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Contribution increase from 5.0% for Bonitas in 2019

Bonitas Medical Fund has announced a weighted contribution increase of 8.9% for 2019 – keeping its increase under 9% for the second year in a row. The news is a welcome reprieve for consumers, already burdened by the rising cost of living and tough economic conditions and is aligned with Bonitas' mission to make quality healthcare more accessible and more affordable.

Appealing to a younger target market

The Fund further announced an increase of a mere 5% on the BonFit option which is designed to appeal to a younger market segment. 'The healthcare industry has been unsuccessful in attracting younger families and individuals and we are actively striving to address this,' said Gerhard van Emmenis, Principal Officer. 'Against the backdrop of the current economic conditions faced by consumers as well as our drive to appeal to younger, healthier members we are pleased that our average contribution increase for the year is 8.9%.'

In addition, a 7.9% increase was revealed for BonSave, Primary and BonEssential. However, in light of the fact that several consumers are struggling to afford medical aid, two new efficiency discount options were introduced to the Bonitas product suite. These options, namely Primary Select and BonEssential Select, are around 15% cheaper than Primary and BonEssential respectively. *Read more about this on page 4.*



Bonitas' flagship option, Standard, and its network-based counterpart, Standard Select, will both increase by 8.9% for the 2019 benefit year. While the income based BonCap option, will increase by 9.9% with income band thresholds increasing by 7%. The highest increase among the product range came in for BonComprehensive, BonClassic, BonComplete and Hospital Standard, at 11.5%. These plans are pitched at a more affluent market as they offer richer cover and benefits.

Value for members is a key factor

'Bonitas has a range of plans to suit the healthcare needs of South Africans from all walks of life. We have, therefore, taken heed of the challenges that consumers are burdened with and are striving to

offer them with more value, by covering a range of benefits from risk. The 2019 year is a clear indication of this as we have ensured that benefits for mammograms, pap smears and prostate screening have been included on all our plans. We have also ensured that new parents get the support they need by including an additional benefit to cover childhood immunisations on several plans,' Van Emmenis explained.

With current economic pressures and healthcare inflation outpacing general inflation, consumers are definitely looking for value. Bonitas will continue to explore and implement solutions to ensure that members can still afford quality healthcare cover that offers them this.

The full list of changes for 2019 is available on page 2.

Unpacking the increase for 2019

	Contributions in 2018			Contributions in 2019			% Increase	
	Main member	Adult dependant	Child dependant	Main member	Adult dependant	Child dependant		
BonComprehensive	R5 774	R5 446	R1 175	R6 438	R6 072	R1 310	11.5%	
BonClassic	R4 009	R3 442	R990	R4 470	R3 838	R1 104	11.5%	
BonComplete	R3 212	R2 572	R873	R3 581	R2 868	R973	11.5%	
BonSave	R2 304	R1 785	R690	R2 486	R1 925	R744	7.9%	
BonFit	R1 930	R1 495	R578	R2 027	R1 570	R607	5.0%	
Standard	R3 265	R2 831	R958	R3 556	R3 083	R1 043	8.9%	
Standard Select	R2 828	R2 447	R828	R3 080	R2 665	R902	8.9%	
Primary	R2 076	R1 624	R661	R2 240	R1 752	R713	7.9%	
Hospital Plus	R2 897	R2 607	R937	R1 904	R1 489	R606	NEW	
Hospital Standard	R1 830	R1 543	R696	R2 040	R1 720	R776	11.5%	
BonEssential	R1 604	R1 227	R470	R1 731	R1 324	R507	7.9%	
				BonEssential Select	R1 499	R1 147	R439	NEW
BonCap				BonCap				
R0 to R7 500	R918	R870	R432	R0 to R8 030	R1 009	R956	R475	9.9%
R7 501 to R12 194	R1 116	R1 055	R512	R8 031 to R13 050	R1 226	R1 159	R563	
R12 195 to R16 659	R1 820	R1 620	R689	R13 051 to R17 830	R2 000	R1 780	R757	
R16 660+	R2 235	R1 990	R847	R17 831+	R2 456	R2 187	R931	

New benefits and product enhancements for 2019

We have taken great care to ensure that our positioning for the 2019 benefit year will allow Bonitas to be more competitive in the market. The contribution increase, from as low as 5%, will definitely allow for a more attractive offering especially as it comes with several new and improved benefits which will no doubt further enhance the competitiveness of Bonitas products.

