



POLMED[®]

OUR INVESTMENT OUR HEALTH OUR FUTURE

RULES

RULES FOR THE SOUTH AFRICAN POLICE SERVICE MEDICAL SCHEME (POLMED)

REGISTERED UNDER THE MEDICAL SCHEMES ACT, 1998

(ACT NO. 131 OF 1998)

RULE	TABLE OF CONTENTS	PAGE
1	NAME	4
2	LEGAL PERSONA.....	4
3	REGISTERED OFFICE	4
4	DEFINITIONS	5
5	OBJECTIVES	12
6	MEMBERSHIP.....	13
7	REGISTRATION AND DE-REGISTRATION OF DEPENDANTS	16
8	TERMS AND CONDITIONS APPLICABLE TO MEMBERSHIP	19
9	TRANSFER OF EMPLOYER GROUPS FROM ANOTHER MEDICAL SCHEME	23
10	MEMBERSHIP CARD AND CERTIFICATE OF MEMBERSHIP.....	23
11	CHANGE OF CONTACT DETAILS AND/OR BANK ACCOUNT OF MEMBER.....	24
12	TERMINATION OF MEMBERSHIP	24
13	CONTRIBUTIONS	26
14	LIABILITIES OF MEMBER	27
15	CLAIMS PROCEDURE.....	29
16	BENEFITS	31
17	PAYMENT OF ACCOUNTS	35

18	GOVERNANCE	36
19	DUTIES OF BOARD OF TRUSTEES.....	44
20	POWERS OF THE BOARD OF TRUSTEES	46
21	DUTIES OF THE OFFICERS OF THE SCHEME	49
22	INDEMNIFICATION AND FIDELITY GUARANTEE	51
23	FINANCIAL YEAR OF THE SCHEME.....	51
24	BANKING ACCOUNT	51
25	AUDITOR AND AUDIT COMMITTEE	52
26	GENERAL MEETINGS	53
27	VOTING AT MEETINGS.....	56
28	SETTLEMENT OF DISPUTES AND COMPLAINTS	56
29	DISSOLUTION	57
30	AMALGAMATION AND TRANSFER OF BUSINESS	58
31	RIGHT TO OBTAIN DOCUMENTS AND PERUSAL OF DOCUMENTS	58
32	AMENDMENT OF RULES.....	59
33	EX GRATIA PAYMENTS	60
	ANNEXURE A1 – Marine Schedule: Schedule of Benefits	61
	ANNEXURE A2 – Marine Schedule: Co-payments	
	ANNEXURE A3 – Marine Schedule: Schedule of Contributions	
	ANNEXURE A4 – Marine Schedule: Chronic Conditions	
	ANNEXURE B1 – Aquarium Schedule: Schedule of Benefits	
	ANNEXURE B2 – Aquarium Schedule: Co-payments	
	ANNEXURE B3 – Aquarium Schedule: Schedule of Contributions	
	ANNEXURE B4 – Aquarium Schedule: Chronic Conditions	
	ANNEXURE C – General Exclusions	
	– Acute Medicine Exclusions	
	ANNEXURE D – Procedures Pre-authorized under Auspices of Managed Healthcare	
	ANNEXURE E – Preventative Healthcare Benefit	

R U L E S

1. NAME

The name of the Scheme shall be the South African Police Service Medical Scheme, hereinafter referred to as the "Scheme". **The abbreviated name is "Polmed".**

2. LEGAL PERSONA

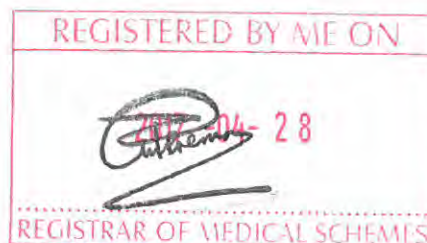
The Scheme, in its own name, is a body corporate, capable of suing and of being sued and of doing or causing to be done all such things as may be necessary for or incidental to the exercise of its powers or the performance of its functions in terms of the Medical Schemes Act and Regulations and these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

3. REGISTERED OFFICE

The registered office of the Scheme shall be situated at:

Crestway Office Park
Block A
20 Hotel Street
Persequor Park
Lynnwood, PRETORIA

Provided that the Board of Trustees shall have the right to transfer such office to any other location in the Republic of South Africa, should circumstances so dictate. The Board of Trustees shall inform the Registrar, all members and employees if there are any changes regarding the registered office of the Scheme.



4. DEFINITIONS

In these Rules, a word or expression defined in the Medical Schemes Act (Act No 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 promulgated in terms thereof.

4.2 “Adult Dependant”

4.2.1 A “spouse” – being a natural person who is bound to a Member in terms of a marriage or customary union recognized by the laws of the Republic of South Africa or recognized as a marriage in accordance with the dictates of any religion.

4.2.2 A “partner” – being a natural person with whom a Member has a serious relationship of co-habitation as husband or wife irrespective of sexual orientation and there is a shared and common household.

4.2.3 A parent or parent-in-law of a Member who is factually and financially dependent on a Member.

4.2.4 A child of a Member or Member’s spouse or partner as defined in paragraph 4.10, who is above twenty one (21) years of age, who is unemployed, in respect of whom a Member is liable for family care and support.



