

RULES

OF THE

GOLDEN ARROW EMPLOYEES' MEDICAL BENEFIT FUND

RULE	TABLE OF CONTENTS	PAGE
1	NAME	3
2	LEGAL PERSONA	3
3	REGISTERED OFFICE	3
4	DEFINITIONS	3
5	OBJECTS	16
6	MEMBERSHIP	16
7	REGISTRATION AND DE-REGISTRATION OF DEPENDANTS	18
8	TERMS AND CONDITIONS APPLICABLE TO MEMBERSHIP	20
9	TRANSFER OF EMPLOYER GROUPS FROM ANOTHER MEDICAL SCHEME	24
10	MEMBERSHIP CARD AND CERTIFICATE OF MEMBERSHIP	24
11	CHANGE OF ADDRESS OF MEMBER	24
12	TERMINATION OF MEMBERSHIP	25
13	CONTRIBUTIONS	27
14	LIABILITIES OF EMPLOYER AND MEMBER	29
15	CLAIMS PROCEDURE	30
16	BENEFITS	33
17	PAYMENT OF ACCOUNTS	36
18	GOVERNANCE	37
19	DUTIES OF BOARD OF TRUSTEES	43
20	POWERS OF BOARD	45
21	DUTIES OF PRINCIPAL OFFICER, AND STAFF	47
22	INDEMNIFICATION & FIDELITY GUARANTEE	49
23	FINANCIAL YEAR OF THE SCHEME	50
24	BANKING ACCOUNT	50
25	AUDITOR AND AUDIT COMMITTEE	50
26	GENERAL MEETINGS	51
27	VOTING AT MEETINGS	53
28	COMPLAINTS AND DISPUTES	54
29	DISSOLUTION	55
30	AMALGAMATION AND TRANSFER OF BUSINESS	56
31	RIGHT TO OBTAIN DOCUMENTS AND INSPECTION OF DOCUMENTS	56
32	AMENDMENT OF RULES	57
	1. Annexure A - Rates of contribution	
	2. Annexure B - Benefit schedules & options	
	3. Annexure C - Exclusions and Limitations	

**GOLDEN ARROW EMPLOYEES' MEDICAL BENEFIT FUND
RULES**

(WITH EFFECT FROM 1 JANUARY 2025)

1. NAME

The name of the Scheme is **Golden Arrow Employees' Medical Benefit Fund**, hereinafter referred to as the "Scheme".

The abbreviated name is **GAEMBF**.

2. LEGAL PERSONA

The Scheme, in its own name, is a body corporate, capable of suing and of being sued and of doing or causing to be done all such things as may be necessary for or incidental to the exercise of its powers or the performance of its functions in terms of the Medical Schemes Act and regulations and these rules.

3. REGISTERED OFFICE

The registered office of the Scheme is situated at, Palotti Road, Montana Estate, Cape Town, 8001, but the Board may transfer such office to any other location in the Republic of South Africa, should circumstances so dictate.

4. DEFINITIONS

In these rules, a word or expression defined in the Medical Schemes Act (Act 131 of 1998) bears the meaning thus assigned to it and, unless inconsistent with the context

—

- a) a word or expression in the masculine gender includes the feminine;
- b) a word in the singular number includes the plural, and vice versa; and
- c) the following expressions have the following meanings:

4.1. “Act”

the Medical Schemes Act (Act No 131 of 1998), and the regulations framed thereunder.

4.2. “Administrator”

any person who has been accredited by the Council in terms of section 58, and shall, where any obligation has been placed on a medical scheme in terms of this Act, also mean a medical scheme.

4.3. “Admission Date”

the date on which a person becomes a member, or in respect of a dependant, the date on which such dependant is admitted as a dependant in terms of these Rules and in the case of an employer, the date on which such employer participates in the Scheme in terms of these Rules.

4.4. “Adult Dependant”

a person who has reached the age of 21 in terms of these Rules.

4.5. “Annual Limit”

the maximum benefits to which a member and the member's registered dependants are entitled in terms of these Rules, and shall be calculated annually to coincide with the benefit year of the Scheme.

4.6. "Applicant"

a person who applies for membership for himself and/or for the registration of his dependants.

4.7. "Application"

a completed application form for membership and/or for registration of a dependant for approval by the Scheme.

4.8. "Approval"

prior written approval of the Board or its authorised representative.

4.9. "Auditor"

an auditor registered in terms of the Public Accountants' and Auditors' Act, 1991, (Act No. 80 of 1991).

4.10. "Beneficiary"

a member or a person admitted as a dependant of a member.

4.11. "Benefit year"

the period commencing 1 January each year until 31 December.

4.12. “Board”

the Board of Trustees constituted to manage the Scheme in terms of the Act and these rules.

4.13. “BHF”

the Board of Healthcare Funders of South Africa.

4.14. “Capitation Agreement”

an arrangement entered into between a medical scheme and a person/s whereby the medical scheme pays to such person/s a pre-negotiated fixed fee in return for the delivery or arrangement for the delivery of specified benefits to some or all of the members.

4.15. “Case Management”

the process whereby a beneficiary’s specific health care needs are identified and management plans or programmes are implemented to achieve optimum patient care in the most cost- effective way.

4.16. “Child”

a member’s natural child, or a stepchild or legally adopted child or a child in the process of being legally adopted or a child who has been placed in the custody of the member or his spouse and who is not a beneficiary of any other medical scheme.

4.17. “Condition Specific Waiting Period”

a period during which a beneficiary is not entitled to claim benefits in respect of a condition for which medical advice, diagnosis, care or treatment was recommended or received within the twelve-month period ending on the date on which an application for membership was made.

4.18. “Continuation Member”

a member who retains his membership of the Scheme in terms of rule 6.2 or a dependant who becomes a member of the Scheme in terms of rule 6.3.

4.19. “Contracted Fee”

the fee determined in terms of an agreement between the scheme and a service provider or group of providers in respect of the payment of relevant health services.

4.20. “Contribution”

in relation to a member, the amount, paid by or in respect of the member and his registered dependants if any, as membership fees. (Also known as membership premiums.)

4.21. “Cost”

in relation to a benefit, the net or final amount payable in respect of a relevant health service.

4.22. “Council”

the Council for Medical Schemes as contemplated in the Act.

4.23. “Creditable Coverage”

any period during which a late joiner was –

- 4.23.1.** a member or a dependant of a medical scheme;
- 4.23.2.** a member or a dependant of an entity doing the business of a medical scheme which, at the time of his membership of such entity, was exempt from the provisions of the Act;
- 4.23.3.** a uniformed employee of the South African National Defence Force, or a dependant of such employee, who received medical benefits from the South African National Defence Force; or
- 4.23.4.** a member or a dependant of the Permanent Force Continuation Fund, but excluding any period of coverage as a dependant under the age of 21 years.

4.24. “Date of Service”

- 4.24.1.** in the event of a consultation, visit or treatment, the date on which each consultation, visit or treatment took place, whether for the same illness or not;
- 4.24.2.** in the event of an operation, procedure or confinement, the date on which such operation or procedure was performed or confinement occurred;
- 4.24.3.** in the event of hospitalisation, the date of each discharge from a hospital or nursing home, or date of cessation of membership, whichever date occurs first;

4.24.4. in the event of any other service or requirement, the date on which such service was rendered or requirement obtained or received.

