Discovery
Health Medical Scheme

UNDERWRITING POLICIES AND PROTOCOLS

DISCOVERY HEALTH MEDICAL SCHEME
2025

Contents

Contents 2
Introduction 3
Medical scheme risk management 3
Explanation of terms 4
Late-joiner penalties 4
Dependants 6
Continuation options 8
Underwriting 8
Transferability 9
Status D employer groups 9
Group underwriting 10
Adding new members to existing employer groups 12
New members joining a current employer group 14
Simplified registration on the Chronic Illness Benefit for Employer Groups 14
Working to care for and protect you 15
How to contact us 15

Introduction

This document is about the underwriting policies and protocols of Discovery Health Medical Scheme (the Scheme). It will help you understand:

- How we categorise medical scheme members and how we may apply underwriting according to these categories
- How and why late-joiner penalties may apply
- Member movements from one employer group to another and if underwriting will apply.
- How the Scheme defines a dependant on a membership
- Continuation options for members who move from one Discovery Health Medical Scheme plan to another and have no break in medical scheme cover.

Medical scheme risk management

The Scheme is an open medical scheme and is community-rated. This means that the same contributions apply to everyone on a particular health plan, regardless of age (late-joiner penalties will affect the risk portion of contributions) or health status. However, contributions for child dependants differ from contributions for adult dependants. The number of dependants that a main member has on their membership determines the contributions. On some plans, members can qualify for a lower contribution based on income verification. We allow members to change their health plans at the end of each year, effective from 1 January of the following year. Please refer to the plan matrix on our website on www.discovery.co.za **> Medical aid> Get help> Find documents and certificates** to see which plan changes we allow during the year.

The table below shows how we categorise the Scheme's members as individuals or groups. It also shows our requirements and how we apply underwriting.

	INDIVIDUALS	GROUPS
Size	One to nine main members	10 or more main members
Underwriting	Individual medical underwriting	Underwriting based on group criteria and demographics
Underwriting decision	We may apply: • 12-month condition-specific waiting periods • Three-month general waiting period • Late-joiner penalties	We will apply a group decision, but individual underwriting decisions may also apply to each member of the group (at the Scheme's discretion)
Application forms to be completed	*Applying to become a member of Discovery Health Medical Scheme*	*Joining as part of an employer group*
Requirements	Questionnaires and requests for extra medical information as required	No questionnaires or requests for extra medical information (at the Scheme's discretion)
Additions to membership or group	Individual underwriting decisions apply to each individual or member of a family	Individual underwriting decisions apply to each member of the group (at the Scheme's discretion)
Reapplications following the termination of previous memberships due to non-disclosure	We apply 12-month condition-specific waiting periods, mandatory three-month general waiting periods and late-joiner penalties. We will not consider any underwriting concessions.	We apply 12-month condition-specific waiting periods, mandatory three-month general waiting periods and late-joiner penalties. We will not consider any underwriting concessions.

Important note: All application forms are valid for 90 days from the date on which a member signs the application form. We will cancel application forms that are older than 90 days and applicants will have to submit a newly completed

form for processing. Members must complete the application form relevant to the year of application. We do not accept outdated membership application forms as the forms and membership terms differ from year to year.

Explanation of terms

A **waiting period** is a time period in which the member cannot claim for healthcare services. The Medical Schemes Act 131 of 1998 allows medical schemes to apply waiting periods. Waiting periods such as a three-month general waiting period and a 12-month condition-specific waiting period may apply.

A **late-joiner penalty** is a percentage increase in a member's contribution. We calculate it as a percentage of the risk contribution. We calculate the late-joiner penalty using the member's age and the amount of creditable medical scheme cover that the member had at the date of application.

- Creditable medical scheme cover (or creditable coverage) is any period during which an individual was a member or dependant of a South African medical scheme. This includes employees or dependants who received medical benefits from the South African National Defence Force or the Permanent Force Continuation Fund. It excludes any period of coverage as a dependant under the age of 21 years.
- The Act and the rules of the Scheme determine the formula.

Late-joiner penalties

We may apply late-joiner penalties

The Act allows us to apply late-joiner penalties to an applicant or a dependant of an applicant who fits the definition of a late joiner. Late-joiner penalties came into effect on 1 April 2001.

Whom we consider to be a late-joiner applicant

A late joiner is an applicant or the dependant of an applicant who, at the date of application:

- Is 35 years or older
- Has not been a member, or a dependant of a member, of a registered South African medical scheme (schemes and insurance policies from other countries are not recognised) since 1 April 2001
- Has had a break in cover of more than three months since 1 April 2001.