4.3 “Annual limit”

The maximum benefit to which a Member and his registered Dependants are entitled to, in respect of each particular category of benefits as set out in Annexure A1 and B1 of these Rules, and shall be calculated annually to coincide with the financial year of the Scheme.

4.4 “Approval”

Prior written approval of the Board or its delegated representatives.

4.5 “Auditor”

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

4.6 “Basic monthly salary”

The gross salary, wage or pension calculated on the salary notch excluding any allowance, special allowance, or any bonus, overtime payment, travelling allowance or cost of living allowance or any other emolument of any kind whatsoever.

4.7 “Beneficiary”

A Member or a person registered as a Dependant of a Member.

4.8 “Board”

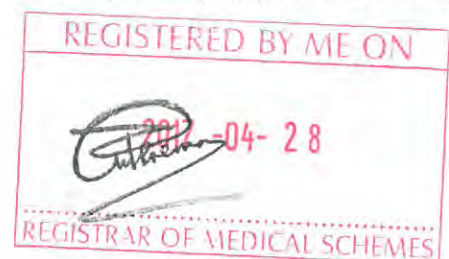
The Board of Trustees constituted to manage the Scheme in terms of the Act and these Rules.

4.9 “BHF”

The Board of Healthcare Funders of Southern Africa or its successor.

4.10 “Child”

A child of a Member who is under the age of twenty one (21) years and who



for the purpose of these rules shall include:

- 4.10.1 a natural child of a Member;
- 4.10.2 a legally adopted child of a Member or of a Member's spouse, where the child is not the biological child of either of them;
- 4.10.3 a foster child that is placed in the custody of a Member or of a Member's spouse;
- 4.10.4 a step-child of a Member;
- 4.10.5 a child as referred to in Rule 4.10.1 to 4.10.4 who is unmarried and who is above the age of twenty one (21) but below thirty (30) years of age, financially dependent on a Member , and who is not a Member or a registered Dependant of a Member of a medical scheme, in respect of whom a Member is liable for family care and support; and
- 4.10.6 a child as referred to in Rule 4.10.1 to 4.10.4 that is totally dependent on a Member who is deemed by the Board to be Permanently Disabled, irrespective of age.

4.11 "Continuation Member"

A Member who retains his membership of the Scheme in terms of rule 6.3 or a Dependant who becomes a Member of the Scheme in terms of rule 6.4.

4.12 "Contribution"

In relation to a Member, the amount, exclusive of interest, paid by or in respect of the Member and his registered Dependant(s) if any, as membership fees.



4.13 “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.

4.14 “Cost”

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

4.15 “Council” means the Council for Medical Schemes established by section 3 of Medical Schemes Act.

4.16 “Co-payment”

A percentage or part of an admitted claim or a specific amount in relation to such claim, that a Member concerned shall be required to pay.

4.17 “Date of Service”

4.17.1 In the event of a consultation or treatment, the date on which each consultation or treatment took place, whether for the same illness or not;

4.17.2 In the event of an operation, procedure or confinement, the date on which such operation or procedure was performed or confinement occurred;

4.17.3 In the event of hospitalization, the date of each discharge from a hospital or nursing home, or date of termination of membership, whichever date occurs first; or

4.17.4 In the event of any other service or requirement, the date on which such service was rendered or the required item was obtained.



4.18 Dependant

4.18.1 A person who qualifies as a Child Dependant in terms of rule 4.10, or as an Adult Dependant in terms of rule 4.2 of a Member in accordance with the definitions in these rules and the provisions of Rule 6 hereof and who is accepted and registered as a Dependant of such a Member by the Scheme, for so long as such person's registration is approved and current in accordance with these Rules.

4.18.2 Dependents of Dependents who became Members do not qualify to register new Dependents who were not Dependents at the time of the death of the initial Member.

4.19 "Employee"

A Member of the South African Police Service as defined in the South African Police Service Act, 1995 (Act No. 68 of 1995).

4.20 "Employer"

The South African Police Service.

4.21 "Financially Dependent"

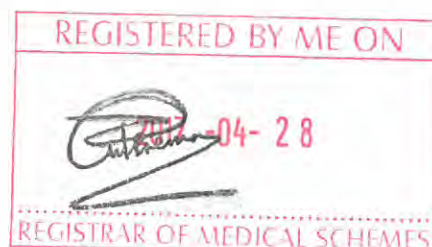
In respect of a person who does not earn more than the Social Pension recognized by the Board for this purpose and is financially dependent on the Member, not self-supporting owing to mental or physical defects or disability and not a member or a registered Dependant of a member of a medical scheme.

4.22 "General Waiting Period"

A period during which a Beneficiary is not entitled to claim any benefits.

4.23 "Hospital Benefit Management Programme"

The contracting with hospitals, pre-authorization, case management, clinical auditing of accounts and clearing of accounts.



4.24 “Income”

For the purposes of calculating contributions in respect of –

- 4.24.1 a Member who is an employee – basic monthly salary;
- 4.24.2 a Continuation Member – monthly pension;
- 4.24.3 a medically boarded Member –monthly pension; and
- 4.24.4 a Continuation Member who received a severance package – basic monthly salary received in the last month of service with the Employer.

