders today are young, the total number of claimants is small as a proportion of the policyholder base. As of end 2024, CareShield Life had disbursed a total of \$26.7 million in payouts. The remaining amounts continue to be set aside in the Fund to meet future expected claims as policyholders age.

Figure 9: More Singaporeans have benefitted from CareShield Life payouts over the years



Impetus for Review

Long-term care costs have been rising. Evolving care needs of the population, and inflation, driven by technology and manpower costs, means that the costs associated with delivering long-term care are increasing quickly. Taken together, this may mean that more Singaporeans will face greater challenges in managing and financing long-term care for severe disability, both for themselves and their loved ones.

Improvements to long-term care services and delivery

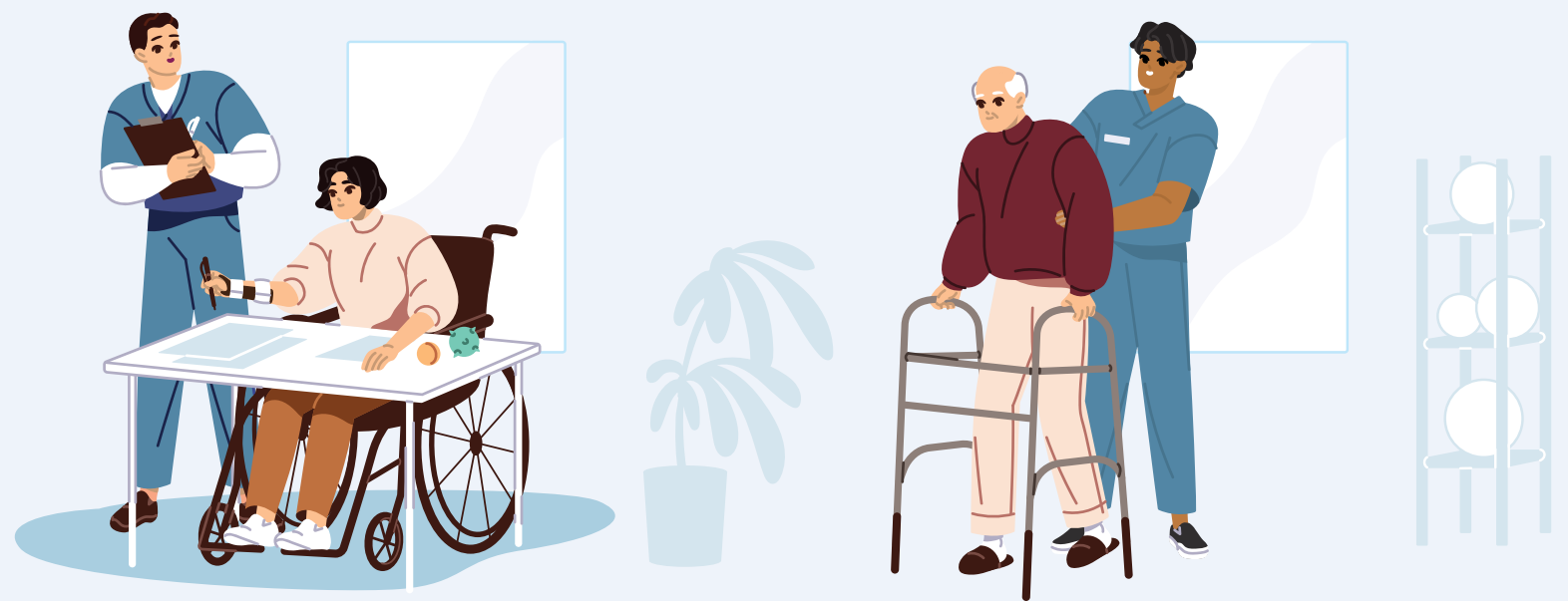
- The Council welcomes recent enhancements by the Government to the various long-term care services and programmes in response to evolving care needs and preferences. Long-term care needs vary significantly – from minimal assistance with daily activities, to higher intensity of care for those with severe disabilities, to specialised services such as dementia care. As more Singaporeans prefer to age in place, the Government has expanded community-based care options.
 - ▶ For example, in 2024, MOH announced that it would roll out Enhanced Home Personal Care or HPC+ island-wide by end-2025. HPC+ will introduce features such as round-the-clock technology-enabled monitoring and responses for falls and incidents. Such services cater to individuals who prefer to stay at home but require constant care monitoring.
- These enhancements will allow more individuals to receive long-term care within their familiar home setting, with peace of mind for themselves, as well as their caregivers and loved ones.



Rising costs of care

- These enhanced care services are better able to meet the needs of long-term care recipients. However, they also require more manpower or better but costlier technology to implement. This, coupled with rising healthcare manpower costs – a phenomenon across the world amid global competition for healthcare workers – have led to rising long-term care costs.
 - ▶ For nursing homes, in 2018, monthly fees were approximately \$2,400 before Government subsidies. It has now increased to \$4,900.
- The Council recognises that the Government and long-term care providers have embarked on steps to moderate costs. These include initiatives to:
 - ▶ Adopt health technology solutions, such as remote monitoring of clients' vital signs. This frees up our healthcare workers to focus on delivering care to clients.
 - ▶ Automate care services and case management system to reduce the administrative load on healthcare workers and resources.
- Initiatives like these enable providers to deliver care more efficiently, without compromising on care outcomes.
- While these moves will help to moderate costs, rising long-term care bills have led to some affordability concerns.

It is against this backdrop that the Council commenced its review of CareShield Life, to ensure that it remains a relevant and meaningful source of support to Singaporeans.



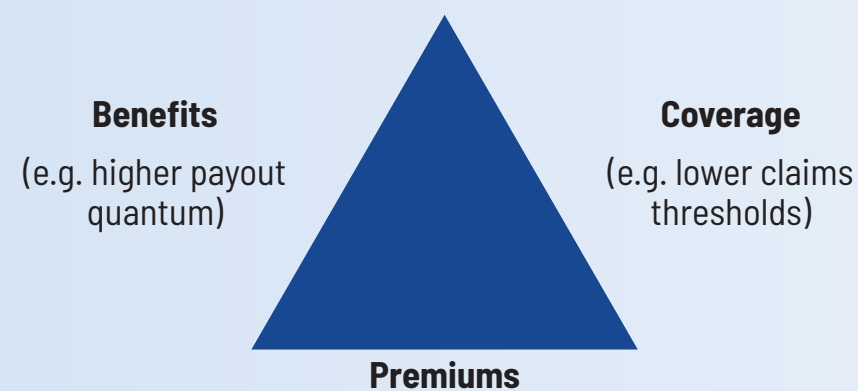
Feedback from Public

The Council sought to understand how Singaporeans envision CareShield Life could support their long-term care needs, and what they valued most in a national long-term care insurance scheme. To gather these insights, the Council engaged close to 300 Singaporeans. Fourteen focus group discussions were conducted between December 2024 and July 2025, bringing together stakeholders across diverse age groups and backgrounds. These included healthcare professionals, social service practitioners, caregivers, patient advocates, members of self-help groups, union representatives, and youth leaders.

General Insights

Through the engagements, the Council found that Singaporeans broadly recognised the inherent trade-offs in designing a national long-term care insurance scheme. When asked about their preferences for different scheme enhancements, participants acknowledged that any enhancements to disability coverage and payout growth would need to be supported by premium increases to ensure overall scheme sustainability. Most participants favoured an approach that prioritised premium affordability for the broad base of Singaporeans over significant coverage enhancements. They recognised that CareShield Life was designed to provide basic financial protection, and those who wished to have higher coverage could purchase supplementary private coverage on their own.

Figure 10: Trade-offs between benefits, scope of coverage, and premium pricing



The higher the benefit we want to get, or the greater the coverage, **the more resources we would need to pool** to ensure that the scheme stays sustainable.