4.25. “Dependant”

4.25.1. a member’s spouse who is not a member or a registered dependant of a member of a medical scheme;

4.25.2. the immediate family of a member in respect of whom the member is liable for family care and support;

4.25.3. such other persons who are recognised by the Board as dependants for purposes of these rules;

4.25.4. a member’s child who is younger than the age of 21 years;

4.25.5. a member’s adult dependant who is between the ages of 21 and 26 years and who is registered as a student at a recognised tertiary institution and who is not a member or a registered dependant of a member of a medical scheme;

4.25.6. a child who, due to a physical or mental disability, is dependent upon the member for family care and support and who is not a member or a registered dependant of a member of a medical scheme.

4.26. “Dependant – for the purpose of determining contributions”

4.26.1. ‘a child dependant rate’ is applicable in respect of a member’s child, the immediate family of a member who is dependent upon the member and who is 21 years of age or younger;

4.26.2. 'an adult dependant rate' is applicable in respect of all dependants who are older than 21 years of age, including a spouse.

4.27. "Designated Service Provider"

a healthcare provider or group of providers selected by the scheme as preferred provider/s to provide to the members, diagnosis, treatment and care in respect of one or more condition.

4.28. "Domicilium Citandi et Executandi"

the member's chosen physical address at which notices in terms of rules 11 and 13 as well as legal process, or any action arising therefrom, may be validly delivered and served.

4.29. "Emergency Medical Condition"

the sudden and, at the time, unexpected onset of a health condition that requires immediate medical or surgical treatment, where failure to provide medical or surgical treatment would result in serious impairment to bodily functions or serious dysfunction of a bodily organ or part, or would place the person's life in serious jeopardy.

4.30. "Emergency Room (ER) / Casualty Department"

a hospital unit or primary care facility that provides initial treatment to patients with a broad spectrum of acute illnesses or injuries, some of which may be life threatening and which may require immediate attention.

4.31. “Employee”

a person in the permanent employment of an employer.

4.32. “Employer”

shall mean **Golden Arrow Bus Services (Pty) Ltd** and their subsidiaries as listed below:

- Table Bay Area Rapid Transit (1995/003407/07); and
- Sibanye Bus Services (Pty) Ltd (2000/010588/07).

4.33. “General Waiting Period”

a period in which a beneficiary is not entitled to claim any benefits.

4.34. “Guide”

the guide/s to fees determined by the respective health care professions.

4.35. “Immediate Family”

a parent, brother or sister of a member, in respect of whom the member is liable for family care and support.

4.36. “Income”

for the purposes of calculating contributions in respect of an employee, the gross monthly salary or weekly wages.

4.37. “Late Joiner”

the applicant or the adult dependant of an applicant who, at the date of application for membership or admission as a dependant, as the case may be, is 35 years of age or older but excludes any beneficiary who enjoyed coverage with one or more medical schemes as from a date preceding 1 April 2001, without a break in coverage exceeding 3 consecutive months since 1 April 2001. All new employees older than 35 years of age when joining the Fund will be exempted from this rule.

4.38. “Medical Necessity”

the evaluation of health care services to determine if they are medically necessary and appropriate to meet the health care needs of the patient, consistent with the diagnosis or condition; rendered in a cost effective manner and type of setting appropriate to the supply of the service required for purposes other than comfort or convenience; and consistent in type, frequency and duration of treatment with scientifically based guidelines of medical practice and of demonstrated medical value;

4.39. “Member”

any person who is admitted as a member of the Scheme in terms of these rules.

4.40. “Member Family”

the member and all the registered dependants.

4.41. “Minimum Benefits”

the benefits in respect of relevant health services as prescribed by the Minister in terms of section 67(1)(g) of the Act.

4.42. “Scheme Rate”

the tariff set by the Scheme for reimbursement of claims in the absence of any other agreed or contracted tariff with any service provider.

4.43. “Network”

a health care provider or group of providers selected by the medical scheme concerned as the preferred provider/s of defined health services.

4.44. “Practice Code Number”

the number allotted to a supplier of a relevant health service as a practice number by an organization or body approved by the Council.

4.45. “Prescribed Minimum Benefits”

a condition contemplated in the Diagnosis and Treatment Pairs listed in Annexure A of the regulations or any emergency medical condition.

Prescribed Minimum Benefits exemption may be applicable to this Scheme.

4.46. “Principal Officer”

the person appointed by the Board as the Principal Officer in terms of the Rules.

4.47. “Pre-Authorisation”

shall mean authorisation in advance, of the medical necessity, efficiency and or appropriateness of health care services and treatment plans for specified services.

4.48. “Pre-existing sickness condition”

a condition for which medical advice, diagnosis, care or treatment was recommended or received within the twelve-month period ending on the date on which an application for membership was made.

4.49. “Registrar”

the Registrar or Deputy Registrar/s of Medical Schemes appointed in terms of section 18 of the Act.

4.50. “Retiree”

a member who retires (in terms of the rules of the Employment Contract with the employer) or withdraws, as the case may be, from the service of the employer on or after normal retirement date.

4.51. “Restricted membership scheme”

the rules of a medical scheme which restricts the eligibility for membership by reference to –

4.51.1. employment or former employment or both employment or former employment in a profession, trade, industry or calling;

4.51.2. employment or former employment or both employment or former employment by a particular or by an employer included in a particular class of employers;

4.51.3. membership or former membership or both membership or former membership of a particular profession, professional association or union; or

4.51.4. any other prescribed matter.

4.52. “Rules”

the rules of the Scheme and shall include all Annexures and any other documented provisions relating to benefits granted and the contributions payable, as agreed by the Board from time to time.

4.53. “Scale of Fees”

a negotiated tariff fee payable to various Service Providers including those listed on the Network.

4.54. “Spouse”

the person to whom the member is married in terms of any law or custom.

4.55. “Trauma center / unit”

a hospital or facility equipped to perform as a casualty receiving station for the provision of emergency medical services by providing the best possible medical and surgical care for traumatic injuries 24 hours a day, 365 days a year.

5. OBJECTS

The objects of the Scheme are to undertake liability, in respect of its members and their dependants, in return for a contribution or premium —

- a) Undertake liability, in respect of its members and their dependants, in return for a contribution or premium;
- b) To make provision for obtaining of any relevant health service;
- c) To grant assistance in defraying expenditure incurred in connection with the rendering of any relevant health service; and/ or
- d) To render a relevant health service, either by the Scheme itself, or by any supplier or group of suppliers of a relevant health service or by any person in association with, or in terms of an agreement with the Scheme.

6. MEMBERSHIP

6.1. Eligibility

Subject to rule 8, membership of the Scheme is restricted to:

- 6.1.1.** Subject to the Provisions of rule 12 if it is a condition of service every employee (other than a temporary or trainee employee) shall be a member of the Scheme and remain such for the whole period of his service with the Employer, unless the employee can provide written proof to the Board that they are a member of their spouses medical scheme.

- 6.1.2.** Notwithstanding the provisions of this rule, the employee must notify the Scheme within 30 days from date of employment, whether the employee will join the Scheme as a member.

6.2. Retirees

- 6.2.1.** A member shall retain his membership of the Scheme with his registered dependants, if any, in the event of his retiring from the service of his employer or his employment being terminated by his employer on account of age, ill-health or other disability.
- 6.2.2.** The Scheme shall inform the member of his right to continue his membership and of the contribution payable from the date of retirement or termination of his employment. Unless such member informs the Board in writing of his desire to terminate his membership, he shall continue to be a member.
- 6.2.3.** Notwithstanding the provisions of this rule, the member must notify the Scheme within 30 days of his retirement date, whether the member will retain his membership of the Scheme.

