



To: Principal Officer
Boards of Trustees
Medical scheme administrators
Other stakeholders

Ref: Granting of loans to members by medical schemes
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CIRCULAR 52 of 2010: GRANTING OF LOANS TO MEMBERS BY MEDICAL SCHEMES

It has come to our attention that some medical schemes are applying the provisions of section 30(1) (b) of the Medical Schemes Act 1313 of 1998 (the Act) in a manner that is inconsistent with the Act. Section 30(1) (b) provides for:

"the granting of loans to any of its members.....in order to assist such members to meet commitments in regard to any matter specified in the definition of "business of medical schemes" in section 1".

Schemes rely on this provision to grant loans to members for cosmetic procedures such as liposuction, breast reduction, teeth whitening, etc. We would like to point out that the granting of loans permissible in terms of the Act is only for a relevant health service acquired as a benefit by a member in terms of the rules of the scheme.

Those that are involved in this unlawful practice are directed to immediately cease and desist from such practices and the marketing of such benefits.

Stephen Mmatli
Head: Compliance
COUNCIL FOR MEDICAL SCHEMES