



TRUSTEE INFORMATION

MARCH 2019

	Page
Executive Summary - Highlights	1
Executive Summary - Financial Highlights	2
Income Statement - Actual vs Budget	3
Balance Sheet	4
Cash Flow Statement	5
Investments Analysis	6
Financial Indicators - Reserves	7.1
Member Ratios and Trend Analysis	7.2
Claims and Creditors	7.3
Debtors	7.4
Old Mutual - Liquidity Level	7.5
Member Savings	7.6
Membership	7.7
Assumptions	8

ALLIANCE-MIDMED MEDICAL SCHEME

EXECUTIVE SUMMARY - HIGHLIGHTS - MARCH 2019

EXECUTIVE SUMMARY HIGHLIGHTS

1. INCOME STATEMENT

1.1 CONTRIBUTIONS

Net contributions for the month were R8.1M which is R495K below budget. This is due to membership being 86 contracts below budget. Year-to-date (YTD) contributions at R24.4M are less than budget by R1.5M, with YTD total of 274 contracts less than budget.

1.2 CLAIMS COST

The claims costs for the month were R8M which is below budget by R1.2M. The YTD claims ratio is 95%, compared to the budgeted 103%, with average claims per member per month being R4 613 which is some R405 below budget. This includes an IBNR provision of R2.2M. The YTD top 10 high cost cases total R5.4M.

1.3 NON-HEALTHCARE EXPENDITURE

Non-healthcare costs for the month amounted to R446K, which is R68K below budget. YTD costs are R199K below budget.

1.4 NET HEALTHCARE RESULT

The Scheme incurred a net healthcare deficit of R279K for the month in comparison with a budgeted net healthcare deficit of R1M. The YTD net deficit of R227K is R2.1M better than budget.

1.5 INVESTMENT INCOME

Investment income is derived from funds managed by Old Mutual. The Scheme had a net investment income for the month totalling R859K compared with a budgeted investment income of R259K. Investments reflected unrealised gains of R180K for the month. The all share returns on the JSE increased by 1.56% for the month. YTD net investment income is R2.5M compared to the budgeted R788K.

1.6 NET SURPLUS/(DEFICIT) AND RESERVES

The Scheme ended the month with a net surplus of R580K (after investment income) which was better than budget by R1.4M. YTD the net surplus is R2.3M compared to the budgeted deficit of R1.6M.

2. BALANCE SHEET

2.1 ACCUMULATED RESERVES

The Scheme had accumulated funds of R48.2M as at the end of the month. This equates to a solvency ratio of 37.55% based on gross contributions. This has decreased from the 38.56% recorded for Dec-2018. Although the rand value of the reserves have increased, the solvency ratio has decreased due to the annual contribution increase which is used in the calculation.

2.2 PROVISION FOR UNPAID CLAIMS

The provision for outstanding claims currently stands at R2.5M. This includes R313K remaining of the prior year provision.

2.3 CASH AT BANK AND INVESTMENTS

The cash, call and fixed deposits, as well as investments held by the Scheme at month end total R84.4M. This is R1.2M up on December 2018.

3. MEMBERSHIP

3.1 PRINCIPAL MEMBERS AND BENEFICIARIES

The Scheme billed 1 688 members for the month vs the budgeted 1 774. There were a total of 3 909 lives covered for the month which equates to 2.32 beneficiaries per contract.

3.2 PENSIONERS

The Scheme has 297 principal members classified as pensioners (over 60yrs). This equates to a ratio of 17.59% of the total membership. The number of beneficiaries greater than 65 years is 296. This equates to 7.57% of the total lives covered. The number of beneficiaries aged 60 or older is 449. This equates to 11.49% of the total lives covered.

ALLIANCE-MIDMED MEDICAL SCHEME
EXECUTIVE SUMMARY - FINANCIAL HIGHLIGHTS MARCH 2019

Income Statement	Current Month			Year to Date 2019			Prior Yr Full	Full year 2019
	Actual R'000	Budget R'000	Variance R'000	Actual R'000	Budget R'000	Variance R'000	Actual R'000	Budget R'000
Gross contribution income	8,570	9,087	(517)	25,759	27,262	(1,503)	98,685	109,049
Less: savings contribution income	432	454	(23)	1,331	1,362	(31)	7,863	5,450
Net contributions from members	8,138	8,633	(495)	24,428	25,900	(1,472)	90,821	103,599
Relevant healthcare expenditure	(7,972)	(9,153)	1,181	(23,287)	(26,709)	3,422	(90,876)	(101,749)
Gross healthcare result	167	(520)	686	1,141	(809)	1,950	(55)	1,850
Non-healthcare expenditure	(446)	(513)	68	(1,368)	(1,567)	199	(5,953)	(6,539)
Net healthcare result	(279)	(1,033)	754	(227)	(2,376)	2,149	(6,008)	(4,689)
Net investment income	859	259	599	2,488	788	1,700	3,409	3,010
Net surplus/(deficit)	580	(774)	1,354	2,261	(1,588)	3,849	(2,599)	(1,679)
Data per contract:								
Average premium per contract	4,821.35	4,866.56	(45.21)	4,839.16	4,866.56	(27.40)	4,253.93	58,398.72
Average claims cost per contract	(4,722.59)	(5,159.42)	436.83	(4,613.13)	(5,018.59)	405.46	(4,256.51)	(57,355.78)
Average gross healthcare result per contract	98.76	(292.86)	391.62	226.03	(152.03)	378.06	(2.58)	1,042.93
Administration costs data:								
Average non-healthcare expenditure per contract	263.94	289.35	25.41	270.96	294.39	23.43	278.83	3,686.16
Non-healthcare as % of Risk Contributions	5.5%	5.9%	0.47%	5.6%	6.0%	0.45%	6.6%	6.3%
Non-healthcare as % of Gross Contributions	5.2%			5.3%			6.0%	

BALANCE SHEET DATA	ACTUAL	PRIOR YEAR- YEAR END
Accumulated Reserves	48,166,385	46,427,010
Cumulative unrealised net gains/(losses) in acc funds	9,534,009	8,373,003
Cash at Bank and Investments	84,416,405	83,239,978
Provision for unpaid claims	2,531,916	2,112,454
Annualised reserve ratio - Net Contributions	39.55%	41.90%
Annualised reserve ratio - Gross Contributions	37.55%	38.56%

MEMBERSHIP DATA	MONTH ACTUAL	MONTH BUDGET	VARIANCE	ACTUAL YTD	BUDGET YTD	VARIANCE	PRIOR YEAR FULL	FULL YEAR BUDGET
Number of members	1,688	1,774	(86)	5,048	5,322	(274)	21,350	1,774
Number of dependants	2,221			6,690			60,001	
Number of beneficiaries	3,909			11,738			81,351	
Average no. of beneficiaries / contract	2.32			2.33			3.81	
Average age of beneficiaries	33.51			33.49			32.62	
Industry average 2017: average age of beneficiaries	34.90			34.90			34.90	
Pensioners (Refer Note Below)	297			892			6,669	
Pensioner Dependants	152			457			1,811	
Pensioners as a % of total membership	17.59%			17.67%			31.24%	
Beneficiaries > 65 years of age	296			892			6,851	
Beneficiaries > 65 years of age as a % of total membership	7.57%			7.60%			8.42%	
Beneficiaries > = 60 years of age	449			1,349			10,209	
Beneficiaries > = 60 years of age as a % of total membership	11.49%			11.49%			12.55%	
Industry average 2017 - Pensioner ratio (beneficiaries >65)	10.00%			10.00%			10.00%	

Note
The pensionable age for the scheme is generally accepted as 60 years, with the exception of the following groups :