While participants acknowledged the importance of long-term care planning, many also expressed concerns over their ability to afford care for themselves and their loved ones. This was particularly salient among older Singaporeans who were either planning for their own care needs or already serving as caregivers. In contrast, long-term care was not top-of-mind for younger Singaporeans, who tended to focus on more immediate-term priorities or other more salient healthcare needs.

"Hospitalisation coverage will typically be required first, as that will come before any disability, as chronic diseases and cancer rates are rising. **Long-term care appears less important** as you are less likely to become disabled, unless you have an accident."



However, having had the opportunity to better understand possible long-term care needs through the focus group discussions, younger participants also came to express the view that it was important to plan early. They recognised that early planning provided a longer runway to accumulate savings and benefit from interest compounding.

To this end, some participants said that it was important for CareShield Life to act as a basic layer of support for all Singaporeans. As Singaporeans may not proactively start planning at an early age, CareShield Life can provide all Singaporeans with peace-of-mind that they have basic protection to rely on.

"When I was younger, I didn't put this as a priority. So now that I am in my forties, **I need to start planning, like what kind of healthcare environment I want to be in when I am old.**"



Through the focus group discussions, participants also highlighted several key areas which they felt were important for the Council to consider for this review. These key areas of feedback are detailed in the following subsections.

Changes in CareShield Life Payouts and Payout Criteria

Participants suggested a number of possible enhancements to CareShield Life. These fell mainly into two broad areas:

Payout Levels. First, most participants recognised that CareShield Life payouts needed to better keep pace with rising long-term care costs, to complement other long-term care financing enhancements rolled out by the Government. Some also suggested that payouts continue to grow after age 67 or after claims are made, to better preserve the real value of payouts over time, including at older ages.

Payout Criteria. Second, participants discussed whether the payout criteria should be lowered so that CareShield Life payouts could kick in for those with moderate or mild disability. Some participants were of the view that doing so was important as those at milder stages of disability would also incur some long-term care costs. However, participants also recognised that lowering the payout criteria would result in higher premiums, which not every Singaporean might be able to afford.



"After 67 or a claim, I will get the same payout, so this decreases real purchasing power, because inflation is not catered for."

"As a citizen, I'm hearing that long-term care costs will continue to grow with our ageing population. I would **feel more assured if the payout growth rate doesn't just stick with the same 2%**. So 4% in that context gives some assurance that there is a bit more help. I wouldn't go with 6% because ultimately, I understand this is still a basic scheme."



While most participants agreed that a combination of increasing payouts and loosening the payout criteria to better support those with moderate and mild disability was ideal, they recognised that doing so would have significant impact on premium affordability, especially for the older cohorts who have a shorter premium payment runway. Having considered the trade-offs holistically, there was consensus that benefit enhancements should not result in unaffordable premiums for a large group of Singaporeans, and that CareShield Life payout enhancements should be prioritised. This would ensure that CareShield Life continued to provide relevant and meaningful financial support to defray long-term care costs for severe disability.

The Council also noted that most participants acknowledged that CareShield Life would not be able to meet all their individual preferences. All participants agreed that it would not be appropriate to apply their preferences across the board for all Singaporeans. Instead, they shared that those who wish for greater benefits, such as coverage for less severe levels of disability, could choose to supplement their CareShield Life coverage with private insurance.

"I think **premium affordability is important**. Because you have to apply the enhancements to everybody."



"The coverage under this national insurance is for all Singaporeans, so it **should provide basic cover**. So there's no point making the national scheme an expensive one."

"One thing is that you **should not expect it to cover everything**. That is where private supplement comes in, where it depends on a person's individual risk preference."



Premium affordability and using MediSave to fully pay for premiums

Many participants appreciated that there were means-tested premium subsidies provided to support the lower- and middle-income households with their premiums. They were also heartened that additional premium support was available to those who faced greater financial difficulties and required help with their premiums.

All participants also agreed that being able to tap on MediSave to fully pay for their premiums was reassuring, as this minimised the need for policyholders to fork out additional cash out-of-pocket to pay for their coverage. However, some participants noted that Singaporeans with low or irregular income may not have sufficient MediSave balances to cover the increased premiums. Given these concerns, participants suggested that the Government consider leaning in with further support, especially for Singaporeans with lower income, should premiums increase.

"I think right now the **premiums are** for me personally, **still manageable and the deduction is from our MediSave.**"

"I think whatever that is in MediSave could pay for this. But you are talking about middle income. You have to carefully **consider some of the low-income groups**, freelancers, and self-employed, they don't have CPF contribution."

Disability Assessment Process

Some claimants and their caregivers shared their positive experiences navigating the disability assessment process, with many commending the ease and promptness in arranging for disability assessments. Specific communities, such as those with muscular dystrophy, also reported positive experiences with assessors who understood their conditions well.

Those with mobility challenges who previously had to travel to clinics for their assessments welcomed the introduction of home-based assessments.

Claimants and caregivers were also grateful that first-time disability assessment fees for CareShield Life claims were waived, regardless of claim outcome. They felt that this has made the process more financially accessible, particularly for lower-income households who might otherwise hesitate to initiate assessment.

The Council notes that not many participants were aware that cognitive impairments, such as those arising from severe dementia, were considered in assessing one's ability to perform ADLs. Participants felt that more could be done to assure caregivers that cognitive impairments were considered when assessing one's ability to perform ADLs.

Some participants expressed appreciation for the suite of financing schemes that are in place to support those with long-term care needs. However, some also highlighted that a number of potential claimants and their caregivers were unaware of the schemes that they could apply or qualify for, and urged the Government to consider ways to raise awareness or further streamline access to eligible schemes for potential claimants.

"My experience was that it was **quite quick and simple**. If you are at the hospital, you can even tell the doctor to do the assessment. If you're not at a hospital and have some mobility issue, you go to the GP, and once the GP assessed that you meet the criteria, then you can claim."

"As my dad has dementia, he was very hesitant to visit a place which he is unfamiliar with. It would be helpful if the **list of assessors could be expanded** to include more family doctors or we could get the doctor to head down to our place instead, as a familiar environment could help him calm down."

"Those with advanced dementia, they are mobile, but they still need help with washroom and daily activities. **If their condition affects their ability, are they considered to require long-term care and can they qualify?** I mean, they look physically, still very mobile, but they need a long-term helper to actually help them with clothing, bathing. So how do you do the assessment?"

"Some patients with Parkinson's disease are forced to live on their own due to the lack of a caregiver. It is not clear if this leads the assessors to think the patient can perform the ADLs independently and cause him to become ineligible for various financial schemes."

Recommendations

After taking into consideration Singapore's evolving long-term care landscape, as well as what Singaporeans valued most from a national long-term care insurance scheme, the Council makes the following recommendations.

Enhancing Benefits for Better Protection

Recommendation 1: Double payout growth rate from 2% p.a. to 4% p.a. to ensure that CareShield Life payouts can meaningfully cushion rising long-term care costs.

Long-term care costs have been growing more quickly than general inflation and the current CareShield Life payout growth rate of 2%. If left unadjusted, CareShield Life payouts would cover a smaller portion of long-term care costs over time.

Hence, the Council recommends doubling the annual payout growth rate from 2% to 4%, to ensure that CareShield Life payouts can provide a meaningful cushion against rising long-term care costs.

The Council also considered more significant enhancements, such as an even higher payout growth rate or for payouts to continue growing after age 67 or after someone has successfully made a CareShield Life claim. However, such enhancements would require significant increases in premiums in order for the scheme to remain sustainable, which would come at the expense of premium affordability for policyholders.

On balance, and having considered what most participants valued, the Council is of the view that doubling the payout growth rate to 4% strikes an appropriate balance between providing meaningful support for long-term care costs, while ensuring that premiums remain affordable for all Singaporeans.

