



Ref: Renaissance Health Medical Scheme
Enq: Customer Care Centre
t: 0861 123 267
Date: 20 August 2010

Trustees, administrator, curator of Renaissance sued for R88 million

The joint liquidators of Renaissance Health Medical Scheme (Renaissance) have instituted action in the Gauteng North High Court against the former Board of Trustees, Principal Officer, administrator and curator of the scheme for the recovery of R88 million (case number 376087/10).

Part of this sum comprises a claim for R8 million against the court-appointed curator who ran the scheme prior to it being declared insolvent.

Lead joint liquidator Reuben Miller has instituted action against the former administrators Prosperity Health Managers (Pty) Ltd, curator Mzi Nkonki, Principal Officer Adv. Wilhelm Bekker and the following trustees: Sarel Jacobus de la Rouviere, Chimo Peter Mmope, Anthony Gordon Riley, Mohammed Farhard Kahn, Noluthando Sibiya, and Stephen Theodore van Niekerk.

Among the allegations being made by the joint liquidators is that Prosperity Health Managers (Pty) Ltd had submitted management accounts containing inaccurate information concerning the financial position of the scheme, resulting in regulator of the industry Council for Medical Schemes (CMS) being misinformed as to the true financial position of the scheme as at December 2007. The management accounts submitted to the CMS reflected a claims outstanding provision of R27 350 804 and a consolidated solvency of -7.5% but the correct management accounts reflected a claims outstanding provision of R55 878 907 and a consolidated solvency of -22.5%.

The joint liquidators further allege that the trustees failed to maintain the scheme in a financially sound condition, did not ensure that the scheme had sufficient assets (the value of which had to exceed the value of its liabilities), and did not ensure that the scheme was able to meet its liabilities at all times.

The respondents are denying the allegations and opposing the application by the joint liquidators.

A statutory body established in terms of the
Medical Schemes Act, 1998 (Act 131 of 1998)

Chairperson: Prof. W Pick Registrar & CE: Dr M Gantsho