

Q & As FOR MIGRATION TO FEDHEALTH

1. Why is Santam making this change?

Through the partnership of Sanlam with Afrocentric the Sanlam group are uniquely positioned to create a powerful health offering through an integrated, Sanlam-endorsed open medical aid scheme.

Sanlam, with its institutional knowledge, wide solution set and footprint can successfully support a leading open medical aid scheme in South Africa.

From a Sanlam perspective, the long-term vision is to create an integrated, Sanlam endorsed open medical scheme that will:

- Embed health insurance as an integral part of a comprehensive financial services offering;
- Leverage the health products, services, capabilities and data to augment our other group offerings; and
- Drive differentiation and growth through our new approach to rewards, extensive distribution and strategic partnerships capabilities.

As part of this journey, the Sanlam Group has decided to collaborate with Fedhealth as the platform on which to build this leading open medical aid scheme.

In line with this, all employees across Sanlam and Santam who are currently members of the Bonitas Medical Aid scheme will migrate to Fedhealth with effect from the 1st of January, 2025.

2. How will I be affected by the change to Fedhealth?

We appreciate that the administration involved in the switch from one medical scheme to another involves some uncertainty and inconvenience. However, the process of switching is fairly straightforward. For employees that are on Bonitas, key activities will include the following:

- You will be advised by email of the closest Fedhealth option that matches your current choice in terms of price and benefit richness by Aon.
- You need to consider all the options carefully to ensure you and your family's needs are adequately met.
- Should you have any uncertainties, please take advice from our medical aid broker, Aon.

There will be group sessions (per Bonitas option to be migrated) as well as individual sessions where individual health needs analysis will be done.

An individual mapping exercise was conducted between Fedhealth and Bonitas options to assign a Fedhealth default option for all Bonitas options. There is a high level of confidence that employees will be able to find an option which suits them.

Should you find that your needs are not being met by the default option being assigned to you, Aon will assist you to consider alternatives (this may include Sanlam Primary Health Insurance, should you qualify for this – refer to Q&A questions later in this document).

3. Why can't I just stay where I am with my medical scheme?

Santam has cancelled its employee contract with Bonitas with effect from January 2025. There will thus not be an option to remain on Bonitas.

4. When will I get my new Fedhealth membership number and card?

As soon as you complete the migration process as set out by Aon.

5. When can I start using Fedhealth as my medical aid scheme?

Your benefits will become active on 1 January 2025.

6. What if the new plan/option is not exactly the same as the old plan? What can I do then?

You can select a Fedhealth plan that best matches your current circumstances and needs.

Now is a good time to review your needs and family circumstances to assess what is your best option in terms of medical scheme cover.

7. When will the salary run reflect the new medical aid deductions and information?

This will be reflected on your January pay advice / payslip. The new contribution is due at the end of January thus 27 January 2025.

8. I am going to have a procedure in January, but I need a hospital authorisation number right now? How is that going to work?

The transition arrangements will accommodate this. It is imperative that you complete the migration to Fedhealth as soon as possible so that your procedure scheduled for January goes ahead as planned.

9. Me and/or my spouse/partner are undergoing cancer treatment that will continue into the new year. How is that going to work?

The transition arrangements will also accommodate this. It is imperative that you complete the migration to Fedhealth as soon as possible, so that you and/or your spouse/partner's oncology care can continue uninterrupted.

10. I am on a chronic medication prescription. Will this be transferred to my new Fedhealth plan?

Yes, it will be transferred. Now would also be a good time to review how you receive or obtain your chronic meds prescription each month. Direct delivery is an option well worth considering.

11. Will we have to pay more or less?

Overall, the Fedhealth contribution rates for 2025 compare well to the market and to those of Bonitas.

Current medical scheme options have been mapped to Fedhealth benefit options so a benefit option that offers you a good fit will be recommended; however, you will be able to select other Fedhealth benefit options (which could mean buying up or buying down on benefits). Aon will also be assisting employees in the selection process.

12. Does Fedhealth have the same reach of doctor and hospital network as Bonitas?

Fedhealth's network of hospitals compare equally and, in some instances, are richer (e.g. Fedhealth have a large footprint of Medi Clinic hospitals, which is not the case with Bonitas).

13. If I don't find a Fedhealth option that suits me and my family, may I switch to my spouse's/partners medical aid?

Yes, should your spouse/ partner be eligible for medical aid in their company or be a direct paying principal member you are entitled to move onto that scheme as dependent. Proof of membership must be provided to the company and will need to be uploaded onto your profile on MyWorkSpace. This is subject to a medical aid audit/validation by the company from time to time.

14. What is Sanlam Primary Health Insurance (SPHI) and when will I qualify to participate in this as opposed to medical aid?

SPHI is an insurance product which provides you with day-to-day doctor, dentist and other medical care at network health providers. It also provides access to private hospitalization for emergencies and trauma. It does not, however, provide you with private hospitalization benefits for elected (planned) procedures.

Employees who earn monthly fixed pay of R40,000 or less in 2025 may qualify to participate in SPHI instead of medical aid. Sanlam Primary Health Insurance is the only medical insurance product that is allowed within Santam.

Aon will contact all employees who qualify to participate in SPHI and there will be separate consultation and information sessions on SPHI as part of the year end medical aid process.

15. Why are employees on previously ringfenced medical aids (BestMed and Discovery Health) not being required to move as well?

When the 2 new medical schemes (Bonitas and Fedhealth) were introduced in 2016, Discovery and Bestmed allowed current members to remain on the schemes, but this is not allowed in terms of the Bonitas agreement. No new employees may join these legacy medical aids.

16. Why do I have to belong to a Santam selected medical aid as opposed to selecting to belong to any open medical aid?

The reason for compulsory medical aid membership is to allow the scheme to offer membership to employees without waiting periods or underwriting. This way, new employees can join, existing employees can switch, and immediately enjoy cover. Without compulsory membership, you will have anti-selection, which will necessitate waiting periods and underwriting for employees. In addition, it simplifies the administration of contributions via payroll as Santam contracts with selected medical aid schemes only to process the payment of medical aid contributions.

17. I hear that AfroCentric did not have its member administration tender for Bonitas renewed. Is that part of the reason for this change? Why did AfroCentric lose out there?

AfroCentric presented its bid to Bonitas based on a particular vision for the future of healthcare and developing an open medical aid scheme in collaboration with Sanlam. The Bonitas Board has a different vision for their scheme.

AfroCentric's future lies in closer cooperation and integration with Sanlam Group offerings and the focus on tighter links between wealth and health advice under one umbrella.

In these circumstances, the Sanlam Group resolved that it would need to migrate all employees to Fedhealth which is more closely aligned to our vision and strategy in healthcare.