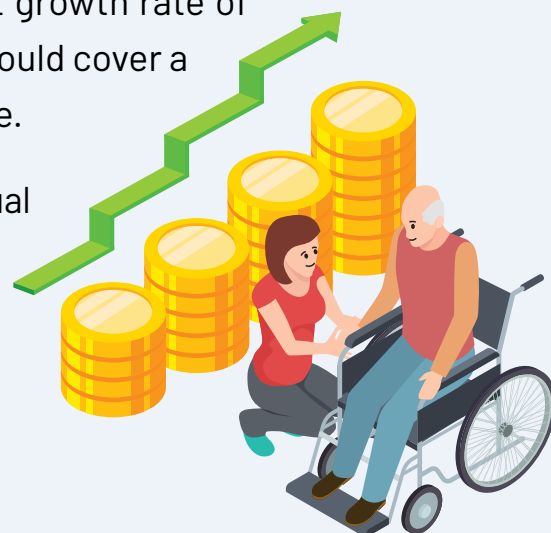
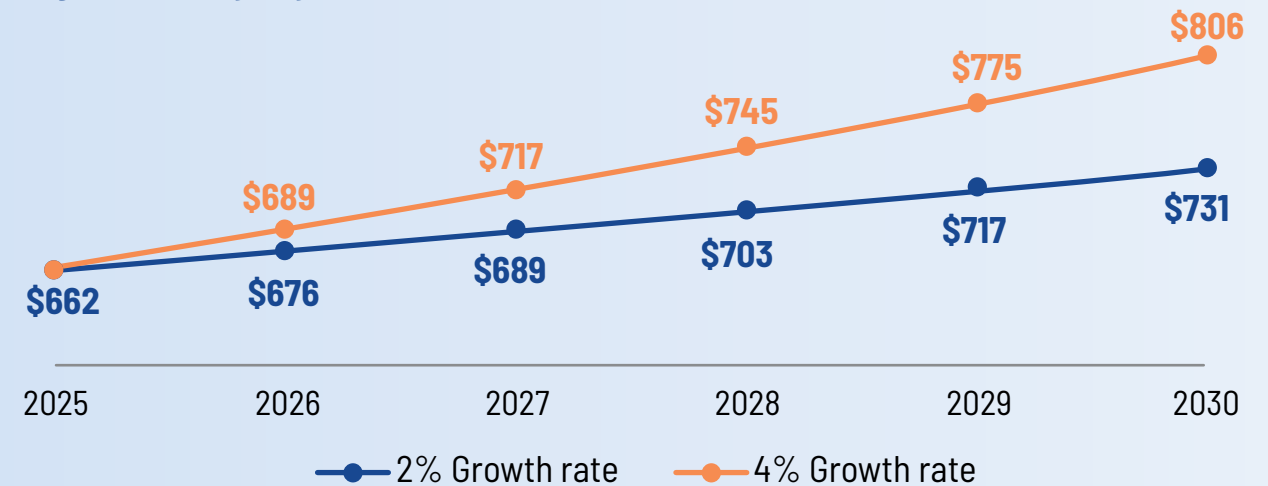


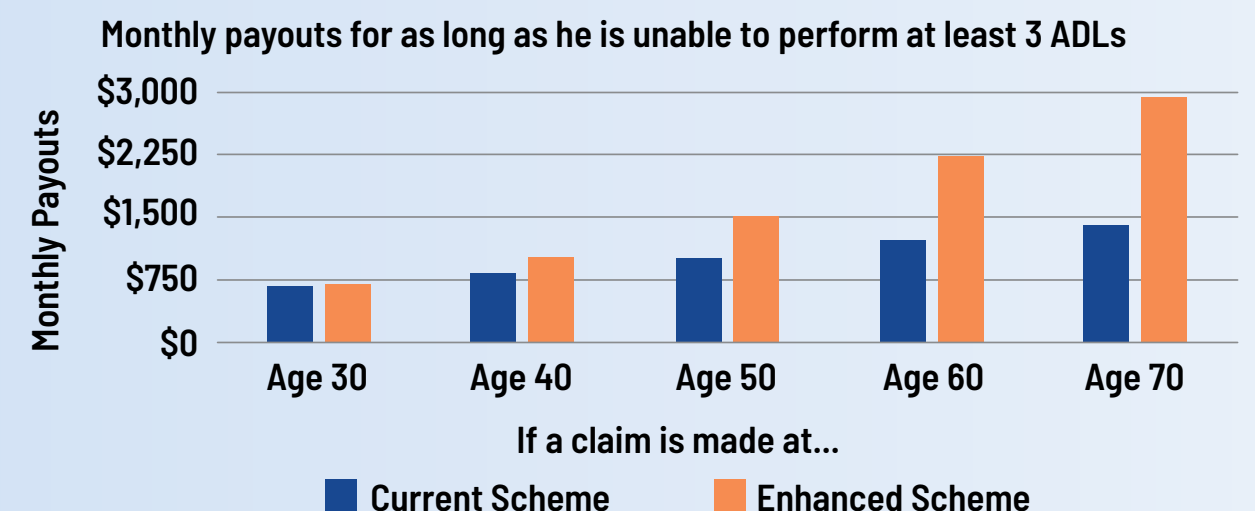
Figure 11: With the enhancement in payout growth rate, policyholders can receive higher monthly payouts at the point of claim



Note: Once a claim is made, a claimant will receive the monthly payout value due at that age, which will remain constant for the rest of his claim period.

The Council recommends that the payouts continue to be provided in cash to provide claimants and their caregivers the flexibility to decide on their desired care arrangements. Payouts should continue to be provided for as long as claimants remain unable to perform at least three ADLs, to provide greater assurance to claimants and their families for the entire duration of one's severe disability.

Figure 12: Comparison of monthly payouts between the current scheme (2% p.a. growth) and the enhanced scheme (4% p.a. growth) for a 30-year-old who joins the scheme in 2026, who makes a successful claim in the future



Note: This assumes that payout growth for current scheme and enhanced scheme remain at 2% and 4% respectively.

When taken together with the other government financing enhancements announced in 2025, this enhancement to CareShield Life payouts will help to defray a meaningful portion of long-term care costs, keeping bills affordable for more Singaporeans. Those with severe disability can also choose to withdraw up to \$200 monthly via MediSave Care to further reduce their out-of-pocket costs.

Figure 13: Monthly out-of-pocket costs after government support and insurance payouts for a CareShield Life policyholder age 56 or below in 2026 with severe disability, with a Per Capita Household Income of \$1,500 receiving care at different settings

Community Care		
Estimated monthly costs for an individual with severe disability, which includes	Long-term care financing schemes	
	Contributors including:	
	Insurance payouts including:	
<ul style="list-style-type: none"> Home Medical services Home Nursing services Enhanced Home Personal Care (HPC+) services Other costs of care, including caregiving related costs and consumables \$2,700	<ul style="list-style-type: none"> 80% Government subsidy; Grants from Home Caregiving Grant; and Subsidies from Seniors' Mobility and Enabling Fund 	\$1,900
	<ul style="list-style-type: none"> CareShield Life 	From approximately \$689 onwards
Out-of-pocket cost (after Government support and insurance payouts)	Approximately \$110/month	

Nursing Home		
Estimated monthly costs for an individual with severe disability, which includes	Long-term care financing schemes	
	Government Support:	
	Insurance payouts including:	
<ul style="list-style-type: none"> Fees for a Category IV (i.e. highest care needs) Nursing Home resident, before subsidy \$4,900	<ul style="list-style-type: none"> 75% Government subsidy 	\$3,700
	<ul style="list-style-type: none"> CareShield Life 	From ~\$689 onwards
Out-of-pocket cost (after Government support and insurance payouts)	Approximately \$510/month	

Balancing Coverage with Premium Affordability

Recommendation 2: Maintain the eligibility criteria for accessing CareShield Life payouts.