Thos Begbie & Co (Pty) Ltd	No fixed pensionable age due to skills shortage
Samancor Manganese - Mfc	Pensionable age is 63
Middelburg Ferrochrome	Members on provident fund-pensionable age is 63
	Members on pension fund-pensionable age is 60

**ALLIANCE MIDMED MEDICAL SCHEME
CONSOLIDATED INCOME STATEMENT 2019**

	JANUARY			FEBRUARY			MARCH			YEAR TO DATE				FULL YR
	ACTUAL	BUDGET	% VAR	ACTUAL	BUDGET	% VAR	ACTUAL	BUDGET	% VAR	ACTUAL	BUDGET	VARIANCE	% VAR	BUDGET
NUMBER OF CONTRACTS	1,670	1,774	-6%	1,690	1,774	-5%	1,688	1,774	-5%	5,048	5,322	-274	-5%	1,774
Gross contributions	8,068,575	9,087,409	-5%	8,580,444	9,087,409	-6%	8,569,990	9,087,409	-6%	25,759,009	27,262,226	(1,503,217)	-6%	109,048,903
Less: savings contributions	468,611	454,132	3%	430,763	454,132	-5%	431,553	454,132	-5%	1,330,927	1,362,395	(31,468)	-2%	5,449,581
Net contribution income	8,139,964	8,633,277	-6%	8,149,681	8,633,277	-6%	8,138,437	8,633,277	-6%	24,428,082	25,899,830	(1,471,748)	-6%	103,599,321
Relevant healthcare expenditure	9,043,703	9,300,974	3%	6,271,642	8,255,156	24%	7,971,732	9,152,815	13%	23,287,077	26,708,945	3,421,868	13%	101,749,156
Claims paid by month of payment	6,061,785	8,778,619	1%	6,273,847	7,732,801	25%	7,426,621	8,630,461	13%	19,762,253	25,141,882	3,161,189	13%	95,480,904
Movement in 2019 claims provision	2,596,345	-	-	(495,419)	-	-	117,513	-	2,218,439	-	-	-	-	-
2018 claims over provision	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Claims discounts	(1,937)	-	-	0	-	-	-	-	(1,937)	-	1,937	-	-	-
MVA Recoveries	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Denis Claims paid	185,435	330,769	44%	310,981	330,769	6%	263,421	330,769	20%	759,837	992,307	232,469	23%	3,969,227
Europassist claims paid	57,878	42,694	-36%	36,706	42,694	14%	18,922	42,694	56%	113,506	128,081	14,575	11%	512,323
Accredited managed care	144,197	148,892		145,527	148,892		145,254	148,892		434,978	446,675	11,697		1,786,702
Managed Care fees	80,227	79,991	0%	80,951	79,991	-1%	80,855	79,991	-1%	242,034	239,974	(2,060)	-1%	959,895
Denis	20,122	22,023	9%	20,194	22,023	8%	20,111	22,023	9%	60,427	66,069	5,642	9%	264,274
Mediscor	43,848	46,878	6%	44,382	46,878	5%	44,288	46,878	6%	132,518	140,633	8,116	6%	562,533
Gross healthcare result	(903,740)	(667,697)	-3%	1,878,038	378,121	18%	166,705	(519,539)	7%	1,141,005	(809,114)	1,950,119	7%	1,850,166
Non-healthcare expenditure	430,183	519,609	17%	492,094	533,831	8%	445,527	513,301	13%	1,367,804	1,566,741	198,937	13%	6,539,241
Administration fees	333,325	352,423	5%	336,310	352,423	5%	335,912	352,423	5%	1,005,547	1,057,269	51,722	5%	4,229,074
Europassist fees	6,948	7,273	4%	7,036	7,273	3%	7,023	7,273	3%	21,007	21,820	814	4%	87,281
Fidelity cover	1,345	2,762	51%	1,345	3,007	55%	1,345	2,653	49%	4,035	8,422	4,387	52%	38,391
BHF / HFA fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Audit fees	16,238	26,110	38%	16,238	28,432	43%	16,238	25,080	35%	48,714	79,623	30,909	39%	362,948
Actuarial/professional services	13,886	-	-	13,887	-	-	13,886	-	41,659	-	(41,659)	-	-	-
Bank charges	3,070	4,195	27%	3,506	4,568	23%	4,697	4,030	-17%	11,273	12,793	1,520	12%	58,314
Member communication	-	-	-	470	-	-	205	-	675	-	(675)	-	-	-
Principal officer fees	31,889	47,739	33%	31,889	51,984	39%	31,889	45,855	30%	95,667	145,578	49,911	34%	663,596
Travel and entertainment	-	-	-	608	-	-	2,576	-	3,185	-	(3,185)	-	-	-
Inc / (Dec) in provision for bad debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sundry Expenses	129	52,188	100%	57,454	56,829	-1%	4,411	50,129	91%	61,994	159,146	97,152	61%	725,443
Subscriptions (CMS)	-	-	-	-	-	-	165	-	165	-	(165)	-	-	-
Subscriptions (Other)	3,352	4,250	21%	3,352	4,628	28%	7,180	4,083	-76%	13,884	12,962	(923)	-7%	59,083
Consultancy fees	20,000	22,669	12%	20,000	24,685	19%	20,000	21,775	8%	60,000	69,128	9,128	13%	315,112
Net healthcare result	(1,333,922)	(1,187,306)	14%	1,385,944	(155,710)	26%	(278,822)	(1,032,840)	20%	(226,799)	(2,375,855)	2,149,056	20%	(4,689,075)
Investment income	636,805	296,050	-115%	160,677	291,860	-45%	679,072	288,383	135%	1,476,554	876,293	600,261	69%	3,348,440
Realised gains (losses)	3,549	-	-	3,793	-	-	3,900	-	11,242	-	11,242	-	-	-
Unrealised gains (losses)	111,567	-	-	716,115	-	-	180,446	-	1,008,128	-	1,008,128	-	-	-
Other income	31,889	-	-	31,889	-	-	31,889	-	95,667	-	95,667	-	-	-
Portfolio management fees	(14,711)	(15,169)	3%	(20,701)	(14,955)	38%	(22,558)	(14,777)	53%	(57,970)	(44,901)	(13,070)	29%	(171,572)
Investment management fees	(16,233)	(14,713)	-10%	(15,255)	(14,504)	5%	(13,976)	(14,331)	-2%	(45,464)	(43,548)	(1,916)	4%	(166,404)
Net surplus/(deficit)	(581,056)	(921,138)		2,262,462	106,691		579,951	(773,565)		2,261,358	(1,588,011)	3,849,369		(1,678,611)

Claims Ratio (Including Provision):	111%	108%	77%	96%	98%	106%	95%	103%	98%
Claims prmpm	5,415	5,243	3,711	4,653	4,723	5,159	4,613	5,019	57,356

SUMMARY R'000	JANUARY			FEBRUARY			MARCH			YEAR TO DATE			2019 FULL YEAR
	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance	Budget
Income	8,924	8,929	(6)	9,062	8,925	137	9,034	8,922	112	27,020	26,776	244	106,948
Expenditure	9,505	9,850	346	6,800	8,818	2,019	8,454	9,695	1,241	24,758	28,364	3,606	108,626
Surplus / Deficit	(581)	(921)	340	2,262	107	2,156	580	(774)	1,354	2,261	(1,588)	3,849	(1,679)
Membership	1,670	1,774	(104)	1,690	1,774	(84)	1,688	1,774	(86)	5,048	5,322	(274)	1,774