Placing the spotlight on preventative care

We have an acute focus on making preventative and primary healthcare services available where required ensuring co-ordination of care. This is supported by a drive to ensure that secondary and tertiary healthcare only comes into play after primary care has been accessed. As a pre-emptive measure, we have a keen focus on wellness and preventative care benefits to help mitigate the likelihood of developing chronic lifestyle conditions. We use an advanced emerging risk detection model to identify members who are at high-risk of developing such conditions and then liaise with, support and empower them to manage their health so that likelihood of developing these conditions is reduced.

We know early detection is a critical factor in ensuring our members get the support they need to manage any serious conditions timeously and before they develop further. Last year, we kept a firm focus on women's health extending cover for pap smears to all our plans. Since cervical and breast cancer continue to be the most prevalent, we have continued our efforts towards early detection by ensuring mammograms for women aged over 40 will be covered once every two years on all our plans from 2019.

In addition, we have placed the spotlight firmly on men's health. Especially in light of a prevalence of prostate cancer. Since early detection is critical, we have added the prostate screening antigen test to all options for men aged between 45 and 69. All preventative care benefits are paid from risk and are therefore in addition to savings and day-to-day benefits. This will assist in ensuring our members have peace of mind and get more value.



Introducing the My Family model



We have a keen focus on families and ensuring that they receive full support during pregnancy and the various stages of childhood. In the past few years, we have introduced several benefits related to this. In 2019 we introduced the My Family Model, a full suite of care paid from risk, to ensure that your loved ones get the care they need to stay happy and healthy.

This model encompasses the following offerings:

- ✓ Unlimited hospital cover
- ✓ Wellness screening and wellness extender
- ✓ Maternity benefits including up to 12 maternity consultations, 2 x 2D ultrasounds, amniocentesis, antenatal classes
- ✓ International travel insurance
- ✓ Childhood illness and infant paediatric consultation benefits
- ✓ A contraceptive benefit
- ✓ Flu vaccines
- ✓ Preventative care including a newborn hearing screening and screening for congenital hypothyroidism
- ✓ 24/7 telephone access to paediatric health professionals through Babyline
- ✓ Dental and optical benefits

We are pleased to announce we have taken this further to include cover for childhood immunisations according to the Extended Programme schedule for members on BonComprehensive, BonClassic, BonComplete, BonSave, BonFit, Standard, Standard Select, Primary and Primary Select. The following vaccines are covered:

Age	Vaccine Name	Abbreviation (Dose number)
Birth Vaccines	Oral polio vaccine Tuberculosis vaccine (Bacille Calmette-Guerrin)	OPV (0) BCG
6 weeks	Oral polio vaccine Rotavirus vaccine Diphtheria-tetanus-acellular pertussis-injectable polio-Haemophilus influenzae b- Hepatitis B vaccine Pneumococcal conjugate vaccine	OPV (1) RV(1) DTaP-IPV-Hib-HepB (1) PCV (1)
10 weeks	Diphtheria-tetanus- acellular pertussis-injectable polio-Haemophilus influenzae b-hepatitis B vaccine	DTaP-IPV-HIB-HepB (2)
14 weeks	Rotavirus vaccine Diphtheria-tetanus- acellular pertussis-injectable polio-Haemophilus influenzae b-hepatitis B vaccine Pneumococcal conjugate vaccine	RV(2) DTaP-IPV-Hib-HepB (3) PCV (2)
6 months	Measles vaccine	Measles (1)
9 months	Pneumococcal conjugate vaccine	PCV (3)
12 months	Measles vaccine	Measles (2)
18 months	Diphtheria-tetanus- acellular pertussis-injectable polio-Haemophilus influenzae b-hepatitis B vaccine	DTaP-IPV-Hib-HepB (4)
6 years	Tetanus, reduced dose diphtheria vaccine	Td (1)
12 years	Tetanus, reduced dose diphtheria vaccine	Td (2)

Restructuring BonComprehensive

The BonComprehensive option has been restructured to improve its benefits. We have combined the in hospital and out-of-hospital limits for specialised radiology, to create a joint family limit of R31 330.

