

2024: The big picture

Average contribution increase for 2024
AMS **6.9%**
Stats SA survey industry average
10.3%

Total medical savings account balance
2023 **R250.0m** | 2024 **R266.3m**

Average liability for future members (previously
accumulated funds) per member
2023 **R415 335** | 2024 **R451 506**

Interest earned on medical savings account
2023 **R19.80m** | 2024 **R21.5m**

Average beneficiary age
2023 **41.53** | 2024 **41.30**

Accumulated funds (previously solvency ratio)
2023 **469.13%** | 2024 **474.20%**

Average number of beneficiaries
2023 **17 706** | 2024 **17 413**

Beneficiary pensioner ratio
2023 **23.80%** | 2024 **23.20%**

Principal participating employers

Anglo Corporate Services South
Africa (Pty) Ltd
Mondi South Africa (Pty) Limited
Mpact Limited

Executive summary

2024 was an eventful year, marked by numerous elections worldwide, significantly influencing local and global politics. On 15 May 2024, the President signed the National Health Insurance (NHI) Bill into law. However, the Act has not yet been promulgated and currently faces multiple legal challenges from industry bodies representing medical schemes, health professional associations and private hospitals. In the interim, the Scheme has continued to operate on a business-as-usual basis.

The Scheme performed well and reported a net surplus of R272.4 million for the year, marginally up on the 2023 surplus of R271.9 million, which was largely due to R420 million in investment income. The 2024 net asset value was reported to be R3.8 billion, slightly up on the 2023 asset value of R3.6 billion. Under IFRS17, accumulated funds are referred to as Liability for Future Members.

We realised a positive annual return on our investments of 11.4%, comfortably outperforming inflation by 8.2%. We are ahead of the targeted benchmark of CPI + 3.5% over the 3- and 5-year period with a net real return of about 4%. However, there is a significant lag of the targeted benchmark over the 7- and 10-year period. This is largely due to global equities delivering the highest real returns in the 7- to 10-year period and the Scheme being precluded from investing in this asset class until 2020.

The approach adopted to assessing the Scheme's long-term funding obligations was adjusted for 2024 in that the assumption for contribution increases was adjusted to CPI plus 1% and would be subject to annual review. This was the primary driver in a slight reduction in the Long-Term Funding (LTF) ratio from 141.8% to 138.7%. The two other main drivers impacting this ratio are the claims costs and investment returns. Even a small percentage variation in either component has a sizable impact on the ratio when extended over the full 15- to 20-year period. Despite the slight reduction in the LTF ratio, the long-term obligations remain comfortably funded, coupled with an expectation of improving value-for-money for members versus market norms, into the future.

The Scheme's growth potential, as a restricted membership scheme, is linked to the ebb and flow of the employees of Anglo Corporate Services South Africa, Mondi South Africa and Mpact. Overall membership declined by 1% due to corporate activity. There was a marginal decline in the average beneficiary age to 41.30 years (2023: 41.53) and a decrease in the pensioner ratio to 23.2% (23.8% in 2023).

Membership movements in 2024

86 fewer active memberships | Beneficiary age ▼ 1.0% | Managed Care Plan (MCP) membership ▼ 5.0%
Standard Care Plan (SCP) membership ▼ 2% | Value Care Plan (VCP) membership ▲ 11%

While contributions were increased by 6.9% for 2024, the average risk contribution income per beneficiary per month increased by 6.5%, partly due to membership plan changes, with growth in membership of 11% on the Value Care Plan.

We conducted an evaluation of our 2024 Plans to ensure they remain relevant and competitive when benchmarked against equivalent offerings in the market. We are pleased to confirm that, when compared to eight competitor schemes, our Plans consistently outperformed the industry average. Each of our three Plans delivered superior benefits at lower-than-average contribution rates. Specifically, the MCP delivered 21% greater benefit value per Rand spent compared to average industry alternatives. Similarly, the SCP provided an 11% higher value compared to competing options, while the VCP offered 7% more value than the lowest income-band options available from competitors. The benefit option insurance service result of a deficit of R96.1 million was reported for the year, reflecting the difference between the insurance revenue (contribution income), insurance service expenses (claims incurred and directly attributable expenses) and net income from reinsurance contracts (risk transfer arrangements). The 2024 average cost of claims per annum for members aged between 26 and 35 years old was R11 455 per member (p.a.), whereas for members above 65 years old the average cost was R90 999 per member (p.a.).

