

Liberty Health Products 2012



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*Accept no one's definition
of your life, but define
yourself*



Medical Gap Cover

What it is and how it can protect you?

As a medical scheme member you would probably expect your full costs to be covered should you ever be hospitalised. Unfortunately, this is seldom the case. Medical scheme benefits are limited to the Medical Scheme Tariffs (MST) and medical practitioners can charge considerably more than MST. Certain medical specialists have been known to charge up to four times the MST. This creates a shortfall – or gap – between the MST and the actual cost incurred for the medical practitioner for in hospital treatment. Which for many procedures that are performed by specialist surgeons, anaesthetists and other medical practitioners can add up to a sizeable payment Gap. Without Medical Gap Cover you would be personally liable for this shortfall not covered by your medical scheme.

The examples below provide an indication of shortfalls you could experience which would be covered by the Medical Gap Cover policy.

Procedure	Amount charged by practitioner	Potential Shortfall Incurred (Practitioner cost minus medical scheme payout)	Gap Cover Benefit (paid directly to you)*
Natural child birth	R8 308	R5 359	R5 359
Caesarean section	R15 343	R9 548	R9 548
Appendicectomy	R19 156	R14 367	R14 367
Tonsillectomy	R7 528	R5 648	R5 648
Coronary Bypass	R43 112	R29 153	R29 153

* The Medical Gap Cover benefit is calculated as the difference between what the medical practitioner charge (up to a maximum of 4 times the Admed Tariff) and the Admed Tariff.

Out of hospital benefits

Although Medical Gap Cover has been designed primarily to cover shortfalls arising from in-hospital procedures, additional benefits are payable in the event of shortfalls arising from certain out-patient procedures. Below are some examples of procedures that are additionally covered on an out-patient basis:

- Chemotherapy or radiotherapy for the treatment of cancer
- Kidney dialysis on an out-patient basis
- Tonsillectomy
- Grommets
- Gastroscopy
- Childbirth
- Arthroscopy
- Coronary Angiogram
- Vasectomy
- Surgical biopsy of breast lump or prostate
- Cataract removal

Personal Accident Benefit

The Policyholder will also enjoy additional cover for all serious injuries incurred as a result of an accident, including:

- Motor Vehicle Accidents
- Recreational Sports Injuries
- Injuries on Duty and Injuries at Home
- Snake, Dog and Spider Bites
- Hi-jacking and/or Assault

Personal Accident Benefit (continued)

Any serious accidental injury, which results in Permanent Total Disability of the Main Member, will qualify the Main Member for a R25 000 lump sum benefit (or a portion thereof, depending on the injury).

The following Personal Accident benefits are also included:

Emergency Transportation/Search and Rescue – up to R25 000

- Life Support Equipment – up to R25 000
- Trauma Counselling – up to R750 per visit, with an annual limit of R25 000
- Claims Preparation Costs – up to R20 000
- Mobility – up to R25 000
- Rehabilitation – up to R25 000
- RAF Medico Legal Costs – up to R10 000

Waiting periods

There is a waiting period for the following procedures:

- Childbirth claims will have an effective 10 month waiting period.
- Joint replacements, arthroscopic procedures, spinal surgery including spinal fusion, nasal surgery including sinus related, cataract surgery, hysterectomy (except for cancer diagnosed after joining), dentistry related claims, all hernia repairs and all cardiac related surgery and procedures will have no benefit for the first 6 months and 50% of the normal benefit for the second 6 months. These waiting periods will not be applicable if the claim is as result of an accident/injury that occurred after joining).

Exclusions

No benefit is payable in respect of standard exclusions as defined in the policy document. There are also a number of specific exclusions such as cosmetic surgery, treatment for obesity, claims not covered by your medical scheme and private and home nursing.

Excess payable

This Medical Gap Policy provides cover with no age limit at no increased cost. In order to continue covering older members a claim excess will apply to claimants 60 years of age and older. This excess will amount to 5% of the benefit payable, subject to a minimum of R250.

Limits

The maximum benefit limit is R200 000 per individual and R2 000 000 per family per calendar year.

Premium

R140.00 per month provides cover for the Principal Member of the medical scheme and their medical scheme dependants.