To ensure quality of care, hip and knee replacements on BonComprehensive will need to be managed through ICPS and other preferred providers. Failure to use a preferred provider will attract a co-payment of R6 000. The DBC protocol will be carried over to BonComprehensive and a R6 000 co-payment will apply to spinal surgery sought without prior intervention by the back and neck programme. This is as a result of the positive outcomes the programme has achieved in treating back and neck pain.

Oncology treatment will also be handled through the ICON network as the preferred provider for BonComprehensive members.

BonComplete optometry to be paid from above threshold benefit

In addition, on the BonComplete option, optical claims will now be paid from the above threshold benefit and not just savings, as is currently the case.

Family benefit for internal prosthesis on BonEssential

On BonEssential, we have introduced a family benefit of R31 500 for internal prosthesis (excluding joint replacements) to make it more competitive. This will be included on BonEssential Select as well.



PPN appointed as optical provider

We pride ourselves on ensuring we partner with service providers of the highest calibre. In light of this we review our service providers regularly. We are pleased to announce that in 2019 our preferred provider for optometry will be PPN. PPN is the largest optometry network in South Africa, with over 2 700 providers from which members can choose.



Re-aligning BonClassic

The BonClassic option has been re-aligned to our other options. The separate out-of-hospital benefit for physiotherapy has been combined with the out-of-hospital benefit for paramedical and allied services.

In addition, the separate benefits for out-of-hospital radiology and pathology have been combined into one benefit. We have also removed the benefit for specialised drugs on this option. From 2019, specialised drugs will only be available on our top option, BonComprehensive.

15% increase on day-to-day benefit for Primary

Our analysis showed that a large proportion of members on the Primary option use up their day-to-day benefit early in the year. Thus, to ensure our members have access to the best out-of-hospital care when they need it, we've increased this benefit by 15% for 2019. The day-to-day benefits on Primary will now be as follows:

Main member only	R2 310
Main member + 1 dependant	R4 140
Main member + 2 dependants	R4 860
Main member + 3 dependants	R5 230
Main member + 4 or more dependants	R5 660

15% ↑



Introducing Primary Select and BonEssential Select

Our plans have been restructured according to the demands of the market, particularly with consumers looking for plans that offer attractive benefits at a more affordable rate.

The healthcare industry is currently marred by several challenges including escalating healthcare inflation. To limit the impact of increases on consumers, who are already burdened by tough economic conditions, we are introducing two new options. Primary Select and BonEssential Select into the Bonitas product range, to offer consumers even better value for money. These options will utilise networks to help consumers stretch their benefits as far as possible, without compromising the quality of care they receive. Both plans are priced around 15% cheaper than the Primary and BonEssential options respectively.

These two discount options are poised to attract younger, healthier members by offering a suite of attractive benefits to appeal to this demographic. In addition, they will be well-positioned and affordable in a space which is growing in the market.

To appeal to their target market, these plans feature:

- ✓ Unlimited consultations and treatment in hospital covered at 100% of the Bonitas Rate
- ✓ Access to any hospital in an emergency and a strong hospital network for planned procedures
- ✓ Wellness benefits including a wellness extender for additional consultations with a GP, dietician, physiotherapist or biokineticist
- ✓ A separate benefit for contraceptives (paid from risk)
- ✓ Maternity benefits paid from risk including consultations with a gynaecologist/midwife, amniocentesis and 2x2D scans
- ✓ Preventative care for mammograms, pap smears, flu vaccines and more
- ✓ Childcare benefits including paediatrician and GP consultations, newborn hearing screening, congenital hypothyroidism screening and access to 24/7 baby advice line
- ✓ Access to managed care programmes for HIV/AIDS, cancer and diabetes

Primary Select will also boast dental and optical benefits paid from risk, rich day-to-day and GP benefits through a nominated GP as well as a separate benefit for tests and consultations for PMB treatment plans.