4.25 “Indemnity Policy”

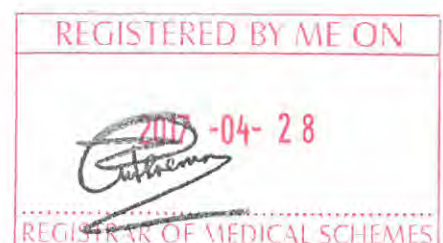
It is an insurance cover for:

- 4.25.1 any demand or legal process issued against the Insured or an Officer for damages resulting from a Wrongful Act or alleged Wrongful Act; and
- 4.25.2 any written communication alleging a Wrongful Act communicated to the Insured.

4.26 “Member”

Any person who is eligible to be a Member of the Scheme in terms of rule 6, who is registered as such by the Scheme, irrespective of age and who for the purpose of these rules shall include:

- 4.26.1 Every member of the South African Police Service, appointed in terms of the South African Police Service Act, 1995 is eligible to become a Member of the Scheme from the date of his appointment as a member of the South African Police Service;
- 4.26.2 Continuation member – a Member who retains his membership of the Scheme in terms of rule 6.3 or a Dependant who becomes a Member of the Scheme in terms of rule 6.4; and
- 4.26.3 Police Trainee – a person undergoing the South African Police Service Basic Training Learning Programme.



4.27 “Minimum benefits”

The benefits in respect of relevant health services in terms of Regulations promulgated in terms of section 67(1)(g) of the Act.

4.28 “Member family”

A Member and his registered Dependant(s).

4.29 “Permanent Disability”

A moderate to severe limitation of a person's ability to function or perform daily activities as a result of a physical, sensory, communication, intellectual or mental impairment if the limitation has lasted or has a prognosis of lasting more than a year and is diagnosed by a duly registered medical practitioner.

4.30 “Polmed rate”

2006 National Health Reference Price List (NHRPL) adjusted on an annual basis with Consumer Price Index (CPIX).

4.31 “Prescribed Minimum Benefits”

The benefits contemplated in Section 29(1)(0) of the Act, which, subject to the Act, consist of the provision of the diagnosis, treatment and care cost, as contemplated in the Act, of-

4.31.1 the Diagnosis and Treatment Pairs listed in Annexure A of the Regulations, subject to any limitations specified therein; and

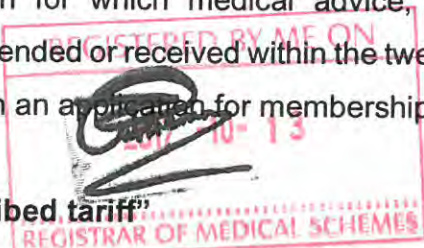
4.31.2 any emergency medical condition.

4.32 “Pre-existing condition”

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.

4.33 “Prescribed tariff”

A tariff agreed and/or communicated with service provider(s).



4.34 “Provider”

4.34.1 “Contracted Provider”

A provider of relevant health services as defined in the Act, contracted by or on behalf of the Scheme on terms and conditions as approved by the Board.

4.34.2 “Non-contracted Provider”

A provider of relevant health services as defined in the Act, not contracted by or on behalf of the Scheme.

4.34.3 “Designated Service Provider”

A healthcare provider or group of providers designated by the Board as preferred provider/s of diagnostic, treatment and care services to Members or their Dependants in respect of one or more Prescribed Minimum Benefit conditions.

4.35 “Registrar”

The Registrar or Deputy Registrar(s) of Medical Schemes appointed in terms of section 18 of the Act.

4.36 “Registration date”

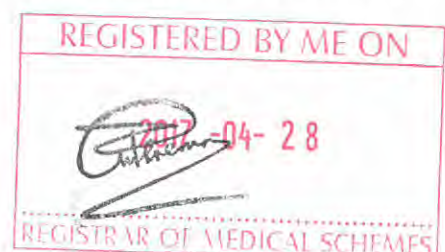
The date on which a person is registered as a Member, or on which a person is admitted as a Dependant of a Member, in terms of these Rules.

4.37 “Social pension”

The appropriate maximum basic social pension prescribed by Regulations promulgated in terms of the Social Assistance Act, 2004 (Act No. 13 of 2004).

5. OBJECTIVES

The objectives of the Scheme are to manage and maintain a fund for the Beneficiaries of the Scheme into which contributions, donations or other income of



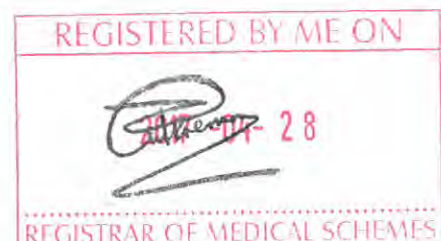
the Scheme is deposited and thereby to make provision for -

- 5.1 the granting of assistance to Members in defraying expenditure incurred by them and their registered Dependants aimed at the health care treatment of an actual or alleged illness or disability which threaten essential bodily functions as provided for and in accordance with the Rules of the Scheme; and
- 5.2 the rendering of a service, as contemplated in these Rules, to Beneficiaries either by the Scheme itself or by any supplier or group of suppliers of a service in association with or in terms of an agreement with the Scheme.