Today, one needs to be assessed to be of severe disability, i.e. unable to perform at least three ADLs, to access CareShield Life payouts. One in two Singapore Residents is expected to develop severe disability at some point in their lifetime.

The Council considered whether to expand the claims criteria, so that those with less severe forms of disability could qualify for payouts. Such an enhancement would support policyholders with milder long-term care needs. However, this would need to be funded by significant premium increases, given the higher claim incidence and longer duration of disability for those with less severe disability. This would come at the expense of premium affordability for more Singaporeans. The Council also recognises that residents with less severe disability could receive Government grants and subsidies for long-term care.

The Council recommends keeping the current claims criteria for CareShield Life to maintain a good balance between providing basic protection for those with greater long-term care needs, while keeping premiums affordable for all Singaporeans. Those who wish to have additional coverage beyond the recommended enhancements to CareShield Life may purchase Supplements offered by private insurers.

Premium Adjustments and Support Measures

Recommendation 3: Premiums should be actuarially adjusted to sustain the higher enhanced payouts, with additional support provided to keep premiums affordable.

CareShield Life premiums are actuarially priced, to ensure that the premiums collected can support all claims that policyholders are expected to make over their lifetimes. As the payout growth rate adjustments recommended by the Council will result in larger claim payouts over time, the Council recommends adjusting premiums to keep the scheme sustainable. As premiums are pre-funded and only paid over a limited number of years, policyholders may see a one-step increase in their gross premiums to support the enhancements in lifetime CareShield Life payouts. On average, policyholders will see a 35% or \$126 increase in gross premiums in 2026, followed by an annual increase at 4% thereafter.



Some older Singaporeans will see larger premium increases as they have a shorter runway within which to pay their CareShield Life premiums.

The Council recognises that these increases may be of concern, especially to older policyholders. Hence, we recommend two measures to keep premiums manageable and ensure that Singaporeans can continue to fully pay for these through MediSave.

- **First, adjust the underwriting criteria for the “Optional Cohorts”, as planned. This will lower the premiums for all policyholders in the “Optional Cohorts”.**

CareShield Life is kept optional for those who were born in 1979 or earlier (known as “Optional Cohorts”). This is because older Singaporeans may have already made alternative arrangements for their long-term care needs before CareShield Life was introduced. Premiums are also higher for those who join at a later age, due to the shorter runway that these individuals have to pay for their coverage.

By design, only Optional Cohort individuals without any pre-existing disability are allowed to enrol in the scheme. As CareShield Life is not mandatory nor universal for this cohort, this underwriting criteria is necessary to minimise adverse selection risk, where those who are more likely to claim from the scheme opt into it. Without such a criteria, premiums would have to increase for all policyholders.

However, today, only those with pre-existing severe disability are not allowed to enrol onto CareShield Life. Those with milder forms of disability may still enrol onto CareShield Life under a time-limited concession at the Scheme’s launch, to encourage more Singaporeans to enrol in it. The Council notes that the Government had also introduced Participation Incentives together with this concession, to offset premiums for potential enrollees and further incentivise enrolment from Optional Cohort individuals. As of June 2025, about 900,000 Singapore Residents born in 1979 and earlier have enrolled in CareShield Life. However, application rates have since come down. Monthly enrolment rates in the first half of 2025 were almost 90% lower than when the scheme was first launched for Optional Cohorts in 2021.

Given the plateauing sign-up rates, the Council recommends reinstating the underwriting criteria for the Optional Cohorts, as planned, from 2026 onwards, as this also has the potential to moderate premiums for more policyholders. Due to the uncertainty over the number of Optional Cohort individuals with less severe disability who might join the scheme, the premiums for Optional Cohort

policyholders were actuarially priced higher to account for adverse selection risk. With the reinstatement of the underwriting criteria, those in the Optional Cohorts can only enrol in CareShield Life if they do not have any pre-existing disability (i.e. able to perform all six ADLs independently). This will moderate the extent of premium increases for all policyholders in the Optional Cohorts, keeping the scheme fair and sustainable. Those with pre-existing disabilities can benefit from other Government financing schemes such as long-term care subsidies and grants (e.g. Home Caregiving Grant).

- **Second, for Government to consider providing transitional premium support to moderate and phase in the premium increase.**

To further soften the impact of the premium increases, especially for younger policyholders whose premiums will not be affected by the underwriting changes, the Council recommends that the Government consider transitional support to evenly phase in the one-step increase that most policyholders would otherwise see in 2026, over the next five years, up until the next review cycle.

This transitional support will complement existing Government support measures such as means-tested CareShield Life premium subsidies, which will further offset the premium increases for the lower- to middle-income policyholders.

There is also Additional Premium Support available for those who are unable to afford their revised CareShield Life premiums after subsidies and who have insufficient MediSave and limited family support. The Council notes that the Government will be expanding Additional Premium Support to cover more lower-income individuals.

Illustrative premium impact after Government support measures

Based on the premium support measures that the Government has shared with the Council, annual premium increases from 2026 to 2030 will be moderated to about \$38 on average, and no more than \$75. This is in comparison to the annual premiums without these support measures, which would have increased by \$126 on average in 2026 and grown by 4% thereafter. Lower- and middle-income policyholders can further benefit from means-tested support for their premiums. The following figures illustrate the premium impact on various groups after the transitional and means-tested premium support.

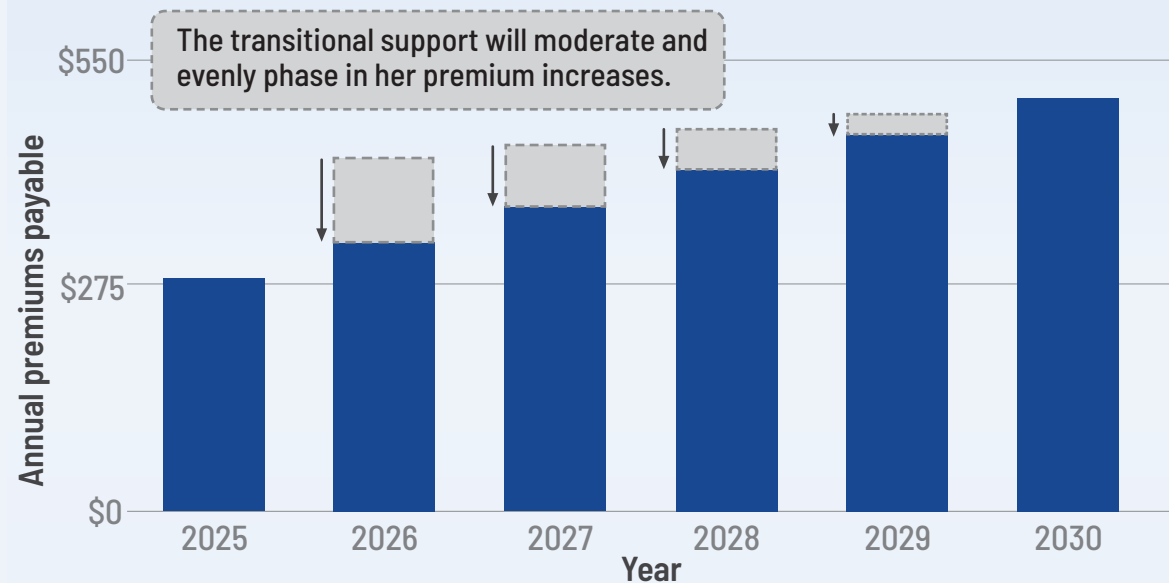
Figure 14.1 Premium impact on a young policyholder – Ms A

- Born in 1990 and enrolled into CareShield Life in 2020, when she turned 30 years old
- Lives in a 3-room HDB flat
- Monthly Per capita household income more than \$3,600

Ms A will enjoy transitional support of \$251 from 2026 to 2029, which will moderate and evenly phase in her premium increases. This will be directly reflected in her base premiums.