We have analysed these plans and compared them to competitors and are confident they will fare well against them. Both options are ideally positioned for individual members in the LSM 7-10 category which is served by our alternative distribution channels with Liberty and Sanlam.



Bidding farewell to Hospital Plus

Bonitas Medical Fund announced that the Hospital Plus option will no longer be available from 2019.

Hospital Plus was introduced into the Bonitas' product range following the amalgamation with LMS Medical Fund in 2016. However, the option has not performed as expected and its positioning is not aligned with other Bonitas products.

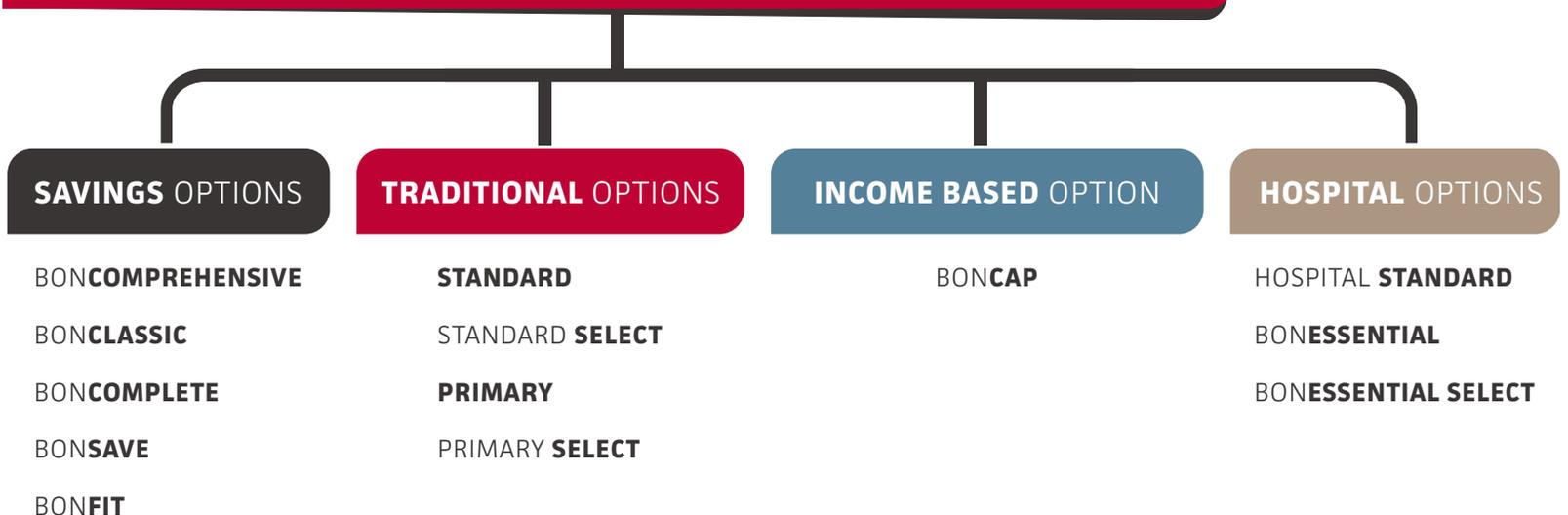
Members on this option will be channelled to the most suitable alternative option, so that their healthcare needs can continue to be met.



ER24 for emergency medical services

As we are committed to ensuring we partner with the best providers and regularly review their offerings, we are pleased to announce that ER24 has been retained as the provider for emergency medical services for 2019.

THE FULL SUITE OF PRODUCTS AVAILABLE FOR 2019 IS AS FOLLOWS:



Multi-insurer platform introduced

In an industry which continues to remain stagnant, retaining members is a critical factor in ensuring success. However, while striving for service excellence, competitive pricing and strong benefit design aid in keeping members happy, in a world where consumers are over-burdened by economic conditions – extra value goes a long way. For the last 35 years Bonitas has focused on member health. Bonitas has listened to what members want and taken the opportunity to broaden that ‘pure health focus’ to include member financial well-being.

