



SUREMED HEALTH
(Registration Number 1464)

**REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED
31 DECEMBER 2025**

**SUREMED HEALTH
REGISTRATION NUMBER 1464**

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The report and schedules set out below comprise the Report of the Board of Trustees presented to the members of Suremed Health.

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**REPORT OF THE BOARD OF TRUSTEES
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The Board of Trustees hereby presents its report for the year ended 31 December 2025.

1. DESCRIPTION OF THE MEDICAL SCHEME

1.1. Terms of registration

Suremed Health is a not for profit open medical scheme registered in terms of the Medical Schemes Act 131 of 1998 (the Act), as amended.

1.2 Benefit options with Suremed Health

The scheme offers 4 benefit plans to employers and members of the public.

These are:

- Challenger Option
- Navigator Option
- Shuttle Option
- Explorer Option

1.3 Personal medical savings account monies managed by the scheme on behalf of its members

In order to provide a facility for scheme members to set funds aside to meet future healthcare costs not covered in the benefit option, the Trustees have made the savings plan option available to meet this objective.

Members that belonged to the Navigator benefit option during the year under review paid an amount of approximately 20% of their gross contributions into a savings account so as to help pay day to day healthcare costs, up to a prescribed threshold.

Unexpended savings amounts are accumulated for the long-term benefit of the member and interest is paid on balances at a rate determined by the Board of Trustees.

The liability to the members in respect of the savings plan is reflected as a financial liability in the financial statements and is repayable in terms of Regulation 10 of the Act. In terms of the rules of the scheme, the scheme carries the risk.

Savings contributions are refundable when a member leaves the scheme or transfers to an option within the scheme which does not have a savings option. The money will be transferred to the member within six months of the date of the change.

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2. MANAGEMENT

2.1 Board of Trustees in office during the year under review:

Mr. AB Vermeulen	Chairman (member elected)
Mr. JLO Fernandes	Trustee (member elected)
Dr. N. Louw	Trustee (employer nominated)

2.2 Principal Officer:

Mr. J Janse van Rensburg

Registered office address and postal address:

c/o Momentum Thebe Ya Bophelo (Pty) Ltd	
7 Lutman Street	P.O. Box 1672
Richmond Hill	Gqerberha
Gqerberha	6000
6001	

2.3 Registered office address and postal address during the year:

Momentum Thebe Ya Bophelo (Pty) Ltd	
7 Lutman Street	P.O. Box 1672
Richmond Hill	Gqerberha
Gqerberha	6000
6001	

2.4 Medical Scheme Administrators (Accreditation number Admin:22) during the year:

Momentum Thebe Ya Bophelo (Pty) Ltd	
7 Lutman Street	P.O. Box 1672
Richmond Hill	Gqerberha
Gqerberha	6000
6001	

2.5 Actuaries (Accreditation number: RSP016/2010) during the year:

Prognosys Actuaries and Consultants
27 Muir Road
Rondebosch
Cape Town
7700

2.6 Auditors during the year:

PricewaterhouseCoopers Inc.
Ascot Office Park
Greenacres
Gqerberha
6045

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3. INVESTMENT STRATEGY OF THE MEDICAL SCHEME

The Trustees continue to invest in line with the requirements of the Act. There has been no change in the policy during the current accounting period.

The scheme's investment objectives are to maximise the return on its investments on a long term basis at minimal risk. The investment strategy takes into consideration both constraints imposed by legislation and those imposed by the Board of Trustees. To achieve this, the funds are only invested on short-term and longer-term deposits with major banking institutions.

4. MEDICAL INSURANCE RISK MANAGEMENT

The primary insurance activity carried out by the scheme assumes the risk of loss from members and their dependants that are directly subject to the risk. These risks relate to the health of the scheme members; as such the scheme is exposed to the uncertainty surrounding the timing and severity of claims under the contract. The scheme also has exposure to market risk through its investment activities.

The scheme manages its insurance risk through benefit limits and sub-limits, approval procedures for transactions that involve pricing guidelines, pre-authorisation and case management, service provider profiling, centralised management of risk transfer arrangements and the monitoring of emerging issues.

The scheme uses several methods to assess and monitor insurance risk exposure both for individual types of risk insured and overall risks. These methods include internal risk measurement models, sensitivity analyses, scenario analyses and stress testing.

The theory of probability is applied to the pricing and provisioning for a portfolio of insurance contracts. The principal risk is that the frequency and severity of claims is greater than expected.

Medical insurance events are, by their nature random, and the actual number and size of events during any one year period may vary from those estimated using established statistical methods.