6. MEMBERSHIP

6.1 Eligibility

- 6.1.1 Current Members who are duly registered Members of the Scheme.
- 6.1.2 Every member of the South African Police Service, appointed in terms of the South African Police Service Act, 1995 is eligible to become a Member of the Scheme from the date of his appointment as a member of the South African Police Service.
- 6.1.3 Members who retire from the service of the Employer or whose services are terminated by the Employer on account of age, ill-health in terms of rule 6.3.1 subject to rule 6.3.4.
- 6.1.4 The Dependants of deceased Members in terms of Rule 6.4.
- 6.1.5 An Employee who ceases to be an Employee for any reason whatsoever not mentioned in Rule 6.3.1, shall cease to be eligible for new or continued membership of the Scheme, together with his Dependants, unless otherwise determined by the Board.



6.2 Non-Eligibility

An Employee who resigns from the services of the Employer, shall not be eligible for new or continued membership of the Scheme, together with his Dependants.

6.3 Continuation members

6.3.1 A Member may retain his membership of the Scheme with his registered Dependants, if any, in the event of his retirement from the service of the Employer or his employment being terminated by his Employer -

6.3.1.1 on account of age;

6.3.1.2 on account of ill-health;

6.3.1.3 in terms of section 35 of the South African Police Service Act, 1995; or

6.3.1.4 on account of a voluntary severance package.

6.3.2 A Member referred to in Rule 6.3.1 shall inform the Scheme of his intention to continue his membership of the Scheme after his retirement or the termination of his employment with the Employer either before his retirement or the termination of his services or within 90 (ninety) days thereafter. Such a member must inform the Board in writing of his expected monthly income, to enable the Scheme to determine the monthly Contribution payable by such Member.

6.3.3 A Continuation Member shall only qualify to receive the benefit of the Employer's contribution to the membership fees of the Scheme,

if such a Member retained his membership of the Scheme because of his retirement from the service of the Employer or his employment having been terminated by the Employer -

6.3.3.1 on account of age;

6.3.3.2 on account of ill-health;

6.3.3.3 in terms of section 35 of the South African Police Service Act, 1995, or



6.3.3.4 on account of a voluntary severance package.

6.3.4 Where a Continuation Member voluntarily terminates his membership from the Scheme in writing, he shall not be re-registered as a Member unless he is employed as an employee by the Employer: Provided that such employee will qualify for benefits from the date of application in which case he will be regarded as a new Member in terms of Rule 6.1.

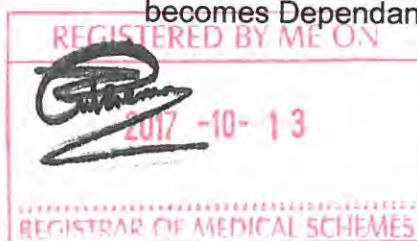
6.4 Dependants of deceased members

6.4.1 If a member of the Scheme dies, the spouse or partner of a Member, if he is registered as a Dependant of a member at the time of his death, shall forthwith be entitled to become a Member of the Scheme and no waiting period, not in effect at the time of the death of the deceased, will apply to such new Member. Any other person registered as a Dependant of a Member at the time of his death, shall be entitled to be registered as Dependants of such newly admitted Member and no waiting period, not in effect at the time of the death of the deceased, will apply to such Dependant.

6.4.2 The Scheme shall inform the Dependant or such Dependant's guardian of the right to membership and subject to Rule 6.3.2 of the contributions payable in respect thereof. Unless such person informs the Scheme of his intention not to become a Member, he shall be registered as a Member of the Scheme and he shall be liable for the payment of the contributions as provided in these Rules.

6.4.3 Such a Member's membership terminates if he becomes a member or a Dependant of a Member of another medical scheme or if he is disqualified from participation in the Scheme as Dependant in terms of the definition of Dependant.

6.4.4 Where a child Dependant(s) have been orphaned, the youngest child may be registered as a Member and any remaining Dependant(s) becomes Dependant(s) of the child so registered as a Member.



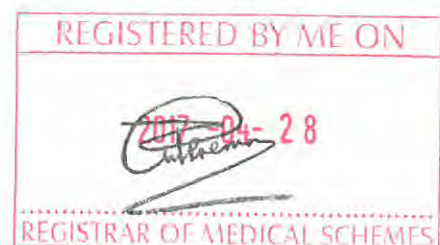
7. REGISTRATION AND DE-REGISTRATION OF DEPENDANTS

7.1 Registration of Dependants

- 7.1.1** A Member may apply for the registration of his Dependant/s at the time that he applies for membership in terms of Rule 8.
- 7.1.2** A new born baby and/or a child as defined in terms of Rule 4.10 may be registered within ninety (90) days from date of birth, adoption or placing of such child in custody, shall thereupon be registered by the Scheme as a Dependant. 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. If the application for registration is not received by the Scheme within the prescribed period, the child will be registered from the date of the application.
- 7.1.3** If a Member, who marries subsequent to joining the Scheme, applies within thirty (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. 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. If the application for registration is not received by the Scheme within the prescribed period, the spouse will be registered from the date of the application.
- 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, a Member may apply to the Scheme for the registration of such person as a Dependant and proof of the compliance with the definition of Dependant and Rules 7.1.5 to 7.1.7 shall be submitted to the Scheme, whereupon the provisions of Rule 8 shall apply *mutatis mutandis*.



