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## PRESS RELEASE

**Attention: All stakeholders**

**Press release 9 of 2008**

**Monday, 30 June 2008**

### **Registrar directs Medshield to terminate administrator's contract**

The Registrar of Medical Schemes, Mr Patrick Masobe, issued a letter to the Board of Trustees of Medshield today instructing them to immediately terminate their administration contract with Old Mutual Healthcare in terms of Section 61(5) of the Medical Schemes Act 131 of 1998 (MSA).

This instruction follows the recent removal of three trustees of Medshield on 13 June 2008 due to their failure to comply with Board Notice 73 of 2004 when they appointed Old Mutual Healthcare as their new administrator.

The MSA requires medical schemes to appoint an administrator following a fair process of evaluating a range of potential administrators to select the one that suits the needs of the scheme, taking into consideration costs, capacity, experience in administration, financial soundness, and that the appointment is free of conflicts of interest. Medshield failed to follow this process.

Medshield is expected to appoint a new administrator before the end of the year.

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