

**The Importance of Gap Cover.**

My name is Neelan Chetty and I operate a small Insurance Brokerage, catering for the needs of the middle and lower income groups.

The most popular plan with this segment is the Key Care Plus Plan from Discovery. This plan offers health cover at very affordable premiums especially amongst the lower income segment.

About 80% of my clientele can just afford the medical aid contribution and are first time members on a medical aid scheme.

However, the main problems with this plan are:

- A) The maximum cover for in-hospital expenses is 100%. Most specialists charge between 300% to 400%% of Discovery Health rates , with some specialists even charging 500% of Discovery Health rates.
- B) The Keycare Plus Plan has an extensive list of exclusions for which no cover is offered.

Without Gap Cover, most of my medical aid claims would have resulted in monetary shortfalls for my clients, which many would be unable to pay for.

**Description of Plans:**

**Keycare Plus:**

Premium: R1099.00

Listed Procedure  
Enhancer: R150.00

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**R1249.00**

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Nearest plan offering similar benefits:

**Classic Comprehensive Plan:**

Premium: **R5921.00**

- 1) The maximum in-hospital cover with the Classic Comprehensive Plan is 200% of Discovery Health rate whilst the Keycare Plus plan with the Gap cover is 300% of Discovery Health rate.
- 2) Premiums on the Classic Comprehensive Plan is 5x more expensive than the Keycare Plus Plan with Gap cover.
- 3) Due to inaffordability, most of the members will now become dependant on the State Health services, thus placing more strain on the already exhausted state medical facilities.

*\*\* Above example is quoted on a member under the age of 35 with a spouse and 1 child and earning an income of R3900 per month.*

Thus the Gap Cover Solution offers a Dual benefit to a client.

- a) It covers the shortfall of in-hospital expenses and the exclusions of the plan, if any.
- b) It allows a member to buy down on a medical aid product and thus make it affordable.

Looking at this we can clearly see that the Gap Cover is an innovative yet such a necessary product for all medical aid members as its absence from the industry will result in many medical aid members experiencing financial hardships to meet the medical aid shortfalls that they will now experience.

Please view this very seriously as the lives of many citizens of our country will be affected.

With many thanks,