Ms A's estimated premiums from 2025 to 2030



Illustrative example of premiums and subsidies (Rounded to nearest \$)

	2025	2026	2027	2028	2029	2030
Annual Base Premiums (before Transitional Support)	\$284	\$430	\$447	\$465	\$484	\$503
Transitional Support	-	\$102	\$75	\$49	\$25	-
Annual Base Premiums (after Transitional Support)	\$284	\$328	\$372	\$416	\$459	\$503
Remaining Annual Premiums Payable	\$284	\$328	\$372	\$416	\$459	\$503

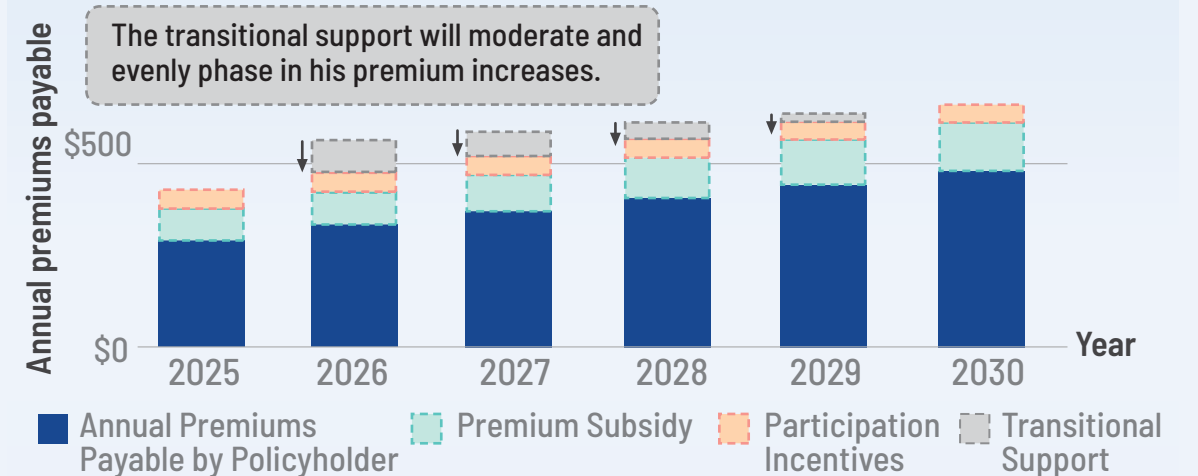
Figure 14.2 Premium impact on a middle-aged policyholder – Mr B

- Born in 1975 and enrolled into CareShield Life in 2021, when he was 46 years old
- Lives in a 4-room HDB flat
- Monthly Per capita household income of \$3,600
- Previously on ElderShield 400

Mr B would enjoy transitional support of \$219 from 2026 to 2029, which will moderate and evenly phase in his premium increases. This will be directly reflected in his base premiums. Mr B would additionally enjoy means-tested premium subsidies of 20% off his base premiums. He is also eligible for \$50 of participation incentives annually for 10 years to offset his premiums, as he joined the scheme before 31 December 2024.



Mr B's estimated premiums from 2025 to 2030



Illustrative example of premiums and subsidies (Rounded to nearest \$)

	2025	2026	2027	2028	2029	2030
Annual Base Premiums (before Transitional Support)	\$424	\$559	\$582	\$605	\$629	\$654
Transitional Support	-	\$89	\$66	\$43	\$21	-
Annual Base Premiums (after Transitional Support)	\$424	\$470	\$516	\$562	\$608	\$654
Annual Catch-up Component	\$0 as policyholder has fully paid his ElderShield 400 premiums.					
Premium Subsidy (20%) (applied on annual base premiums after transitional support)	\$85	\$94	\$103	\$112	\$122	\$131
Participation Incentives	\$50	\$50	\$50	\$50	\$50	\$50
Remaining Annual Premiums Payable	\$289	\$326	\$363	\$400	\$436	\$473

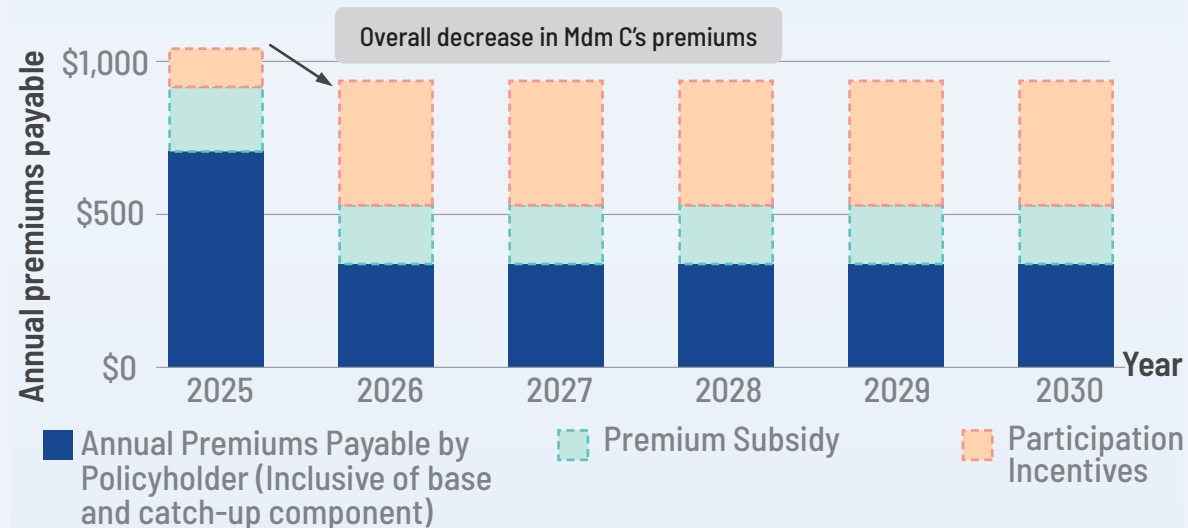
Figure 14.3 Premium impact on a Merdeka Generation policyholder – Mdm C

- Born in 1952 (Merdeka Generation) and enrolled into CareShield Life in 2021, when she was 69 years old
- Monthly Per Capita Household Income of \$2,600
- Lives in a 3-room HDB flat
- Joined ElderShield 300 in 2002

Mdm C will see reductions in her base premiums from 2026 onwards, due to the underwriting criteria adjustments. As such, transitional support is not provided. Nonetheless, Mdm C would additionally enjoy means-tested premium subsidies of 25% off her base premiums. She is also eligible for \$400 of participation incentives (which includes an additional \$150 of additional participation incentives for the Merdeka Generation) annually for 10 years to offset to her premiums, as she joined the scheme before 31 December 2024. Her premium term is over 10 years (i.e., 2021 to 2030).



