

NAMMED NEWS

DON'T WORRY IF YOU MISSED THE 2021 AGM.
THIS SPECIAL EDITION HAS YOU COVERED.

LOOKING BACK AT THE 2021 AGM

A Word from Our Chairperson

The Chairperson of the Board of Trustees presented the following report at the Nammed Annual General Meeting, held in Windhoek on 9 June 2021:

As chairperson of the Board of Trustees of Nammed Medical Aid Fund, it is my privilege to present the Annual Report for the 2020 financial year. Nobody could have predicted the position we currently find ourselves in, more than a year after COVID-19 hit Namibia's shores. The rough economic storms continue to wreak havoc on the Namibian economy and consequently on the personal economies of ordinary Namibians, such as our members. Economic predictions state that we will be challenged for years to come. Despite all this bad news, there is still some good news.

Nammed experienced a good financial year, with the number of claims reducing due to the lockdown and limited access to facilities for elective procedures. We congratulate all our members for the prudent and responsible way they managed their utilisation.

In line with the national goals to fight COVID-19, we will continue to fund testing, vaccinations and other treatments that members may need. We implore all Namibians to work together to conquer the pandemic. Let's adhere to social distancing, wear our masks and sanitise our hands.

Our investments, based on sound and trusted expertise, remained stable and contributed to Nammed strengthening its reserves. I wish to congratulate the Investment Committee for their hard work in this regard.

At the same time, it would be presumptuous to expect the current year to show the same results as last year. Therefore, we caution members to make wise decisions and to remain safe and healthy by following the measures put in place to curb the spread of COVID-19. An escalation in hospital admissions can severely affect all members and may lead to loss of life due to unavailability of hospital facilities. We pray that this will never happen.

As can be seen from the Audited Financial Statements, last year also saw Nammed taking a stand against NAMFISA, the regulator, on behalf of all its members. Where others faltered, we continued the good fight to ensure that we always act in the best interest of our members. Proceedings will end during this year, and we are cautiously optimistic about our prospects of success.

The Board of Trustees also undertook a comprehensive strategic planning process to ensure that the fund remains relevant and competitive. This is clearly indicative of the resolve and commitment of the entire Board to serve the needs of our fund. I want to thank each member of the Board for their hard work and commitment over the past year.

For the eighth year running, the Auditors presented the fund with an unqualified management report. The Board of Trustees would like to congratulate the Administrator, the Principal Officer, and the Audit Committee on this truly remarkable achievement.

In addition, I would like to thank and congratulate the members of each sub-committee for an excellent job done this past year. We appreciate your tireless commitment to our cause.

In conclusion, I am constantly reminded in utter amazement of the wonderfully unique fund we have. Nammed is truly an open fund with a dynamic and vibrant ethos, vision and mission that all members can be proud of. We are forever your partner in health.

"Instead of giving in to the challenges and difficulties in life and asking yourself, 'Why me?', embrace the enormous possibilities and proclaim, 'Why not me?'" – Les Brown

May your 2021 be blessed with good health, good friendships and treasured memories with family.

Petrie Theron
Chairperson: Board of Trustees

ELECTION OF TRUSTEES

The following Trustees were re-elected to the Board at the AGM:



SAM KAUAPIRURA
Vice-Chairperson



ANNEGRET FINKE
Trustee

ABRIDGED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

The abridged Annual Financial Statements are extracted from audited information, but are in themselves not audited. The Board takes full responsibility for the preparation of the abridged report and that the financial information has been correctly extracted from the underlying Annual Financial Statements.

STATEMENT OF COMPREHENSIVE SURPLUS FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 (N\$)	2019 (N\$)
Net contribution income	371 726 850	367 816 904
Relevant healthcare expenditure	(308 830 513)	(313 142 016)
Net claims incurred	(304 534 574)	(309 377 268)
Net cost of risk transfer arrangement	(4 295 939)	(3 764 748)
Risk transfer premiums	(4 296 339)	(3 764 748)
Recoveries from risk transfer arrangement	400	-
Gross healthcare result	62 896 337	54 674 888
Managed care: management services	(1 698 843)	(1 516 942)
Administrative expenditure	(29 012 706)	(26 376 962)
Net impairment losses on receivables	(1 048 483)	(78 816)
Net healthcare result	31 136 305	26 702 168
Other income	9 362 800	8 598 420
Other operational expenditure	(12 856 476)	(11 082 698)
Net surplus for the year	27 642 629	24 217 890

	2020 (N\$)	2019 (N\$)
ASSETS		
NON-CURRENT ASSETS		
Equipment	220 210	233 545
CURRENT ASSETS		
Investments	137 857 611	108 204 170
Prepaid expenses	2 785 552	2 570 512
Accounts receivable	2 430 074	878 911
Cash and cash equivalents	2 075 019	2 396 911
TOTAL ASSETS	145 368 466	114 284 049