6.3. Dependants of deceased members

- 6.3.1.** The dependants of a deceased member, who are registered with the Scheme as his dependants at the time of such member's death, shall be entitled to membership of the Scheme without any new restrictions, limitations or waiting periods.
- 6.3.2.** The Scheme shall inform the dependant of his right to membership and of the contributions payable in respect thereof. Unless such person informs the Board in writing of his intention not to become a member, he shall be admitted as a member of the Scheme.

- 6.3.3.** Such a member's membership terminates if he becomes a member or a dependant of a member of another medical scheme.
- 6.3.4.** Where a child dependant/s has been orphaned, the eldest child may be deemed to be the member, and any younger siblings, the child dependant/s.
- 6.3.5.** Notwithstanding the provisions of this rule, the dependant must notify the Scheme within 30 days of the member's deceased date, whether the dependant will retain membership of the Scheme.

7. REGISTRATION AND DE-REGISTRATION OF DEPENDANTS

7.1. REGISTRATION OF DEPENDANTS

- 7.1.1.** A member may apply for the registration of his dependants at the time that he applies for membership in terms of rule 8.
- 7.1.2.** If a member applies to register a newborn or newly adopted child within 30 days of the date of birth or adoption of the child, such child shall thereupon be registered by the Scheme as a dependant. In the case of a Salary employee the increased contributions shall then be due as from the first day of the month following the month of birth or adoption and benefits will accrue as from the date of birth or adoption. In the case of a Wage employee the increased contributions shall then be due as from the first Stats week of the new month following the month of birth or adoption and benefits will accrue as from the date of birth or adoption.

7.1.3. If a member, who marries subsequent to joining the Scheme, applies within 30 days of the date of such marriage to register his spouse as a dependant, his spouse shall thereupon be registered by the Scheme as a dependant. In the case of a Salary employee the increased contributions shall then be due as from the first day of the month following the month of marriage and benefits will accrue as from the date of marriage. In the case of a Wage employee the increased contributions shall then be due as from the first Stats week of the new month following the month of marriage and benefits will accrue as from the date of marriage.

7.1.4. In the event of any person becoming eligible for registration as a dependant other than in the circumstances set out in rules 7.1.1 to 7.1.3, the member may apply to the Scheme for the registration of such person as a dependant, whereupon the provisions of rule 8 shall apply *mutatis mutandis*.

7.2. De-registration of Dependants

7.2.1. A member shall inform the Scheme within 30 days of the occurrence of any event, which results in any one of his dependants no longer satisfying the conditions in terms of which he may be a dependant.

7.2.2. When a dependant ceases to be eligible to be a dependant, he shall no longer be deemed to be registered as such for the purpose of these rules or entitled to receive any benefits, regardless of whether notice has been given in terms of these rules or otherwise.

8. TERMS AND CONDITIONS APPLICABLE TO MEMBERSHIP

8.1. A minor may become a member with the consent of his parent or guardian.

8.2. No person may be a member of more than one medical scheme or a dependant:

8.2.1. of more than one member of a particular medical scheme; or

8.2.2. of members of different medical schemes or;

8.2.3. claim or accept benefits in respect of himself or any of his dependants from any medical scheme in relation to which he is not a member or a dependant of a member.

8.3. Prospective members shall, prior to admission, complete and submit the application forms required by the Scheme, together with satisfactory evidence in respect of himself and his dependants, of age, income, state of health and of any prior membership or admission as dependant of any other medical scheme. The Scheme may require an applicant to provide the Scheme with a medical report in relation to any proposed beneficiary in respect of a condition for which medical advice, diagnosis, care or treatment was recommended or received within the twelve-month period ending on the date on which an application for membership was made. The costs of any medical tests or examinations required to provide such medical report will be paid for by the Scheme. The Scheme may however designate a provider to conduct such tests or examinations.

8.4. Waiting periods

8.4.1. The Scheme may impose upon a person in respect of whom an application is made for membership or admission as a dependant and who was not a beneficiary of a medical scheme for a period of at least 90 days preceding the date of application –

8.4.1.1. a general waiting period of up to three months; and

8.4.1.2. a condition-specific waiting period of up to 12 months.

8.4.1.3. if both a general waiting period and a condition-specific waiting period are imposed, they will run concurrently, but the provisions of the general waiting period shall predominate. No insured and primary care benefits shall accrue for services in respect of a condition for which a waiting period has been imposed, but contributions shall be paid to the Scheme in full.

8.4.2. The Scheme may impose upon any person in respect of whom an application is made for membership or admission as a dependant, and who was previously a beneficiary of a medical scheme for a continuous period of up to 24 months, terminating less than 90 days immediately prior to the date of application –

8.4.2.1. a condition-specific waiting period of up to 12 months.

8.4.2.2. in respect of any person contemplated in this subrule, where the previous medical scheme had imposed a general or condition-specific waiting period, and such waiting period had not expired at the time of termination, a general or condition-specific waiting period for the unexpired duration of such waiting period imposed by the former medical scheme.

8.4.3. The Scheme may impose upon any person in respect of whom an application is made for membership or admission as a dependant, and who was previously a beneficiary of a medical scheme for a continuous period of more than 24 months, terminating less than 90 days immediately prior to the date of application, a general waiting period of up to three months.

8.5. No waiting periods may be imposed on:

8.5.1. a person in respect of whom application is made for membership or admission as a dependant, and who was previously a beneficiary of a medical scheme, terminating less than 90 days immediately prior to the date of application, where the transfer of membership is required as a result of –

8.5.1.1. change of employment; or

8.5.1.2. an employer changing or terminating the medical scheme of its employees, in which case such transfer shall occur at the beginning of the financial year, or reasonable notice must have been furnished to the scheme to which an application is made for such transfer to occur at the beginning of the financial year.

Where the former medical scheme had imposed a general or condition specific waiting period in respect of persons referred to in this rule, and such waiting period had not expired at the time of termination of membership, the Scheme may impose such waiting period for the unexpired duration of a period imposed by the former medical scheme.

- 8.5.2.** a beneficiary who changes from one benefit option to another within the Scheme unless that beneficiary is subject to a waiting period on the current benefit option in which case the remaining period may be applied.
- 8.5.3.** a child dependant born during the period of membership.
- 8.6.** The registered dependants of a member must participate in the same benefit option as the member.
- 8.7.** Every member will, on admission to membership, receive a detailed summary of these rules, which shall include contributions, benefits, limitations, the member's rights and obligations. Members and their dependants, and any person who claims any benefit under these rules or whose claim is derived from a person so claiming are bound by these rules as amended from time to time.
- 8.8.** A member may not cede, transfer, pledge or hypothecate or make over to any third party any claim, or part of a claim or any right to a benefit which he may have against the Scheme. The Scheme may withhold, suspend or discontinue the payment of a benefit to which a member is entitled under these rules, or any right in respect of such benefit or payment of such benefit to such member, if a member attempts to assign or transfer, or otherwise cede or to pledge or hypothecate such benefit.