**ALLIANCE MIDMED MEDICAL SCHEME
BALANCE SHEETS**

	31-Dec-18	31-Jan-19	28-Feb-19	31-Mar-19	30-Apr-19	31-May-19	30-Jun-19	31-Jul-19	31-Aug-19	30-Sep-19	31-Oct-19	30-Nov-19	31-Dec-19
ASSETS													
Non-Current Assets													
Current assets	84,303,621	85,858,740	84,813,399	85,669,887									
Outstanding contributions	996,300	1,156,190	1,165,780	1,139,816									
Member debt	45,745	46,329	45,971	48,010									
Supplier debt	62,738	56,561	65,696	63,807									
Savings plan account advances	46,518	60,303	75,420	92,142									
Cash, call and Fixed Deposits	22,921,556	23,686,319	16,840,099	16,948,723									
Investments	60,318,422	60,938,297	66,708,291	67,467,682									
Prepayments	16,140	14,795	13,450	12,105									
Sundry debtors	-	-	-	-									
Accrued interest	3,622	7,365	6,113	5,022									
Provision for bad debts	(107,420)	(107,420)	(107,420)	(107,420)									
Total assets	84,303,621	85,858,740	84,813,399	85,669,887									
RESERVES AND LIABILITIES													
Reserves	45,905,028	45,323,972	47,586,434	48,166,385									
Accumulated Reserves brought forward	42,292,868	45,905,028	45,323,972	47,586,434									
Current period surplus / (deficit)	3,612,160	(581,056)	2,262,462	579,951									
Current Liabilities	38,398,593	40,534,768	37,226,965	37,503,502									
Sundry creditors and accruals	287,147	188,343	196,131	151,185									
Deposits not yet allocated	690,292	775,099	775,604	754,720									
Member and supplier credit balances	2,417,563	3,058,369	1,212,283	1,683,452									
Provision for audit fees	184,000	200,238	216,476	81,834									
Member Savings Liability	32,185,156	32,250,799	32,342,449	32,300,395									
Provision for unpaid claims 2018	2,634,436	1,465,575	383,097	313,476									
Provision for unpaid claims 2019	-	2,596,345	2,100,926	2,218,439									
Total reserves and liabilities	84,303,621	85,858,740	84,813,399	85,669,887									

Note N1 Relates to amounts owing to members and suppliers for claims that were received and processed but not paid as at month end. This is timing in nature as claims payments are made every Thursday (actual date of payment).

Note N2 This is timing in nature. Relates to deposits received on the last working day and only allocated to member level on first work day of the following month.

Note N3 Relates to the provision for claims incurred but not yet reported (IBNR) to and/or paid by the Scheme. The provision is based on run-off percentages which are based on historical claims payment patterns i.e. in the most recent month of service, it is expected that 72.96% of the total month's claims incurred have been paid by the Scheme by the end of the month. A provision is therefore raised for the remaining 27.04% of the total expected claims for the month. Members and providers have 5 months to submit claims.

**ALLIANCE MIDMED MEDICAL SCHEME
CONSOLIDATED CASH FLOW STATEMENTS 2019**

	January Actual R	February Actual R	March Actual R	April Actual R	May Actual R	June Actual R	July Actual R	August Actual R	September Actual R	October Actual R	November Actual R	December Actual R	YTD Actual R
Net surplus / (deficit) for the period	(581,056)	2,262,462	579,951	-	-	-	-	-	-	-	-	-	2,261,357
Movement in working capital	1,965,695	(3,338,689)	288,065	-	-	-	-	-	-	-	-	-	(1,084,930)
Movement in current assets N1	(170,480)	(30,886)	11,528	-	-	-	-	-	-	-	-	-	(189,838)
Movement in claims provision	1,427,485	(1,577,897)	47,892	-	-	-	-	-	-	-	-	-	(102,520)
Movement in current liabilities	708,690	(1,729,906)	228,645	-	-	-	-	-	-	-	-	-	(792,571)
	1,384,639	(1,076,227)	868,016	-	-	-	-	-	-	-	-	-	1,176,427
Cash utilised in investing activities	(619,875)	(5,769,994)	(759,392)	-	-	-	-	-	-	-	-	-	(7,149,261)
Increase / (decrease) in cash	764,764	(6,846,221)	108,624	-	-	-	-	-	-	-	-	-	(5,972,833)
Represented by :													
Opening cash on hand:													
Cash at bank	22,921,556	23,686,319	16,840,099	-	-	-	-	-	-	-	-	-	22,921,556
Increase / (decrease) in cash	764,764	(6,846,221)	108,624	-	-	-	-	-	-	-	-	-	(5,972,833)
Closing cash on hand:	23,686,319	16,840,099	16,948,723	-	-	-	-	-	-	-	-	-	16,948,723

Notes:

N1 - Movement in Current Assets [A] - [B]	(170,480)	(30,886)	11,528	1,253,482	-	-	-	-	-	-	-	-	-
Prior month balance [A]	1,063,643	1,234,124	1,265,009	1,253,482	-	-	-	-	-	-	-	-	-
Current month balance [B]	1,234,124	1,265,009	1,253,482	-	-	-	-	-	-	-	-	-	-
Outstanding contributions	1,156,190	1,165,780	1,139,816	-	-	-	-	-	-	-	-	-	-
Member debt	46,329	45,971	48,010	-	-	-	-	-	-	-	-	-	-
Supplier debt	56,561	65,696	63,807	-	-	-	-	-	-	-	-	-	-
Savings plan account advances	60,303	75,420	92,142	-	-	-	-	-	-	-	-	-	-
Prepayments	14,795	13,450	12,105	-	-	-	-	-	-	-	-	-	-
Accrued interest	7,365	6,113	5,022	-	-	-	-	-	-	-	-	-	-
Provision for bad debts	(107,420)	(107,420)	(107,420)	-	-	-	-	-	-	-	-	-	-

ALLIANCE-MIDMED MEDICAL SCHEME
INVESTMENTS ANALYSIS AS AT END OF MARCH 2019
CASH AND EQUIVALENTS

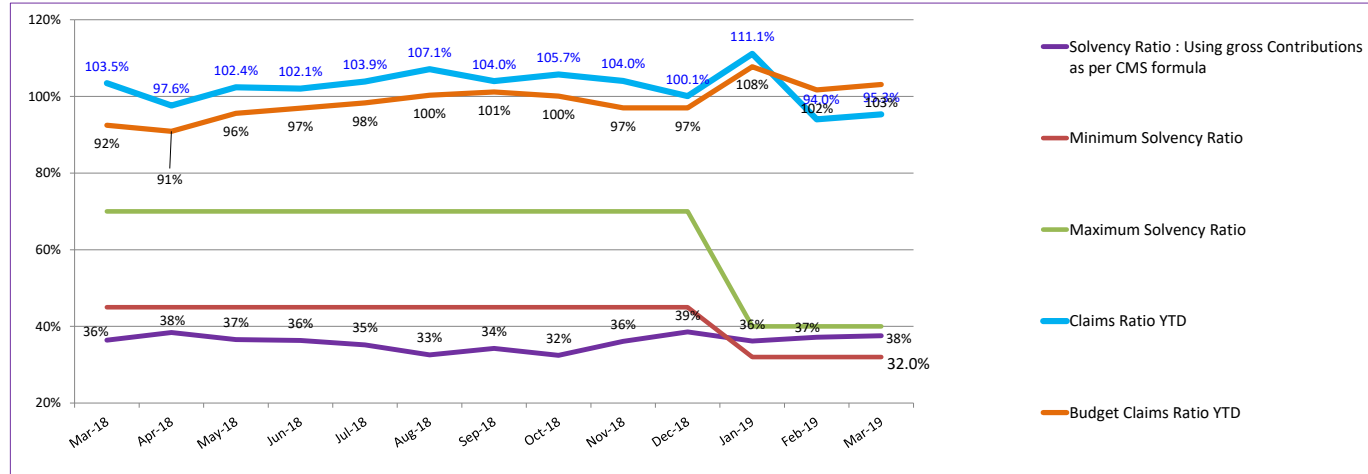
Institution	Type	Period	Interest Rate	Balance including accrued interest	Interest received year to date	Interest accrued at month-end	Date of Maturity
				R	R	R	
ABSA	Call	Call	6.50%	15,729	249		
First Rand Bank	Call	Call	6.50%	592	9		
	Fixed Deposit	12 month	7.73%	1,076,192			05/04/2019
Investec	Call	Call	6.65%	4,638,959	55,247		
Nedbank	Call	Call	6.50%	2,325,094	14,801		
	Call	Call	7.30%	1,695,592	38,925		
Standard Bank	Call	Call	6.55%	4,613,790	52,746		
	Fixed Deposit	12 month	7.73%	1,074,710			12/04/2019
Interest including interest on fixed deposits capitalised						108,732	
	Alliance Midmed bank account			1,507,199	18,491	5,016	
	Alliance Midmed Demand Deposit (purpose is to fund the credit card facility)			867	9	5	
	Subtotal			16,948,723	289,209	5,022	
	Less: Investment management fees: Old Mutual				(45,464)		
	Less: Bank fees FNB corporate account				(11,273)		
	TOTAL CASH, CALL AND FIXED DEPOSITS			16,948,723	232,472	5,022	
Effective return on investments					7.22%		
Benchmark (STeFI)					6.61%		

