



**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA

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## **MEDIA STATEMENT**

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### **DEMARCATION REGULATIONS: ESCALATION OF POLICY BENEFITS**

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The Minister of Finance publishes Annual Policy Benefit Escalations with regards to Demarcation Regulations (Regulations) regulated under section 72 of the Long-term Insurance Act, No. 52 of 1998 (LTIA) and section 70 of the Short-term Insurance Act, No. 53 of 1998 (STIA).

The Regulations specify which types of contracts are regulated under the LTIA and the STIA as health policies, and accident and health policies, respectively, and accordingly are excluded from the Medical Schemes Act, No. 131 of 1998 (MSA).

Regulation 7.2(2) of the Regulations provides that all amounts referred to in sub-regulation (1) escalate annually, from the effective date, by the Consumer Price Index (CPI) annual inflation rate published by Statistics South Africa.

The escalation of the aforementioned policy benefits will take place each year for as long as Regulation 7.2(2) provides for automatic escalation. National Treasury will going forward annually publish these amounts in order to maintain clarity on the escalated policy benefits following queries received from providers regarding what the current escalated policy benefits are.

The following supporting Annexures will be updated annually and are available on the websites of the National Treasury at [www.treasury.gov.za](http://www.treasury.gov.za) and the Financial Sector Conduct Authority at [www.fsca.co.za](http://www.fsca.co.za): **Annexure A: Regulation 7.2(2) (LTIA) and Annexure B: Regulation 7.2(2) (STIA).**

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