The Scheme continued to maintain sound risk management and internal control systems throughout 2024. The two most significant risks identified in our Risk Register this year were legislative risk relating to the National Health Insurance (NHI) and risks associated with corporate activity. Our focus remains on ensuring that we provide our members with even greater care and service through our dedicated AMS Call Centre. In addition, our digital tools provide convenient access to answers and solutions to claims or membership queries. Our AMS Client Liaison Officers continue to regularly visit the employer's workplace to assist members with advice, information, and with the more complex issues that are better resolved through face-to-face discussions.

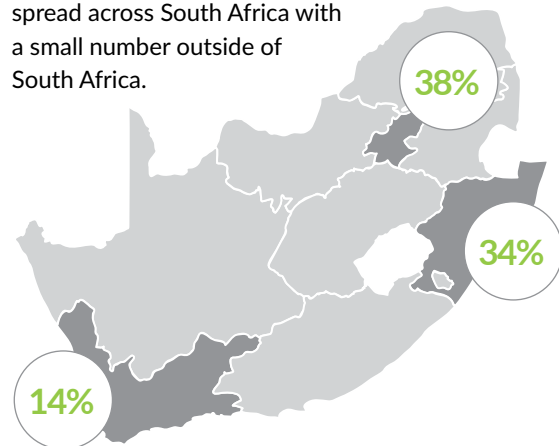
At AMS, we remain committed to delivering service excellence to our members, achieving an outstanding average score of 9.4 across all agreed service level measurements, with members reporting similarly high levels of satisfaction. This exceptional performance is made possible by the dedicated efforts of the AMS administration team, our Client Liaison Officers, and the Office of the Principal Officer.

What our membership looked like in 2024



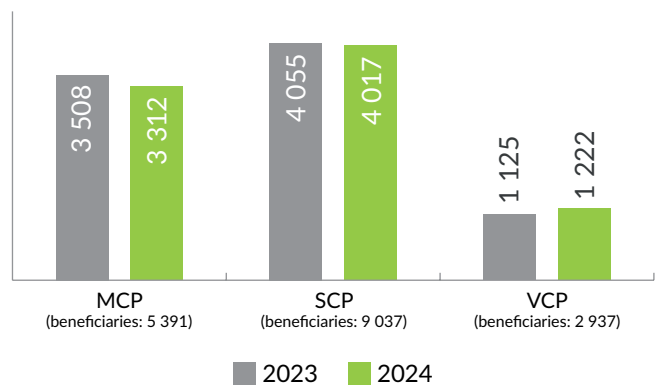
Location

Members are located primarily in **Gauteng** (38%), **KwaZulu-Natal** (34%) and the **Western Cape** (14%). The balance of membership is spread across South Africa with a small number outside of South Africa.