9. TRANSFER OF EMPLOYER GROUPS FROM ANOTHER MEDICAL SCHEME

If the members of a medical scheme who are members of that scheme by virtue of their employment by a particular employer, terminate their membership of such scheme with the object of obtaining membership of this Scheme, the Board will admit as a member, without a waiting period, any member of such first-mentioned scheme

who is a continuation member by virtue of his/her past employment by the particular employer and admit any person who has been a registered dependant of such member, as a dependant.

10. MEMBERSHIP CARD AND CERTIFICATE OF MEMBERSHIP

10.1. Every member shall be furnished with a membership card, containing such particulars as may be prescribed. This card must be exhibited to the supplier of a service on request. It remains the property of the Scheme and must be returned to the Scheme on termination of membership.

10.2. The utilisation of a membership card by any person other than the member or his registered dependants, with the knowledge or consent of the member or his dependants, is not permitted and is construed as an abuse of the privileges of membership of the Scheme.

10.3. On termination of membership or on de-registration of a dependant, the Scheme must, within 30 days of such termination, furnish such person with a certificate of membership and cover, containing such particulars as may be prescribed.

11. CHANGE OF ADDRESS OF MEMBER

A member must notify the Scheme within 30 days of any change of address including his/her *domicilium citandi et executandi*. The Scheme shall not be held liable if a member's rights are prejudiced or forfeited as a result of neglect to comply with the requirements of this rule.

12. TERMINATION OF MEMBERSHIP

12.1. Resignation

12.1.1. A member who, in terms of his conditions of employment is required to be a member of the Scheme, may not terminate his membership while he remains an employee without prior written consent of his employer.

12.1.2. A member who resigns from the service of the participating employer shall, on the date of such termination, cease to be a member and all rights to benefits shall thereupon cease, except for claims in respect of services rendered prior thereto.

12.2. Voluntary termination of membership

12.2.1. A member, who is not required in terms of his conditions of employment to be a member, may terminate his membership of the Scheme on giving one month's written notice in the case of a Salary employee and seven days written notice in the case of a Wage employee. All rights to benefits cease after the last day of membership.

12.2.2. Such notice period shall be waived in substantiated cases where membership of another medical scheme is compulsory as a result of a condition of employment.

12.2.3. A member of whom membership is a condition of employment shall not, except with prior approval of the Board and the consent of the member's employer, be permitted to resign from the Scheme whilst the member remains an employee.

A member who is permitted to resign from the Scheme in order to be registered as a dependant of the member's spouse on another medical scheme will, subject to the provisions of Rule 8 be permitted to rejoin the Scheme at a later date.

12.3. Death

Membership of a member terminates on his death.

12.4. Failure to pay any other amounts due to the Scheme

If a member fails to pay amounts due to the Scheme, his/her membership may be terminated in terms of these rules.

12.5. Abuse of privileges, false claims, misrepresentation and non-disclosure of factual information

The Board may exclude from benefits or terminate the membership of a member or dependant whom the Board finds guilty of abusing the benefits and privileges of the Scheme by presenting false claims or making a material misrepresentation or non-disclosure of factual information. In such event he/she may be required by the Board to refund to the Scheme any sum which, but for his/her abuse of the benefits or privileges of the Scheme, would not have been disbursed on his/her behalf.

13. CONTRIBUTIONS

13.1. The total monthly contributions payable to the Scheme by or in respect of a member are as stipulated in Annexure A.

13.2. Contributions shall be due monthly in arrears and be payable by not later than the 7th day of each month. Where contributions or any other debt owing to the scheme, have not been paid within thirty (30) days of the due date, the Scheme shall have the right to suspend all benefit payments which have accrued to such member irrespective of when the claim for such benefit arose, and to give the member and/or employer written notice that if contributions or such other debts are not paid up to date within twenty-one (21) days, of the date of receipt of such notice that membership may be cancelled.

13.3. In the event that payments are brought up to date, and provided membership has not been cancelled in accordance with the rule 13.2., benefits shall be reinstated without any break in continuity. If such payments are not brought up to date, no benefits shall be due to the member from the date of default and any such benefit paid may be recovered by the Scheme.

13.4. Refund of contributions

No refund of any assets of the Scheme or any portion of a contribution shall be paid to any person where such member's membership or cover in respect of any dependant, terminates during the course of a month in the case of a Salary employee and who terminates during the week in the case of a Wage employee.

13.5. Calculation of contribution and admission date

(Subject to Rule 8 – Terms and conditions applicable to membership):

13.5.1. New members joining from employment date

In the case of a Salary employee, contributions for new members shall be due from the first day of the month during which employment

commences, except when the date on which employment commences is the 16th or later of a month, in which case the contributions shall be due from the first day of the month following.

In the case of a Wage employee, contributions shall be due from the first day of the week (that is a Monday).

Admission date shall be from employment date.

13.5.2. New members joining following termination on previous medical aid

Where an applicant still has cover on a previous medical aid; admission date and contribution shall be calculated from the first day of the month following termination on previous medical aid in the case of a Salary employee and as from the first Stats week of the month, following termination on previous medical aid in the case of a Wage employee.

13.5.3. New dependant registration (excluding newborn and spouse)

In the case of a Salary employee, increased contributions shall be due from the first day of the month following the application.

In the case of a Wage employee, contributions shall be due from the first Stats week following the month of application.

Admission date shall be from the first day of the month following the application.

13.5.4. Newborn

No contribution is required for the month in which the baby is born. First contribution shall be calculated as from the first day of the month, following the birth month in the case of a Salary employee

and as from the first Stats week of the month, following the birth month in the case of a Wage employee.

13.5.5. Marriage

No contribution is required for the month in which the member is married. First contribution shall be calculated as from the first day of the month, following the month of marriage in the case of a Salary employee and as from the first Stats week of the month, following the month of marriage in the case of a Wage employee.

14. LIABILITIES OF EMPLOYER AND MEMBER

- 14.1.** The liability of the employer towards the Scheme is limited to any amounts payable in terms of any agreement between the employer and the Scheme.
- 14.2.** The liability of a member to the scheme is limited to the amount of his unpaid contributions together with any sum disbursed by the Scheme on his behalf or on behalf of his dependants, which has not been repaid to the Scheme.
- 14.3.** In the event of a member ceasing to be a member, any amount still owing by such member is a debt due to the Scheme and recoverable by it.

15. CLAIMS PROCEDURE

- 15.1.** Every claim submitted to the Scheme in respect of the rendering of a relevant health service as contemplated in these Rules, must be accompanied by an account or statement as prescribed and shall contain the following particulars:

- 15.1.1.** the surname and initials of the member;

- 15.1.2.** the surname and first name and other initials (if any) of the patient;
- 15.1.3.** the name of the Scheme;
- 15.1.4.** the membership number of the member;
- 15.1.5.** the practice code number as issued by BHF (if applicable) of the supplier of the service, and in the case of a group practice, the name of the practitioner who provided the service;
- 15.1.6.** the date on which each service was rendered;
- 15.1.7.** the nature and cost of each service rendered, including the item code number (Tariff code and ICD-10 diagnosis code) that relates to such service (if applicable), and where the supplier of service supplied medicine to the member concerned or to a dependant of that member, the name, quantity, dosage and net amount payable in respect of the medicine;
- 15.1.8.** where the account is a photocopy of the original, certification by the supplier of service by way of a rubber stamp or signature on such photocopy;
- 15.1.9.** where a pharmacist supplies medicine according to a prescription to a member or a dependant of a member a certified copy of such prescription, if so required by the Board;
- 15.1.10.** the name and the practice code number as issued by BHF of the referring medical practitioner or dentist;

15.1.11. in the case where such account or statement refers to the use of an operating theatre where an operation was performed on the member or the dependant of that member –

- a) the name or names and the practice code number as issued by BHF of the medical practitioner or dentist who performed that operation;
- b) the name or names and the practice code number as issued by BHF of every medical practitioner or dentist who assisted at such operation; and
- c) all procedures carried out; and

15.1.12. in the case of a first account or statement in respect of orthodontic treatment, a treatment plan indicating –

- a) the expected total amount the orthodontist will charge for the treatment;
- b) the expected duration of the treatment;
- c) the initial amount the member has to pay; and
- d) the monthly amount the member has to pay.