Experience shows that the larger the portfolio of similar insurance contracts, the smaller the relative variability around the expected outcome. In addition, a more diversified portfolio is less likely to be affected across the board by a change in any subset of the portfolio. The scheme has developed its insurance underwriting strategy to diversify the type of insurance risks accepted and within each of these categories, to achieve a sufficiently large population of risks and thereby reduce the variability of the expected outcome.

Prescribed Minimum Benefits (PMB's)

In terms of this regulation, a medical scheme must pay in full, without co-payment or the use of deductibles, the diagnosis, treatment and care costs of the prescribed minimum benefit conditions. Section 29 (1) (p) of the Act provides that the rules of a medical scheme may, in respect of any benefit option provide that the diagnosis, treatment and care costs of a prescribed minimum benefit condition will only be paid in full by the medical scheme if those services are obtained from a designated service provider in respect of that condition. Payment of these claims is potentially higher than the standard claims at the tariffs agreed by the Scheme.

Reinsurance contracts

Certain risks are mitigated by entering into risk transfer arrangements - these are in substance, the same as a non-proportional commercial reinsurance contract. In this regard the scheme specifically decided to transfer all risks relating to emergency and ambulance benefits to ER24 and primary care benefits of the Explorer and Shuttle members to Momentum Health (Pty) Ltd.

In terms of the risk transfer arrangements, the suppliers provide certain minimum benefits to all scheme members, as and when required by the members. The scheme does however remain liable to its members with respect to ceded insurance if the suppliers fail to meet the obligations they assume.

When selecting a supplier, the scheme considers its relative security. The security of the supplier is assessed from public rating information and from internal investigations such as capacity and appropriate resources.

5. SCHEME GOVERNANCE

Strategy Plan

The scheme's strategy is determined on an annual basis and approved by the Board of Trustees. Its purpose is to provide direction to the activities of the Principal Officer and management, and to provide a structure through which performance of these individuals can be monitored. It also ensures that the scheme operates effectively and efficiently. During the year under review the trustees gave attention to strategies covering the following:

- Member satisfaction;
- Marketing;
- Communication through website and social media;
- Broker management;
- Health risk management; and
- Risk evaluation and management.

Performance against the scheme strategies is measured by the Board of Trustees at each Board meeting to ensure that the business of the scheme is being managed within the vision and strategies of the scheme.

Risk Management Plan

The management of risk is the responsibility of the Board of Trustees. A risk register, which identifies the risks related to the scheme and the controls in place to address these risks, is approved by the Board of Trustees on an annual basis. The top risks identified for the scheme are:

- Council for Medical Scheme directives;
- Rising medical benefit costs;
- Declining membership numbers;
- Membership declining below sustainable levels;
- Fraud;
- Loss of going concern status;
- National Health Insurance implications;
- Hostile takeover; and
- Service provider delivery.

The risk management plan (RMP) includes appropriate mitigation steps and action plans to manage the risks. The RMP progress is reported on at all Audit Committee and Board of Trustee meetings.

Governance Program

The scheme is committed to following the principles of good corporate governance applicable to Medical Schemes. The scheme's vision, mission and values are reviewed annually by the Board of Trustees to ensure that the Board remains committed to building an ethical organisation. In 2025, these were as follows:

Vision

To be an ethical, sustainable, caring medical scheme providing affordable quality cover to all our members

Mission

To achieve sustainable growth and member loyalty through appropriate quality products, administration services, strong governance and operational excellence

Values

- Integrity;
- Quality services;
- Caring;
- Value for money; and
- Respect for, and loyalty towards, our stakeholders.

Performance of Scheme against Governance structures

The scheme performs an annual review of the King 4 principles, which is approved by the Board of the Trustees. This review sets out whether the scheme applies a specific principle and how this principle is applied. If a principle is not applied, it sets out why it is not applied. In the year under review, all applicable principles were adequately performed and reported.

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5. SCHEME GOVERNANCE - continued

Use of Governance structures going forward

The scheme will continue to apply and review the Governance principles and strategies it currently has in place, and will monitor any new developments with a view to implement these, where appropriate and applicable to the scheme.

Future prospects for the scheme

The Board is of the opinion that there is no reason why Suremed Health should not be financially and otherwise sustainable as a going concern in the forthcoming 12 months.