INVESTMENTS							
Institution	Initial Investment	Market Value	Int and Div Income	Portfolio management fees	Unrealised gains/(losses) in P&L	Realised gains/(losses)	Benchmark
Prudential portfolio managers	9,706,440	22,862,882		(57,970)	980,222	11,242	9.25% - CPI+5
Stanlib Income Fund	10,000,000	21,046,032	881,765		(425,502)		7.26% - STeFI
Allan Gray	17,639,986	23,558,769	305,580		453,408		7.18% - CPI+3
Total Investments:	37,346,426	67,467,682	1,187,345	(57,970)	1,008,128	11,242	
	Effective return YTD		13.22%				

**ALLIANCE-MIDMED MEDICAL SCHEME
FINANCIAL INDICATORS - RESERVES**

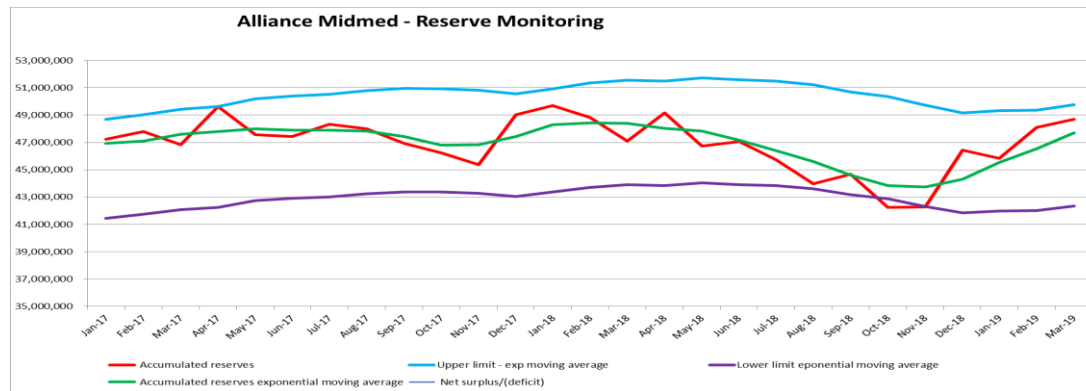
Solvency Ratio : Using gross Contributions
as per CMS formula
Minimum Solvency Ratio
Maximum Solvency Ratio
Claims Ratio YTD
Budget Claims Ratio YTD
Number of Members
Number of Lives
Schemes Reserves

	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19
Solvency Ratio : Using gross Contributions as per CMS formula	36.4%	38.4%	36.5%	36.3%	35.2%	32.6%	34.2%	32.4%	36.1%	38.6%	36.2%	37.2%	37.5%
Minimum Solvency Ratio	45.0%	45.0%	45.0%	45.0%	45.0%	45.0%	45.0%	45.0%	45.0%	45.0%	45.0%	45.0%	45.0%
Maximum Solvency Ratio	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	40.0%	40.0%
Claims Ratio YTD	103.5%	97.6%	102.4%	102.1%	103.9%	107.1%	104.0%	105.7%	104.0%	100.1%	111.1%	94.0%	95.3%
Budget Claims Ratio YTD	92.5%	90.9%	95.6%	96.9%	98.3%	100.3%	101.1%	100.1%	100.1%	97.0%	107.7%	101.7%	103.1%
Number of Members	1,803	1,787	1,778	1,770	1,774	1,769	1,774	1,765	1,759	1,748	1,670	1,690	1,688
Number of Lives	4,237	4,228	4,224	4,210	4,207	4,195	4,189	4,174	4,171	4,150	3,909	3,920	3,909
Schemes Reserves	R 47,091,159	R 49,153,879	R 46,739,890	R 47,055,977	R 45,753,490	R 43,986,449	R 44,668,095	R 42,250,052	R 42,292,868	R 46,427,010	R 45,845,954	R 47,586,434	R 48,166,385



Scheme Strategy

Solvency Level to be maintained between 32% - 40% as approved by the BOT on 28 November 2018
Minimum Reserves of R46.4 million



**ALLIANCE MIDMED MEDICAL SCHEME
FINANCIAL RATIOS AND TRENDS**

		Average 2015	Average 2016	Average 2017	Average 2018	Jan-19	Feb-19	Mar-19	YTD	TREND 2019
Current liabilities to cash	Current liabilities	29,784,600	34,215,119	36,570,583	38,528,698	40,534,768	37,226,965	37,503,502	37,503,502	
	Cash & Investments	46,270,749	49,750,407	70,005,410	83,606,958	84,624,616	83,548,390	84,416,405	84,416,405	
		0.64	0.69	0.52	0.46	0.48	0.45	0.44	0.44	

Comment: Current liabilities is a fraction of cash and investments - indicating that the scheme is adequately capable of meeting its debts in the normal course of its business

Current liabilities to cash	Current liabilities	5,561,995	7,460,405	24,517,441	38,528,698	40,534,768	37,226,965	37,503,502	37,503,502	
	Cash	14,983,130	16,079,090	31,903,579	36,061,722	23,686,319	16,840,099	16,948,723	16,948,723	
		0.37	0.46	0.77	1.07	1.71	2.21	2.21	2.21	

Comment: Current liabilities. As a fraction of scheme cash - current liabilities is higher indicating that the scheme does not have sufficient cash on hand to meet its debts in the normal course of business operations. This excludes investments which can be utilised to fund any shortfall if needed so no action required.

Claims ratio	Net premium income	6,058,026	6,700,733	7,255,389	7,568,455	8,139,964	8,149,681	8,138,437	24,428,082	
	Relevant healthcare exp	5,628,978	6,124,978	7,133,741	7,573,038	9,043,703	6,271,642	7,971,732	23,287,077	
		93%	91%	98%	100%	111%	77%	98%	95%	

Comment: Just another view indicating a high claiming year in 2018 relative to contributions

Working capital ratio	Current assets	47,982,589	52,695,982	72,101,190	84,689,443	85,858,740	84,813,399	85,669,887	85,669,887	
	Current liabilities	5,561,995	7,460,405	24,517,441	38,528,698	40,534,768	37,226,965	37,503,502	37,503,502	
		8.63	7.06	2.94	2.20	2.12	2.28	2.28	2.28	

Comment: Ratio indicates that scheme current assets are more than adequate to meet scheme liabilities.

