



30 March 2012

Email: stdemarcation@treasury.gov.za

Dear Sirs

Re: **DRAFT REGULATIONS REGARDING THE DEMARCATION OF HEALTH INSURANCE POLICIES**

We have read with concern various reports concerning National Treasury's proposal to remove gap cover policies as they are deemed to undermine medical schemes.

This company has a gap cover in place for both our active employee members of our designated medical aid as well as about 100 pensioner members of the medical aid. Were it not for this gap cover, many of our medical aid members would be out of pocket to the tune of thousands of Rands based on the fact that medical aids cannot pay specialists' accounts for in-hospital treatment in full.

We are of the view that gap cover is an effective and practical way to meet this medical aid shortfall. The alternative of having medical aids pay specialists accounts in full would make medical aids even more unaffordable for many employees.

We therefore urge National Treasury to review its proposals regarding these policies as gap cover has an important role to play in assisting medical aid members meet the ever-increasing costs associated with in-hospital specialist treatment.

*Chairman NMI Abdoola Deputy Chairman AH Trikamjee Group Managing Director C de Jager
Directors AMI Abdoola, A Heeralal, SA Moosa, SM Moosa, AGS Osman
Group Secretary RM Baker*