15.2. If an account, statement or claim is correct or where a corrected account, statement or claim is received, as the case may be, the Scheme must, in addition to the payment contemplated in Section 59 (2) of the Act, dispatch to the member a statement containing at least the following particulars:

15.2.1. the name and the membership number of the member;

- 15.2.2.** the name of the supplier of service;
 - 15.2.3.** the final date of service rendered by the supplier of service on the account or statement which is covered for the service concerned;
 - 15.2.4.** the total amount charged for the service concerned; and
 - 15.2.5.** the amount of the benefit awarded for such service.
- 15.3.** In order to qualify for benefits, any claim must, unless otherwise arranged, be signed and certified as correct and must be submitted to the Scheme not later than the last day of the fourth month following the month in which the service was rendered.
- 15.4.** Where a member has paid an account, he shall, in support of his claim, submit a receipt.
- 15.5.** Accounts for treatment of injuries or expenses recoverable from third parties, must be supported by a statement, setting out particulars of the circumstances in which the injury or accident was sustained.
- 15.6.** Where the Scheme is of the opinion that an account, statement or claim is erroneous or unacceptable for payment, the Scheme shall notify the member or the health care provider, whichever is applicable, accordingly within 30 days after receipt thereof. The Scheme shall state the reasons why such claim is erroneous or unacceptable and afford such member or provider the opportunity to return such corrected claim to the Scheme within sixty days of the notice.

16. BENEFITS

- 16.1.** Members are entitled to benefits during a financial year, as per Annexure B, and such benefits extend through the member to his registered dependants. A member must, on admission, elect to participate in any one of the available options, detailed in Annexure B.
- 16.2.** The Scheme shall, where an account has been rendered, pay any benefit due to a member, either to that member or to the supplier of the relevant health service who rendered the account, within 30 days of receipt of the claim pertaining to such benefit. {Sec 59(2)}
- 16.3.** A member is entitled to change from one to another benefit option subject to the following conditions:
- 16.3.1.** the change may be made only with effect from 1 January of any financial year. The Board may, in its absolute discretion, permit a member to change from one to another benefit option on any other date provided that the member may change to another option in case of midyear contribution increases or benefit changes.
 - 16.3.2.** application to change from one benefit option to another must be in writing and lodged with the Scheme within the period notified by the Scheme provided that the member has had at least 30 days prior notification of any intended changes in benefits or contributions for the next year.
- 16.4.** Beneficiaries admitted during the course of a financial year are entitled to the benefits set out in the relevant benefit option chosen, with the maximum benefits being adjusted in proportion to the period of membership calculated from the date of admission to the end of the particular financial year.

16.5. Unless otherwise decided by the Board, benefits in respect of medicines obtained on a prescription are limited to one month's supply for every such prescription or repeat thereof.

16.6. Entitlement to benefits

The minimum and maximum benefits to which a member is entitled are set down in Annexure B (at present it excludes the cost of services rendered in respect of prescribed minimum benefits). Subject to the limitations set out in the preamble to Annexure B and (unless otherwise agreed by the Board) the exclusions set out in Annexure C, beneficiaries shall be entitled to benefits as set out in Annexure B, and such benefits shall extend through the member to the member's dependants; provided that such benefits shall only accrue from the admission date of the member or dependant as the case may be.

16.7. Benefits when contributions are in arrears

The Board shall have the right to withhold or refuse payment of benefits to members whose contributions are more than one month in arrears, or at any time should an employer notify the Scheme that, arising out of industrial action, contributions due or about to become due to the Scheme in respect of the member concerned will not be paid on due date.

16.8. Benefits on termination of membership arising from default or abuse of privileges

Where a member's membership is terminated in terms of Rule 12.4 or 12.5, benefits shall only be payable in respect of all services rendered up to the month for which contributions have been paid in the case of a Salary employee and up to the last week for which contributions have been paid in the case of a Wage employee.

16.9. Suspension of benefits when members' portions owing

Where the Scheme has paid any account for services rendered to a member or dependant of a member in terms of the Rules which has resulted in an amount owing by a member for the excess portion payable by that member to the Scheme, and the member fails to pay such outstanding amount within 30 days of having been notified of the amount due and the aggregate of any amounts owing by the member in respect of such outstanding accounts exceeds 50 percent of the member's monthly contribution, the Board shall have the right to withhold or refuse payment of further benefits to the member until such time as the outstanding amounts due to the Scheme have been paid. When the member concerned has settled the member's indebtedness to the Scheme the member shall be entitled to such benefits for services rendered during the period of suspension.

16.10 Date of payments of benefits

The Scheme shall pay any benefit due to a member within 30 days of receipt of the claim pertaining to such benefit.

16.11 Benefits for services outside the Republic

The benefit for any claim accepted by the Scheme in terms of these Rules in respect of services provided outside the Republic of South Africa will be determined in accordance with the Scheme Rate, the Scale of Fees or at the cost of services whichever is the lower and payment will be made in terms of Rule 17.5.

16.12 Currency of payment

Any claim accepted by the Scheme in terms of these Rules in respect of services provided outside the Republic of South Africa will be paid in the currency of the Republic of South Africa.

17. PAYMENT OF ACCOUNTS

17.1 Payment of accounts is restricted to the maximum amount of the benefit entitlement in terms of the applicable benefit and option elected.

17.2 Any discount whether on an individual basis or bulk discount received in respect of a relevant health service shall be for the benefit of the member in determining the net amount payable for the service and appropriate deduction from the applicable benefit limit, or medical savings account, as the case may be.

17.3 The Scheme may, whether by agreement or not with any supplier or group of suppliers of a service, pay the benefit to which the member is entitled, directly to the supplier who rendered the service.

17.4 Where the Scheme has paid an account or portion of an account or any benefit to which a member is not entitled, whether payment is made to the member or to the supplier of service, the amount of any such overpayment is recoverable by the Scheme.

17.5 Notwithstanding the provisions of this rule, the Scheme has the right to pay any benefit directly to the member concerned.

17.6 Ex-Gratia Payments

The Board shall not authorise payment for services other than those provided for in these Rules but may, in its absolute discretion, in respect of the benefits provided, increase the amount payable in terms of these Rules as an ex-gratia award provided it is satisfied that undue hardship otherwise be imposed upon a member.

