



PRESS RELEASE

Reference : Bonitas Medical Fund curatorship lifted; new Board runs medical scheme
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Press release 12 of 2012: Bonitas Medical Fund curatorship lifted

The curatorship of Bonitas Medical Fund comes to an end today.

As of tomorrow, the medical scheme will be run by a new Principal Officer and a new Board of Trustees.

The South Gauteng High Court in Johannesburg placed Bonitas under curatorship in May 2011 over the Council for Medical Schemes' concerns that the scheme's acting Principal Officer and Board at the time were not fit and proper to run the scheme.

Council is the regulator of the medical schemes industry, which includes medical schemes, administrators, managed care organisations, and healthcare brokers and brokerages.

Bonitas is the third-largest medical scheme in South Africa, with over 620 000 beneficiaries and a solvency of 36.5% at the end of 2010. Its membership and financial position remain stable, and its claims-paying ability remains unaffected. The latest and audited figures for the financial year ending on 31 December 2011 will be published in Council's Annual Report 2011-2012 next week.

"Council's key intervention to address the governance problems plaguing Bonitas was to remove the previous Principal Officer and Board which Council regarded as neither fit nor proper to manage the affairs of the scheme," said Dr Monwabisi Gantsho, Registrar of Medical Schemes and the Chief Executive of Council. "Under their watch, the scheme was mismanaged financially, and their failure to act resulted in huge financial losses for the scheme. The priority of the new management team must be the recovery of beneficiaries' funds."

It took two years to remove the scheme's previous acting Principal Officer and Board from office and replace them by the curator. They remain banned from taking office as Principal Officers or trustees ever again.

Both the curator's report and Council's affidavit seeking the cancellation of the curatorship can be obtained from the South Gauteng High Court in Johannesburg. The case number is 2012 / 31521.

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