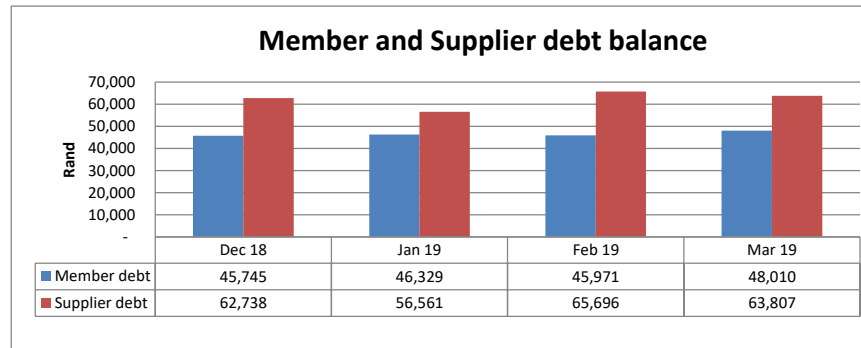
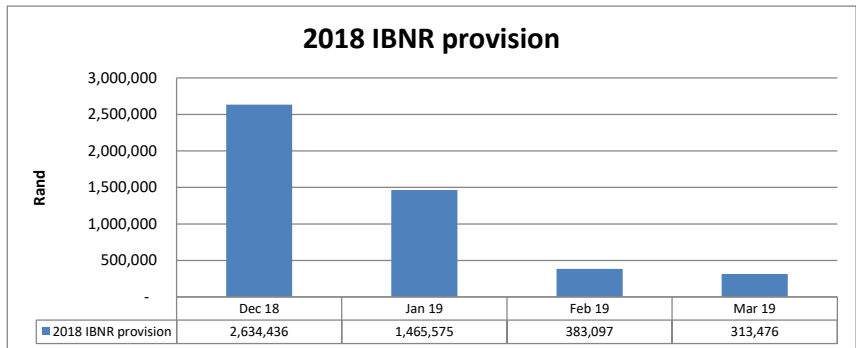
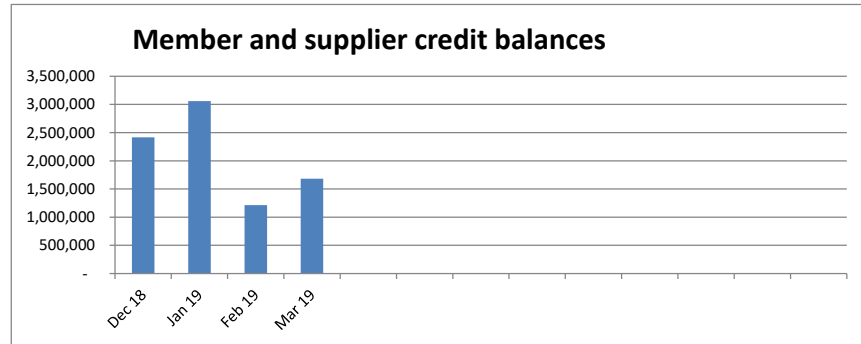
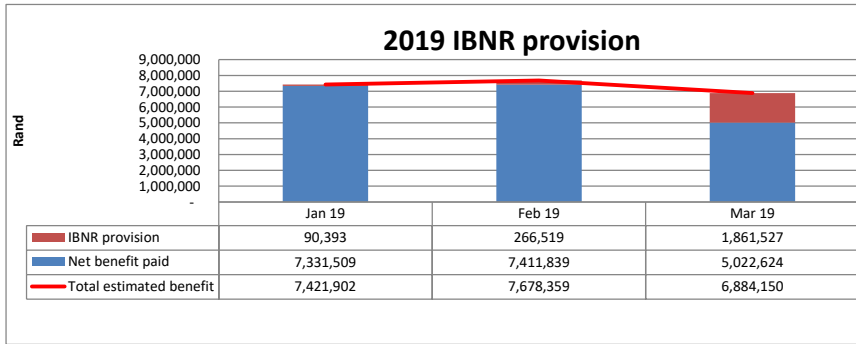
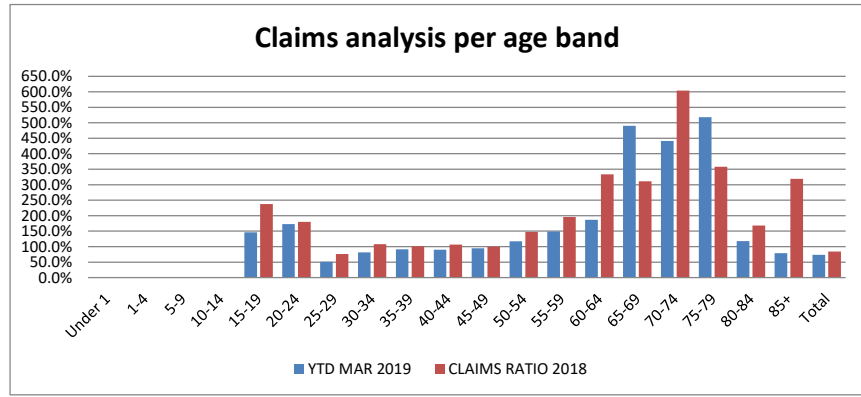
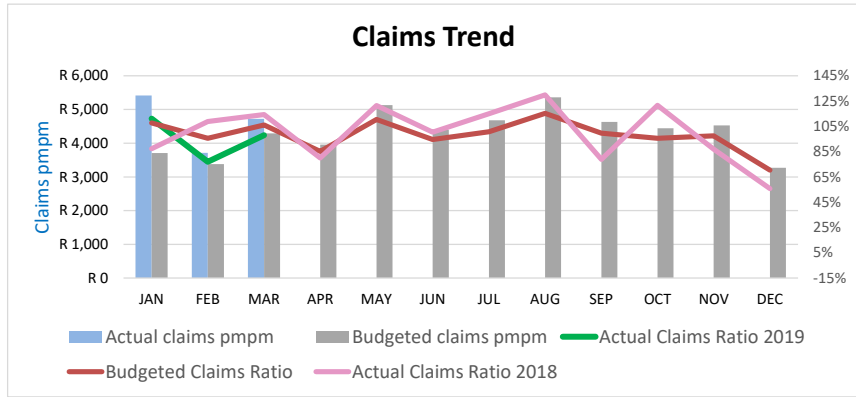
Acid test ratio	Cash, call and Fixed Deposits	14,983,130	16,079,090	31,903,579	36,061,722	23,686,319	16,840,099	16,948,723	16,948,723	
	Investments	31,287,619	33,671,317	38,101,831	47,545,236	60,938,297	66,708,291	67,467,682	67,467,682	
	Total 'near cash'	46,270,749	49,750,407	70,005,410	83,606,958	84,624,616	83,548,390	84,416,405	84,416,405	
	Current liabilities	5,561,995	7,460,405	24,517,441	38,528,698	40,534,768	37,226,965	37,503,502	37,503,502	
	8.32	6.67	2.86	2.17	2.09	2.24	2.25	2.25	2.25	

Comment: Ratio indicates that scheme cash reserves are more than adequate to meet scheme liabilities.