- 7.1.4.1** A child as referred in rule 4.10 qualifies as a Dependant of a Member provided a Member shall furnish proof of financial dependence to the satisfaction of the Board.
- 7.1.4.2** If a Member is liable for the family care and support of his registered Child Dependant, who is above twenty one (21) but under the age of thirty (30) years –
- 7.1.4.2.1** who is a registered student at a tertiary institution, proof of which is provided by means of a certificate of registration during the current academic year, such child may be registered as a Dependant, subject to –
- 7.1.4.2.1.1** the institution being accredited and recognized in terms of the Department of Higher Education guidelines as a tertiary institution;
- 7.1.4.2.1.2** where a Dependant is studying part time a Member must provide an affidavit confirming that the Dependant is studying part time and financially dependent on a Member; and
- 7.1.4.2.1.3** the Dependent should also grant permission to the Scheme to verify his employment with a reputable employment verification agency.
- 7.1.4.3** A child as referred in rule 4.10.6 qualifies as a Dependant of a Member upon proof of the physically disabled condition and financial status of the child: Provided such proof is provided not later than 30 September of that year for approval for the following financial year. Provided further that if the physical disability is of a permanent nature, a certificate to that effect must be submitted to the Board. If



there is no liability for family care and support of the child as stipulated above, the child will not qualify to be a Dependant.

- 7.1.5** A child as referred to in rule 4.10.5 may be registered as a Dependant of a Member: Provided that –
- 7.1.5.1** a Member furnishes proof of such liability and dependence to the satisfaction of the Board;
 - 7.1.5.2** adult contributions will apply regarding such Dependant as defined in Annexure A3 and B3;
 - 7.1.5.3** a member shall, where such person is registered, after the expiry of each twelve (12) month period, furnish proof of the continued liability and dependency;
 - 7.1.5.4** the status of such a child as a Dependant shall cease if no such proof is submitted to the Scheme from the date of expiry of twelve (12) months or at any time where such liability and dependency cease to exist; and
 - 7.1.5.5** misrepresentation of any information by a Member will be punishable by recovery of loss, civil or criminal charges and termination of membership in terms of Rule 12.5.
- 7.1.6** If a Member, who enters into life partnership subsequent to joining the Scheme, applies within thirty (30) days of the date of such life partnership to register his partner as a dependant, his life partner shall thereupon be registered by the Scheme as a Dependant. Increased contributions shall then be due as from the first day of the month following the month of life partnership and benefits will accrue as from the date of life partnership. If the application for registration is not received by the Scheme within the prescribed period, the life partner will be registered from the date of the application.
- 7.1.7** The spouse of a Member as referred to in rule 4.2.1 may be registered as a Dependant: Provided that -



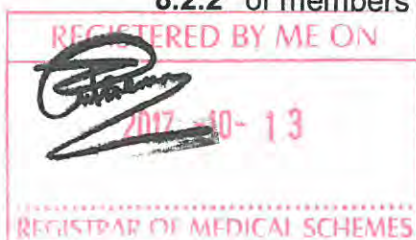
- 7.1.7.1 if, according to customary law, a Member is permitted to have more than one wife, the Board may register additional wives as Dependants and that a Member will be liable for the adult contribution as defined in Annexure A3 and Annexure B3;
- 7.1.7.2 a Member shall within thirty (30) days from date of marriage, furnish proof of registration of such marriage in accordance with the Recognition of Customary Marriages Act, 1998 (Act No. 120 of 1998); and
- 7.1.7.3 on the demise of a Member, Rule 6.4.1 and Rule 6.4.4 will apply to such Dependant that continues membership.

7.2 De-registration of Dependants

- 7.2.1 A Member shall inform the Scheme within thirty (30) days of the occurrence of any event, which results in anyone 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 be deemed no longer 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 guardian.
- 8.2 No person may be a Member or Dependant of more than one medical scheme–
 - 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 Dependant from any medical scheme other than the medical scheme of which he is a member (or Dependant).

8.3 A prospective Member shall, prior to registration complete and submit the application forms required by the Scheme 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 respect of any proposed beneficiary in respect of a medical condition for which medical advice, diagnosis, care or treatment recommended or obtained within a period of 12 months immediately prior to the date on which application to the Scheme was made. The Board may in any particular case, require a medical examination and report at the expense of the Scheme. Proof of any prior membership of any other medical scheme must also be submitted.

8.4 Waiting periods

8.4.1 The Scheme may impose upon a person, in respect from whom an application is made for membership or registration as a Dependant, and who was not a beneficiary of a medical scheme for a period of at least ninety (90) days preceding the date of the application, -

8.4.1.1 a general waiting period of up to three (3) months; or

8.4.1.2 A condition specific waiting period of up to twelve (12) months; or

8.4.1.3 a condition specific waiting period of up to twelve (12) months, except in respect of diagnostic procedures covered within the prescribed minimum benefits.