Members joining the KeyCare plans

- We have changed the criteria for the late-joiner penalty concession. We no longer grant the late-joiner penalty concession to KeyCare members younger than 50 years who are in the lowest income band. This came into effect on 1 June 2019.
- Members applying to join any of our plans will not have to pay the late-joiner penalty if they meet the criteria listed below:
  - They are younger than 46 when they join the Scheme
  - They do not have any pre-existing medical conditions
  - Their calculated late-joiner-penalty percentage is either 5% or 25%.

Note:

- We apply the age criteria for each member or dependant on the membership. The pre-existing condition criteria apply to the whole family.
- None of the applicants or dependants listed on the *Membership application* form or *Application to add dependants* form may have any pre-existing conditions. This means that we may only grant a concession to an applicant younger than 46 years who has a dependant older than 46 years where both the applicant and dependant do not have any pre-existing conditions.
- We may apply this concession to any person under the age of 46 with no pre-existing conditions, where the late-joiner penalty is 5% or 25%. This will happen even if there is another applicant on the policy who is 46 years or older.

The Late-joiner penalty concessions do not apply to members or dependants who join through a Status D employer group (see Section 8 for more details on Status D employer groups).

How we calculate a late-joiner penalty

A late-joiner penalty only applies if a member or dependant is 35 or older. To calculate how much the late-joiner penalty is, we calculate how many years a member or dependant has not been a member of a registered South African medical scheme since the age of 35. This excludes any period of cover as a dependant under the age of 21.

For this calculation, the medical scheme or schemes of which a member was a member must be registered with the Council for Medical Schemes. Registration information is available at www.medicalschemes.com. We will add the percentage in the table below to the contribution that a member has to pay for risk benefits. This is used to pay for hospital stays and chronic medicine. We do not add the extra percentage to the contribution for the Medical Savings Account (if applicable).

NUMBER OF YEARS NOT A MEMBER OF A REGISTERED MEDICAL SCHEME AFTER AGE 35	LATE-JOINER PENALTY
1 to 4 years	5%
5 to 14 years	25%
15 to 24 years	50%
25 years and more	75%

To whom late-joiner penalties may apply

Individual members

In all cases where a member:

- Has not been a member of a registered South African medical scheme or allowed a break in cover of more than three months
- Is older than 35 years. (Read the section about how we apply late-joiner penalties.)

Status D schemes (see Section 8 for more details on Status D)

In all cases where a member:

- Is older than 35
- Has not been a member of a registered South African medical scheme
- Had a break in cover of more than three months. (Read the section about how we calculate the late-joiner penalty.)

Group schemes

- Spouses and adult dependants who are older than 35 years and who join the Scheme after the main member joined
- Spouses and adult dependants who were not dependants on a previous medical scheme membership
- Main members joining the Scheme more than three months after their employment start date (read the section about how we calculate the late-joiner penalty)
- Main members who do not join within the agreed group concession period
- Main members who do not qualify according to the defined nature criteria (if applicable). ”Defined nature” refers to the employer-specific definition approved at the time of joining. For example, if the employer sets the criteria for “‘Admin staff only”, ”Management only” or “Staff earning more than a certain amount”.

The late-joiner penalty may apply in the following instances

- Members and dependants on Status D schemes (see Section 8 for more information)
- New dependants added to existing Scheme memberships
- We will transfer existing late-joiner penalties for members and dependants moving between Discovery Health Medical Scheme memberships using the date of withdrawal and the date the application is received. This applies if the break in membership is less than three months.

Expatriates returning to South Africa

We will not apply the late-joiner penalty if members or dependants who join the Scheme:

- Are expatriates returning to South Africa within five years of leaving the country
- Were members of the Scheme before
- Left South Africa within three months from the last day of membership
- Join the Scheme within three months of returning to South Africa.

We will need a copy of their passports and proof that the applicant travelled overseas.

Please note: If a member had a late-joiner penalty on their Scheme membership before they went overseas, the same penalty will apply when they join the Scheme again.

Members can stay on the Scheme while working in another country or travelling overseas

If members work in another country for an extended period (minimum three months to maximum five years), they can move to the lowest income band on a KeyCare plan. As soon as they return to South Africa, they can upgrade to any plan, but only if they do so within three months of returning to South Africa and no future treatment is planned. We will need a copy of their passports and proof that they worked or travelled overseas.

Please note: If a member had a late-joiner penalty on their Discovery Health Medical Scheme membership before they went overseas, the same late joiner penalty will apply upon their return.

