



RE: NATIONAL TREASURY DRAFT REGULATIONS

I am a representative employed by Royal Union Financial Services, a licensed service provider and independent medical aid brokerage.

We are the appointed intermediaries to more than 100 employer groups offering continuous support to both employee benefits and medical aid, held with various open medical schemes.

We advise all our medical aid clients, companies and individuals on the necessity of Gap cover and now have a substantial Gap membership base of 1500 policy holders.
Our Gap cover is provided to us by Complimed with a contract in place for more than 5 years already.

We have read the public draft of the new Regulations and wish to express our concerns on the consideration of withdrawing Gap cover.

With Healthcare being a core focus of our business, Gap cover is a big contributor to wholesome medical aid coverage.

All our clients understand that Gap is a short term product offering top up cover to their medical aid benefits, changing their Gap policy to suit their medical needs year on year.

The positive of Gap cover is that the client can choose their own package to suit their needs where a standardised medical aid plan may fall short.

Medical Aids review their benefits and premiums based on macro affecting factors forcing the risk and responsibility onto the members.

These members are now trying to micro manage their own medical needs versus affordability.

Most families are concerned about the cost of private hospitalisation and the bulk of our medical aid client base has insisted on taking up Gap cover for this reason.

Even our companies are asking for Gap cover to be included in the company's benefits policy so as to alleviate any risk of excessive hospital expenses on behalf on the employee.

When staff resign move on in careers they insist that they take their Gap policy with them and are willing to pick up the additional premium to safe guard themselves.

We have an extensive individual Gap client base and note these member movements every day.

Clients that initially took on the base product are now taking up additional products like the Cancer Enhancer or In-hospital co-payments.

This is self-explanatory and with the open medical aid industry becoming more regulated with limited benefits and costs increasing the individual member is not always in a position to pay for the best medical aid plan.

Gap cover then offers peace of mind by providing a top-up to their more affordable medical aid plan.

The Gap product must not be considered in isolation.

Regulators need to look at the value the Gap product adds to all policyholders, offering insurance against excessive financial risk brought on by the high cost of healthcare in South Africa.

Government is in no position to assist citizens with spiralling medical aid expenses, so why take away a top-up insurance that is working well for most medical aid schemes.

We value Complimed's Gap cover, as it offers an extensive package for everyone, from executives to wage earners. The product is affordable with benefits well worth the premium.

We have extended a request to all our clients to submit an appeal to you, especially the high claimers who have enjoyed the product and reaped the rewards over the past year.

Please accept my appeal and be reassured that Gap cover is a necessity.

Thank you.