



PRESS RELEASE

FOR RELEASE ON: 18 April 2011

Reference : Protea Medical Aid Society under provisional liquidation
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Press release 2 of 2011: Protea under provisional liquidation

Mr Velaphi Petsana was appointed curator of Protea Medical Aid Society on 29 October 2010 in terms of an order of the Western Cape High Court.

On 5 April 2011, the curatorship was cancelled and the medical scheme was placed under provisional liquidation in the hands of the Master of the Western Cape High Court, following reports from the curator.

The order of 5 April 2011 was published in the *Cape Times* on 7 April 2011 and *Die Burger* on 8 April 2011.

Interested persons have until 19 April 2011 to show cause to the court as to why the final order of liquidation should not be granted.

The Master of the Western Cape High Court has appointed Mr Ralph Farrell Lutchman of Concord Administrators (Pty) Ltd and Mr Raphael Brink of Brink & Thomas Attorneys as provisional liquidators of the scheme.

Mr Lutchman's contact details are as follows:

E-mail: ralph@concordadmin.co.za
Tel: 012 362 6580
Cell: 084 5151 335

Concord Administrators (Pty) Ltd can also be contacted on 0861 874 926 or 012 333 6162.

The contact details of Brink & Thomas Attorneys are as follows:

Tel: 021 424 1564
Fax: 086 666 7799

Section 64(3) of the Medical Schemes Act 131 of 1998 provides that during liquidation the provisions of the Act continue to apply to the medical scheme as if the liquidator were the person managing the business of the medical scheme.

The provisional liquidators advise that:

- they are engaging service providers who have or are providing healthcare services to members of Protea;
- they are attending to the claims of the service providers; and
- all actions against the members of Protea must be kept in abeyance while the liquidation process unfolds.

“At the time when we applied for liquidation, the scheme's solvency ratio was such that a single large claim could deplete its reserves entirely, leaving members exposed,” said Registrar of Medical Schemes Dr Monwabisi Gantsho today. “Where trustees fail to exercise their fiduciary duties, the regulator is forced to step in and take the necessary measures to protect the members of a struggling scheme.”

The latest audited figures show that, at the end of 2009, Protea had just over 7 000 beneficiaries and a solvency of 19.0%.

Brokers are again advised to act with restraint. Any advice they give must accord with the principles of best advice, have the best interests of their clients at heart, and be based on a proper assessment of the situation.