6. REVIEW OF THE ACCOUNTING PERIOD'S ACTIVITIES

6.1 Operational statistics per benefit option

	2025				
	Challenger	Navigator	Shuttle	Explorer	Total
Average number of members during the accounting period	116	349	82	110	657
Number of members at the end of the accounting period	114	334	77	103	628
Average number of beneficiaries during the accounting period	232	721	109	153	1 214
Number of beneficiaries at 31 December	227	681	101	141	1 150
Number of dependants at 31 December	113	347	24	38	522
Average number of dependants	116	372	27	43	557
Dependant ratio at 31 December	0.99	1.04	0.31	0.37	0.83
Insurance revenue per average beneficiary per month (R)	5 190.32	2 839.51	1 704.95	1 667.40	3 038.35
Insurance service expenses per average beneficiary per month (R)	5 606.16	3 692.54	2 721.40	4 653.99	4 091.40
Relevant healthcare expenses incurred per average beneficiary per month (R)	5 400.84	3 474.77	2 810.40	4 679.89	3 934.22
Directly attributable insurance service expenses per average beneficiary per month (R)	198.63	211.28	142.66	125.37	191.89
Other expenses per average beneficiary per month (R)	374.69	239.45	124.36	122.74	240.21
Insurance service expenses as a percentage of insurance revenue	108.01%	130.04%	159.62%	279.12%	134.66%
Relevant healthcare expenses incurred as a percentage of insurance revenue	104.06%	122.37%	164.84%	280.67%	129.49%
Directly attributable insurance service expenses as a percentage of insurance revenue	3.83%	7.44%	8.37%	7.52%	6.32%
Other expenses as a percentage of insurance revenue	7.22%	8.43%	7.29%	7.36%	7.91%
Average age per beneficiary	52.85	46.18	43.26	45.47	47.16
Pensioner ratio at 31 December (percentage of beneficiaries > 65 years)	37.89	24.82	24.75	34.75	28.61
Average liability to members for future benefits per member at 31 December (R)	-	-	-	-	58 036
Return on investments as a percentage of investments	-	-	-	-	9.12%

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6. REVIEW OF THE ACCOUNTING PERIOD'S ACTIVITIES - continued

6.1 Operational statistics per benefit option - continued

	2024				
	Challenger	Navigator	Shuttle	Explorer	Total
Average number of members during the accounting period	126	370	98	176	771
Number of members at the end of the accounting period	122	362	80	123	687
Average number of beneficiaries during the accounting period	255	783	139	228	1 406
Number of beneficiaries at 31 December	244	761	107	173	1 285
Number of dependants at 31 December	122	399	27	50	598
Average number of dependants	129	413	41	52	635
Dependant ratio at 31 December	1.00	1.10	0.34	0.41	0.87
Insurance revenue per average beneficiary per month (R)	4 659.28	2 598.99	1 552.39	1 338.82	2 664.66
Insurance service expenses per average beneficiary per month (R)	6 231.62	3 275.07	2 207.91	1 916.11	3 485.32
Relevant healthcare expenses incurred per average beneficiary per month (R)	6 041.65	3 075.81	1 548.17	1 941.54	3 278.52
Directly attributable insurance service expenses per average beneficiary per month (R)	188.86	198.21	127.48	115.58	176.10
Other expenses per average beneficiary per month (R)	332.89	214.46	110.71	100.84	207.23
Insurance service expenses as a percentage of insurance revenue	133.75%	126.01%	142.23%	143.12%	130.80%
Relevant healthcare expenses incurred as a percentage of insurance revenue	129.67%	118.35%	99.73%	145.02%	123.04%
Directly attributable insurance service expenses as a percentage of insurance revenue	4.05%	7.63%	8.21%	8.63%	6.61%
Other expenses as a percentage of insurance revenue	7.14%	8.25%	7.13%	7.53%	7.78%
Average age per beneficiary	51.68	44.90	40.57	41.84	45.42
Pensioner ratio at 31 December (percentage of beneficiaries > 65 years)	34.84	22.34	19.63	26.59	25.06
Average liability to members for future benefits per member at 31 December (R)	-	-	-	-	72 157
Return on investments as a percentage of investments	-	-	-	-	10.42%

6.2 Results of operations

The results of the scheme are set out in the Annual Financial Statements. The Challenger option saw 14 high cost cases during the year, Navigator option 31 high cost cases during the year, Shuttle option 3 high cost cases during the year and the Explorer option 7 high cost cases. The high cost case with the highest total hospital cost amounted to R 1.7 million and it was on the Explorer option. These cases are not the norm. The Trustees believe that no further clarification is required.

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6. REVIEW OF THE ACCOUNTING PERIOD'S ACTIVITIES - continued

6.3 Solvency ratio

	2025 R		2024 R
The solvency ratio is calculated on the following basis:			
Liabilities to members for future benefits	36 446 548		51 376 483
Liabilities to members for future benefits excluding unrealised gains	36 446 548		51 376 483
Gross contributions	48 551 765		48 803 775
Ratio of liabilities to members for future benefits to gross annual contribution income	75.07%		105.27%

The scheme is above the statutory requirement of 25%.