Reporting line performance %	Net premium income	6,058,026	6,698,922	7,255,389	7,568,455	8,139,964	8,149,681	8,138,437	24,428,082	
	Gross healthcare result	429,048	845,160	121,648	(4,583)	(903,740)	1,878,038	166,705	1,141,004	
	a Gross healthcare result %	7%	13%	2%	0%	-11%	23%	2%	5%	
	Net healthcare result	(69,846)	(63,977)	(377,454)	(500,677)	(1,333,922)	1,385,944	(278,822)	(226,800)	
	b Net healthcare result %	-1%	-1%	-5%	-7%	-16%	17%	-3%	-1%	
	Net surplus/(deficit)	89,973	457,221	51,212	(216,568)	(581,056)	2,262,462	579,951	2,261,357	
	c Net surplus/(deficit) %	1%	7%	1%	-3%	-7%	28%	7%	9%	

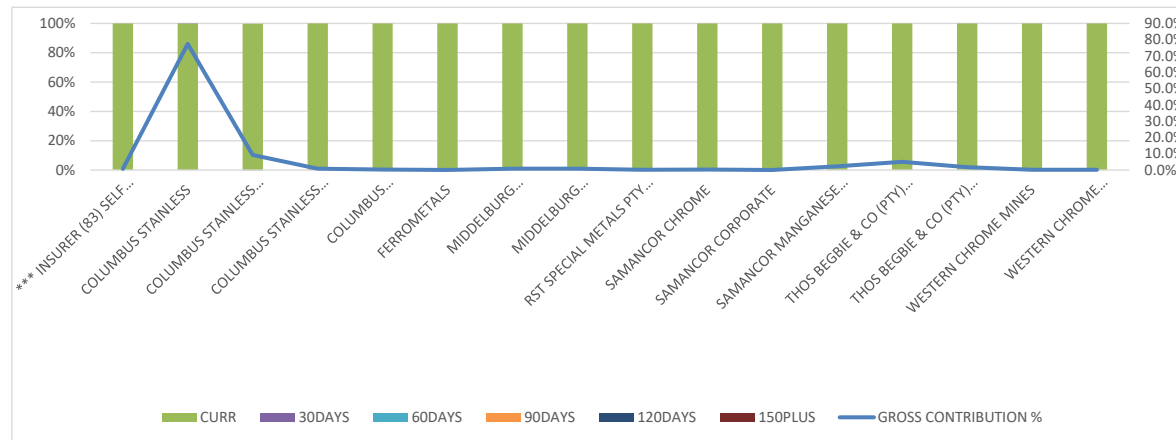
Comment: (a) Different view of same pattern of claims ratios. (b) ratio worsens after accounting for non-health care expenditure. (c) Ratio improves after investment income. The reporting line before investment income must be positive - strategy noted in 5 year planning and pricing. Investment income ideally should go towards reserve building.

**ALLIANCE MIDMED MEDICAL SCHEME
CLAIMS AND CREDITORS**



ALLIANCE-MIDMED MEDICAL SCHEME DEBTORS AGE ANALYSIS AT END OF MARCH 2019

Name	Members	Gross Contributions excl backdates	Sum of TOTAL	Sum of BAL CURR	Sum of BAL 30DAYS	Sum of BAL 60DAYS	Sum of BAL 90DAYS	Sum of BAL 120DAYS	Sum of BAL 150PLUS
*** INSURER (83) SELF PAYING ***	17	63,444	54,862	54,862	-	-	-	-	-
COLUMBUS (OLD MUTUAL PENSIONERS)	8	22,884	0	-	-	-	-	-	-
COLUMBUS STAINLESS	1,256	6,594,812	16,848	16,837	11	-	-	-	-
COLUMBUS STAINLESS PENSIONERS	180	785,197	309,852	310,419	(567)	-	-	-	-
COLUMBUS STAINLESS PENSIONERS - DISABILITY	16	74,604	4,950	4,950	-	-	-	-	-
COLUMBUS RETIREMENT (MOMENTUM40%)	2	5,052	0	-	-	-	-	-	-
COLUMBUS RETIREMENT(MOMENTUM 20%)	10	29,438	351	351	-	-	-	-	-
FERROMETALS	1	3,357	3,357	3,357	-	-	-	-	-
MFC RETIREMENT (MOMEN 33.3%)	0	0	0	-	-	-	-	-	-
OLD MUTUAL (MFC 33.3%)	4	12,142	0	-	-	-	-	-	-
MIDDELBURG FERROCHROME	11	72,073	72,073	72,073	-	-	-	-	-
MIDDELBURG FERROCHROME PENSIONER	16	68,557	65,925	65,925	-	-	-	-	-
RST SPECIAL METALS (PTY)LTD PENS	0	0	0	-	-	-	-	-	-
RST SPECIAL METALS PTY LTD	2	10,631	10,631	10,631	-	-	-	-	-
SAMANCOR CHROME	3	22,303	22,303	22,303	-	-	-	-	-
SAMANCOR CORPORATE	1	6,807	6,807	6,807	-	-	-	-	-
SAMANCOR MANGANESE PROPRIETARY LIMITED	54	190,897	32,681	32,681	-	-	-	-	-
SOUTH32 SA LIMITED	1	5,433	0	-	-	-	-	-	-
THOS BEGBIE & CO (PTY) LTD	70	431,521	431,521	431,521	-	-	-	-	-
THOS BEGBIE & CO (PTY) LTD PENS	31	143,385	144,166	144,166	-	-	-	-	-
THOS BEGBIE RETIRE (MOMENTUM 20%)	2	5,782	0	-	-	-	-	-	-
WESTERN CHROME MINES	1	8,689	8,689	8,689	-	-	-	-	-
WESTERN CHROME MINES PENSIONERS	2	11,134	11,134	11,134	-	-	-	-	-
MEMBERS / GROSS CONTRIBUTIONS	1,688	8,568,142	1,196,150	1,196,706	(556)	-	-	-	-