Dependants

The Scheme rules define a dependant as:

- A member's spouse or partner who is not a member or a registered dependant of a member of another medical scheme membership
- A member's child who is not a member or a registered dependant of a member of another medical scheme membership
- The immediate* family of a member (brother, sister or parent) for whom the member is responsible for family care and financial support
- Such other persons whom the board of trustees recognises as dependants as defined in the Scheme rules
- An adult dependant (as defined below).

**We define immediate family as the first bloodline: a child (including stepchildren), parents and siblings.*

Child and child dependants

The scheme rules define a "child" as a person's:

- Biological child
- Stepchild
- Legally adopted child
- Child, who is under the age of 21 years, who has been placed in the custody of the member or their spouse or partner, according to an order of the court or another competent authority, before the age of 18.

The Scheme rules define a "child dependant" as the child of a member or adult dependant, admitted as a child dependant according to the Scheme rules.

The Scheme allows members to register their newborn child free of underwriting if

- The member registers the newborn child within three months of birth. The cover start date is then the same as the newborn baby's date of birth.

We recommend that members register their newborn children as soon as possible after birth. The longer members wait to add a newborn, the higher the risk of not having immediate cover. When members register their newborn on the Scheme within one month of the baby's birth:

- The newborn dependant will have immediate access to healthcare benefits offered on the health plan.
- The member's contributions will be up to date, so they do not have to worry about paying arrear contributions when registering their baby.

Please note: We need the newborn's ID number, and may need a copy of the birth certificate to add the child to the membership.

Adding adopted children to an existing Scheme membership

Adopted newborn

- If the adoption is still in progress but we have received the Scheme affidavits completed by the main member and the social worker within three months of the baby's birth, then we can add the baby from their date of birth without underwriting.
- If the adoption is final and the member submits legal proof, we can add the baby without underwriting from their date
- of birth. This only applies if we receive the application within three months of the baby's birth.

Adopted child

- If we receive an application for an adopted child under the age of 18 to join the Scheme within three months of the date of legal adoption, we will add the child to the adoptive parents' membership without underwriting. You must send us proof of legal adoption.
- If we receive an application for an adopted child under the age of 18 to join the Scheme after three months from the date of legal adoption, we will add the child to the adoptive parents' membership and apply full underwriting. You must send us proof of legal adoption.
- If the adoption of a child under the age of 18 is still in progress, the main member and social worker must complete the Scheme affidavits. They must also send us a letter from the social worker or courts confirming that the adoption is still in progress. We will not apply underwriting if the member submits the application to the Scheme within three months of the child being placed in the adoptive parents' care. We will need a letter from the social worker or court confirming

the date that the child was placed in the adoptive parents' care. The member must add the child to the membership from the first day of the month that they were placed in the care of the adoptive parents. The Scheme will not charge for the first month's contribution. If we receive a request to add the adopted child after three or more months from the adoption or from the time the child is placed in the care of the adoptive parents, we will apply full underwriting. We will need proof of legal adoption.

- If we receive an application for an adopted child over the age of 18 to join the Scheme, we will add the child to the adoptive parents' membership with full underwriting. You must send us proof of legal adoption while the child was under the age of 18.

Adding foster children to an existing Scheme membership

- If we receive an application for a foster child under the age of 18 to join the Scheme, we will add the child to the foster parents' membership and apply full underwriting. We must receive supporting legal documents with the application to add a foster child to an existing Scheme membership before we can process it.
- For a foster child older than 18, we require a copy of the foster agreement showing that the dependant was placed in the main member's care until the age of 18.

Adding stepchildren to an existing Scheme membership

Specific criteria apply when allowing stepchildren to be added to a membership where the biological parent is not on the membership or part of the application. For an application to add a stepchild, we need the following documents:

- A legal marriage certificate to confirm that the main member is a legal spouse to the child dependant's biological parent.
- A birth certificate showing both parents' names, surnames and ID numbers. This information will allow us to confirm that the main member's spouse is the stepchild's biological parent.

If we do not receive these documents, we cannot add the stepchild to the Scheme as a dependant.

Adding grandchildren to an existing Scheme membership

A grandchild can only be a dependant on a membership if:

- At least one of the grandchild's biological parents is on the policy or part of the new business application. You must send us the child's birth certificate, showing both parents' details, as proof of the relationship.
- The biological parent is eligible according to the Scheme's child or adult dependant eligibility criteria.
- The grandparents have proof of legal adoption, legal guardianship or a foster care arrangement for the grandchild. In this case, we need legal documents confirming the adoption, guardianship or foster care arrangement.

