

OVERVIEW OF PROPOSED **NMAS & BONITAS AMALGAMATION**



NEDGROUP
MEDICAL AID
SCHEME

WHY ARE THE TRUSTEES PROPOSING AMALGAMATION?

Following a survey of employees and retirees in 2020 in which the vast majority of the respondents said they would prefer to have a choice of an open medical scheme, the participating employers (Nedbank and Old Mutual Insure) informed the Scheme that they want to offer employees and retirees compulsory medical scheme membership with a choice between three open medical schemes.



Nedgroup Medical Aid Scheme (NMAS) will have difficulty competing in a choice environment, and the Trustees therefore decided that it would be in the best interests of members to amalgamate NMAS with Bonitas, one of the three medical schemes that the participating employers intend offering.

WHAT WOULD AN AMALGAMATION MEAN?

Amalgamation means combining two entities into one. In this case, it is proposed that Bonitas and NMAS amalgamate to form one medical scheme. The amalgamated scheme will be called the Bonitas Medical Fund. NMAS shall be deregistered as a medical scheme and cease to exist.

Once the medical schemes are amalgamated, all members of NMAS will become members of Bonitas on the amalgamation date. The target date for the amalgamation is 1 January 2022, to coincide with the start of the new benefit year. In practice, this date may change if the amalgamation approval process is delayed. In the case of a delay, NMAS will continue past 1 January 2022, and you will be required to select one of the NMAS options for cover in 2022. Some members may choose to instead move to one of the other open schemes offered by the participating employers. You will receive communication on your 2022 medical scheme options towards the end of the year.



WHY AMALGAMATE WITH BONITAS?

The Board of Trustees explored potential amalgamation partners. Bonitas was found to be the best fit as an amalgamation partner for NMAS, for the following reasons:



NMAS members will become members of a very **large, financially stable and sustainable** scheme.



The equivalent Bonitas benefit options offer a **good fit** with the NMAS Traditional, Savings and Hospital Network benefit options, which make up **91%** of the current NMAS membership.



NMAS members will have a range of **fourteen benefit options** to choose from to suit their specific individual requirements, as opposed to the only five benefit options available under NMAS. The NMAS participating employers have appointed advisors to assist members with the election of a suitable benefit option under Bonitas.



The NMAS Savings Plan covers **oncology treatment** only in terms of PMB, whereas BonSave covers all oncology to an annual limit of R344 500 per family, and BonFit Select to an annual limit of R166 500 per family.



The **administrative transfer** of NMAS members to Bonitas should be relatively **seamless** since both schemes are administered by the same administrator and have substantially the same managed care providers.

- ✓ Specifically, the registration of NMAS members on chronic medication or a managed care program will automatically be transferred to Bonitas and NMAS members will therefore not have to re-register for these.
- ✓ Similarly, members on treatment plans such as an oncology treatment plan, will be able to continue with their treatment plans without any changes.
- ✓ **NMAS members will also not be required to complete new membership application forms, as all membership details will automatically be carried over to Bonitas.** Only members who want to elect a benefit option other than the default option, would need to complete a form to elect their chosen option.

Please note that there are also disadvantages to the amalgamation, affecting smaller and very specific groupings of members. Read more about these in the exposition document.

HOW WILL I KNOW WHAT BENEFIT OPTION WOULD BE BEST FOR ME?

Although there are default Bonitas benefit options to which members will automatically be transferred if the amalgamation takes place, it is best that members make an informed choice about the benefit option that would best suit their circumstances.

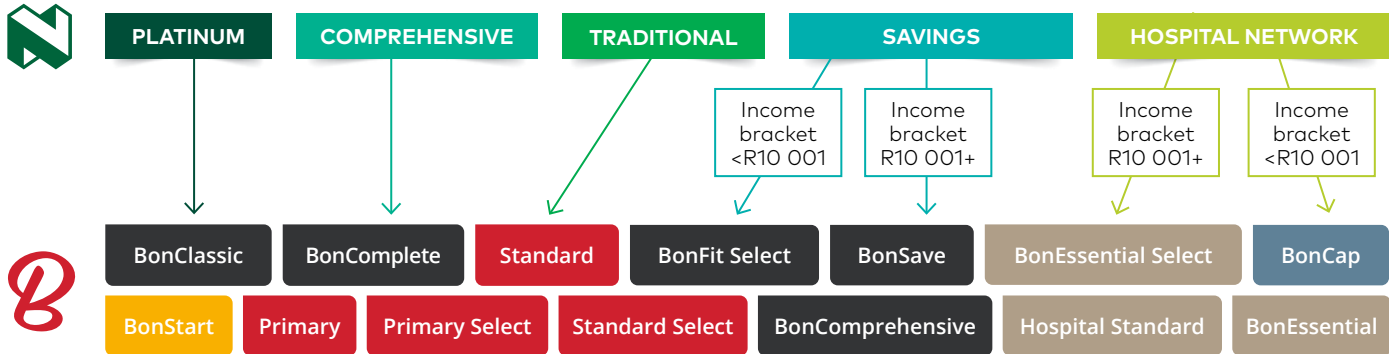
When the time comes to choose an option for 2022, you are strongly advised to make a careful study of your options, and to consult the brokers made available by the participating employers, so that you can choose the option most appropriate to your particular circumstances.

Voting for amalgamation with Bonitas does not imply that you have to choose one of the Bonitas benefit options (although doing so would make sense for most members). You would still be able to select one of the other medical schemes offered by the participating employers.



WHAT IF I DO NOT CHOOSE A BENEFIT OPTION?

If you do not choose a specific benefit option before the effective date of the amalgamation (1 January 2022), you will automatically be moved ('defaulted') to the most appropriate option on Bonitas. The Bonitas options have been selected to best meet the needs of the typical member on each of the NMAS Plans, as shown below:



Remember, however, that you will be able to choose a benefit option from the entire Bonitas range of fourteen benefit options. You are therefore encouraged to study all relevant amalgamation material, and consult the brokers that will be available to help NMAS members with the election of a suitable benefit option, to make sure that you end up with the optimal benefit option for your individual needs and circumstances.