

12 September 2017

TO: The Board of Trustees of all registered medical aid funds

CC: Principal Officers of all registered medical aid funds

CIRCULAR: PI/MAF/CIR/01/2017

EFFECTIVE DATE: 12 September 2017

SUBJECT: ISSUING OF BENEFIT STATEMENTS BY MEDICAL AID FUNDS

1 Introduction

This Circular is issued by virtue of the Namibia Financial Institutions Supervisory Authority's functions and powers and those of its Chief Executive Officer, in his capacity as the Registrar of Medical Aid Funds ("Registrar"), in terms of the Namibia Financial Institutions Supervisory Authority Act, 2001 (Act No. 3 of 2001) ("NAMFISA Act").

2 The current practice

The Registrar has received a number of complaints against Medical Aid Funds relating to the repudiation of claims. Further investigations into the said complaints revealed that the repudiation of the claims by the Funds were justified in most cases. Therefore, the Registrar is of the opinion that the issue of the repudiation of claims may have emanated from the fact that members and their dependants may not be aware of their minimum and maximum benefits during a particular benefit year and of their available benefits at any given time.



3 The Circular

In light of the above, Medical Aid Funds are requested to inform their members of the minimum and maximum benefits to which such members and their dependants are entitled to in terms of the rules of the Fund. Medical Aid Funds are further requested to provide members with information in relation to the available benefits that such members and their dependants have access to at any given time. This will assist members in managing their benefits more effectively which may ultimately lead to a reduction in the repudiation of claims. Accordingly, Medical Aid Funds are requested to start issuing members with benefit statements on a quarterly basis from **1 October 2017**. The said benefit statements should include the minimum information specified below:

Allocated benefits - the set of defined medical benefits, together with the amount allocated to each benefit, provided to a member by the Fund for the current benefit year, subject to the medical aid cover chosen by or available to a member as provided for in the rules of the Fund, e.g. hospital accommodation in the amount of x, dental work in the amount of x, medicine in the amount of x, surgery expenses in the amount of x, etc.;

Used benefits - the total amount of medical expenditure paid by the Fund during the current benefit year, in respect of each benefit category that a member is entitled to, as at the date of the benefit statement.

Available benefits - the net amount of medical cover/ benefits available to a member, in respect of each benefit category, after all submitted claims have been paid by the Fund in relation to the current benefit year.



Should you require more clarity on this Circular, kindly contact the Manager of the Medical Aid Funds Department at telephone number 061-2905167 or via email at ltjueza@namfisa.com.na.

A handwritten signature in black ink, appearing to read 'K. Matomola', with a long horizontal flourish extending to the right.

Kenneth S. Matomola
REGISTRAR OF MEDICAL AID FUNDS