Adding adult dependants to an existing Scheme membership

An adult dependant is a person other than the spouse or partner of the member who is wholly or partly dependent on a member for financial support. The Scheme will determine and verify this. This person is registered according to these rules as an adult dependant. Adult dependants are (but are not limited to):

- A child aged 21 years or older
- The divorced spouse of a member
- An immediate family member (sibling or parent) over the age of 21 for whom the member is responsible for family care and support
- The second and any more spouses of a member under a customary union according to indigenous or customary law or custom or under a union recognised as a marriage under the tenets (customs) of any religion.

More information on adult dependants

Maximum entry age of adult dependants

- The Scheme has no maximum entry age.

Eligibility for adult dependants

- The underwriters reserve the right to assess whether the adult person meets the criteria to become a dependant of another member. These criteria relate to:
  - Disclosed financial dependency and income
  - Relationship to the member.

- In the case of a member's divorced spouse, we need a divorce settlement agreement to confirm that the main member is financially responsible for the ex-spouse's medical aid.

Group underwriting for adult dependants

- If the adult dependant is part of the same application as the main member and the main member qualifies for group underwriting, then the adult dependant will also qualify for the group concession. The underwriters reserve the right to assess whether the adult meets the criteria to become another member's dependant.
- Individual underwriting will apply to any adult dependants added after the start date of a membership. They will have to complete an *Application to add dependants* form. For group underwriting for new employer groups, we will allow

members who were permitted as adult dependants on their previous scheme (before joining the Scheme and with a break in medical scheme membership of less than three months) to keep their adult dependant status on the Scheme. They must provide us with a copy of their previous membership certificate.

Adding a spouse to an existing Scheme membership

A spouse is a person married to the main member or in a union according to any law or custom recognised in South Africa. When a member adds a spouse to an existing membership, we will apply full underwriting to the spouse, depending on the following underwriting guidelines:

- We will accept a newlywed spouse free of underwriting if we receive a copy of the marriage certificate or proof that the marriage was registered. This includes civil union, customary marriages or marriages under the tenets of any religion. We must receive the marriage certificate or proof of registration of marriage, with the application form, within three months of the date of the registered marriage or civil union. The start date of membership must be within three months of marriage.
- When a member adds a common-law spouse, we will apply underwriting.
- For the second spouse of a member under a customary union or a union recognised as a marriage by any religion or custom, we need a copy of both marriage certificates and proof that both marriages were registered. To avoid underwriting, we will need this proof within three months of the date of the registered marriage or civil union, and within three months from the start date of the spouses' membership as dependants. The application date must be within three months from the date of marriage.

Continuation options

Continuation happens when members change their plan type but have no break in Scheme membership. For example, when a member changes from the Discovery Health Medical Scheme (DHMS) Essential Saver plan to the DHMS Executive Plan without a break in membership. Existing members continue their Scheme membership on the same terms and conditions, and do not have to provide the extra medical evidence that applied during the main member's membership.

If there is a break when moving from one Scheme membership to another, the existing terms and conditions fall away and full underwriting will apply. Members and dependants can use the continuation option in the following situations:

- Retirement from employment, depending on the conditions of the member's employment agreement
- Death of the main member
- Divorce
- A dependant who becomes financially independent
- A child dependant who becomes a self-supporting adult and moves to their own Scheme membership.

Movements by the member

If members belong to an employer group and they want to move from one employer group to another, we may apply underwriting. According to the Medical Schemes Act, this depends on the reasons for the movement.

We will not apply underwriting to existing Scheme members moving from one employer group to another if they have been on the Scheme for three months or longer without a break in membership. If a member moves from a group employer to an individual membership and full underwriting was initially applicable, we will carry over the rest of the waiting periods and the late-joiner penalty (where applicable). We do not allow certain plan movements for members for whom we allow continuation.

Please refer to the plan matrix on www.discovery.co.za **> Medical aid > Get help > Find documents and certificates** to see the plan changes allowed during the year.

Underwriting

We divide individual members, new dependants, groups or members who join compulsory employer groups late (three months after the date of employment) and who are subjected to underwriting into three categories for underwriting purposes, based on the Medical Schemes Act.

CATEGORY A	CATEGORY B	CATEGORY C
Members who have:	**Members who have:**	**Members who have:**
Applied to join Discovery Health Medical Scheme, but have not belonged to a registered South African medical scheme	Belonged to a registered South African medical scheme for a period of less than two years	Belonged to a registered South African medical scheme for a period of two years or more

Had a break of more than three months since ending their membership with their previous medical scheme.	Applied to join Discovery Health Medical Scheme less than three months after the date of ending their membership with their previous medical scheme.	Applied to join Discovery Health Medical Scheme less than three months after the date of ending their membership with their previous medical scheme.