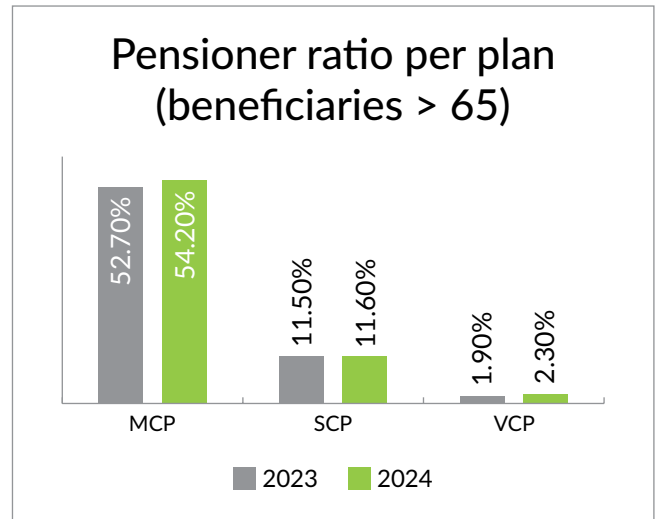
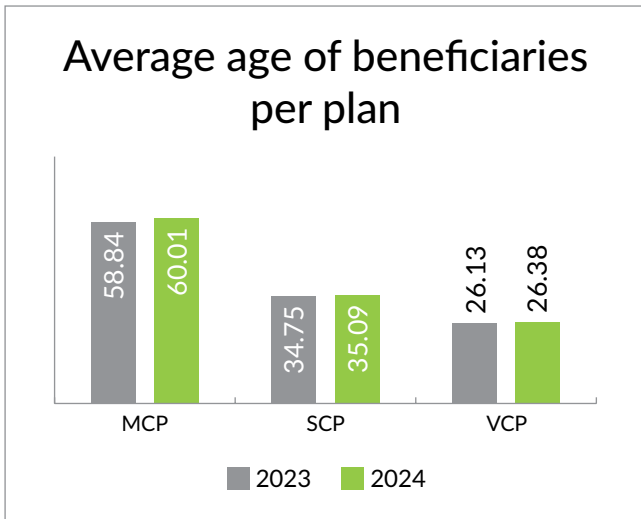
Average age: **41.30** Members: **8 519**
 Dependants: **8 846**

Change in avg membership per plan



Key performance indicators across all three plans

 37 984 calls handled	 45 963 emails answered	 94% service level
 570 650 claims processed		 9.44/10 average service rating by members



Performance per plan

Insurance service expenses vs Insurance revenue: Managed Care Plan	Insurance service expenses vs Insurance revenue: Standard Care Plan	Insurance service expenses vs Insurance revenue: Value Care Plan
Insurance service expenses, per member per month 2023 R9 063 2024 R10 102	Insurance service expenses, per member per month 2023 R5 308 2024 R5 448	Insurance service expenses, per member per month 2023 R1 332 2024 R1 976
Insurance service expenses, per beneficiary per month 2023 R5 336 2024 R6 048	Insurance service expenses, per beneficiary per month 2023 R2 338 2024 R2 407	Insurance service expenses, per beneficiary per month 2023 R590 2024 R865
Insurance revenue, per member per month 2023 R6 652 2024 R7 177	Insurance revenue, per member per month 2023 R5 369 2024 R5 726	Insurance revenue, per member per month 2023 R1 781 2024 R1 893
Insurance revenue, per beneficiary per month 2023 R3 917 2024 R4 297	Insurance revenue, per beneficiary per month 2023 R2 365 2024 R2 530	Insurance revenue, per beneficiary per month 2023 R789 2024 R829

How we measured our performance

- ✔ **Sufficient reserves** ensure we can cover member healthcare costs. Our liability for future members at the end of 2024 was R3.85 billion, leading to a long-term funding ratio of 138.7% (2023: 141.8%).
- ✔ Our aim is to align **contribution increases and benefits** with the industry average and the medical inflation rate of CPI plus 3%. In 2024, we achieved this with an average annual contribution increase per member of 6.9%.
- ✔ We aim to offer better **value for money** than our competitors. In 2024, independent evaluations showed that all three of our Plans offered more benefit value back per Rand spent in contributions than their average competing industry options.
- ✔ We gauge **service excellence** by measuring first-call resolution, same-day task completion, service levels, claim processing times, and member satisfaction. In 2024, our administrator, Discovery Health, maintained excellent service levels above the required 90%.
- ✔ We aim to keep our **non-healthcare costs** below 10%, as required by the Council for Medical Schemes. In 2024, these costs were at 5.7%.

