



## PRESS RELEASE

Reference : Medshield Medical Scheme under provisional curatorship  
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### **Press release 17 of 2012: Medshield Medical Scheme under provisional curatorship**

The North Gauteng High Court in Pretoria placed Medshield Medical Scheme under provisional curatorship today, following the successful application of the Council for Medical Schemes to address governance concerns at the scheme.

Council is the regulator of the medical schemes industry, responsible for enforcing compliance with the Medical Schemes Act 131 of 1998 to ensure that the interests of beneficiaries are prioritised at all times.

The provisional curator, Mr. Themba Langa, replaces the current Board of Trustees and Principal Officer and must ensure that a new Board takes over the reigns at Medshield in due course, one that is fit and proper to run the affairs of the scheme.

#### **Assurance to beneficiaries**

Beneficiaries of Medshield should rest assured that the claims-paying ability of their scheme is not affected by the provisional curatorship.

Dr Monwabisi Gantsho, Registrar of Medical Schemes and Chief Executive of the Council said: "The provisional curatorship has nothing to do with the financial soundness of the scheme. There are no concerns whatsoever over the financial position of the scheme."

Medshield remains one of the largest and healthiest schemes in the market. At the end of 2011, the scheme had over 236 000 beneficiaries and a solvency of 36.6% – which is above the 25.0% required by the Medical Schemes Act. Medshield remains financially sound and sustainable in the long run. Dr Gantsho added: "I am looking forward to a speedy return of the scheme to sound governance. The curator will be working very closely with the Regulator in this regard."

#### **Advice to brokers**

Brokers are 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.

As financial advisors, brokers are also reminded of the Financial Services Board (FSB) legislation which clearly stipulates that consumers are entitled to best – independent – advice at all times.

### **The court order**

The court order can be obtained from the North Gauteng High Court in Pretoria. The case number is 56193/2012.

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