18. GOVERNANCE

- 18.1** The affairs of the Scheme shall be managed according to these rules by a Board consisting of SIX persons, THREE of whom shall be nominated by the employer and THREE of whom (being members of the Scheme) shall be elected as hereunder directed, by vote of the members present at an Annual General Meeting.
- 18.2** The members at such meeting shall in like manner elect an alternate for each trustee so elected by them.
- 18.3** The elected trustee should notify the alternate trustee to act on his behalf at a meeting of the Board, when the member trustee is unable to attend and such alternate shall be subject to the same conditions as the trustee. Such alternates will be member representatives with the second most votes in the election where the trustee, whom he represents, as an alternate, was elected.
- 18.4** The employer may appoint an alternate to act during the absence of a member appointed by it and may at any time remove a member of the committee or alternate appointed by it, and appoint another to fill his place.

18.5 Term of office

Trustees shall serve a term of office of five years.

18.6 The following persons are not eligible to serve as members of the Board:

18.6.1. a person under the age of 21 years;

18.6.2. an employee, director, officer, consultant or contractor of the Scheme or of the holding company, subsidiary; joint venture or associate of that administrator;

18.6.3. a broker;

18.6.4. the principal officer of the Scheme; and

18.6.5. the auditor of the Scheme.

18.7 Retiring members of the Board are eligible for re-election provided no person shall serve more than two consecutive terms and no more than a total of three terms.

18.8 Nominations to fill vacancies, signed by a proposer and seconder in good standing with the Scheme, must be signed by the candidate signifying his/her consent to stand for election and must be submitted to the Scheme together with a curriculum vitae 7 days before the date of the annual general meeting and the election must be carried out by the members present at the annual general meeting of the Scheme.

- 18.9** The Board may fill by appointment by the remaining members of the Board, any casual vacancy, which occurs during its term of office. A person so appointed must retire at the first ensuing annual general meeting and that meeting must fill the vacancy for the unexpired period of office of the vacating member of the Board.
- 18.10** The Board may co-opt a knowledgeable person to assist it in its deliberations provided that such person shall not have a vote.
- 18.11** Half of the members of the Board plus one shall form a quorum.
- 18.12** The Board must elect from its number the chairman and vice-chairman.
- 18.13** In the absence of the chairperson and vice-chairperson the Board members present must elect one of their numbers present to preside.
- 18.14** Matters serving before the Board must be decided by a majority vote and in the event of an equality of votes, the chairperson has a casting vote in addition to his deliberative vote.
- 18.15** A member of the Board may resign at any time by giving written notice to the Board.
- 18.16** A member of the Board ceases to hold office if —
- 18.16.1.** he becomes mentally ill or incapable of managing his affairs;
 - 18.16.2.** he is declared insolvent or has surrendered his estate for the benefit of his creditors;

- 18.16.3.** he is convicted, whether in the Republic or elsewhere, of theft, fraud, forgery or uttering of a forged document or perjury;
- 18.16.4.** he is removed by the court from any office of trust on account of misconduct;
- 18.16.5.** he is disqualified under any law from carrying on his profession;
- 18.16.6.** he ceases to be an appointee by a participating employer, or being a Board member elected by members of the Scheme, he ceases to be a member of the Scheme;
- 18.16.7.** he absents himself from three consecutive meetings of the Board without the permission of the Chairperson; or
- 18.16.8.** he is removed from office by the Council in terms of Section 46 of the Act;
- 18.16.9.** he is removed from office in terms of rule 18.23;
- 18.16.10.** the provisions of rules 18.16.1 – 18.16.5 apply *mutatis mutandis* to the principal officer.

18.17 The Board must meet at least once every three (3) months or at such intervals as it may deem necessary.

Seven day's notice of a Board meeting, unless otherwise agreed by the Board, shall be given to each member of the Board and such notice shall, as far as possible, contain a statement of the business to be transacted at the meeting. The non-receipt of any notice shall not invalidate the proceedings of any meeting of the Board.

18.18 The chairperson may convene a special meeting should the necessity arise. Any two members of the Board may request the chairperson to convene a special meeting of the Board, stating the matters to be discussed at such meeting. Upon receipt of the request, the Chairman shall, within five days, convene a special meeting of the Board to deal with the matters stated therein.

18.19 Members of the Board shall not be entitled to any remuneration, honorarium or any other fee in respect of services rendered in their capacity as members of the Board.

18.20 The Board may, subject to participation by sufficient members to form a quorum, discuss and resolve matters by telephone or electronic conferencing means and may adopt resolutions on that basis.

18.21 Record of proceedings of meetings

The Board shall cause the proceedings of all annual, special general and Board meetings to be properly minuted and the minutes of such meetings shall be laid before the first succeeding respective meeting.

Provided that the minutes of every special general meeting shall, as the Board may decide, be laid before the first succeeding special general meeting or the annual general meeting.

If the minutes of any such meetings are accepted and confirmed as correct they shall be signed by the chairperson.

18.22 Evidence of minutes

Every minute signed by the chairperson of the meeting to which such minutes relate or signed by the chairperson of the meeting subsequent to the meeting to which such minutes relate shall be sufficient evidence of the facts stated therein.

18.23 A member of the Board who acts in a manner which is seriously prejudicial to the interests of beneficiaries of the medical scheme may be removed by the Board, provided that –

18.23.1. before a decision is taken to remove the member of the Board, the Board shall furnish that member with full details of the evidence which the Board has at its disposal regarding the conduct complained of, and allow such member a period of not less than 30 days in which to respond to the allegations;

18.23.2. the resolution to remove that member is taken by at least two thirds of the members of the Board;

18.23.3. the member shall have resource to disputed procedures of the scheme or complaints and appeal procedures provided for in the Act.

19. DUTIES OF BOARD OF TRUSTEES

19.1 The Board is responsible for the proper and sound management of the Scheme, in terms of these rules.

19.2 The Board must act with due care, diligence, skill and in good faith.

- 19.3** Members of the Board must avoid conflicts of interests, and must declare any interest they may have in any particular matter serving before the Board.
- 19.4** The Board must apply sound business principles and ensure the financial soundness of the Scheme.
- 19.5** In consultation with the employer the Board shall appoint a Principal Officer who is fit and proper to hold such office and any other clerical staff for the proper execution of the business of the Scheme and shall determine the terms and conditions of service such appointments.
- 19.6** The chairperson must preside over meetings of the Board and ensure due and proper conduct at meetings.
- 19.7** The Board must cause to be kept such minutes, accounts, entries, registers and records as are essential for the proper functioning of the Scheme.
- 19.8** The Board must ensure that proper control systems are employed by and on behalf of the scheme.
- 19.9** The Board must ensure that adequate and appropriate information is communicated to the members regarding their rights, benefits, contributions and duties in terms of the rules.
- 19.10** The Board must take all reasonable steps to ensure that contributions are paid timeously to the scheme in accordance with the Act and the rules.
- 19.11** The Board must take out and maintain professional indemnity insurance and fidelity guarantee insurance.

- 19.12** The Board must obtain expert advice on legal, accounting and business matters as required, or on any other matter of which the members of the Board may lack sufficient expertise.
- 19.13** The Board must ensure that the rules and the operation and administration of the scheme comply with the provisions of the Act and all other applicable laws.
- 19.14** The Board must take all reasonable steps to protect the confidentiality of medical records concerning any member or dependant's state of health.
- 19.15** The Board must approve all disbursements.
- 19.16** The Board must cause to be kept in safe custody, in a safe or strong room at the registered office of the Scheme or with any financial institution approved by the Board, any mortgage bond, title deed or other security belonging to or held by the Scheme, except when in the temporary custody of another person for the purposes of the Scheme.
- 19.17** The Board must make such provision, as it deems desirable, and with due regard to normal practice and recommended guidelines pertaining to retention of documents, for the safe custody of the books, records, documents and other effects of the Scheme.

