

NAMDEB MEDICAL SCHEME

FREQUENTLY ASKED QUESTIONS

What is the Namdeb Medical Scheme?

Namdeb is a closed medical aid scheme meaning that membership is only permitted for employees of Namdeb Diamond Corporation (Pty) Ltd (Namdeb), De Beers Marine Namibia (Pty) Ltd (Debmarmine Namibia) and Namibia Diamond Trading Company (Pty) Ltd (NDTC) and their dependents. These are referred to as the participating employers. Members of the scheme are referred to as beneficiaries of the scheme. The Scheme provides members with medical benefits.

Why should a Medical Scheme be registered?

All medical aid schemes must be legally registered in terms of the Medical Aid Funds Act No 23 of 1995 with the Registrar: Medical Aid Funds to be able to operate in Namibia.

What is the role of the Namibia Financial Institutions Supervisory Authority (NAMFISA)?

In Namibia, NAMFISA is the regulator of medical aid schemes. The role of NAMFISA is to ensure that medical aid schemes comply with medical aid legislation as well as the specific medical aid scheme's rules. NAMFISA conducts annual audits as well as special request audits to confirm compliance and the health of the scheme. If NAMFISA is not satisfied with the affairs or management of the fund the Registrar has the power to apply to court for the Fund to be placed under judicial management or for it to be wound up.

The Registrar may also cancel or temporarily suspend the registration of the Fund, which means that the license to operate would be revoked.

What will happen if a medical scheme's license to operate is revoked by NAMFISA?

No medical aid scheme may operate without a license and should a medical scheme's license be revoked the payment of claims will not be allowed. Members will thus be left without any medical cover.

What will happen if Namdeb Medical Scheme members move to a new Fund?

If members move to a new fund all pre-existing conditions will be excluded as mentioned above and there is a strong likelihood that members will have to pay higher contributions for similar benefits or else have less benefits for the contributions currently being paid.

How is the Namdeb Medical Scheme managed?

The Scheme is managed by a Board of Trustees. The Principal Officer serves as the Chief Executive Officer, a compulsory position for any medical aid scheme.

What is the composition of the Board of Trustees on the Namdeb Medical Scheme?

The Board of Trustees is comprised of representation from Namdeb, Debmarine Namibia and NDTC. There are twelve trustees – six are appointed by the respective employers and six are elected by the medical aid scheme members.

What is the role of the Board of Trustees on the Namdeb Medical Scheme?

The Board of Trustees manages the affairs of the medical aid scheme by:

1. Appointing an Administrator;
2. Appointing a Principal Officer;
3. Monitoring medical aid scheme risks;
4. Monitoring the financial soundness of the Scheme and ensure the financial sustainability of the Scheme by implementing initiatives to ensure cost containment and to curb claims abuse;
5. Monitoring market trends related to medical benefits, claims and costs;

6. Making decisions which will actively ensure that the scheme remains financially viable;
7. Ensuring that adequate and appropriate information is communicated to members regarding their rights, benefits, contributions and duties in terms of the rules of the medical aid scheme.
8. To ensure that the rules, operation and administration of the Scheme comply with the Act and all other applicable laws.
9. To take reasonable steps to protect the confidentiality of matters of the Scheme as well as members' medical records.

What is the purpose of a Medical Aid Scheme Annual General Meeting?

The purpose of an annual general meeting is to inform members of the status of the scheme including the financial soundness, benefit changes and contributions. It is also the forum at which new trustees are elected and members have the opportunity to question the management of the scheme.

An annual general meeting must be attended by the Principal Officer and the Chairperson of the Board of Trustees; (other trustees attend as members only).

There must be a quorum of a minimum of 200 main medical aid members.

What are the Employer/Employee Contributions for the Namdeb Medical Scheme?

The Employer contributes 60% of monthly medical aid contributions while employees contribute the remaining 40%.

What is a Continuation Members?

It is a member who retires from employment and continues to be a member of the Scheme. It also included people whose employment is terminated due to age, ill health or disability.

What are the Continuation Members' contributions to the Namdeb Medical Scheme?

In the case of employees who were recruited before 1 August 2007 in the case of Namdeb and 1 August 2005 in the case of Debmarine Namibia, and subsequently retired, Employers contribute 86% of monthly medical aid contributions and the pensioner 14%.

There is no Employer contribution to medical aid contributions for employees who were recruited after 1 August 2007 for Namdeb and after 1 August 2005 for Debmarine Namibia and who subsequently retired.

What is the difference between a closed and open Medical Scheme?

A closed medical aid scheme is one where the membership is closed to members who are not employed by the participating employers or any other public membership.

An open medical aid scheme is one where the membership is open to all members of the public.

How are pre-existing medical conditions covered in a Medical Aid Scheme?

All medical aid schemes exclude pre-existing medical conditions. A pre-existing condition is one that existed prior to a person becoming a member of a medical aid scheme.

When can new employees claim from the Namdeb Medical Scheme?

The Namdeb Medical Scheme allows new employees to claim from the first day of employment unless these claims relate to pre-existing conditions which are not covered by the Namdeb Medical Scheme.

When do members pay shortfalls?

All medical schemes provide for limited benefits. When a service provider charges at a rate that is higher than what the medical aid scheme allows, the member will

be responsible for any shortfall or when a member has exhausted his/her benefit limit for the year he/she is responsible for paying in any shortfall.

What are non-health care costs?

These are costs incurred by the Scheme which are not member medical claims. These include for example, the fees paid to the Administrators, Principal Officer and Actuaries. The accepted level of non-health care costs is 10% of contribution income. The Namdeb Medical Scheme's non health care costs are less than 5% of contribution income.

How is the financial stability of a Scheme determined?

The financial soundness of a Scheme is determined by its reserve levels. NAMFISA requires a reserve level of at least 25% of gross annual contributions. Namdeb Medical Scheme's reserve level is currently at 57% which is way above the required 25%. The Scheme thus is in a financially sound position as its non-health care costs are below 10% and the reserve level is above 25%.

Who can be contacted for further information related to the Namdeb Medical Scheme?

The Principal Officer Mr. Andries Wahl at 064 403960

For any regulatory matters NAMFISA at (061) 290 5000.