We may apply the following underwriting decision, depending on the medical information given in the application form, or as requested by the Scheme:

CATEGORY A	CATEGORY B	CATEGORY C
A three-month general waiting period and a 12-month condition-specific waiting period, if applicable.	A 12-month condition-specific waiting period. If the previous medical scheme placed a general or condition-specific waiting period on a membership and the waiting period did not expire at the date of ending their membership with the previous medical scheme, the rest of the waiting period may apply.	A three-month general waiting period.
The member will not have cover for Prescribed Minimum Benefits.	The member will have cover for Prescribed Minimum Benefits.	The member will have cover for Prescribed Minimum Benefits.
Late-joiner penalties may apply.	Late-joiner penalties may apply.	Late-joiner penalties may apply.

Transferability

Transferability refers to a member who moves from a closed medical scheme to an open medical scheme without waiting periods. The difference between the two is that any person can join an open scheme, but closed schemes are for the employees of specific employer groups or industries.

As we cannot allow dual cover, we will allow four Date of Commencements starting from the month after withdrawal (effective date the cover ended) from the previous scheme. In cases of mid-month withdrawals, cover will begin from the first day of the month of withdrawal to avoid any break in coverage.

The following scenarios are considered forced moves due to a change of employment (for certain cases, supporting documentation will be required):

- Resignation of the main member
- Retrenchment of the main member
- Retirement of the main member
- Death of the main member of a closed scheme (in such an instance we need a copy of the death certificate and membership certificate).

Scenarios subject to review by underwriters on a case-by-case basis (proof that the member cannot remain on the scheme is required):

- Death of the main member (applicable to the spouse and/or dependents)
- Divorce from the main member (applicable to the spouse and/or dependents)
- Eligibility (applicable to the spouse and/or dependents)
- Confirmation from the previous scheme that they do not allow a continuation for the spouse
- Divorce, if the applicant was a spouse on a previous medical scheme and is now changing from the previous closed medical scheme to an open scheme. The date of divorce must be within three months or less from the start date requested on the Scheme application form. We need a copy of the divorce decree as proof of the date of the divorce.
- Late-joiner penalties will apply (where applicable).

Status D employer groups

The Medical Schemes Act allows employer groups to switch between medical schemes on 1 January each year, without any waiting periods. We refer to this concession as Status D.

When employer groups get the Status D concession, the Scheme will not apply any waiting periods. However, late-joiner penalties may still apply. To avoid incorrect late-joiner penalties, new members must give details of their full medical scheme membership history on their application forms. We do not use membership information we get in supporting documents (referred to at the end of this document) to determine late-joiner penalties. Applicants must complete their previous registered South African medical aid membership details on the membership application. This will determine if late-joiner penalties are to apply once we have approved the Status D group.

Before applying for the Status D concession, make sure your client does not qualify for regular group underwriting status.

Qualifying criteria for Status D

1. There must be two or more main members in the employer group.
2. All new members must be employees or pensioners of the same company.
3. The company and all members joining must currently belong to a registered South African medical scheme.
4. There must not be a break in membership when members transfer from their current medical scheme to the Scheme.
5. All individuals applying for membership must agree to transfer their membership to the Discovery Health Medical Scheme on 1 January. Please note that we will send a separate communication when we open the Status D period. This is usually from September to November each year.
6. All requests are subject to approval by the actuarial team.

Group underwriting

We grant a group underwriting concession to compulsory groups of 10 or more members who join the Scheme, depending on the group underwriting criteria. One benefit of a group decision is that group members will not have waiting periods before they can use benefits. We also waive late-joiner penalties on their Scheme membership.

Process flow for a new group concession

The information below outlines the requirements for a group underwriting concession and the process to apply for a group underwriting concession.

Requirements

The Scheme issues group decisions and terms to employers applying for cover for 10 or more employees. This applies to employees for whom it is compulsory according to their employer's definition to join Discovery Health Medical Scheme.

The employer determines the compulsory nature of membership of the Scheme for its employees. If the employer changes this compulsory definition, they must send us updated information. In some instances, this change may result in a change in the group underwriting status. All information communicated to the Scheme must be on a company letterhead and companies must complete a new *Employer application* form.

