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National Treasury

GOVERNMENTS PROPOSED DEMARCATION OF HEALTH INSURANCE POLICIES

I am from Cape Town. I am 65 years of age and still fully employed by a large Multi – National company, and will be for at least 5 more years. I have one young son still at home who is dependent on me and that includes medical cover. I belong to a large Medical Aid and have had Gap Cover in addition for a number of years now.. I am not as stated a young person being attracted to Gap Insurance to avoid or down scaling my medical aid. I in fact could be on a lower option but choose not to be.

It has never been my intention that Gap Cover fulfill or replace the role of my Medical Aid but rather to compliment it as Medical Aids simply do not afford sufficient cover these days. Even on the highest options they fall short and the cost of these options are so high that only company executives or those who get company perks (e.g. free medical aid cover) can afford it. Plus you must belong to a medical aid to get gap cover, so how can it erode membership of medical aids.

Gap Cover insurance is exactly that, insurance to cover that unexpected eventually. In three years I have had only one claim but its good to know its there when needed. It will never replace my medical aid. If I did not have it and as I could not afford the higher options to give me more cover I would be forced to go to the State Hospitals as would many others in the same position. These institutions are already so overburdened it would result in major problems for them and a huge extra cost to the State. They will not be able to cope.

To state that a medical aid will cover PMB's and therefore you would not need gap cover is nonsense. I have had numerous arguments with my medical aid who simply refused to pay for a PMB and it took months to recover the money and only after asking the Council for Medical Aids to assist me. In the meantime I had to find the money to pay. Most medical professionals do not charge anywhere near the medical aid rate and even at the top option of any medical aid you are not fully covered so how can you state or even think a medical aid will cover one for all eventualities. You need additional cover and that is a fact.

Every year Medical Aids reduce the amount of cover and increase their premiums, so you get less and less cover every year. This is even more reason to have gap cover. If the medical aids paid like they use to when I was younger there would be no market (and there wasn't) for gap cover because it did not exist. Ever since the banks got involved with medical aids things changed and I think a long hard look should be made at the huge administrative costs carried by medical aids which eats deeply into our premiums.

Everyone has a constitutional right to protect him or herself against any future mishap medical or