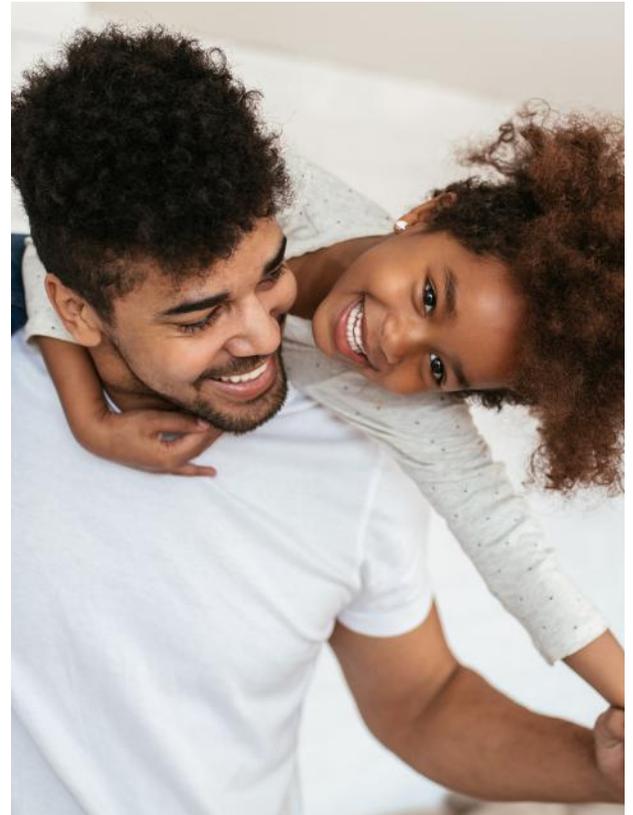
It's time to say thank you, here's something free

After considering various proposals and partners to create a loyalty programme to enhance our value proposition, one thing became abundantly clear. Bonitas is not building another loyalty programme, because Bonitas members deserve a little something extra, something better aligned to their specific needs and wants, that won't cost more than it needs to. So, the value-added product model was born. It allows Bonitas members to start taking comprehensive and holistic care of their financial health and wellness without paying anything extra. No points, no fees, no levels and no jumping through hoops to earn rewards.

Member consent

In line with the Protection of Personal Information Act 4 of 2013, it's not necessary to obtain consent for Bonitas members to enjoy the benefits of the free discount vouchers. Brokers do not need to obtain member consent to engage and sell products off the Multi-Insurer Platform and they will earn additional revenue for these sales.

Bonitas is embarking on an aggressive ‘get-member consent campaign’ to ensure the Fund complies with regulatory frameworks to obtain member consent for the marketing of value-added products. We take data privacy very seriously and will never share any member data with third parties without our members consent.



The model is split into two sections:

- **Lifestyle Shopping Vouchers:** Where you can get free discounts on daily living expenses from the likes of Shoprite, Baby City, Makro and on all airtime and data purchases.
- **Multi-Insurer Platform:** Sanlam Indie Insurance where members get exclusive Bonitas benefits in the form of a free Investment (Bounty) of up to 110% of monthly contributions and discounts of up to 48% on Gap Cover from Medgap.

Helping you take control of your financial well-being



A wide range of products including: Life cover, funeral cover, critical illness cover, income protection and disability cover

Insurance and free wealth creation

Offers 10 times more cover for the same price

Free investment up to 100% of contribution

10% added to the free investment – exclusive to Bonitas members

Free cash drops into your account every 5 years



Sign up to sell
www.indiefin.com/bonitas



Comprehensive gap cover

Guards you against medical expense shortfalls during hospitalisation

Exclusive discounted pricing for Bonitas members

Seamless claims process

Underwritten by Guardrisk Insurance Company, an authorised Financial Services Provider (FSP) 75



Sign up to sell
medgap@guardrisk.co.za



Easy to use free discount vouchers sent to your phone

20 Bonitas exclusive retail deals/discounts per month

Unlimited discounted electricity, airtime and data purchases

Monthly spin and win competitions

Over 30 retailers and 6 000 stores nationwide

Works with smartphones or via USSD for older phones

Available January 2019

ENTERING A DIGITAL ERA

The key to connecting with customers

Effective communication has become the key to engaging with current members, as well as potential customers. In general, our customer relationship management has lacked the finesse to compete with what consumers have become used to in our current high-tech society. Improvement of digital capabilities and platforms is crucial to ensuring we remain competitive and provide additional value to members and brokers alike. As a result, we continue to devise and implement solutions to make things simpler and improve user experience.

