



CIRCULAR

Reference: CMS welcomes court judgement on SAMWUMED Curator
Contact person: Pulane Molefe
Tel: 012 431 0512
Fax: 0866865390
E-mail: information@medicalschemes.com
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Press release 7 of 2018: Council for Medical Schemes welcomes court judgement on removal of Ms Khosana as SAMWUMED Curator

The Council for Medical Schemes (CMS) welcomes the Western Cape High Court judgement to remove Ms Royal Khosana as the Curator of the South African Municipal Workers Union Medical Aid Scheme (SAMWUMED). Ms Khosana is replaced by Mr Joe Seloane, who assumes duty as the new Curator for the scheme with effect from today.

The judgement by Judge Engers, AJ on 09 October 2018, follows an application by the Registrar of Medical Schemes for the cancellation of the appointment of Ms Khosana as the Curator of SAMWUMED, launched on 13 September 2018. This followed serious allegations received by the CMS regarding Ms Khosana's conduct as the Curator for SAMWUMED. At the same time, the Registrar requested the court to appoint Mr Joe Seloane as the new Curator for SAMWUMED, in a move to restore stability and protect the interests of the members of the scheme.

"We are pleased with the outcome of the court process on this matter and would like to assure members of medical schemes that the CMS remains committed to exercise statutory oversight regarding the affairs of the medical schemes, and to ensure that the interests of members of medical schemes are protected at all times", says the Acting Chief Executive & Registrar for the CMS, Dr Siphon Kabane. According to Dr Kabane, the court judgement is an outcome that is in favour of the members of the scheme.

SAMWUMED was placed under provisional curatorship following a successful application by the acting Registrar of the Council for Medical Schemes (CMS), in terms of Section 56(1) of the Medical Schemes Act, No. 131 of 1998 (the MS Act), and Section 5(1) and (2) of the Financial Institutions (Protection of Funds) Act 28 of 2001b (the FI Act). On 3rd May 2018, the Western Cape Division of the High Court in Cape Town Acting Judge P Andrews ordered that Ms Khosana be appointed as provisional curator for SAMWUMED.

Advice to brokers

Brokers are strictly cautioned not to act in any manner that negatively affects the integrity of the scheme's risk pool. Any advice provided to members must be in line with the principles of good advice, and in the best interest of members.

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Media enquiries
Ms Grace Khoza
General Manager: Stakeholder Relations
(012) 431 0430
g.khoza@medicalschemes.com

Customer Care Centre
0861 123 267
information@medicalschemes.com