20. POWERS OF BOARD

The Board has the power —

- 20.1** to cause the termination of the services of any employee of the Scheme;

- 20.2** to take all necessary steps and to sign and execute all necessary documents to ensure and secure the due fulfillment of the Scheme's obligations under such appointments;
- 20.3** to appoint a subcommittee consisting of such Board members and other experts as it may deem appropriate;
- 20.4** to appoint a duly accredited administrator on such terms and conditions as it may determine, for the proper execution of the business of the Scheme. The terms and conditions of such appointment must be contained in a written contract, which complies with the requirements of the Act and the regulations;
- 20.5** to appoint, compensate and determine the level of services of any accredited person for the introduction or admission of a member to the Scheme;
- 20.6** to contract with managed health care organisations subject to the provisions of the Act and its regulations;
- 20.7** to purchase movable and immovable property for the use of the Scheme or otherwise, and to sell it or any of it;
- 20.8** to let or hire movable or immovable property;
- 20.9** in respect of any monies not immediately required to meet current charges upon the Scheme and subject to the provisions of the Act, and in the manner determined by the Board, to invest or otherwise deal with such moneys upon security and to realise, re-invest or otherwise deal with such monies and investments;

- 20.10** with the prior approval of the Council, to borrow money for the Scheme from the Scheme's bankers against the security of the Scheme's assets for the purpose of bridging a temporary shortage;
- 20.11** subject to the provisions of any law, to cause the Scheme, whether on its own or in association with any person, to establish or operate any pharmacy, hospital, clinic, maternity home, nursing home, infirmary, home for aged, persons or any similar institution, in the interests of the members of the Scheme;
- 20.12** to donate to any hospital, clinic, nursing home, maternity home, infirmary or home for aged persons in the interests of all or any of the members;
- 20.13** to grant repayable loans to members or to make *ex gratia* payments on behalf of members in order to assist such members to meet commitments in regard to any matter specified in rule 5;
- 20.14** to contribute to any fund conducted for the benefit of employees of the Scheme;
- 20.15** to reinsure obligations in terms of the benefits provided for in these rules;
- 20.16** to authorise the principal officer and /or such members of the Board as it may determine from time to time, and upon such terms and conditions as the Board may determine, to sign any contract or other document binding or relating to the Scheme or any document authorising the performance of any act on behalf of the Scheme;
- 20.17** to contribute to any association instituted for the furtherance, encouragement and co-ordination of medical schemes;

20.18 in general, do anything, which it deems necessary or expedient to perform its functions in accordance with the provisions of the Act and these rules.

21. DUTIES OF PRINCIPAL OFFICER AND STAFF

21.1 The staff of the Scheme must ensure the confidentiality of all information regarding its members.

21.2 The principal officer is the executive officer of the scheme and as such shall ensure that:

21.2.1. he acts in the best interests of the members of the scheme at all times;

21.2.2. the decisions and instructions of the Board are executed without unnecessary delay;

21.2.3. where necessary, there is proper and appropriate communication between the Scheme and those parties, affected by the decisions and instructions of the Board;

21.2.4. he keeps the Board sufficiently and timeously informed of the affairs of the Scheme, which relate to the duties of the Board as stated in section 57(4) of the Act;

21.2.5. he keeps the Board sufficiently and timeously informed concerning the affairs of the Scheme so as to enable the Board to comply with the provisions of section 57(6) of the Act;

- 21.2.6.** he does not take any decisions concerning the affairs of the Scheme without prior authorisation by the Board and that he at all times observes the authority of the Board in its governance of the scheme.
- 21.3** The principal officer shall be the accounting officer of the Scheme charged with the collection of and accounting for all moneys received and payments authorised by and made on behalf of the Scheme.
- 21.4** The principal officer shall ensure the carrying out of all of his duties as are necessary for the proper execution of the business of the Scheme. He shall attend all meetings of the Board, and any other duly appointed subcommittee where his attendance may be required, and ensure proper recording of the proceedings of all meetings.
- 21.5** The principal officer shall be responsible for the supervision of the staff employed by the Scheme unless the Board decides otherwise.
- 21.6** The principal officer shall keep full and proper records of all moneys received and expenses incurred by, and of all assets, liabilities and financial transactions of the Scheme.
- 21.7** The principal officer shall prepare annual financial statements and shall ensure that statutory requirements are complied with.
- 21.8** The following persons are not eligible to be a principal officer:
- 21.8.1.** an employee, director, officer, consultant or contractor of the administrator of the Scheme or of the holding company, subsidiary, joint venture or associate of that administrator;
- 21.8.2.** a broker.

21.9 The provisions of rules 18.16.1 – 18.16.5 apply mutatis mutandis to the principal officer.

22. INDEMNIFICATION & FIDELITY GUARANTEE

22.1 The Board and any officer of the Scheme must be indemnified by the Scheme against all proceedings, costs and expenses incurred by reason of any claim in connection with the Scheme, not arising from their negligence, dishonesty or fraud.

22.2 The Board must ensure that the Scheme is insured against loss resulting from the dishonesty or fraud of any of its officers (including members of the Board) having the receipt or charge of moneys or securities belonging to the Scheme.

22.3 Nothing in these rules shall be construed as altering in any way the employers right to either terminate the service of an employee who is a member of the Scheme or to terminate or amend any agreement between the employer and the employee in regard to conditions of service.

23. FINANCIAL YEAR OF THE SCHEME

The financial year of the Scheme extends from the 1st day of January to the 31st day of December of that year.

24. BANKING ACCOUNT

The Scheme must maintain a banking account with a registered commercial bank. All moneys received must be deposited to the credit of such account and all payments must be made either by electronic transfer, tape exchange or by cheque under the joint signature of not less than two persons duly authorised by the Board.

25. AUDITOR & AUDIT COMMITTEE

- 25.1** An auditor (who must be approved by the Registrar in terms of section 36 of the Act) must be appointed by resolution at each annual general meeting, to hold office from the conclusion of that meeting to the conclusion of the next annual general meeting.
- 25.2** The following persons are not eligible to serve as auditor of the Scheme –
- 25.2.1.** a member of the Board;
 - 25.2.2.** an employee, officer or contractor of the Scheme;
 - 25.2.3.** an employee, director, officer or contractor of the Scheme’s administrator, or of the holding company, subsidiary, joint venture or associate of the administrator;
 - 25.2.4.** a person not engaged in public practice as an auditor;
 - 25.2.5.** a person who is disqualified from acting as an auditor in terms of the Companies Act, 1973.
- 25.3** Whenever for any reason an auditor vacates his office prior to the expiration of the period for which he has been appointed, the Board must within 30 days appoint another auditor to fill the vacancy for the unexpired period.

25.4 If the members of the Scheme at a general meeting fail to appoint an auditor required to be appointed in terms of this rule, the Board must within 30 days make such appointment, and if it fails to do so, the Registrar may at any time do so.

25.5 The auditor of the Scheme at all times has a right of access to the books, records, accounts, documents and other effects of the Scheme, and is entitled to require from the Board and the officers of the Scheme such information and explanations as he deems necessary for the performance of his duties.

25.6 The auditor must report to the members of the Scheme on the accounts examined by him and on the financial statements laid before the Scheme in general meeting.

