



Reference: SAMWUMED solvent
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Press Release 6 of 2019: SAMWUMED solvent despite SAMWU's financial woes

PRETORIA, April 12, 2019 - Medical schemes regulator, the Council for Medical Schemes (CMS), has noted with concern confirmation that the South African Municipal Workers Union (SAMWU) is insolvent, but has assured members that their medical scheme is not affected by the union's financial woes.

"South African Municipal Workers Union National Medical Scheme (SAMWUMED) has 33 000 principal members, R1.3 billion in reserves and 105% solvency ratio. This, in our view should confirm to all current and potential members and service providers that SAMWUMED is able to meet its financial commitments in line with the business of a medical scheme and that it will continue to do so for the foreseeable future," said Grace Khoza, CMS General Manager for Stakeholder Relations.

"SAMWU has no access or control over SAMWUMED's member contributions or reserves and under no circumstances may the SAMWUMED's member contributions or reserves be utilized to further the business of SAMWU," said Khoza.

Khoza said SAMWUMED does not share any resources with SAMWU neither do they share contributions or debts. She said SAMWU has no direct control over the affairs of SAMWUMED except through the trustee representation on the board of trustees.

SAMWUMED was established by SAMWU, however, membership to SAMWUMED is not restricted to SAMWU union members. All local government workers including members of other labour unions and non-unionised members are eligible to join SAMWUMED.

Khoza said in terms of the Medical Schemes Act, medical schemes are governed by the board of trustees and half of the members of the board of trustees are elected by members of the scheme. Should SAMWU be liquidated as the media reports suggest, this will not affect the financial status of SAMWUMED.

To ensure the scheme's long-term sustainability, the CMS appointed Joe Seoloane as Curator in October 2018 after removing the previous Curator, Duduza Khosana because of allegations of misconduct. Seoloane, who has been in the medical schemes industry for 25 years, has a wealth of experience in the management of medical schemes, including their turnaround through curatorship.

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