FUNDS AND LIABILITIES

MEMBERS' FUNDS

Accumulated members' funds	122 194 745	94 552 116
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CURRENT LIABILITIES

Benefit bank	5 301 904	4 265 423
Accounts payable	5 771 817	6 216 510
Outstanding claims provision	12 100 000	9 250 000

TOTAL FUNDS AND LIABILITIES

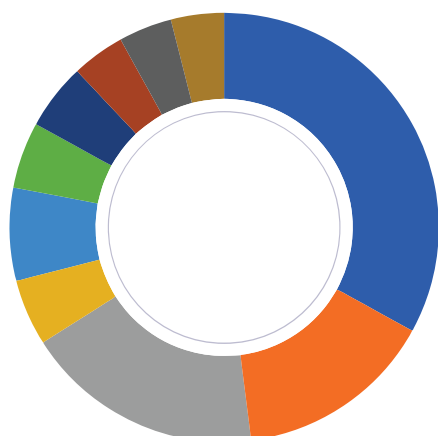
TOTAL FUNDS AND LIABILITIES	145 368 466	114 284 049
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ACCUMULATED FUNDS RATIO

The accumulated Funds ratio is calculated on the following basis:

Accumulated funds	122 194 745	94 552 116
Total members' funds	122 194 745	94 552 116
Contribution income per statement of comprehensive income	371 726 850	367 816 904
Accumulated funds ratio	32.9%	25.7%
Members' funds ratio	32.9%	25.7%
Assets as a percentage of liabilities	627.3%	579.2%

The Fund's ratios represent the accumulated funds and members' funds respectively, expressed as a percentage of net contribution income.



Benefits Paid per Discipline 1 January 2020 to 31 December 2020

33% - Hospital	5% - Pathology
15% - Medical Specialist	5% - Radiology
18% - Chronic & Acute Medicines	4% - Dental
5% - Auxiliary	4% - Optical
7% - General Practitioner	4% - Other

PROJECT NAMMED 2025

In order to meet the challenges facing the medical aid industry and ensure the sustainability of the fund, the Board of Trustees launched Project Nammed 2025 in the previous financial year. The project outlines a series of goals to address internal and external challenges.

OUR BIGGEST CHALLENGES	
INTERNAL CHALLENGES	EXTERNAL CHALLENGES
Sustainability	Fraud, waste and abuse
Sales capacity	Market saturation
Number of members (size)	Competitors (stealing business)
Price/contribution structure	Economic saturation
Number of Options (too many/size)	Legislation Regulatory Environment (NAMFISA declaration undesirable practice)

Our Strategies to Counter the Challenges

- Objective 1:** Financial Sustainability
- Objective 2:** Corporate Governance
- Objective 3:** Growth
- Objective 4:** Innovation
- Objective 5:** Stakeholder Engagement

Our Guiding Principles

Vision: To be the preferred Medical Aid Fund for Namibians.

Mission: To grow Nammed by providing appropriate and sustainable medical cover for the Namibian market supported by high quality client service.

Values: We pursue being a responsible corporate citizen by embracing the following values:

- Integrity – Doing the right thing
- Ethical – Truthful to the greater good, acting beyond ourselves and not for ourselves
- Best effort – Giving our all in everything we do
- Caring – Being member-centric

Into the Future: Product Development

The overall aim of Project Nammed 2025 is to become highly competitive across various market segments – namely the LOW, MEDIUM and HIGH cover markets.

Currently, our Standard and Comprehensive Options are very competitive in the High Cover market. In the Medium to High cover market, our Essential Option is on par with the offerings of other medical aid funds.

In order to increase competitiveness, we have embarked on an Option design and restructuring process, informed by research findings on income levels and healthcare needs. Below is a summary of the process thus far:

- Nammed currently offers 7 Options. The Option Consolidation Project will reduce this number to 5 or 4 Options over a 4-year period. The consolidation of the Core and Active Options will be the first step.
- We are in the process of restructuring the Basic Option for the Low income market, and investigating a possible name change for the Basic Option.
- Nammed offers highly competitive contribution rates on all Options for groups larger than 200. We are currently investigating the feasibility of offering the same contributions to groups larger than 100.
- We have identified a gap in the Medium to Low cover market, which presents a valuable opportunity for increasing competitiveness as we restructure our Options.
- Efforts are underway to attract younger individuals to the Trauma Option.

BREATHE EASY WITH NAMMED – WE COVER OXIMETERS

An oximeter, a device that measures the body's oxygen saturation, can give you peace of mind when monitoring a family member with COVID-19 at home. Abnormally low levels of oxygen, even without shortness of breath, are a sign that the

patient's condition is getting worse and that you need to seek medical attention.

Nammed covers oximeters according to the following protocols:

- Maximum amount covered per oximeter: N\$500
- Only 1 oximeter per family
- Members to pay at point of service and submit the claim to Nammed for reimbursement