25.7 The Board must appoint an audit committee in the prescribed manner.

26. GENERAL MEETINGS

26.1 Annual general meeting

26.1.1. The annual general meeting of members must be held not later than 31 July of each year, provided that in case of a pandemic or declared National State of Disaster, such annual general meeting shall take place within 90 calendar days post the lifting of any restrictions of movement, at such time and place as the Board shall determine.

- 26.1.2.** The notice convening the annual general meeting, containing the agenda, the annual financial statements, auditor's report and annual report, must be furnished to members at least 21 days before the date of the meeting. The non-receipt of such notice by a member does not invalidate the proceedings at such meeting, provided that the notice procedure followed by the Board was reasonable.
- 26.1.3.** At least thirty (30) members of the Scheme present in person constitute a quorum. If a quorum is not present after the lapse of 30 minutes from the time fixed for the commencement of the meeting, the meeting shall be looked upon as having been adjourned for 20 minutes. The members present at an adjourned meeting shall constitute a quorum and shall deal with the matters for which the meeting was convened.
- 26.1.4.** The financial statements and reports specified in rule 26.1.2 must be laid before the meeting.
- 26.1.5.** Notices of motions to be placed before the annual general meeting must reach the principal officer not later than seven days prior to the date of the meeting.

26.2 Special general meeting

- 26.2.1.** The Board may call a special general meeting of members if it is deemed necessary.
- 26.2.2.** Only members in good standing will be permitted to attend the meeting on presenting proof of membership and identity.

- 26.2.3.** On the requisition of at least fifty (50) members of the Scheme in good standing, the Board must cause a special general meeting to be called and held within 30 days of the deposit of the requisition. The requisition must state the objects of the meeting and must be signed by all the members requesting the special meeting and deposited at the registered office of the Scheme. Only those matters forming the objects of the meeting may be discussed.
- 26.2.4.** The notice convening the special general meeting, containing the agenda, must be furnished to members at least 14 days before the date of the meeting. The non-receipt of such notice by a member does not invalidate the proceedings at such a meeting.
- 26.2.5.** At least fifty (50) members present in person constitute a quorum. If a quorum is not present at a special general meeting after the lapse of 30 minutes from the time fixed for the commencement of the meeting, the meeting is regarded as cancelled.

27. VOTING AT MEETINGS

- 27.1** Every member who is present at a general meeting of the Scheme and whose contributions is not in arrears, has the right to vote, or may, subject to this rule, appoint another member of the Scheme as proxy to attend, speak and vote in his stead.
- 27.2** The instrument appointing the proxy must be in writing, in a form determined by the Board and must be signed by the member and the person appointed as the proxy.

27.3 The chairperson must determine whether the voting must be by ballot or by a show of hands. In the event of the votes being equal, the chairperson, if he is a member, has a casting vote in addition to his deliberative vote.

28. COMPLAINTS AND DISPUTES

28.1 Members may lodge their complaints, in writing, to the Scheme. The Scheme or its administrators shall also provide a dedicated toll free telephone number, which may be used for dealing with telephonic complaints.

28.2 All complaints received in writing will be responded to by the Scheme in writing within 30 days of receipt thereof.

28.3 A disputes committee of three members, who may not be members of the Board, employees of the administrator of the Scheme or officers of the Scheme, must be appointed by the Board annually to serve a term of office of 3 years. At least one of such members shall be a person with legal expertise.

28.4 Any dispute, which may arise between a member, prospective member, former member or a person claiming by virtue of such member and the Scheme or an officer of the Scheme, must be referred by the principal officer to the disputes committee for adjudication.

28.5 On receipt of a request in terms of this rule, the principal officer must convene a meeting of the disputes committee by giving not less than 21 days notice in writing to the complainant and all the members of the disputes committee, stating the date, time, and venue of the meeting and particulars of the dispute.

28.6 The disputes committee may determine the procedure to be followed.

28.7 The parties to any dispute have the right to be heard at the proceedings, either in person or through a representative.

28.8 An aggrieved person has the right to appeal to the Council for Medical Schemes against the decision of the disputes committee. Such appeal must be in the form of an affidavit directed to Council and shall be furnished to the Registrar not later than three months after the date on which the decision concerned was made.

29. DISSOLUTION

29.1 The Scheme may be dissolved by order of a competent court or by voluntary dissolution.

29.2 Members in general meeting may decide that the Scheme must be dissolved, in which event the Board must arrange for members to decide by ballot whether the Scheme must be liquidated. Unless the majority of members decide that the Scheme must continue, the Scheme must be liquidated in terms of section 64 of the Act.

29.3 Pursuant to a decision by members taken in terms of rule 29.2 the principal officer must, in consultation with the Registrar, furnish to every member a memorandum containing the reasons for the proposed dissolution and setting forth the proposed basis of distribution of the assets in the event of winding up, together with a ballot paper.

29.4 Every member must be requested to return his ballot paper duly completed before a set date. If at least 50 per cent of the members return their ballot papers duly completed and if the majority thereof is in favour of the dissolution of the Scheme, the Board must ensure compliance therewith and appoint, in consultation with the Registrar, a competent person as liquidator.

30. AMALGAMATIONS AND TRANSFER OF BUSINESS

30.1 The Scheme may, subject to the provisions of section 63 of the Act, amalgamate with, transfer its assets and liabilities to, or take transfer of assets and liabilities of any other medical scheme or person. The Board must arrange for members to decide by ballot whether the proposed amalgamation should be proceeded with or not.

30.2 If at least 50 per cent of the members return their ballot papers duly completed and if the majority thereof is in favour of the amalgamation or transfer then, subject to section 63 of the Act, the amalgamation or transfer may be concluded.

30.3 The Registrar may, on good cause shown, ratify a lower percentage.

31. RIGHT TO OBTAIN DOCUMENTS AND INSPECTION OF DOCUMENTS

31.1 Any beneficiary must on request and on payment of a fee of R50.00 (Fifty Rands) per copy, be supplied by the Scheme with a copy of the following documents:

31.1.1. the rules of the Scheme;

31.1.2. the latest audited annual financial statements, returns, Trustees reports and auditors report of the Scheme; and

31.1.3. the management accounts in respect of the scheme and all of its benefit options.

31.2 A beneficiary is entitled to inspect free of charge at the registered office of the Scheme any document referred to in rule 31.1 and to make extracts therefrom.

31.3 This rule shall not be construed to restrict a person's rights in terms of the Promotion of Access to Information Act, Act No 2 of 2000.

32. AMENDMENT OF RULES

32.1 The Board is entitled to alter or rescind any rule or annexure or to make any additional rule or annexure.

32.2 No alteration, rescission or addition which affects the objects of the Scheme or which increases the rates of contribution or decreases the extent of benefits of the scheme or of any particular benefit option by more than twenty five (25) percent during any financial year, is valid unless it has been approved by a majority of members present in a general meeting or a special meeting or by ballot.

32.3 Members must be furnished with a copy of such amendment within 14 days after registration thereof. Should a member's rights, obligations, contributions or benefits be amended, he/she shall be given 30 days advance notice of such change.

32.4 Notwithstanding the provisions of rule 32.1 above, the Board must, on the request and to the satisfaction of the Registrar, amend any rule that is inconsistent with the provisions of the Act.

32.5 No amendment, rescission or addition of any rule shall be valid unless it has been approved and registered by the Registrar.