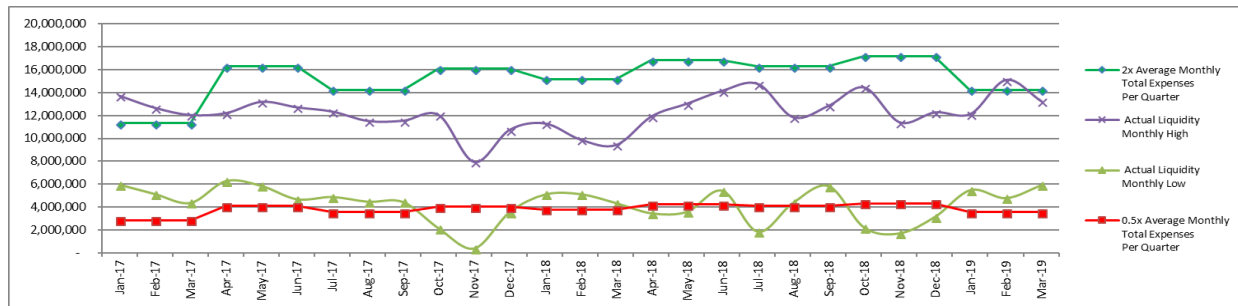
RECONCILIATION TO BALANCE SHEET

BALANCE PER AGE ANALYSIS
 LESS: UNPAID SAVINGS CONTRIBUTIONS INCLUDED ABOVE
 PER BALANCE SHEET

1,196,150
(56,333)
1,139,816



Month	Relevant healthcare expenditure	Non-healthcare exp	Total Expenses	Average Monthly Total Expenses Per Quarter	Liquidity Level : Indicator		Actual liquidity Levels	
					2x Average Monthly Total Expenses Per Quarter	0.5x Average Monthly Total Expenses Per Quarter	Actual Liquidity Monthly Low	Actual Liquidity Monthly High
Jan-17	8,564,337	429,347	8,993,684		11,317,162	2,829,291	5,961,406	13,701,271
Feb-17	6,243,418	469,458	6,712,876		11,317,162	2,829,291	5,141,329	12,651,425
Mar-17	8,249,512	496,485	8,745,997	8,150,852	11,317,162	2,829,291	4,375,978	12,028,812
Apr-17	4,590,335	448,456	5,038,791		16,301,705	4,075,426	6,282,945	12,197,467
May-17	8,899,324	481,647	9,380,971		16,301,705	4,075,426	5,855,561	13,178,395
Jun-17	6,445,927	500,639	6,946,566	7,122,109	16,301,705	4,075,426	4,689,758	12,702,072
Jul-17	6,812,573	522,331	7,334,904		14,244,219	3,561,055	4,890,389	12,330,357
Aug-17	7,646,331	511,283	8,157,614		14,244,219	3,561,055	4,473,837	11,516,584
Sep-17	8,128,068	496,303	8,624,371	8,038,963	14,244,219	3,561,055	4,441,519	11,531,519
Oct-17	8,415,575	599,849	9,015,424		16,077,926	4,019,482	2,131,818	12,021,818
Nov-17	7,868,451	508,708	8,377,159		16,077,926	4,019,482	387,515	7,934,869
Dec-17	4,853,735	524,721	5,378,456	7,590,346	16,077,926	4,019,482	3,559,798	10,739,798
Jan-18	6,678,656	497,975	7,176,631		15,180,693	3,795,173	5,107,752	11,292,458
Feb-18	8,324,404	509,938	8,834,342		15,180,693	3,795,173	5,137,892	9,887,478
Mar-18	8,736,837	489,511	9,226,348	8,412,440	15,180,693	3,795,173	4,356,866	9,413,434
Apr-18	6,074,617	504,517	6,579,134		16,824,881	4,206,220	3,462,203	11,912,203
May-18	9,227,587	526,532	9,754,119		16,824,881	4,206,220	3,588,826	13,015,080
Jun-18	7,600,299	486,893	8,087,192	8,140,148	16,824,881	4,206,220	5,437,785	14,150,269
Jul-18	8,664,835	517,302	9,182,137		16,280,296	4,070,074	1,847,880	14,741,391
Aug-18	9,805,967	464,915	10,270,882		16,280,296	4,070,074	4,394,242	11,834,242
Sep-18	5,935,297	428,912	6,364,209	8,605,743	16,280,296	4,070,074	5,834,297	12,844,297
Oct-18	9,129,116	469,810	9,598,926		17,211,485	4,302,871	2,211,435	14,431,435
Nov-18	6,526,322	622,677	7,148,999		17,211,485	4,302,871	1,705,975	11,395,975
Dec-18	4,172,526	434,140	4,606,666	7,118,197	17,211,485	4,302,871	3,154,730	12,264,730
Jan-19	9,043,703	430,183	9,473,886		14,236,394	3,559,099	5,497,778	12,127,778
Feb-19	6,271,642	492,094	6,763,736		14,236,394	3,559,099	4,790,436	15,090,436
Mar-19	7,971,732	413,638	8,385,370	8,207,664	14,236,394	3,559,099	5,921,153	13,231,153



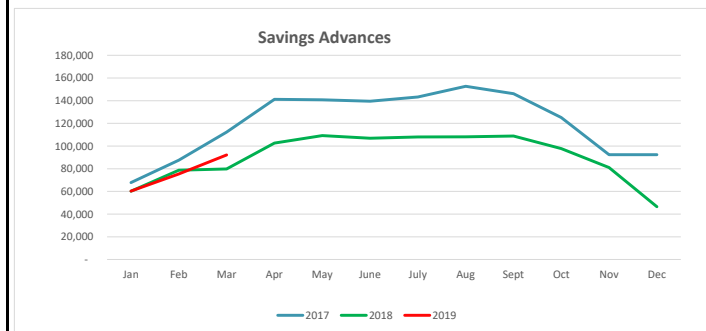
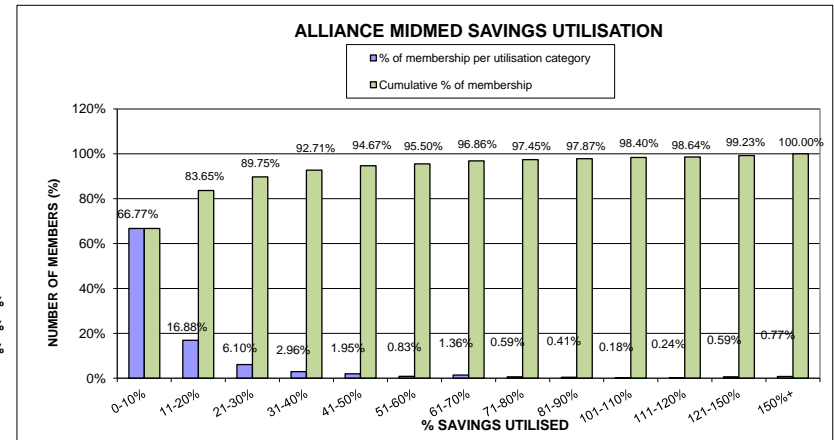
Note: The graph shows the 2 extremes of call balances. If below the lower than 0.5x we run the risk of too little cash on call to meet expenses, if over the above 2.0x then funds need to be invested as too much cash is on hand.

ALLIANCE-MIDMED MEDICAL SCHEME ANALYSIS OF SAVINGS

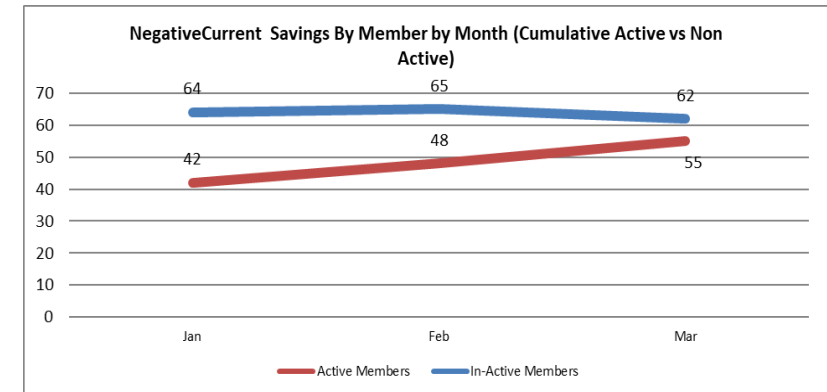
	January R	February R	March R	April R	May R	June R	July R	August R	September R	October R	November R	December R	Trend
Savings Contributions	468,611	430,763	431,553										
Savings balances	32,171,308	32,261,147	32,206,288										
Savings billed less savings received balance	56,801	57,386	56,334										

% Savings utilised

Number of contracts	Contributions YTD Mar 19 R	Projection for rest of year	Total savings contributions Jan - Dec 19	Claims paid from savings YTD Mar 19	Utilisation %	% of membership	
1,127	959,406	2,466,918	3,426,324	(99,516)	2.90%	66.8%	0-10%
285	266,414	705,771	972,185	(138,237)	14.22%	16.9%	11-20%
103	95,790	247,302	343,092	(82,374)	24.01%	6.1%	21-30%
50	57,094	138,249	195,343	(66,363)	33.97%	3.0%	31-40%
33	34,187	82,188	116,375	(51,553)	44.30%	2.0%	41-50%
14	13,648	33,444	47,092	(26,043)	55.30%	0.8%	51-60%
23	23,521	58,248	81,769	(52,272)	63.93%	1.4%	61-70%
10	10,315	21,357	31,672	(23,784)	75.09%	0.6%	71-80%
7	8,634	17,793	26,427	(22,620)	85.60%	0.4%	81-90%
3	73,674	320,247	393,921	(29,288)	7.44%	0.2%	101-110%
4	4,338	11,412	15,750	(18,262)	115.95%	0.2%	111-120%
10	8,155	20,358	28,513	(39,286)	137.78%	0.6%	121-150%
13	17,334	24,165	41,499	(94,936)	228.77%	0.8%	150%+
1,688	1,509,298	3,848,616	5,357,914	(745,782)	13.92%	100.0%	