Mdm C's estimated premiums from 2025 to 2030



Illustrative example of premiums and subsidies (Rounded to nearest \$)

	2025	2026	2027	2028	2029	2030
Annual Base Premiums	\$880	\$777	\$777	\$777	\$777	\$777
Annual Catch-up Component	\$159	\$159	\$159	\$159	\$159	\$159
Premium Subsidy (25%) (applied on annual base premiums)	\$220	\$194	\$194	\$194	\$194	\$194
Participation Incentives	\$400	\$400	\$400	\$400	\$400	\$400
Remaining Annual Premiums Payable	\$419	\$342	\$342	\$342	\$342	\$342

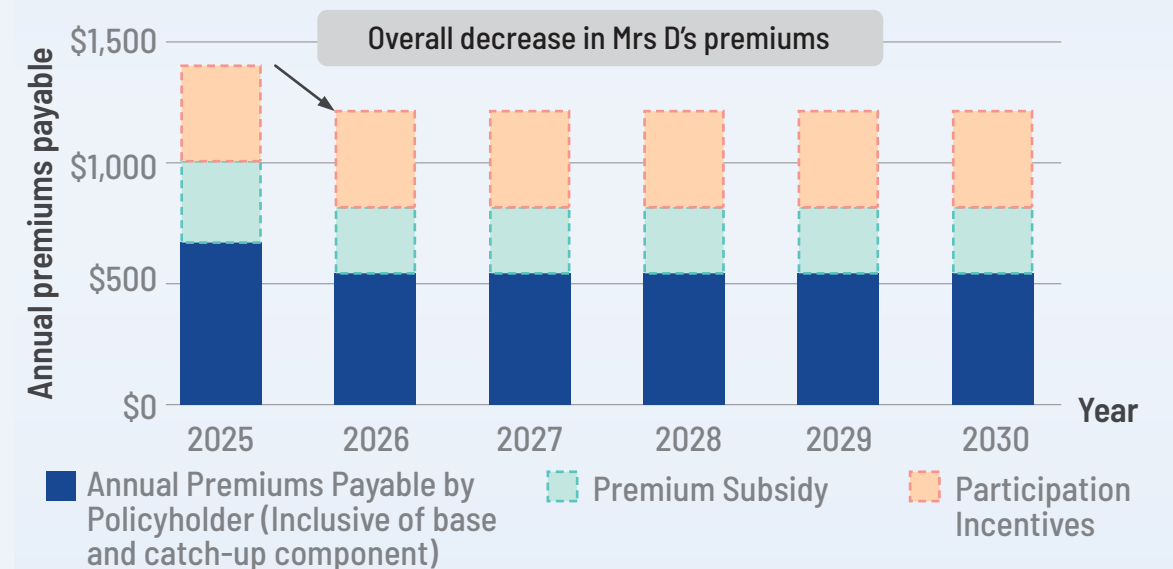
Figure 14.4 Premium impact on a Pioneer Generation policyholder – Mrs D

- Born in 1945 and joined CareShield Life in 2021 at age 76
- Monthly Per Capita Household Income of \$1,500
- Lives in a 2-room HDB flat
- Joined ElderShield 300 in 2002

Like Mdm C, Mrs D will see reductions in her base premiums from 2026 onwards, due to the underwriting criteria adjustments. As such, transitional support is not provided. Nonetheless, as she is of lower income, she would additionally enjoy means-tested premium subsidies of 30% off her base premiums. She is also eligible for \$400 of participation incentives (which includes an additional \$150 of additional participation incentives for the Pioneer Generation) annually for 10 years to offset to her premiums, as she joined the scheme before 31 December 2024. Her premium term is over 10 years (i.e., 2021 to 2030).



Mrs D's estimated premiums from 2025 to 2030



Illustrative example of premiums and subsidies (Rounded to nearest \$)

	2025	2026	2027	2028	2029	2030
Annual Base Premiums	\$1,118	\$927	\$927	\$927	\$927	\$927
Annual Catch-up Component	\$302	\$302	\$302	\$302	\$302	\$302
Premium Subsidy (30%) (applied on annual base premiums)	\$335	\$278	\$278	\$278	\$278	\$278
Participation Incentives	\$400	\$400	\$400	\$400	\$400	\$400
Remaining Annual Premiums Payable	\$685	\$551	\$551	\$551	\$551	\$551

Improving Administration and Awareness

Through its public engagements for this review, Council members heard inspiring stories from caregivers of CareShield Life claimants, who shared candid views on their caregiving journeys.

While the Council is heartened that most claimants and their loved ones had a generally smooth experience accessing CareShield Life payouts, some individuals provided valuable feedback on areas for improvement, specifically regarding simplifying aspects of the claims application process and raising awareness of the support available for long-term care needs. Having considered this, the Council recommends the following.

● First, the Government should study the feasibility of tele-assessments of disability.

Currently, severe disability assessments are conducted either at assessors' clinics or through home visits. Tele-assessment will make the claims process more inclusive and claimant-friendly, especially for individuals who face challenges in travelling to clinics or accommodating home visits.



● Second, the Government should explore streamlining the application process across the various disability schemes.

There are several long-term care support schemes in place to cater for different needs and circumstances. Potential claimants and their caregivers may find it challenging to navigate the system and find out which schemes they qualify for. They would usually also have to apply for each of these schemes individually. To address this, the Government could consider the backend coordination of eligibility checks to enable enrolment across applicable schemes that they might be eligible for. This would reduce the administrative load on claimants and their caregivers, and ensure that they receive timely support.



● Third, improve awareness of the various long-term care support schemes and their eligibility criteria.

There appears to be limited public awareness of long-term care financing schemes and their eligibility criteria. For example, many may not realise that severe disability assessments consider how both physical and cognitive impairments affect a person's ability to independently perform ADLs. This has resulted in some individuals not applying for support that they could otherwise have been eligible for.

The Council suggests that the Government press on with efforts to educate Singaporeans about the different long-term care financing support available. The Council recognises that the Government has worked with public health institutions, for frontline health workers to advise patients on financial support, including CareShield Life. The Government could consider further partnering other key patient touchpoints (e.g. caregiver networks, support groups for dementia) to broaden outreach and make information, including disability assessment criteria, more accessible to potential claimants and caregivers.



Other Enhancements Considered by the Council

Some individuals whom the Council had interacted with in its public engagements, had suggested providing policyholders with the flexibility to choose specific CareShield Life enhancements that they preferred, while opting out of coverage enhancements that were less important to them. In this way, those who wish for higher coverage under CareShield Life can opt to do so.

While the Council recognises that such flexibility might be valuable to some policyholders, we are also mindful that this would fragment the policyholder pool and create adverse selection risk, where those who deem themselves more at-risk of severe disability opt for higher coverage. This would add on to premiums for all policyholders.

Instead, the Council recommends a set of enhancements which apply to all Singaporeans, and which in its view, strike a careful balance between providing stronger protection for more Singaporeans, while keeping premiums affordable for all.

Keeping Long-Term Care Costs Sustainable

The Council will continue to review CareShield Life regularly, to ensure that it complements the Government's other long-term care financing schemes in keeping basic long-term care costs for severe disability affordable amid rising costs. However, it is also important that long-term care cost growth is moderated, so that CareShield Life premiums remain affordable and the overall cost of long-term care is sustainable. The Council is thus heartened that the Government has pressed on with a number of strategies in this regard. These include:

- **Increased focus on preventive health**

National strategies like Healthier SG will help support Singaporeans to lead healthier lifestyles, and prevent the onset of chronic diseases which are often precursors for long-term care needs.

- **Better support for active ageing**

Age Well SG, our national strategy to support seniors to age well in their homes and their communities, help to prevent, manage and delay frailty, allowing more of us to live without long-term care.

Beyond this, the Council urges the Government to work with the long-term care sector to press on with efforts to raise productivity and improve cost efficiency, such as adopting health technology solutions and delivering care more efficiently. These will complement existing national strategies to set long-term care costs on a more sustainable footing and keep CareShield Life premiums more affordable for all in the years ahead.



Appreciation

The Council extends our deep appreciation to all Singaporeans who took the time to share their experiences and suggestions regarding CareShield Life. Their valuable insights and feedback have been instrumental in helping us develop recommendations to enhance CareShield Life.

