

Survey reveals a best value-for-money scheme

A survey conducted by insurance giant, Alexander Forbes has identified Bonitas Medical Fund as offering good value for money across all of its packages.

Bernie Clark elaborates, "Using an actuarial model developed to assess value in terms of contributions versus the percentage of claims paid, we find that Bonitas performs very well. Of the five packages we assessed, three offered better value for money than the market average. One offered the same value for money as the average. Only one was slightly higher in terms of the cost-to-benefit ratio than the average.

"The scheme also had an audited solvency ratio of 47.3 percent at the end of last year,

well above the statutory minimum of 25 percent. This means that it is in a strong position to maintain a competitive pricing strategy on an on-going basis."

Even on a macro level, Bonitas scores very well when average contributions are measured, says Gerhard van Emmenis, the fund's chief operating officer.

"This measure simply calculates the average contribution for each scheme, regardless of membership profiles, packages and benefits. And, at present, our average contribution is R1 800, substantially lower than that of most other schemes."

The most immediate measure of affordability and value for money is often, however, membership numbers. Both corpo-

rate and individual members vote with their feet when schemes fail to offer reliable coverage and value for money.

He reveals "In the past two years, an additional 50 000 principal members have joined Bonitas, many of them from other schemes. As the recession bites, South Africans are looking for packages that provide the prescribed minimum benefits, as well as reliable coverage for day-to-day care, all at price they can still afford.

"They also want to be able to choose a package which suits their needs. Healthy individuals, for instance, want access to options that are not burdened by the expense of high claims volumes."

Another pressing issue is the erosion of benefits, with many medical aid members having reached their self-payment gap or running out of day-to-day cover very early this year.

"Despite the fact that claims volumes have outstripped contributions during the past year, Bonitas has managed to protect everyday benefits. Even high-level claimants are only reaching their ceiling in the last quarter of the year."

He adds, "We are acutely aware of the potential for the erosion of benefits as medical costs climb, and so are continuously developing ways in which members can manage their expenses, and get the maximum mileage from their chosen package."