New and improved provider locator

We are proud of the fact that we have South Africa's largest GP network, it ensures our members get value for money as we negotiate special rates with these providers. In addition we also offer a specialist network and a strong network of hospitals.

We, therefore, want to make it easy for our members to find providers on our network so they can stretch their benefits as far as possible and avoid out-of-pocket expenses. In light of this, we've enhanced our online provider locator tool, so that our members can find network hospitals, doctors and specialists in their area quickly and easily.

Building a better Broker Zone

Last year we introduced the Bonitas Broker Zone, which boasted functionality including access to a full listing of your clients and allows you to track your queries and commission. This was supported by a comprehensive digital knowledge base for you to access benefit guides, marketing material and forms easily.

We've now added a new functionality so that you can optimise the submission of applications by using the online application form rather than submitted paper-based apps. Our turnaround

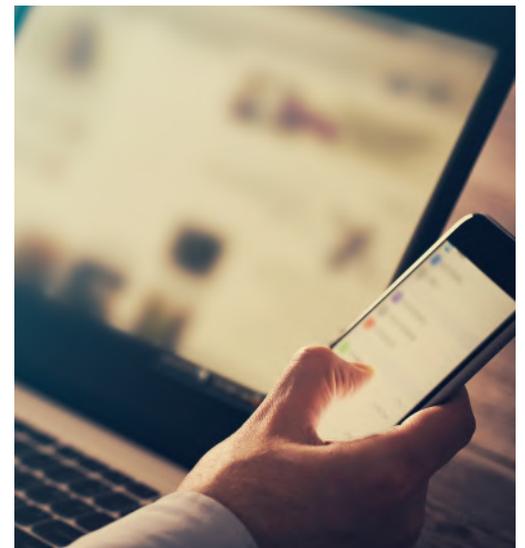
times on processing online applications will be 24 hours, after which you will receive a membership number for your client. We have also added a contribution calculator to the online functionality so that you can provide potential clients with a quote in seconds. We've worked hard at improving the functions of the Bonitas Broker Zone so that you will now have direct access to your clients' documents, so you can serve them more quickly and efficiently. This includes access to tax certificates, formularies, claims data and benefit limits that apply to your clients at the touch of a button.

Earlier this year we revamped our online application and added a live chat function to the front-end of the Bonitas website to assist current and potential members with any questions they may have. The live chat service ensures that members receive assistance with their online queries on weekdays between the hours of 08:30 and 20:00 as well as on Saturdays between 09:00 and 13:00. The extended hours where members can reach Bonitas will help them feel supported and encourage them to sign up and stay with Bonitas.

We are happy to share that we have carried this function across to the Broker Zone so that you too are able to get assistance from our support agents, whenever you need it. We will continue to add new and innovative features to the Broker Zone to support you and your clients on an ongoing basis.

Creation of a Corporate Zone

In addition, from November a Corporate Zone will be available on the Bonitas website so that corporate clients can manage their employees' medical aid membership more effectively. This logged in function, will allow corporates to submit online applications for new employees in minutes. It will also allow corporates to submit claims on behalf of their employees, assist with queries and allow them to download marketing material and information. This will help their employees use their benefits more effectively. Formularies and pro forma billing will also be available for download.