Examples of compulsory definitions

The employer may make it compulsory for all employees to join the Scheme, or the membership may be compulsory for only a section of employees. Examples of where membership is compulsory for only a section of employees are:

- Membership allowed only for all current and future salaried employees.
- Membership allowed only for all current and future administrative employees.

Based on the employer's specific definition, individual underwriting and late-joiner penalties will apply to any employee outside the defined group applying for Scheme membership. For example, where membership is compulsory for all current and future administrative employees and an employee working in a different division applies for membership, the Scheme will apply full underwriting and late-joiner penalties.

The Employer application form

The employer must complete all sections of the *Employer application* form in full, giving special attention to the following information:

- The company's total number of employees
- The total number of employees who are joining the Scheme
- A compulsory definition of the employees who will be joining the Scheme (telling us for which of the employees it will be compulsory to join the Scheme). This will determine which future employees the Scheme will accept automatically and which future employees will have underwriting. The compulsory definition could be specific to any one of the following:
  - Probation periods (members must join within three months from when this period starts)
  - The number of temporarily and permanently employed employees
  - Long-term or short-term contracts

- Salary bands for compulsory membership (the salary that an employee must earn to join the Scheme)
- Job levels and grades
- A statement about compulsory membership of the Scheme for current employees (total number to join)
- A statement indicating whether Scheme membership is compulsory for future employees.

Based on the above information, we may enforce the employer's contractual agreements for medical scheme membership.

Demographics and industry

The employer must send the following information to our underwriting department for a decision on an employer group request:

- All demographic information – see below
- Industry information and a short description of the employer group, for example, a company with 70 employees for whom it is compulsory to join
- Occupation breakdown of employees, such as, administrative employees, sales employees or both

The email address for group underwriting is HEALTH_GROUP_UNDERWRITERS@discovery.co.za.

To get a demographic report

The employer must complete a *Quotation and demographics request* form. The form must have the following information for each employee who wants to join the Scheme:

- Company name
- Industry
- Number of employees (split by occupational category)
- Date of birth of main member, spouse and adult dependants
- The number of children we must include for each main member

They must email the *Quotation and demographics request* form with all the information to our quotations department at quotationrequests_health@discovery.co.za.

Once we have received the demographics report, we will email it to group underwriting at HEALTH_GROUP_UNDERWRITERS@discovery.co.za.

Underwriting

Once the underwriting department receives all the information, we will assess the demographics and consider the following:

- Employer's industry
- The occupation of employees
- The group's profile, which includes average age, family size and the percentage of pensioners

The underwriting department will approve or decline the group underwriting concession request. The underwriting team will then send the employer group a letter informing them of the decision. If we do not accept the group, the employer (and its employees) may still join the Scheme as an individual employer, subject to full underwriting and late-joiner penalties. It will take approximately 24 hours from when we receive the information to make an underwriting decision.

The group acceptance letter

When we grant a group concession, we send the acceptance letter to the financial adviser. The company's representative must sign the acceptance letter, confirming acceptance of its terms and conditions. They must send the signed acceptance letter to HEALTH_GROUP_UNDERWRITERS@discovery.co.za.

New business processing

When we receive the signed acceptance letter, our new business department will capture the employer's details and send the information to the underwriting department. Underwriting then confirms the status and updates all the information, including the employer decision.

Once underwriting has updated the employer to a group, they issue an employer number. Please make sure that you put the employer number on all the member application forms, which we can now process.

Please note: We will process the applications, but we will only activate the membership if we have the following number of applications:

- For groups of more than 35 employees, we need application forms for more than 70% of the group's employees.
- For groups of fewer than 35 employees, we need application forms for 100% of the group's employees.
- For Status D employers, we need application forms for 100% of the group's employees.

Adding new members to existing employer groups

When sending application forms for a new employee who is joining an existing employer group, the employer must provide the employee's date of employment. If it is not on the application form, they must confirm the date of employment on a company letterhead, which the employer must sign and date. We might also need proof of the date of employment in the form of the employee's letter of appointment or employment contract.

If the applicant was employed more than three months before applying for membership, we will need the reason for the employee joining after this period. They must complete this in the "About your employer" section of the *Join as part of an employer group* application form. They can also confirm it on a company letterhead.

If the reason for joining late is not valid, we will apply underwriting and late-joiner penalties to the applicant. The employee must then complete a member application form, including the medical details section and previous medical scheme membership details. The applicant must sign and date the member application form.

