

Nammed

HEALTH BULLETIN



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LOOKING BACK AT THE 2020 ANNUAL GENERAL MEETING



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Foreword by the Chairperson

The Chairperson of the Board of Trustees, Petrie Theron, presented the following report at the Nammed Annual General Meeting (AGM), held in Windhoek on 10 June 2020:

It is again my honour and privilege as chairperson of Nammed to publish and present this Annual Report for the 2019 Financial Year on behalf of the Board of Trustees of Nammed Medical Aid Fund. I think it is safe to say that we find ourselves in uncharted waters as far as the world economy, let alone the Namibian economy, is concerned. As a result of the global COVID-19 pandemic, we are facing challenges that our generation has never seen before.

The Namibian economy remains in recession and the impact of the National State of Emergency will be felt for months and even years to come. Despite the trying economic times, the Fund has continued to put the needs of its members first in its quest to be members' partner in health.

The medical funding industry has experienced some contraction as far as membership growth is concerned. Therefore, we are pleased to state that our membership has remained consistent, which is a positive reflection on the Fund's efforts to walk the extra mile for its members.

The Fund did not experience any dramatic ageing of its members or member option movement, which placed us in a stable position. In addition, the Fund had a stable flow of membership contributions, despite the difficult economic environment in Namibia. The claims experience was positive and the real claims processed were lower than the actuarial projection for the year. These lower claims were mostly a result of fewer hospital and specialist claims received.

As reported in the Annual Financial Statements, the investment income

improved from a N\$300,000 negative growth in 2018 to a positive growth of N\$8.6 million in 2019. The cash flow portfolio grew by 7.2% and the long-term growth portfolio by 7.5%.

Following the extremely bad year experienced in 2016, the Board of Trustees embarked on achieving a goal of a 25% reserve level in five years. We are pleased to state that we were able to achieve this in just four years, with the reserve level standing at 25.7% at the end of the 2019 financial year.

The Auditors presented the Fund with an unqualified management report for the seventh year running. The Board of Trustees would like to commend and congratulate the Administrator on this excellent achievement. I think the words of Ralph Marston describe it best: "Excellence is not a skill, it's an attitude". The Fund is truly blessed to be serviced by the remarkable, hardworking, diligent and dedicated staff of the Administrator and we are sincerely grateful to them.

In the same vein, I would like to take this opportunity to thank my fellow Board members, as well as all sub-committee members. The Fund can be thankful for and proud of the quality and experience of these members who offer their time to the benefit of all the members of the Fund.

The Board of Trustees will face a hugely challenging year in 2020. However, I am extremely confident in the abilities, skills and experience of the Board of Trustees and the sub-committee members to deal with the challenges that lie ahead.

Last but not least, I would like to thank the members of the Fund for the responsible and

prudent manner in which they utilise their benefits in terms of their respective options. This ensures that the Fund remains economically viable and relevant.

In conclusion, I want to reiterate what I stated last year. Nammed Medical Aid Fund is truly a

unique open Fund with a dynamic and vibrant ethos, vision and mission that all members can be proud of. The Fund is unequivocally and wholeheartedly the partner in health of each and every member.

“You should never view your challenges as a disadvantage. Instead, it’s important for you to understand that your experience facing and overcoming adversity is actually one of your biggest advantages.”

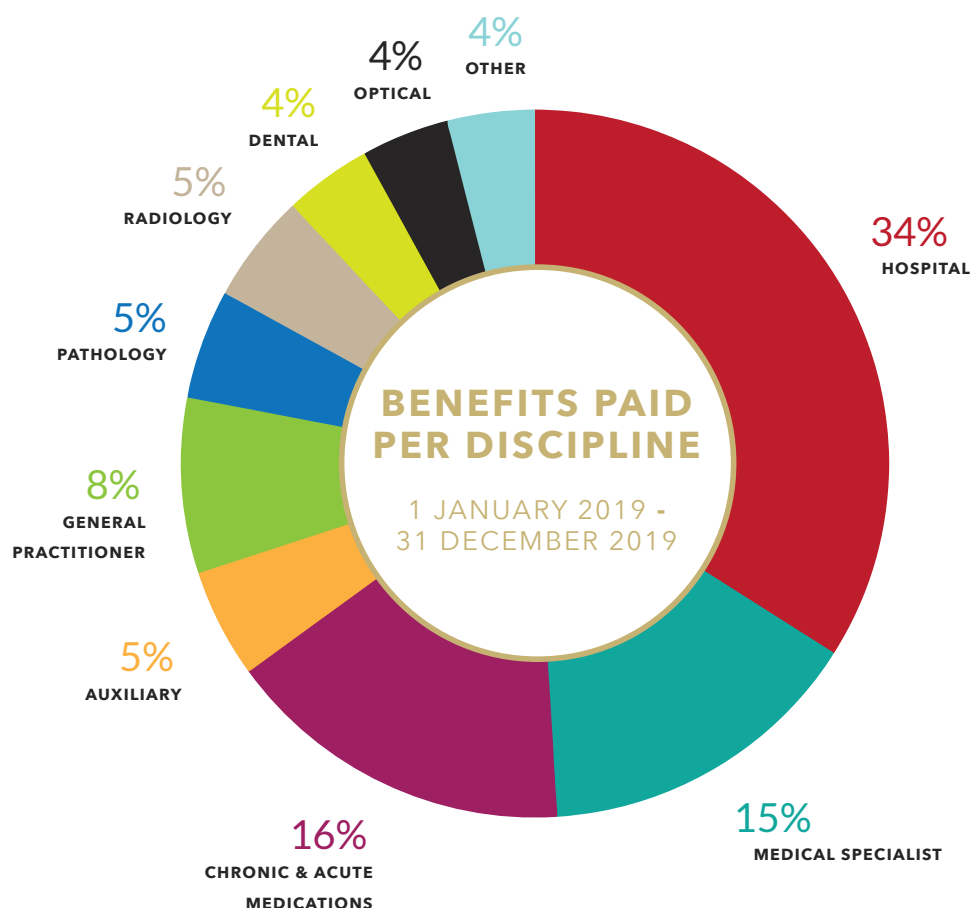
- MICHELLE OBAMA

Petrie Theron

Chairperson: Board of Trustees

Abridged Annual Financial Statements

AS AT 31 DECEMBER 2019





REVIEW OF ACTIVITIES FOR THE YEAR

ACCUMULATED FUNDS RATIO

THE ACCUMULATED FUNDS RATIO IS CALCULATED ON THE FOLLOWING BASIS:

	2019 N\$	2018 N\$
ACCUMULATED FUNDS	94 552 116	70 334 226
TOTAL MEMBERS' FUNDS	94 552 116	70 334 226
CONTRIBUTION INCOME PER STATEMENT OF COMPREHENSIVE INCOME	367 816 904	342 022 528
ACCUMULATED FUNDS RATIO	25.7%	20.6%
MEMBERS' FUNDS RATIO	25.7%	20.6%
ASSETS AS A PERCENTAGE OF LIABILITIES	579.2%	453.5%

STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2019

ASSETS	NOTES	2019 N\$	2018 N\$
NON-CURRENT ASSETS			
FURNITURE	2	233 545	--
CURRENT ASSETS		114 050 504	90 231 826
INVESTMENTS	3	108 204 170	85 053 386
PREPAID EXPENSES	4	2 570 512	2 657 552
ACCOUNTS RECEIVABLE	5	878 911	548 685
CASH AND CASH EQUIVALENTS	6	2 396 911	1 972 203
TOTAL ASSETS		114 284 049	90 231 826

FUNDS AND LIABILITIES	NOTES	2019 N\$	2018 N\$
MEMBERS' FUNDS			
ACCUMULATED MEMBERS' FUNDS		94 552 116	70 334 226
CURRENT LIABILITIES		19 731 933	19 897 600
BENEFIT BANK	7	4 265 423	3 522 539
ACCOUNTS PAYABLE	8	6 216 510	5 375 061
OUTSTANDING CLAIMS PROVISION	9	9 250 000	11 000 000
TOTAL FUNDS AND LIABILITIES		114 284 049	90 231 826

3 Reserve Position

of the Fund

AS AT 31 DECEMBER 2019



25.7%

OF ANNUAL CONTRIBUTIONS IN RESERVES
AS AT 31 DECEMBER 2019

For more than a decade, the Board of Trustees has aimed to re-build the reserves of the Fund to a level acceptable by the Regulator of Medical Aid Funds. Although it is not law, but rather a guideline, the Regulator requires that a Medical Aid Fund must hold a minimum of 25% of its annual contributions in reserves. The Board of Trustees is pleased to inform members that this target has been achieved and that the Fund held 25.7% of its annual contributions in reserves as at 31 December 2019. These reserves are kept to mitigate risks such as very high claims in a particular year, an increase in utilisation, and high volatility in claiming patterns, to name a few.

Each and every member has played a part in this journey and the Board wishes to express its utmost appreciation to all members for prudently utilising their benefits over the years. It is the responsibility of all members to protect this Fund against Fraud, Waste and Abuse (FWA) and to only use the available benefits if necessary. Undoubtedly, it would be a pleasure for a member to be able to say, "I did not need to use my Medical Aid Fund once this year. I am thankful for my excellent health! But I also know that my Medical Aid Fund will cover me if needed."

Finally, the Board of Trustees would like to invite potential members to join Nammed Medical Aid Fund. We look forward to being YOUR PARTNER IN HEALTH.

4 Election of Trustees

TRUSTEES WHO VACATED OFFICE AT THE 2020 AGM

As at the AGM on 10 June 2020, there were four vacancies on the Board for which elections were held. The terms for Ms L. Jansen van Rensburg, Mr E. Kahuva and Mrs C. Hengari ended at the AGM, but all of them were available for re-election. Dr L. Bezuidenhout was no longer available as Trustee and needed to be replaced.

Dr. S van Rooyen was co-opted as Trustee by the Board of Trustees in October 2019. Her term of office also lapsed at the 2020 AGM.

TRUSTEES WHO VACATED OFFICE AT THE 2020 AGM

The following four Trustees were elected at the 2020 AGM:

- i) Mr E. Kahuva
- ii) Ms L. Jansen van Rensburg
- iii) Mrs C. Hengari
- i) Dr S. van Rooyen



5 PROJECT NAMMED 2025

In order to meet the challenges facing the medical funding industry and to ensure the sustainability of the Fund, the Board of Trustees has devised Project Nammed 2025, a series of goals for the next five years.

THE OVERALL AIM OF PROJECT NAMMED 2025 IS TO BECOME HIGHLY COMPETITIVE IN THE FOLLOWING MARKET SEGMENTS:

- **LOW COVER - LOW COST BASIC/PRIMARY COVER - MINIMUM COST**
- **MEDIUM COVER - MEDIUM COST**
- **HIGH COVER - HIGH COST**

THIS MAY RESULT IN THE FOLLOWING CHANGES TO THE MEMBERSHIP OPTIONS OFFERED BY THE FUND:

- **THE MERGING OF CERTAIN EXISTING OPTIONS**
- **THE CANCELLATION OF CERTAIN EXISTING OPTIONS**
- **THE DEVELOPMENT OF NEW OPTIONS**

Please rest assured that we will communicate any changes to members, providing full details and implications in a timely manner.

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