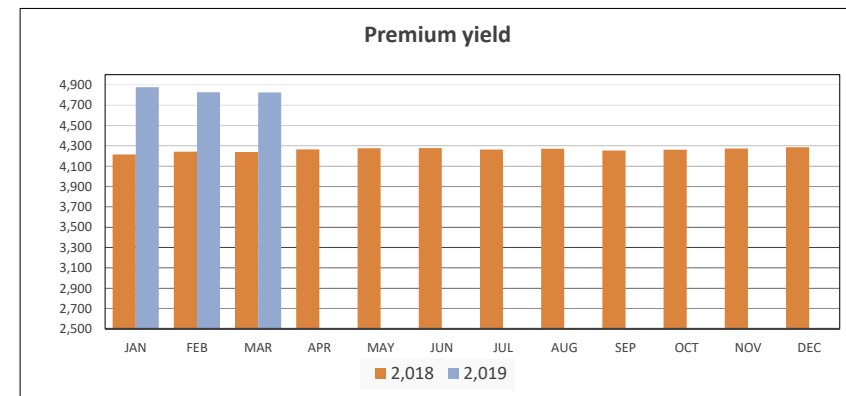
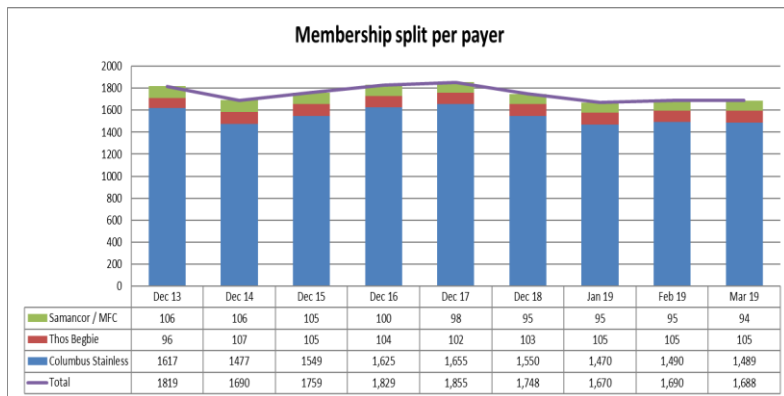
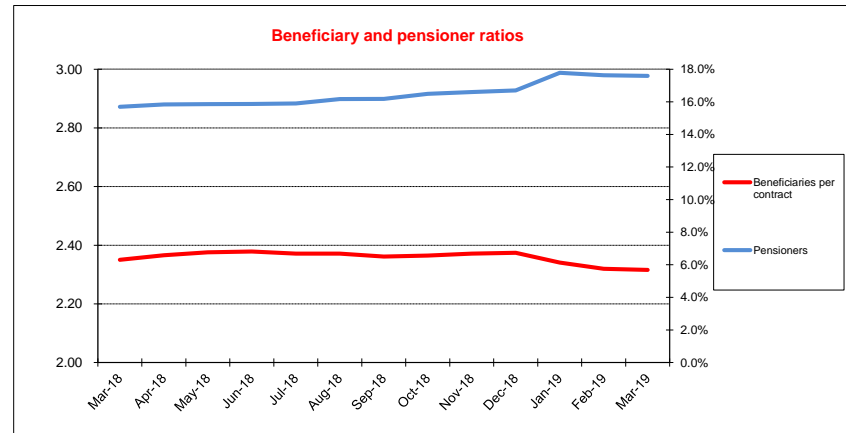
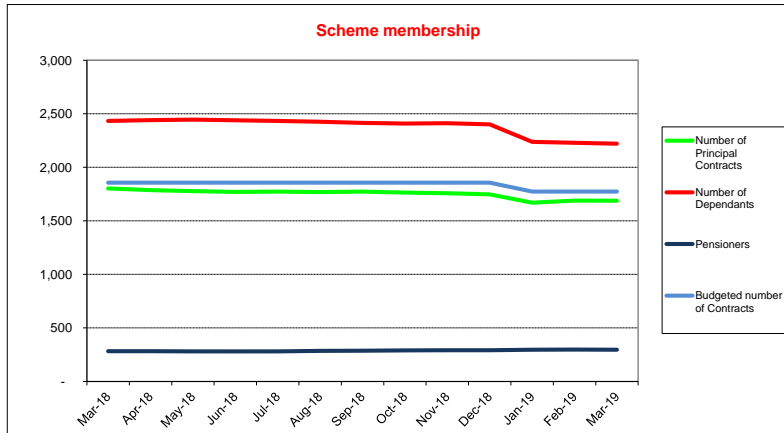


During the year a number of members typically utilise annual savings in excess of their year-to-date savings contributions and therefore are reported as having received advanced funding. This level increases during the year and around August/September the contributions begin 'catching' up with advances given, resulting in the levels decreasing to year end. The graph (above) shows that the 2017 and 2018 trend are similar. 2019 has followed a similar pattern.



ALLIANCE-MIDMED MEDICAL SCHEME MEMBER RATIOS AND TREND ANALYSIS

Description	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19
Membership Ratios:													
Number of Principal Contracts	1,803	1,787	1,778	1,770	1,774	1,769	1,774	1,765	1,759	1,748	1,670	1,690	1,688
Budgeted number of Contracts	1,857	1,857	1,857	1,857	1,857	1,857	1,857	1,857	1,857	1,857	1,774	1,774	1,774
Principal contracts variance to budget	(54)	(70)	(79)	(87)	(83)	(88)	(83)	(92)	(98)	(109)	(104)	(84)	(86)
Number of Dependants	2,434	2,441	2,446	2,440	2,433	2,426	2,415	2,409	2,412	2,402	2,239	2,230	2,221
Beneficiaries per contract	2.35	2.37	2.38	2.38	2.37	2.37	2.36	2.36	2.37	2.37	2.34	2.32	2.32
Pensioners	283	283	282	281	282	286	287	291	292	292	297	298	297
Pensioner ratio	15.7%	15.8%	15.9%	15.9%	15.9%	16.2%	16.2%	16.5%	16.6%	16.7%	17.8%	17.6%	17.6%
Beneficiaries > 65 years of age	288	289	289	291	289	293	297	296	296	297	299	297	296
Beneficiaries > 65 years of age ratio	6.80%	6.84%	6.84%	6.91%	6.87%	6.98%	7.09%	7.09%	7.10%	7.16%	7.65%	7.58%	7.57%
Beneficiaries >= 60 years of age	433	434	432	434	435	438	438	442	442	443	451	449	449
Beneficiaries >= 60 years of age ratio	10.22%	10.26%	10.23%	10.31%	10.34%	10.44%	10.46%	10.59%	10.60%	10.67%	11.54%	11.45%	11.49%



Alliance-Midmed Medical Scheme

The history of SEP adjustments from 2013 to 2019

Measure	2013	2014	2015	2016	2017	2018	2019
Max. legislated SEP increase	5.8	5.8	7.5	4.8	7.5	1.3	5.0
SEP change in basket medicines	3.9	4.6	5.7	3.8	7.5	6.3	

Mediscor will continue to track the actual impact of the annual SEP adjustments to a basket of medicines, and results will be published in the Mediscor Medicine Review.

General assumptions used In the 2019 budget

Description	Percentage
Contribution increase	10.70%
Increase in Scheme tariffs:	
- Hospitals	5.40%
- SEP	5.00%
- Remaining service provider tariffs	3.00%
Managed care: healthcare expenses	5.30%
Membership growth	0.00%
Non-health expenditure	
Administration fees	5.60%
Other administration costs	5.90%
Managed care: management services	5.60%
Investment return	11.00%