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Draft Regulations regarding the Demarcation of Health Insurance policies

My name is Leana Louw and I'm a financial advisor specialising in Medical Aids and Gapcover.

Most of my medical aid clients are on hospital plans only or entry level option with a savings account. The main reason for this is affordability. The problem is that all of these options pay out at medical aid tariff.

Even if a client could afford for example a Classic Core option from Discovery Health, which is already much more expensive, the client could potentially still have a shortfall as most specialists charge 300% and the Classic series only pays at 200%.

So for a family of 4, principal member, spouse and 2 children, to have 300% cover on a medical aid, would cost them R8006 per month on the Executive option from Discovery Health, which most clients can not afford.

My concern is that it is the client who is going to suffer financially because most clients won't be able to afford a higher medical aid premium and will then have to pay for the shortfalls themselves which can be astronomical amounts.

I strongly feel that Gapcover assists in making comprehensive private medical care possible for most clients at an affordable premium.

In conclusion, I feel that the only roleplayer in this demarcation debate who is going to suffer is the client. If a client can't afford higher medical aid premiums from the start he is still not going to be able to afford it even if Gapcover is taken away, so the medical aid is not worse off and the Gapcover industry would be able to amend their products or create other avenues to generate income.

I truly hope that a decision will be made in the best interest of the client.

Regards