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MEMORANDUM

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Response to the Council for Medical Schemes: Gap Cover Insurance.

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Unilever South Africa has ensured that all their permanent employees are on a Medical Aid Scheme. As Unilever is in partnership with Discovery Health, Unilever promotes that through Discovery Health they can receive adequate health care.

However, there are certain liabilities which individuals, regardless of the Medical Aid scheme they belong to and regardless of a Company Subsidy they receive, are still left relatively unprotected as the Medical Aids Companies do not provide adequate cover for; specialist fees in hospital and other co-payments, as an example. As Medical Aids are not compelled to pay specialists in hospital at the rate they charge and specialists can charge a tariff that they deem acceptable without any checks or balances, gap cover resolves the possibility of the employee being unforeseeably out of pocket.

Unilever South Africa has negotiated with a credible service provider a preferential rate, at which its employees can apply for Gap Cover, the reason for this is to give our employees the option to be completely covered, where the standard medical aid plan does not guarantee this. Unilever South Africa has not found that the Council for Medical Schemes claim that employees would downgrade their plans and substitute the difference with a gap cover option. On the contrary, Unilever's employees have only downgraded their plan based on the employee's needs and family requirements.

Unilever has seen a steady rise and growing trend in seeing its employees respond responsibly by ensuring their families are fully protected from any Medical Accident or Claim that may arise, and take out a Gap Cover Insurance Policy.

Unilever South Africa is in favour of keeping the current status quo, and allowing all its employee's the option of Gap Cover Insurance.