Making things easier for members

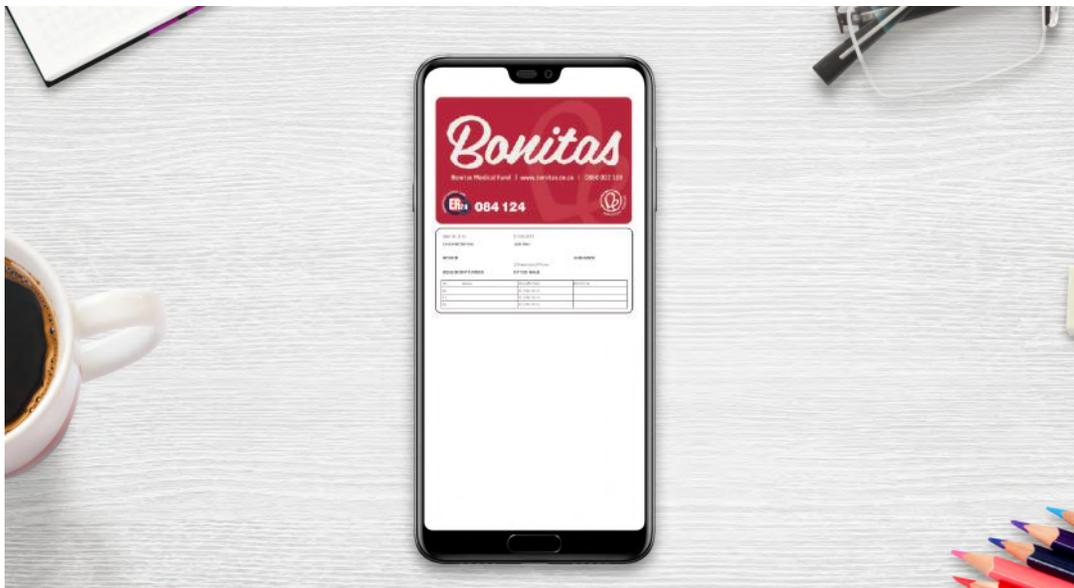
Because members are at the very heart of Bonitas, it is essential that we optimise and improve our digital offerings for them too. We are therefore re-building the full logged in Member Zone so that it will give our members access to a simpler, much more efficient way of getting what they require. This will be available within the next two months.

The all-new Member Zone will include an electronic membership card, so that members no longer have to wait for the postal service to deliver their cards to access their benefits. They can simply register and log in on the Bonitas website. It will also feature a dashboard for a view of their current membership, including claims and benefits at a glance. This is supported by a claims functionality that allows them to view and submit claims quickly. It will further include a range of material to help members understand their benefits clearly and use them more effectively so that they get real

value. Tax certificates, formularies and member statements will be easy to download.

The Member Zone will continue to be assessed and enhanced, so that our members will be able to perform tasks in a user-friendly way. This includes applying for pre-authorisation and registering for chronic medicine and managed care programmes online. Further developments planned include integration with Pharmacy Direct so that members can track their medicine delivery as well as a live chat function to ensure they receive assistance whenever they need it.

But the enhanced Member Zone is just the starting point, from 1 January 2019 our members will have access to the Bonitas App – a revolutionary cellphone application that will offer the full benefits of the Member Zone, so that members can have an overview of their benefits and claims as well as submit claims, get pre-authorisation, find a network provider, resolve queries and more on the go.



Embarking on an education and awareness campaign

To support our digital initiatives, we will embark on a communication strategy that is premised on education and awareness. This will help to make members more aware of what their benefits offer and make meaningful choices to ensure they are using them to derive maximum value. This will empower them to make proactive decisions in taking control of their health, to drive behavioural change and improve clinical outcomes.



As a starting point, we have reworked our 2019 Product Brochure, to echo the member journey and contain clear information on the benefits we offer and how they are covered. We will work tirelessly to ensure that our members are supported throughout their membership, so that we can deliver service and care of the highest standard to them. The changes to the brochure will also allow brokers to position our benefits and selling points much more clearly, allowing us to be competitive.

IF IT'S NOT BONITAS

IT'S NOT MEDICAL AID

> SWITCH TO REAL MEDICAL AID | BONITAS.CO.ZA

Bonitas

Bonitas has most successful financial year yet

Bonitas Medical Fund reported a solid surplus of R730.20 million for 2017, recouping the R16.9 million deficit from 2016.