Examples of valid reasons for an applicant not applying for membership within three months of the date of employment include:

- When a temporary employee becomes a permanent employee, they must join within three months of their permanent employment date. They must complete the date of permanent employment in the "About your employer" section of the *Joining as part of an employer group* application form. An authorised official from the employer's human resources department must sign or confirm it on a company letterhead.
- When a contracted employee becomes a permanent employee. They must join the Scheme within three months of the permanent employment date. They must complete the date of permanent employment in the "About your employer" section of the *Joining as part of an employer group* application form. It must be signed by the human resources department or confirmed on a company letterhead.
- Previous cover under the spouse's membership where the applicant is:
  - An employee who joins the Scheme within three months of divorce. They must give proof that they have been on their ex-spouse's medical aid since the employer received a group underwriting concession.
  - An employee who joins the Scheme within three months of their spouse's or partner's resignation or retrenchment from their current employment. They must give proof that they have been on the spouse's medical aid since the employer received a group underwriting concession.
  - An employee who joins the Scheme within three months of the death of their spouse or partner. They must give proof that they have been on the spouse's medical aid since the employer received a group underwriting concession.
- Increased salary or change in job grade. If the employer has defined the group underwriting concession according to salary bands or job grades, the employee must join within three months of the change in their salary or job grade. This is, if the employee has a change in salary or job grade that meets the compulsory defined nature criteria.
- Promotion. If the employee was excluded from the defined group of employees before, but they are now promoted to a job that meets the compulsory defined nature criteria. They must join the Scheme within three months of their promotion.

To avoid delays in processing of applications, we prefer to get the completed application form as well as the contents of the "About your employer" section of the *Joining as part of an employer group* application form on a company letterhead.

This makes it possible for us to process each application without having to ask for extra information.

Reviewing an employer's group underwriting concession

An employer's number of employees may increase, which means that we may review the employer's group underwriting concession. If there are 10 or more active employees or if an employer needs to review their current group decision, they must send the following information to our underwriting department for consideration:

- A letter from the employer asking for a review of their employer status with confirmation of the compulsory nature of the employer
- An up-to-date employer application form with specific reference to the "Details of your company's

employees" section of the application form
- A demographic report of current active members. Ask the quotations department for this report by sending an email to quotationrequests_health@discovery.co.za.

The underwriter will take the active members' claims history and other relevant history into account for review purposes and may ask for a loss-ratio report.

Once all the information has been gathered, it will be sent to the actuarial team for review. The underwriting team will then confirm the outcome of the review once feedback has been received.

Amalgamation (merging) of two or more current employer groups

After a buyout or acquisition, two or more employer groups may amalgamate and join the Scheme under one employer. The newly formed employer must submit the following information to HEALTH_GROUP_UNDERWRITERS@discovery.co.za for consideration:

- A letter from the employer confirming the group's amalgamation as well as the reason for the amalgamation
- A letter from the employer requesting for a review of their group decision, with confirmation of the compulsory nature of the new employer
- An up-to-date employer application form with specific reference to the "Details of your company's employees" section of the application form
- A demographic report of current active members under each employer group, and a combined report of active members of the employer groups together. They can ask for this from the quotations department by sending an email to quotationrequests_health@discovery.co.za.

We will take about 24 hours to decide about underwriting after we have received the information.

Breakaways

Breakaways happen when divisions of a company break away from an existing employer group to form a new employer group. The group underwriting concession will not be an automatic decision. The employer will need a review of all the divisions breaking away and of the remaining members.

The following information must be submitted to HEALTH_GROUP_UNDERWRITERS@discovery.co.za:

- Employer application form for the breakaway section of the business
- A demographic report for the breakaway employer and a demographic report for the employees staying in the current employer group
- Letter from the employer explaining the breakaway and asking for a group underwriting concession.

It is important to note that both employers must still fit the group criteria to keep the group status.

Secondment agreement

We can put a secondment agreement in place where an employer already has a group underwriting concession. Secondment is when an employer sends their employees to another country for some time due to work contracts.

The employer must meet the following requirements and send the following information to the underwriting department for consideration:

- The employer must be an existing compulsory group.
- Employees must go to another country for work-related contracts.
- Under the employer's group underwriting concession, it must be compulsory for the employees to rejoin the Scheme when they return.
- We need a letter from the employer asking for the secondment agreement and giving us the following information:
  - The total number of employees seconded each year.
  - The countries to which they will second their employees.
  - The average duration of their employees' contracts to work in another country.
  - Confirmation of the compulsory nature of the employer group.
- The employer must submit the necessary documents with the member application form on the

employee's return.
- They must also include a demographic report with the request.

If we grant the secondment agreement, employees may resign from the Scheme for the period abroad and apply for membership again within one month of returning. We need a letter from the employer confirming the secondment details and proof of the date of return in the form of a copy of the member's passport.