Contact details

For more details please call V-innovation on 021 673 8930 or e-mail info@vinnovation.co.za

Medical Premium Waiver

What is the Medical Premium Waiver Policy?

The Medical Premium Waiver Policy provides principal members of a medical scheme with the assurance that their dependants will receive ongoing funding to continue their medical scheme membership should they die or become permanently disabled. The cover offered by this policy provides a monthly benefit to cover the full medical scheme contribution, subject to a maximum of R4 000 per month, for a period of 2 years. Cover is offered to members who have not reached the age of 60.

Exclusions

A pre-existing conditions clause will exclude claims arising from conditions that the policyholder was aware of 12 months before concluding the policy and which occur within 12 months after the inception of the policy.

The policy also has general exclusions e.g. claims resulting from suicide, intentional self-inflicted injury, participation in acts of war or crime etc.

Waiting period

In the case of disability the benefit will be paid after a 30 day period and will be paid for 2 years or until the policyholder's recovery whichever occurs first.

Premium

Policy monthly premium	
Medical Gap Cover	R140
Medical Premium Waiver	R103
Medical Gap Cover + Medical Premium Waiver	R231

Medical Gap Cover and Medical Premium Waiver can also be sold to groups such as employer groups. The price for groups will be the same as for individuals but for groups where the number of members that will take the cover is greater than 50 members, a customised quote can be obtained from V-innovation. It is likely that these premiums will be considerably lower than for individual policies.

For more details please call Vinnovation on 021 673 8930 or e-mail info@vinnovation.co.za.

Both these policies are underwritten by Guardrisk*. The Medical Gap Policy is underwritten by *Guardrisk Insurance Company Limited (FSP number 75) and the Medical Premium Waiver is underwritten by *Guardrisk Life Limited (FSP number 76).

Road Accident Family Protection Plan (RAF)

RAF provides value for all road users

An amendment in August 2008 to the Road Accident Fund Act significantly limits the cover that is offered to road users should they be involved in a motor vehicle accident as a driver, passenger or pedestrian.

The amendment to the Act means that medical expenses will only be compensated at State Hospital rates and no damages claims will be considered unless the injuries sustained in the accident results in at least 30% total impairment of the claimant.

This material reduction in the benefits offered under the current Road Accident Fund Act means that there is an increased responsibility of the individual road to insure against the financial consequences of road accident involving themselves and their family.

Liberty Health Road Accident Family Protection Plan – benefit structure

The Policy provides personal Motor Vehicle Death and Accident injury cover. Motor Vehicle Accident means an incident on a public road, in South Africa, causing bodily injury by violent accidental and external physical means involving a motor vehicle whilst the injured person is a driver, passenger or pedestrian.

The Policy covers the Policyholder and his/her immediate family comprised of current spouse in terms of a legal marriage and his/her natural children, step children or legally adopted children who have not yet attained the age of 21 years.

The benefit for personal injury will be paid if the injury is sustained by a motor vehicle accident where the injuries result in any of the insured being admitted to hospital as an in-patient not later than 24 hours after the occurrence of the accident and remaining in hospital for treatment for 3 consecutive nights.

Eligibility

All South African residents that have not reached 70 years of age at the commencement of the Policy will qualify for cover under the Policy.

Premiums and benefits

Premiums are payable monthly in advance.

Cover for	Personal injury cover	Death cover	Monthly premium
Husband/Wife	R100 000	R100 000	R85.00
Spouse	R100 000	R100 000	included
Children under 6 years old	R10 000	R10 000	included
Children 6-14 years old	R30 000	R30 000	included
Children 14-21 years old	R100 000	R100 000	included

Commencement of cover

Cover in terms of the Policy will commence on the first day of the calendar month for which the premium has been paid.

General exclusions

No claim for any benefit shall be payable in the event of the claim arising directly or indirectly as a result of:

- The insured or any member of the family covered under the Policy driving any vehicle under the influence of alcohol and in excess of the statutory limit in force at such time or driving under the influence of a drug having a narcotic effect.
- Suicide, self-inflicted injury or illness.
- Intentional contravention of any criminal law, whether legislative or at common law by the insured or anyone acting on the insured's behalf.
- Intentional intake of excessive alcohol, drugs or narcotics unless administered by a member of the medical profession.
- Involvement or participation in any war, invasion or acts of a foreign enemy.
- Participation in any hazardous activity including but not limited, racing driving.
- The Policyholder or their immediate family driving a motor vehicle without a valid driver's license or being a passenger in a motor vehicle where the driver does not have a valid driver's license.