8.4.2 The Scheme may impose upon a person in respect of whom an application is made for membership or registration as a Dependant, and who was previously a beneficiary of a medical scheme for a



period of up to twenty four (24) months, terminating less than ninety (90) days immediately prior to the date of application -

8.4.2.1 a condition specific waiting period of up to twelve (12) months, except in respect of treatment or diagnostic procedures covered within the prescribed minimum benefits; or

8.4.2.2 in respect of any person contemplated in this sub-rule, 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 a waiting period imposed by the former medical scheme.

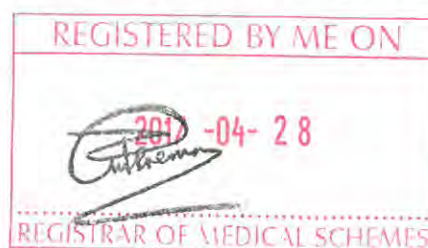
8.4.3 The Scheme may not impose a general waiting period upon a person in respect from whom an application is made for membership or registration as a Dependant, and who was previously a beneficiary of a medical scheme for a period of more than twenty four (24) months, terminating less than ninety (90) days immediately prior to the date of application.

8.5 No waiting periods may be imposed on -

8.5.1 a person in respect of whom an application is made for membership or registration as a Dependant, and who was previously a member of a medical scheme, terminating less than ninety (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;

8.5.1.2 an employer changing or terminating the membership of all employees, in which case the transfer shall occur in the beginning of a 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 a 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 the waiting period imposed by the former medical scheme; or

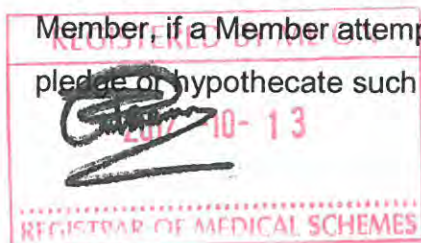
8.5.1.3 a beneficiary who changes from one benefit option to another within the Scheme unless that beneficiary is subject to a waiting period on the current option in which case the remaining period may be applied.

8.5.1.4 a child dependent born during the period of membership.

8.6 The registered Dependants of a Member must participate in the same benefit option as a Member.

8.7 Every Member will, on admission to membership, receive a detailed summary of these rules which shall include contributions, benefits, limitations, a 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 and any such cession or assignment will be of no force and effect. 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.



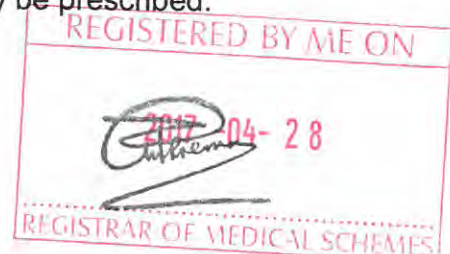
- 8.9 The Scheme shall in no circumstances be obliged to readmit a Member to membership or to register as a Dependant any person whose membership has been terminated in terms of these Rules, subject to Rules 6.3 and 12.

9. **TRANSFER OF EMPLOYER GROUPS FROM ANOTHER MEDICAL SCHEME**

If members of a Scheme, by virtue of their employment by a particular employer, terminate their membership of such Scheme with the object of obtaining membership of the Scheme, the Board will admit such members without a waiting period or the imposition of restrictions on account of the state of health of such members or the health of any of their Dependents.

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 will be disabled on termination of membership.
- 10.2 The utilization of a membership card by any person other than a Member or his registered Dependents is not permitted and is construed as an abuse of the privileges of membership of the Scheme.
- 10.3 Failure to notify the Scheme of a change of status such as marital status, death, adding of Dependents or change in rank etc., within thirty (30) days of the change of status, that has an influence on a Member's benefit, shall be an abuse of benefits of the Scheme.
- 10.4 On termination of membership or on de-registration of a Dependant, the Scheme must, furnish such person with a certificate of membership and cover, containing such particulars as may be prescribed.



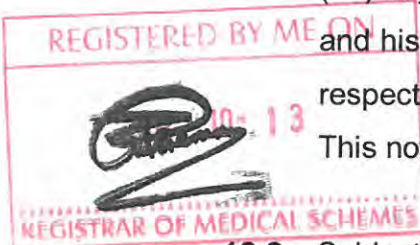
- 10.5 Failure to comply with paragraphs 10.2 and 10.3 above will be dealt with in terms of Rule 12.

11. CHANGE OF CONTACT DETAILS AND/OR BANK ACCOUNT OF MEMBER

- 11.1 A Member must notify the Scheme within thirty (30) days of any change of contact details. The Scheme shall not be held liable if a Member's rights are prejudiced or forfeited as a result of a Member neglecting to comply with the requirements of this rule. A Member's last known contact details held by the Scheme will apply for the purpose of serving notices regarding the Scheme, including notices of meetings and changes to the Rules.
- 11.2 A Member must notify the Scheme immediately of any change in bank account details. The Scheme shall not be held liable if a Member's rights are prejudiced or forfeited as a result of a Member neglecting to comply with the requirements of this rule. A Member's last updated bank account details held by the Scheme will apply for the purpose of any claim payments.