Stakeholder Groups for our Public Engagements

Grassroots and Community Partners

- Chinese Development Assistance Council (CDAC)
- Eurasian Association
- National Trades Union Congress (NTUC)
- People's Association (PA)
- Singapore Indian Development Association (SINDA)
- Yayasan MENDAKI (Council for the Development of the Singapore Malay/Muslim Community)

Long-Term Care Providers and Social Service Organisations

- Allkin Singapore
- All Saints Home
- Care Corner Singapore
- Fei Yue Community Services
- Thye Hua Kwan Nursing Home

Patient Support Groups and Healthcare-Related Organisations

- Muscular Dystrophy Association Singapore (MDAS)
- National Kidney Foundation (NKF)
- Open Voices
- Rare Disorders Society Singapore (RDSS)
- Singapore Cancer Society (SCS)
- SingHealth Patient Advocacy Network (SPAN)

Business Organisations

- Singapore Business Federation (SBF)

Community & Interest Groups

- Families for Life

Government Agencies and Public Healthcare Institutions

- Agency for Integrated Care (AIC)
- Central Provident Fund Board (CPF Board)
- Health Promotion Board (HPB)
- Health Sciences Authority (HSA)
- Ministry of Culture, Community and Youth (MCCY)
- NHG Health
- National University Health System (NUHS)
- National Youth Council (NYC)
- Public Service Division (PSD)
- Singapore Health Services (SingHealth)
- Synapse

We would also like to thank all the volunteer facilitators and note-takers who supported our focus group discussions.

Annexes

Annex A: Terms of Reference for CareShield Life Council

Terms of Reference

The CareShield Life Council was appointed with the following terms of reference:

- Make recommendations on policy and scheme parameters, including premium and benefit adjustments, to ensure that CareShield Life and ElderShield provide effective protection in an affordable and sustainable manner.
- Review the administration of CareShield Life and ElderShield schemes
- Advise on matters related to the investment of the CareShield Life and ElderShield Insurance Fund (CEIF), and other matters as the Minister for Health may direct.

Annex B: Description of the various financial support schemes currently available for those in severe disability

Given their greater needs, there is more long-term care financing support for those with severe disability, with greater support for individuals with severe disability from the lower- and middle-income groups:

- **Means-tested tax-based subsidies and grants** are provided to support individuals of lower and middle income, with a portion of co-payment to reduce overconsumption.
- **Insurance schemes** such as CareShield Life provides basic financial protection through monthly cash payouts in the event of severe disability.
- **Individual healthcare savings** such as MediSave Care can be used to support individuals with severe disability.
- Lastly, the Government provides **Safety Nets**, such as ElderFund, to provide additional support to Singaporeans who face difficulties affording long-term care even after subsidies, insurance, and personal savings.

AIC Link offices located in hospitals can inform individuals and caregivers on these various support schemes and refer them to the relevant agencies if required.

Figure 15		
Financing Framework	Scheme	Description
Subsidies, Grants, Government Assistance Schemes, and Safety Nets	Long-Term Care Subsidies for Institutional and Community Care	Provides up to 75% subsidies for institutional care and up to 80% for community care. Those born in 1969 and before will also receive additional 5%-points and 15%-points of subsidies for institutional care and community care, respectively. (from July 2026)
	Home Caregiving Grant (HCG)	Provides cash payouts of up to \$600/month for eligible individuals (from April 2026)
	Pioneer Generation Disability Assistance Scheme (PioneerDAS)	Provides cash payouts of \$100 for eligible Pioneer Generation seniors
	Seniors' Mobility and Enabling Fund (SMF)	Provides up to 90% subsidies for consumables (e.g., diapers) and devices (e.g., wheelchairs) for eligible seniors (from Jan 2026)
	Assistive Technology Fund (ATF)	Provides up to 90% subsidies for persons with disabilities to purchase assistive technology devices to enable independent living (from Jan 2026)

Figure 15

Financing Framework	Scheme	Description
Subsidies, Grants, Government Assistance Schemes, and Safety Nets	Equipment Rental Scheme (ERS)	Provides eligible patients with underlying life-limiting conditions with affordable and timely access to subsidised rental equipment (e.g. hospital bed, oxygen concentrator) to support their care at home
	Enhancement for Active Seniors (EASE)	Provides up to 90% subsidies for home modifications (e.g., slip-resistant floor tiles, grab bars) for eligible seniors
	Enabling Transport Subsidy (ETS)	Provides up to 95% means-tested subsidy for transport fees (from July 2026) for persons with disabilities who need to use dedicated transport provided by the Social Service Agencies (SSAs) to access the Early Intervention Programme for Infants and Children (EIPIC), Special Education (SPED) schools, Day Activity Centres (DACs), Sheltered Workshops (SWs) and Special Student Care Centres (SSCCs)
	Taxi Subsidy Scheme (TSS)	Provides up to 95% means-tested subsidy for taxi travel (from July 2026) for persons with permanent disabilities who are medically certified as unable to take public transport and totally dependent on taxi for travel to school, work or SG Enable-supported training
	Caregiver Training Grant (CTG)	Provides cash payouts of \$400, with an annual \$200 top-up where unused monies can be carried forward, capped at every financial year, for eligible caregivers
	Migrant Domestic Worker Levy Concession	Provides monthly cash payouts of up to \$250 for up to 72 months for Singaporean seniors who are of lower-income, and do not qualify for CareShield Life, ElderShield, or similar schemes
	ElderFund	Provides cash payouts of up to \$250 monthly to Singaporeans who are of lower-income, have low MediSave balances, with severe disability, and do not qualify for CareShield Life, ElderShield, or similar schemes
	Interim Disability Assistance Programme for the Elderly (IDAPE)	Provides monthly cash payouts of up to \$250 for up to 72 months for Singaporean seniors who are of lower-income, and do not qualify for CareShield Life, ElderShield, or similar schemes
	MediFund	Safety net that provides support to Singaporeans who face difficulty affording their healthcare bills even after Government subsidies, insurance, and MediSave
	ComCare Long Term Assistance	Provides monthly cash assistance and assistance with medical expenses at public healthcare institutions to those permanently unable to work due to old age, illness or disability, and have inadequate family support or savings to rely on for daily needs

Figure 15

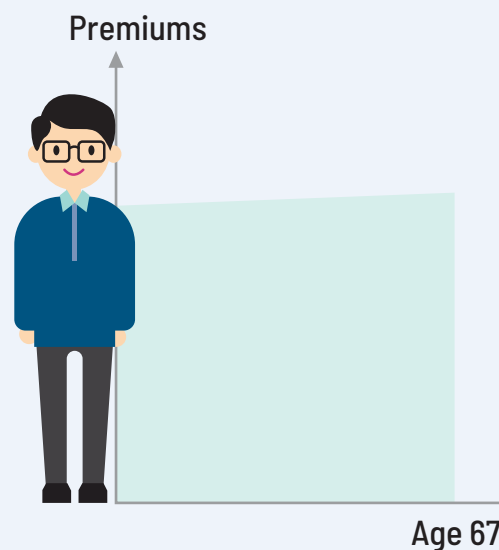
Financing Framework	Scheme	Description
Insurance	CareShield Life / ElderShield	Long-term care insurance that provides basic financial protection through monthly cash payouts in the event of severe disability
	CareShield Life / ElderShield Supplements	Private long-term care insurance plans which complement the individual's CareShield Life or ElderShield plan by offering additional benefits, such as higher monthly payouts, which enhance coverage
	Home Protection Scheme (HPS)	Mortgage-reducing insurance that protects you and your loved ones from losing their Housing Development Board (HDB) flat in the event of death, terminal illness, or total permanent disability
	Dependants' Protection Scheme (DPS)	Term life insurance scheme, solely administered by Great Eastern Life that provides basic financial protection for you and your family in the event of death, terminal illness or total permanent disability
Personal and Healthcare Savings	MediSave Care	Monthly cash withdrawals of up to \$200 from Medisave of individuals with severe disability, to pay for their long-term care needs
	Withdrawal of CPF Savings on Reduced Life Expectancy	Individuals with reduced life expectancy due to a medical condition, as certified by an accredited doctor, may apply to withdraw some of their CPF savings. Severe medical conditions causing them to be permanently unfit for work or to lack mental capacity permanently can also be considered
	Matched Retirement Savings Scheme (MRSS)	Provides dollar-for-dollar matching grant on cash top-ups to Retirement Account of eligible seniors, and persons with disabilities (from Jan 2026), up to an annual cap of \$2,000, and a lifetime limit of \$20,000
	Matched MediSave Scheme (MMSS)	Provides dollar-for-dollar matching grant on cash top-ups to MediSave Accounts of eligible beneficiaries, up to \$1,000 per year (from Jan 2026), for a period of five years
	Special Needs Savings Scheme (SNSS)	Enables parents to set aside CPF savings for the long-term care of children with special needs, for them to receive payouts from their CPF savings upon their demise, with minimum monthly payout of \$250

