

Merger between Bonitas & Nedgroup Medical Aid Scheme approved

The large merger between Bonitas Medical Fund ('Bonitas') and Nedgroup Medical Aid Scheme ('NMAS') has been unconditionally approved by the Competition Tribunal of South Africa



Source: ©Getty Images

Bonitas is an open medical scheme while NMAS operates as a closed medical scheme with membership restricted to employees and retirees of Nedbank and Old Mutual Insure.

“The amalgamation will ensure that NMAS members become part of a large, sustainable medical scheme and further entrench Bonitas’ role as a leader in the healthcare market,” says Lee Callakoppen, principal officer of Bonitas.

‘Over the past few years, various developments in the healthcare industry have led to a series of consolidations and amalgamations among schemes, a trend that is expected to continue.

“As a key player in the industry, with a wide range of options tailored to meet the needs of South Africans, Bonitas is positioned as the ideal amalgamation partner,” he adds.

A positive impact

‘NMAS has over 47,000 beneficiaries and the membership is encouraging,’ says Callakoppen.

The benefits of the amalgamation are numerous.

Bonitas is South Africa's second largest open medical aid with financial indicators above the legislated requirements and industry average.

The Scheme has one of the highest credit ratings in the industry, which is synonymous with a high claims-paying ability and stability, in turn ensuring members access to quality healthcare.

The newly amalgamated scheme will have a broader national footprint and better economies of scale to negotiate favourable rates and improve provider networks.

Bonitas' strong financial stability and predictable claims history should also translate to more value for new members of the scheme.

"The Boards of NMAS and Bonitas entered into these amalgamation negotiations with the best interests of our members at heart. We believe this amalgamation will be to their advantage and benefit," says Callakoppen

The journey to amalgamation

Earlier this year the Boards of Trustees of NMAS commissioned preliminary investigations into a possible amalgamation opportunity through an independent actuary.

The positive outcomes of the initial feasibility studies provided sufficient motivation for the NMAS Board to explore an amalgamation process.

The amalgamation was subject to member consultation, as part of the regulatory requirements, who voted in favour of it at the Annual General Meeting on 18 August.

This was followed by ratification by the Competition Commission as well as approval by the Council of Medical Schemes (CMS) to ensure that due diligence was afforded to all regulatory processes

The Bonitas and NMAS product offerings will remain unchanged for the rest of the 2021 with NMAS members being migrated to Bonitas from January 2022.

For more, visit: <https://www.bizcommunity.com>