7. EVENTS AFTER THE REPORTING PERIOD

The scheme is in the process to merge with a suitable partner that will secure the future viability for the members of the scheme. The planned date of the merger is 1 January 2027.

Other than the above, there were no significant events after the reporting period that require disclosure.

8. ACTUARIAL SERVICES

The scheme's actuaries have been consulted in the determination of the contribution and benefit levels.

9. MARKETING AND DISTRIBUTION SERVICES

Marketing and distribution services are managed directly by the scheme in conjunction with the Administrators.

10. RELATED PARTY TRANSACTIONS

Refer to related parties disclosure in note 25 to the annual financial statements.

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12. INVESTMENTS IN AND LOANS TO PARTICIPATING EMPLOYERS OF MEMBERS OF THE MEDICAL SCHEME AND TO OTHER RELATED PARTIES

The scheme holds no investments in participating employers of medical scheme members, or other related parties.

13. NON-COMPLIANCE MATTERS

Section 33 (2)

Each benefit option should be financially sound and self supporting. Non-compliance results in benefit options making a surplus subsidising benefit options making a deficit or where all benefit options are incurring a deficit, scheme reserves will be utilised to subsidise the loss-making options. In respect of this scheme the Challenger, Navigator, Shuttle and Explorer options incurred net insurance deficits for the current financial year.

The Challenger option saw 14 high cost cases during the year, Navigator option 31 high cost cases during the year, Shuttle option 3 high cost cases during the year and the Explorer option 7 high cost cases. The high cost case with the highest total hospital cost amounted to R1.7 million and it was on the Explorer option. These cases are not the norm. Appropriate adjustments have been made to the Challenger, Navigator, Shuttle and Explorer options for 2026.

Regulation 5(F)

In terms of this regulation diagnostic and such other code numbers that relate to relevant health services, need to be stated on all accounts. Non-compliance results in the scheme not complying with the Act. Certain accounts received from members who do not reside in South Africa do not have diagnostic and such other code numbers that relate to relevant health services. The administrator applies suitable codes where applicable.

Section 26 (7)

In terms of this section all contributions are to be received within 3 days of becoming due. Non-compliance could result in possible cash flow strain and have an impact on interest income. Late payments of contributions by members are not within the scheme's control, however a credit control policy is in place to address this matter and late payments are followed up by the administrator.

Section 59 (2)

Certain claims were paid in excess of 30 days after receipt by the administrator as a result of queries to be investigated/audited in relation thereto. Non-compliance could impact on the relationship with members and providers. Procedures and policies are in place to manage late payment of claims, including a weekly report of claims held for investigation which is checked and signed by management to ensure that the 30 day limit is not exceeded. This practice ensures accurate claims processing and is in the interest of the risk management of the scheme

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13. NON-COMPLIANCE MATTERS - continued

Regulation 30 and Annexure B of the Regulations

In terms of this regulation and the annexure, medical schemes may not have more than 10% of their investable assets invested in a bank inside the Republic with net qualifying capital and reserve funds per the Reserve Bank DI900 return greater than R 100 million and less than R5 billion. In this respect, the scheme held 11.45% of its investable assets in a fixed deposit with GBS Mutual Bank as at 30 April 2025. Non-compliance results in the scheme not complying with the regulations to the Act. This fixed deposit matured in May 2025 and the appropriate reduction was made to ensure compliance. There was no non-compliance with Regulation 30 and Annexure B from May 2025.

The Trustees do not consider that these non-compliance matters have had a significant impact on the operations of the scheme or on the Financial Statements.

14. MEETING ATTENDANCE AND REMUNERATION

The following schedule sets out the attendance at meetings of the Board of Trustees and remuneration received.

NAME	BOARD MEETINGS		AUDIT COMMITTEE MEETINGS		OTHER MEETINGS		FEES	EXPENSES
	A	B	A	B	A	B	R	R
AB Vermeulen (BoT Chairman)	5	5	3	3	1	1	648 750	12 831 C
J Janse van Rensburg (Principal Officer)	5	5	3	3	1	1	796 500	16 226
JLO Fernandes (BoT Trustee)	5	5	3	3	1	1	376 650	-
N Louw (BoT Trustee)	5	5	-	-	1	1	365 350	-
Total	20	20	9	9	4	4	2 187 250	29 057

A = Total possible number of meetings that could have been attended

B = Actual number of meetings attended.

C = This amount includes expenses paid by the Chairman on behalf of the scheme

15. AUDIT COMMITTEE

Please refer to the attached report of the Audit Committee which summarises the roles, responsibilities and activities of the committee.

AB Vermeulen
Chairman

Date: _____



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