Annex C: Components of CareShield Life Premiums

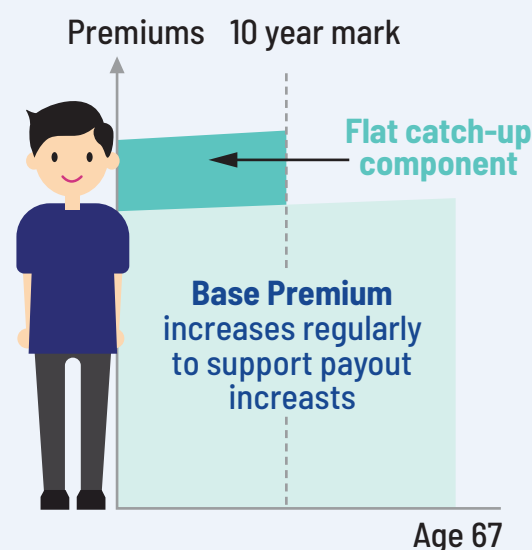
CareShield Life premiums comprise a base and a catch-up component (if applicable). Today, base premiums increase annually till a policyholder reaches 67 years of age and are paid by everyone. Catch-up premiums are flat and paid over 10 years by those who joined the scheme late and/or were not previously on ElderShield 400, as they had paid less premiums in the past.

Figure 16

Base Premium only
(for those who joined at earliest possible time)



Base Premium and Catch-up component
(for those within same age cohort who join later)



Premiums are differentiated by gender, entry age and prior insurance status to reflect:

- The expected cost of claims, with some allowance for uncertainty; and
- The expected cost of scheme administration

1. Expected cost of claims

Most of the premiums collected are used to cover the expected cost of claims. Cost of claims comprise three factors: (i) utilisation (i.e., number of claims), (ii) claim amounts (i.e., payout amount), and (iii) claim duration (i.e., length of claims).

These factors are estimated using actuarial principles supported by claims experience, mortality experience for both policyholders and claimants, and trends in life expectancy. Utilisation is estimated by analysing the likelihood of policyholders requiring maximal or total assistance with at least three out of the six ADLs. Utilisation may also vary over time due to changes in claims and mortality trends. Claim amounts are estimated based on the prevailing payout amount and payout escalation rate. Claim duration is estimated by analysing and estimating the duration that claimants are expected to receive payouts for.

We also regularly monitor the scheme experiences to refine estimates of how future claims will pan out. These experiences and estimates are collectively developed by the Ministry of Health and the scheme's actuaries, in consultation with the CareShield Life Council.

2. Expected cost of scheme administration

Scheme administration cost includes those incurred for the collection of premiums, as well as assessment and payment of claims. These costs are estimated based on historical data and account for factors such as expenditure on manpower that may affect these costs in the future.

Annex D: Careshield Life and ElderShield Insurance Fund

Assets in the Fund are used to support

- **Liabilities**, which are held to meet expected claims and expenses to be paid
- **Capital**, which is the additional financial resources to ensure that the Fund can pay out for unexpected claims that exceed the liabilities that were set aside

Liabilities

Liabilities are monies that are set aside in the Fund to honour expected future commitments.

1. Claims not yet incurred but expected to be paid in the future

This is for claims that are expected to occur based on actuarial projections, including existing claimants currently receiving benefits who are expected to continue claiming, and new claimants who may require benefits. This supports CareShield Life's lifetime coverage commitment.

2. Claims incurred but not yet paid

This is for expected claims from policyholders who may have already fulfilled the criteria to successfully claim from CareShield Life but who are yet to submit claims. Accounting for these ensures that all expected claims are honoured when they are eventually made and that the Fund can cover all its financial obligations.

Capital

The Fund maintains sufficient capital to meet its commitments to policyholders and to absorb the impact of adverse events without requiring sudden increases in premiums. Holding sufficient liabilities and capital is consistent with the insurance industry's best practices and the requirements set by the Monetary Authority of Singapore for private insurers.

Annex E: Glossary of Terms

Figure 17	
Term	Meaning
Disability/ Disability Assessments	
Activities of Daily Living (ADLs)	The six basic activities used to assess disability: feeding, washing, toileting, dressing, walking or moving around, and transferring
Severe Disability	When he or she is unable to perform three or more of the six ADLs
Long-Term Care	The prolonged care to meet personal and health needs of individuals who require assistance with their daily activities
Severe Disability Assessment	An assessment of an individual's disability status conducted by a Ministry of Health (MOH)-accredited severe disability assessor
Physical impairments	In the context of severe disability assessments, inability to complete ADLs due to physical incapacity in carrying out the ADLs
Cognitive impairments	In the context of severe disability assessments, problems with understanding, memory, problem solving, and safety awareness that could affect a person's ability to carry out ADLs
CareShield Life / Insurance-related	
Optional Cohorts	Singaporeans born in 1979 or earlier who can choose whether to join CareShield Life
Mandatory Cohorts	Singaporeans born in 1980 or later who are automatically enrolled in CareShield Life
Premiums	Amount paid by an individual to purchase insurance coverage
Pre-Funding	Policyholders set aside premiums during their working years for future claims that are more likely to happen in their old age, after premium payment has stopped
Universal Coverage	The provision of long-term care insurance protection for all Singaporeans in Mandatory Cohorts, regardless of any pre-existing medical conditions or disabilities

Figure 17	
Term	Meaning
Risk pooling	The spreading of risks across a large group of people called policyholders. Premiums are collected from each policyholder and these premiums are then combined together in a common “pool”. The “pool” of premiums then pays out to the policyholders who make claims
Underwriting	A process whereby an individual’s health information (e.g. disability status) is used to evaluate if an application for an insurance scheme should be accepted
Adverse selection	In the context of CareShield Life, the higher likelihood that those with some form of pre-existing disability are more likely to enrol in and claim, which increases premiums for policyholders
Structural means-tested Premium Subsidies	For CareShield Life, means-tested Premium Subsidies of up to 30% for eligible lower- to middle-income households
Transitional Support	Government support to moderate and phase in premium increase between 2026 and 2030
Additional Premium Support	Support available for those unable to afford premiums even after subsidies, have insufficient MediSave and limited family support
Participation Incentives	For Singapore Citizens born in 1979 or earlier who join and are covered under CareShield Life by 31 December 2024, with Additional Participation Incentives for the Merdeka Generation and Pioneer Generation seniors. These incentives will be spread equally over 10 years and will be used to offset the annual premium payable in that year
CareShield Life Supplements	Private long-term care insurance that complement the national CareShield Life scheme by providing options for additional coverage and benefits. Premiums for Supplement plans can be paid by cash or using MediSave, up to a limit of \$600 per year per person insured