Gerhard Van Emmenis, Principal Officer says, '2017 was an exceptional year for us in terms of financial results. This was largely due to several key cost saving strategies and initiatives implemented during the 2016-2017 period.'

This bolstered Bonitas reserves significantly. 'This surplus will be invested back into the Fund and will allow us to offer our members access to healthcare of the highest quality.'

Van Emmenis says, 'Medical schemes need to be proactive in curtailing costs. Even though healthcare inflation continues to outpace general inflation by about 5% (12.5 % in 2017), we cannot simply say, 'it's not our fault or our problem.' We need to constantly be looking for different methods to contain costs and offer our members maximum value for money.'

The net healthcare results of R345.9 million and investment income of R394.3 million, underpin the Fund's ability to implement strategies in order to remain resilient during difficult financial periods. This, not only to help limit contribution increases, but also deliver on our mandate of making healthcare affordable for all South Africans.'

Reserves increase

'From 3.2 billion in 2016, this has increased to R4 billion for 2017, which places us in a stronger, more robust financial position where we are confident of our ability to meet member claims.'

Public healthcare in South Africa continues to operate far below optimum levels

'The current public health systems' ability to provide the foundation for an NHI in the near future is questionable. The reasons include lack of economic growth, increasing unemployment, a large gap between rich and poor and a stark contrast between first and third world elements. It therefore stands to reason that the public healthcare system cannot carry anymore of the burden. While public health gets its house in order, it is essential that private medical aids keep private healthcare costs as low as possible, to make it affordable for as many people in South Africa as possible.'

Preventative care and Managed Care initiatives

There is an increased prevalence of lifestyle diseases such as diabetes, hypertension and cardiovascular disease as well as HIV/AIDS, cancer, chronic medicine management, back and neck pain, hip and knee replacements and mental illness. The old adage that 'prevention is better than cure' cannot be more apt than in the healthcare industry. For this reason Bonitas has a number of programmes aimed at predicting and preventing conditions before they become chronic and managing them in the most clinically appropriate way. The Fund bolstered its Managed Care initiatives in 2017, with the introduction of the Diabetes Management Programme. The success of the diabetes programme is underpinned by the Fund's ability to identify potential diabetic patients and enrol them on the programme as well as actively manage them through support, testing and education. The Fund and its partners have worked tirelessly to improve actively managed diabetes patients by 31% between May and December 2017.

The way forward

'We are currently carrying out a secondary initiative to identify hospitals on our networks that are not cost-effective and work towards improving their efficiency,' says Van Emmenis. 'We have introduced a Managed Care programme focused on mental health and will explore other options to introduce alternative reimbursement models for procedures such as knee and hip surgery.'

During the year ahead we will seek to identify other opportunities to grow Bonitas and retain our existing membership base. This will include the possibility of amalgamations as well as developing new distribution models and channels.

'Connecting with our customers remains a key focus area as we seek to improve our digital capabilities, to improve our members'

experience and communicate effectively to keep them informed and engaged. We will use the best technology available to make things simpler and more efficient.'

Attracting younger and healthier members is vital to ensuring the sustainability of the Scheme. To assist in this regard, we introduced BonFit in 2016, as well as several benefits to appeal to younger individuals and families in 2017. For the year ahead we have introduced two new options – Primary Select and BonEssential Select. These options use networks to help stretch benefits, without compromising on care, and are priced around 15% cheaper.

'As rising healthcare costs continue to be a prohibitive factor in making quality healthcare affordable, we will continue finding innovative and sustainable ways of reducing expenditure,' concluded Van Emmenis.

OUR FINANCES

R4.0

billion in reserves
so we can afford to pay
your claims

R730.2
million
surplus achieved

Financial results turnaround

	2016	2017
Contribution increase	10.9%	11.9%
Claims increase	8.7%	7.4%
Surplus/(deficit)	(R16.9m)	R730.2m

Need marketing material?

Please request marketing material and collateral from your Broker Consultant or log in to www.bonitas.co.za to download it

Have a question?

Call us on **0860 002 108** or email queries@bonitas.co.za