12. TERMINATION OF MEMBERSHIP

- 12.1 A Member may terminate his membership of the Scheme by giving thirty (30) days written notice to the Scheme. All rights to benefits of the Member and his Dependents shall on such termination cease, except for claims in respect of services rendered up to and including the date of termination. This notice period may be waived by the Board in substantiated cases.



- 12.2 Subject to Rules 6.3 and 6.4 and any provision to the contrary contained in these Rules, a Member shall on the date of notification of termination that he ceases to be an employee, cease to be a member of the Scheme,

and all the rights to benefits shall there upon cease, except for claims in respect of services rendered prior thereto.

12.3 Death

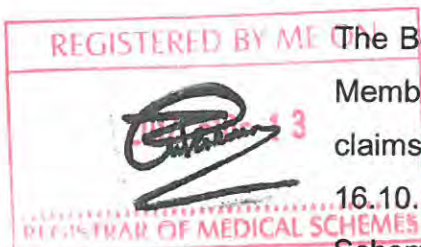
Membership of a Member terminates on his death.

12.4 Failure to pay amounts due to the Scheme

If a Member is in arrears with his contributions or any other monies owing to the Scheme and a notice to pay the outstanding contribution or monies owing has been dispatched to a Member and a Member failed to pay the outstanding contribution or monies owing within thirty (30) days after the notice has been dispatched, the Board may, in its sole discretion, suspend the membership of a Member for a period of twelve (12) months. The membership of a Member concerned shall be reinstated without a break in membership after contributions or any other monies owing to the Scheme have been paid. If a Member fails to pay the outstanding amount within the twelve (12) months during which he is suspended, the membership of such a member shall be deemed to have terminated at the end of the period of twelve (12) months. Arrears are payable while the membership of a Member is suspended. No benefits shall be payable in respect of a Member from the date of his suspension until the date of his reinstatement.

12.5 False claims and Non-disclosure of Factual information

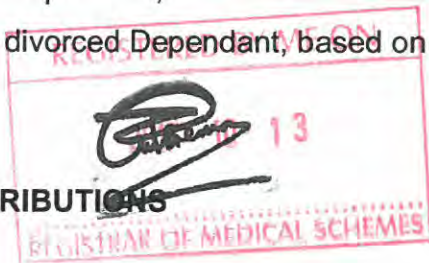
The Board may exclude from benefits or terminate the membership of a Member or Dependant whom the Board finds to have presented false claims or non-disclosure of factual information in accordance with Rule 16.10. In such event a Member will be responsible to refund to the Scheme any sum which, had it not been for his abuse of the benefits or privileges of the Scheme, would not have been disbursed on his behalf.



- 12.6** Before the Scheme can terminate a Member's membership a due process will be followed allowing a Member an opportunity to make representations and each case shall be considered on its own merits.
- 12.7** If any decision to suspend or terminate the membership of a Member is made by the Scheme, such Member shall be entitled to, within twenty one (21) days of such decision dispute the correctness of such decision in accordance with Rule 28 which shall be adjudicated in terms of Rule 28.2 to 28.5.
- 12.8** A Member whose membership has been terminated as a result of misconduct, shall be revived with the Scheme, subject to the criteria set out in terms of Rule 6.
- 12.9** A Member's spouse's status as Dependant is terminated on the date of the divorce, subject to a divorce order, or on the date of cancellation as a Dependant, whichever date occurs first. Total contribution shall apply for a divorced Dependant, based on a court order.

13. CONTRIBUTIONS

- 13.1** The contributions payable to the Scheme by or on behalf of a Member shall consist of the total contribution as stipulated in Annexure A3 and B3.
- 13.2** Any changes in contributions payable by/or on behalf of a Member, due to income changes of a member will be effected at the discretion of the Board.
- 13.3** Contributions shall be due monthly in advance and be payable by not later than the third day of each month. Where contributions or any other debt



owing to the Scheme, have not been paid within three (3) days of the due date, the Scheme shall inform a Member concerned and the Employer in writing of such failure. In the event that the arrears are not paid within a period of grace of fourteen (14) days after notification, membership shall be suspended forthwith. In the event that the arrear contributions are not paid within thirty (30) days of suspension, membership of the relevant Member shall terminate. Such membership shall only be reinstated after the payment of the contributions in arrears. No benefits shall be payable from the date of suspension until the date of reinstatement.

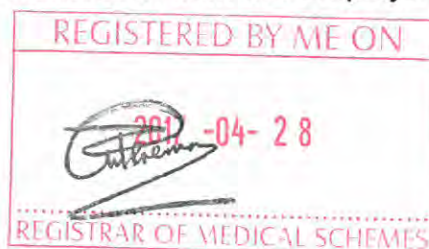
13.4 In the event that payments are brought up to date within twelve (12) months from the due date, benefits shall be reinstated without any break in continuity subject to the right of the Scheme to levy a reasonable fee to cover any expenses associated with the default and to recover interest at the prime overdraft rate of the Scheme's bankers. If such payments are not brought up to date, no benefits shall be due to a Member from the date of default and any such benefit paid may be recovered by the Scheme.