Expiry of cover

There is no expiry age for cover under the Policy.

Claims

Claims must be lodged with the Administrator within 180 days of the claim event. As far as we are aware this Policy is unique and we have not seen any comparable policies on the market.

Medical Pre-funder

Does the thought of retiring leave you with an unsettled feeling in your stomach?
Do you worry about not being able to keep up your current standard of healthcare?

If you've thought about it, then you have taken a step in the right direction – towards retiring with peace-of-mind, knowing that you will be able to cater for your future medical needs. If you haven't thought of it, you're about to discover everything you need to smooth out your transition into retirement.

With ever increasing medical costs, employers generally no longer make healthcare provision for retirees. This is due to a number of factors, such as:

- Rising healthcare costs well in excess of inflation
- A growing retiree population
- Increased regulation

This leaves the responsibility to make provision for your healthcare needs in your hands. Leaving you with two options:

Save money now or work longer later

Due to the impact of chronic diseases, healthcare costs tend to rise in old age, just as your income begins to decrease. Saving money now will allow you to enjoy your retirement, knowing that your medical needs are provided for. If you don't save now you will be forced to work longer just to be able to afford your medical costs.

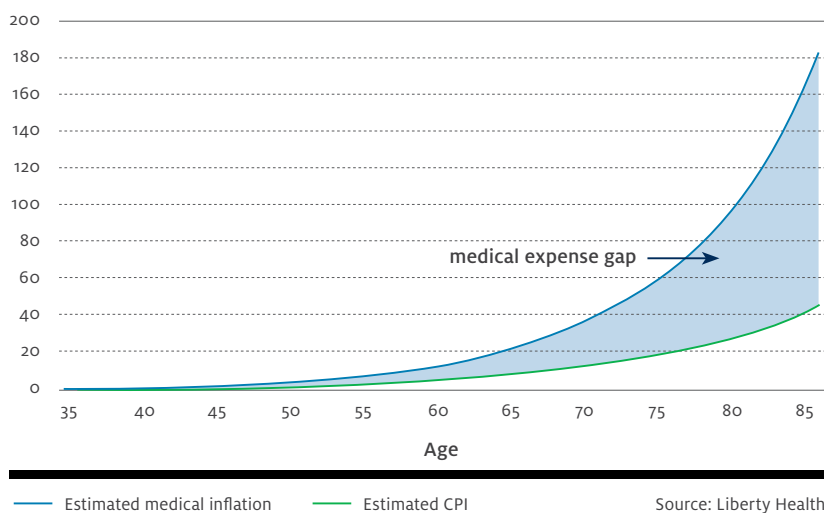
Consider an average 35 year old individual. At his current age medical inflation exceeds inflation due to the higher growth in the cost of medical provision. As the individual progresses through his lifetime, the cost of healthcare will rapidly rise as medical inflation exceeds normal inflation.

At retirement, roughly around age 65, medical costs will begin to eat into the individual's retirement income.

If the individual has not made specific provision to cover his additional costs, medical expenses will continue to eat into the retirement savings and become a significant burden in later years.

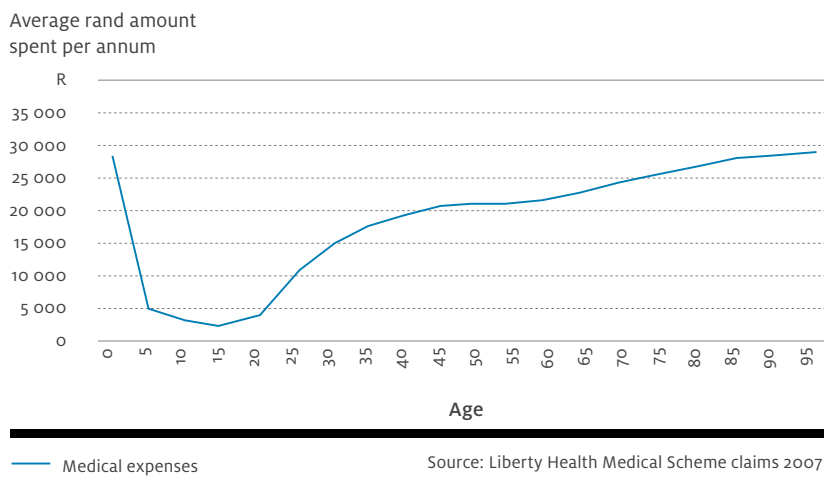
The "Liberty Medical Pre-funder" can assist the individual in meeting the excess medical expenditure.

