

B

PETER MARX & ASSOCIATES cc

FINANCIAL PLANNING & INSURANCE CONSULTANTS

CK 92/30551/23

FSB No: 14073

13 March 2012

RE: Draft Regulations

I have more than two decades of experience with health insurance. Please note the following:

- 1) Gap cover does not replace medical aid
- 2) It is an adjunct to the inefficiencies of all medical aids
- 3) Medical aids on average pay up to 200% of medical aid rates, therefore the client is seriously out of pocket where a service provider charges 400-500% of medical aid rates
- 4) Gap cover added to a medical aid plan ensures that the client is properly covered
- 5) If National Treasury bans Gap cover I ask the question: 'Are you going to pay for my client's shortfall?'
- 6) Finally, please note that Gap cover, for example from Complimed, does not detract from CMS members' business.

I look forward to your timeous response.

Yours faithfully