13.5 No refund from the Scheme's reserves or of any portion of a contribution shall be paid to any Member where such Member's membership or the status as Dependants of any of his Dependants terminated.

14. LIABILITIES OF MEMBER

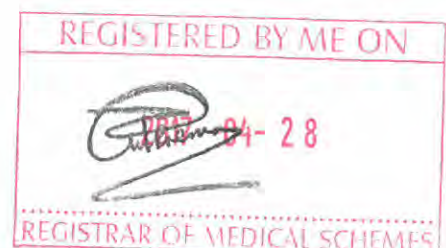
14.1 A Member shall, subject to Rule 13, be liable for the amount of his unpaid membership fees, together with any sum disbursed by the Scheme on his behalf, or on behalf of his Dependants which has not been repaid by him to the Scheme.

14.2 Any amount owing by a Member to the Scheme in respect of himself, or his Dependants may be recouped out of his remuneration from the Employer



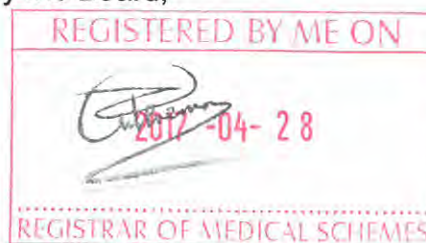
by arrangement with such Member. In the event of a Member ceasing to be a Member, any amount still owing by such Member shall be a debt due to the Scheme and recoverable by the Scheme.

- 14.3** A Member is responsible to ensure that claims for services rendered are claimed timeously from the Scheme and to keep a record of the claims.
- 14.4** A Member is responsible to ensure that the occurrence of a motor vehicle accident, in which he, or his dependent(s) were involved, is reported to the Scheme within thirty (30) days of the occurrence. Should a Member not reasonably be able to report the occurrence, such an occurrence should be reported as soon as a Member or Dependants are reasonably able to do so, Provided that reasons for the inability to report the occurrence timeously must be provided.
- 14.5** A Member is responsible to ensure that a third party claim for damages is submitted to the Road Accident Fund as soon after the accident as reasonably possible and subject to the legal merits justifying the submission of such a claim.”
- 14.6** A Member may make use of the services of an attorney to proceed with a third party claim on behalf of a Member and the Scheme.
- 14.7** A Member is responsible to ensure that he signs an undertaking to the Scheme to refund all past medical expenses advanced by the Scheme, in the event that his claim for damages to the Road Accident Fund is successful.



15. CLAIMS PROCEDURE

- 15.1** Every claim in respect of which an account is rendered for the rendering of a health care service as contemplated in these Rules, shall be accompanied by a detailed account or statement which shall comply with the provisions of the Act and the Regulations and shall at least contain the following particulars:
- 15.1.1** the surname and initials of a Member;
 - 15.1.2** the surname and first name and other initials, if any, of the patient as indicated by the proof of membership;
 - 15.1.3** the name of the Scheme;
 - 15.1.4** the membership number of a Member;
 - 15.1.5** the practice code number, group practice number and individual provider registration number issued by the registering authorities 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 relevant diagnostic and such other item code numbers that relate to such relevant health service;
 - 15.1.7** the date on which each relevant health service was rendered;
 - 15.1.8** the nature and cost of each relevant health service rendered, including the item code number that relates to such service (if applicable), and where the supplier of service supplied medicine to a Member concerned or to a Dependant of that Member, the name, quantity, dosage, nappi code and net amount payable in respect of the medicine;
 - 15.1.9** 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;
 - 15.1.10** where a pharmacist supplies medicine according to a prescription to a Member or a Dependant of a Member, a certified copy of such original prescription, if so required by the Board;



- 15.1.11** the name and the practice code number as issued by the registering authorities of the referring medical practitioner or dentist; and
- 15.1.12** in the case where such account or statement refers to the use of an operating theatre where an operation was performed on a Member or the Dependant of that Member–
 - 15.1.12.1** the name or names and the relevant practice number as issued by the registering authorities of the medical practitioner or dentist who performed that operation;
 - 15.1.12.2** the name or names and the practice code number as issued by the registering authorities of every medical practitioner or dentist who assisted in the performance of such operation, and
 - 15.1.12.3** all procedures carried out together with the relevant item code number contemplated in Rule 15.1.6.

- 15.2** Where an account refers to orthodontic treatment or advanced/specialized dentistry, a treatment plan containing the following additional information must be supplied:
 - 15.2.1** A treatment plan indicating the following:-
 - 15.2.1.1** the expected total amount that will be charged by the orthodontist for the treatment;
 - 15.2.1.2** the expected duration of the treatment;
 - 15.2.1.3** the initial amount payable; and
 - 15.2.1.4** the monthly amount payable;
 - 15.2.2** The code number for the treatment, in accordance with the scale of benefits must be supplied on the account;
 - 15.2.3** The original laboratory invoices must accompany all dental accounts;