Inflation index values based on
age 35 set to 1



The graph below depicts the expected average medical expenses over an individual's life time. When a baby is born, medical expenses are relatively high. Medical expenses decline but are still significant as children grow older. During the teenage years, expenses reduce considerably but start increasing again in early adulthood with the typical "accident and maternity humps" being evident.

In adulthood, medical complications tend to manifest and medical expenses continue to increase. As retirement approaches, medical expenses escalate sharply and eventually become a burden. This creates a need to make provision for medical expenses in retirement. The "Liberty Health Medical Pre-funder" can assist in addressing this post retirement medical funding requirement.



It is possible to maintain the standard of healthcare that you are enjoying now well into your retirement. The idea is to ensure that your retirement plan includes the ability to cover medical expenses.

There are several investment options for retirement provision – the ideal for the pre-funding for post-retirement medical expenses is the retirement annuity.

What is the Medical Pre-funder and what can it do for you?

It is a retirement annuity that allows you to pre-fund for possible future medical expenses, making it more affordable for you to cover medical expenses in your retirement.

With a Liberty Health Medical Pre-funder you can:

- Plan for your post-retirement medical expenses, putting you in control of your healthcare provision.
- Become an educated and cost-conscious consumer of medical care, enabling you to set aside today what you will need tomorrow so as not to bear the burden in the future.

Why you should make pre-funding a priority

- Medical inflation is expected to continue to increase by more than inflation.
- With reduced or fixed retirement income, lifestyle costs tend to rise faster than increases in income.
- With a medical pre-funder, you will be planning for your post-retirement medical expenses while you can still do something about it.

How the Medical Pre-funder works for you

It provides you with an opportunity to contribute single or regular premiums into a flexible and tax efficient investment with a selection of local and offshore investment portfolios to choose from. Its benefits address three important needs:

Savings

Your contribution to a retirement annuity is tax-deductible up to a maximum of either:

- 15% of non-retirement funding income; or
- R1 750; or
- R3 500 less deductible pension fund contributions.

A portion of your lump sum may also be tax-free at retirement.

The growth in the medical pre-funder, which is a retirement annuity, is currently taxed at 0% income tax and capital gains tax.

Security

- Your capital is protected from creditors in the event of insolvency.
- Your income after retirement can be guaranteed for life.
- Your money will be available to you at a time when you need it most.
- You can opt to add premium waivers to the policy. These will pay the contributions on your policy if you are unable to do so as a result of disability or retrenchment.

Flexibility

- You enjoy access to both local and offshore portfolios.
- You can make lump sum or adhoc premiums at any time.
- You can decide when you want to retire from age 55 up to age 70.
- It is a mobile savings instrument that you can take with you when you change employers.

Taking it easy and doing the things that take your breath away should be your only goal when you retire. Liberty Health's Medical Pre-funder is aimed at helping you stay healthy long enough to enjoy everything you set out to do, whilst continuing to live your life the way you've grown accustomed to.

Client support and contact details

Medical Gap	
Telephone number	021 673 8930
Fax number	021 673 8911
E-mail address	info@vinnovation.co.za
Postal address	V-innovation, Private Bag X1005, Claremont, 7735

Medical Premium Waiver	
Telephone number	021 673 8930
Fax number	021 673 8911
E-mail address	info@vinnovation.co.za
Postal address	V-innovation, Private Bag X1005, Claremont, 7735

Prefunder	
Liberty Contact centre	0860 456 789
Or contact your financial advisor	

Road Accident Family Protection Plan (RAF)	
V-innovation Contact centre	021 673 8930
E-mail address	info@vinnovation.co.za

For further information or to become a member, please contact your regional Business Development Manager or phone 011 408 1648 or visit www.libertyhealth.co.za



LIBERTY

Own your life

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