

30 March 2012

To whom it may concern

DRAFT REGULATIONS IRO GAP COVER

I am a broker, who has been involved in the industry on the personal assistant side and then as a broker since 1993. Most of my business is personal and commercial lines and I have a large Health book with one of the major Health players in South Africa.

During my tenure I have seen many changes to the financial services industry as a whole, some changes good and some frightening at times. The proposed draft to do away with Gap Cover, is one of those that seem frightening. I find it quite concerning that Gap Cover is seen as a medical aid, when in fact, it is marketed as a short term product that works, hand-in-hand with your medical aid. The idea that we as South Africans, can "increase our plan to one of the higher plans" is absolutely ridiculous! No plan in SA, covers you for more than 200% and most medical providers that are worth anything, charge more than 200%. Therefore, leaving the consumer out of pocket and with a large debt should they have any procedure or any serious illness! Is this what we're trying to accomplish in SA? Put the consumer in more debt, when all they were initially trying to do was be responsible and take care of their families medical needs. To suggest a higher plan, will also put greater financial pressure on the normal family, as these plans are not R200 per month cheaper, which is what your Gap can cost you. These plans are thousands of rands more each month. Nice for the medical aid companies who will be making more in premiums, but not nice for the consumer.

I really hope that the Treasury look more seriously into this and speak to ALL the role players in making this decision. Gap is a very cost effective way for the South African client to make sure that they have peace of mind in what could be a very stressful situation should they or a loved one become ill or need medical care.