



TO ADMINISTRATORS OF MEDICAL SCHEMES

Ref: Admin/Circulars
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CIRCULAR 10 OF 2011: COMPLIANCE BY MEDICAL SCHEME ADMINISTRATORS WITH REGULATION 19

Administrators of medical schemes are hereby reminded of the requirements of Regulation 19 to the Act which requires administrators to submit a report to the Registrar within 60 days from date of termination of an administration agreement with any of the schemes administered by it, regardless of the reason for such termination.

Typical reasons for termination of contracts are:

- Date specified in the notice period in the agreement without being renewed;
- termination due to a decision to change administrators;
- client schemes amalgamate or transfer their business;
- liquidation of a medical scheme or administrator;
- breach of contract;
- accreditation of administrator refused, suspended or withdrawn; or
- due to the administrator ceasing to operate as the administrator of the scheme.

Regulation 19 is quoted below for ease of reference:

"19. Termination of administration agreements –

- (1) If the administration agreement between a medical scheme and an administrator is terminated, such administrator must furnish a report to the Registrar not later than 60 days after such termination, confirming –
 - (a) that all documents of title relating to assets, the assets register, minute books, members' records and other records and information pertaining to the medical scheme have been delivered to the trustees of the medical scheme or the new administrators, as the case may be;
 - (b) the date and address of such delivery; and
 - (c) the name of the trustee or person at the new administrator's business to whom the documents referred to in paragraph (a) have been delivered.
- (2) If an administrator is for any reason unable to comply fully or partially with this regulation, the report referred to in subregulation (1) must contain full particulars regarding documentation which has not been delivered, the reasons therefor as well as a plan with the dates on which compliance will take place, to enable the Registrar to approve of such further period as may be determined by him or her.

(3) In the circumstances contemplated in subregulation (1), the trustees of the medical scheme concerned must take steps to ensure the integrity of all documents, data and information transferred to the new administrator.”

The abovementioned reports must be submitted directly to the Accreditation Unit, for the attention of Ms Hannelie Cornelius at the contact details provided above.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Danie Kolver', with a stylized flourish at the end.

Danie Kolver
HEAD OF ACCREDITATION