If an employee is contracted for three months or less, we advise them to stay on the Scheme. We will cover the employee under the International Travel Benefit or Africa Benefit if the employee is on a health plan that offers these benefits.

New members joining a current employer group

An employer group may want to offer scheme memberships to employees who fall outside their defined compulsory definition. They can do this because of either the acquisition or the amalgamation of companies.

The employer must send the following information to HEALTH_GROUP_UNDERWRITERS@discovery.co.za for consideration:

- A letter from the employer, with information about the employees and confirmation of whether membership is compulsory for these employees
- A demographic report of current active members under the employer group, a demographic report of new employees and a combined demographic report of current active members and new employees. They can send an email to quotationrequests_health@discovery.co.za to ask for this.

It will take us approximately 24 hours to decide about the underwriting once we receive the information.

Summary of a group underwriting concession:

- It applies to employers of 10 or more main members
- We need a fully completed employer application form
- It applies where the employer specifies that membership with the Scheme is compulsory
- We need demographic information as given by the quotations department
- We consider the industry and occupation of employees
- We will let you know of our decision in writing.

Please note: New and review group requests are not granted automatically. The financial adviser must initiate the process.

Simplified registration on the Chronic Illness Benefit for Employer Groups

The automatic Chronic Illness Benefit approval is for employees who have an approved chronic condition and received cover for chronic medicine from the medical scheme they belonged to before joining the Scheme. The condition must be on our list of covered chronic conditions on the member's chosen plan. We will cover approved medicine according to the rules of the member's plan type.

To qualify for the review for automatic Chronic Illness Benefit approval, the employer group must meet these two requirements:

- The employer group must have more than 75 employees joining the Scheme.
- The employer group must qualify for a group underwriting concession or be a compulsory employer group.

If an employer group does not meet these requirements, their employees who have chronic conditions will have to follow the standard process of applying for cover from the Chronic Illness Benefit.

If an employer group qualifies for automatic approval, their employees who have approved chronic conditions must complete a simplified Chronic Illness Benefit application form. They must submit it to our Chronic Illness Benefit department for approval of cover and medicine for the condition. The employee only has to include the condition and medicine approved by the previous medical scheme. They must not include new chronic conditions and medicine on this form. The standard process of applying for cover from the Chronic Illness Benefit will apply for new chronic conditions and medicine.

Working to care for and protect you

Our goal is to provide support for you in the times when you need it most.

How to contact us

Tel (members): 0860 99 88 77, Tel (health partners): 0860 44 55 66
Go to www.discovery.co.za to get help. To ask a question on WhatsApp, save this number – 0860 756 756 – on your phone and say "Hi" to start chatting with us 24/7.
PO Box 784262, Sandton, 2146. 1 Discovery Place, Sandton, 2196.

What to do if you have a complaint

01 | TO TAKE YOUR QUERY FURTHER:
If you have already contacted the Discovery Health Medical Scheme and feel that your query has not been resolved, please complete our online complaints form on www.discovery.co.za. We would also love to hear from you if we have exceeded your expectations.
02 | TO CONTACT THE PRINCIPAL OFFICER:
If you are still not satisfied with the resolution of your complaint after following the process in Step 1, you can escalate your complaint to the Principal Officer of the Discovery Health Medical Scheme. You may lodge a query or complaint with Discovery Health Medical Scheme by completing the online form on www.discovery.co.za or by emailing principalofficer@discovery.co.za.
03 | TO LODGE A DISPUTE:
If you have received a final decision from Discovery Health Medical Scheme and want to challenge it, you may lodge a formal dispute. You can find more information of the Scheme's dispute process on the website.
04 | TO CONTACT THE COUNCIL FOR MEDICAL SCHEMES:
The Council for Medical Schemes regulates Discovery Health Medical Scheme. You may contact the Council at any stage of the complaints process, but we encourage you first to follow the steps above to resolve your complaint before contacting the Council. Contact details for the Council for Medical Schemes: Council for Medical Schemes Complaints Unit, Block A, Eco Glades 2 Office Park, 420 Witch-Hazel Avenue, Eco Park, Centurion 0157 | complaints@medicalschemes.co.za | 0861 123 267 | www.medicalschemes.co.za.

Your privacy is important to us

We hold your privacy in the highest regard. Our unwavering commitment to protecting your personal information and ensuring the security and confidentiality of your data is clearly outlined in our Privacy Statement. You can view it on www.discovery.co.za **> Medical aid > About us > About Discovery Health Medical Scheme**.