Non-compliance with the Medical Schemes Act – exemptions

1. **Outstanding contributions** should be received within three days of their due date as per the Scheme's rules. Late payments are sometimes caused by discrepancies between employers and the Scheme. However, the risk of default is low due to the limited nature of the Scheme and employer base. Suspension policies are in place for members with outstanding contributions beyond their employer's obligations.
2. The Scheme had **investments in participating employer groups** through pooled investment vehicles, which are permitted under an exemption from Section 35(8)(a) of the Act. This exemption is valid until 30 November 2025.
3. The Scheme had **investments in administrators** through pooled investment vehicles, which is permitted under an exemption from Section 35(8)(c) of the Act. This exemption is valid until 30 November 2025.
4. **Each benefit option must support itself financially** and in terms of membership. As of 31 December 2024, the Managed Care plan had a deficit before investment income. The Board of Trustees ensures competitive benefits and contributions, but due to the Scheme's demographics, it proves difficult to ensure. To address this, participating employers historically pre-funded additional liabilities caused by changes in employee demographics. This helps the Scheme maintain benefits and contributions. The Scheme uses reserves to cover expected claim costs exceeding contributions, ensuring members' needs are met. The Trustees regularly review investment returns to ensure sustainability. The Registrar of Medical Schemes approves the Scheme's strategy annually without requiring corrective action.
5. **Member or provider claims should be settled within 30 days of submission**, but some settlements took longer. Delays can happen when accounts need clinical audits or other investigations, but these are exceptions. The Scheme tries to comply with the requirements, but some complex claims may take longer to process, which is common in the industry.
6. **Investments are prohibited in equities outside South Africa**. However, the Scheme has investments in territories outside South Africa through its investment portfolio. The Scheme applied for and received an exemption from this regulation from the Council for Medical Schemes, valid until 30 April 2027.

AMS's investments and capital management

Our investment strategy

The Scheme's investment strategy has been, and remains, aimed at maximising the annual return at an acceptable level of risk within the constraints of the Act. The Scheme believes that this risk should be managed, in part, by holding a conservative, yet diversified portfolio with a significant proportion of the assets providing returns that offer protection against inflation over the longer term.

The investment objective is to earn a return, net of fees, which exceeds the Consumer Price Index by at least 3.5% p.a. over a rolling five-year period.

The 2024 financial year saw positive returns. The 5-year return (net of fees) for the Scheme's assets has, therefore, improved from 7.8% p.a. in 2023 to 8.7% p.a. for the period under review.

Period	Portfolio performance	Consumer price index	CPI plus 3.5% p.a.
1 January to 31 December 2024 (p.a.)	11.4%	3.2%	6.7%
5 years (p.a.)	8.7%	4.9%	8.4%
24 years (p.a.) (since inception)	10.4%	5.4%	8.9%

Total investments held at year end (R'000)



Statement of Comprehensive Income for the year ended 31 December 2024

	2024 R'000	2023 R'000
Insurance revenue	589,045	565,356
Insurance service expense	(693,093)	(657,781)
Net income from reinsurance contracts	7,940	1,389
Insurance service result	(96,108)	(91,036)
Interest income from financial assets not measured at fair value through profit or loss	3,112	3,713
Investment income from investments held at fair value through profit or loss	135,541	135,611
Fair value gains from investments held at fair value through profit or loss	281,717	274,918
Net investment income	420,370	414,242
Finance expenses from insurance contracts issued – PMSA	(21,502)	(19,803)
Net insurance finance expense	(21,502)	(19,803)
Net insurance and investment result	302,760	303,403
Asset management fees	(16,181)	(15,444)
Other operating expenses	(16,105)	(17,693)
Sundry income	1,942	1,633
Net surplus before amounts attributable to future members	272,416	271,899
Amounts attributable to future members	(272,416)	(271,899)
Net result	-	-

Statement of Financial Position as at 31 December 2024

	2024 R'000	2023 R'000
ASSETS		
Investments held at fair value through profit or loss	4,009,601	3,702,884
Other financial assets at amortised cost	2,486	2,437
Cash and cash equivalents	128,303	154,667
Total assets	4,140,390	3,859,988
LIABILITIES		
Total insurance contract liability	4,139,222	3,857,226
Insurance liability for current members	292,846	283,266
Insurance liability for future members	3,846,376	3,573,960
Financial liabilities at amortised cost	1,168	2,762
Total funds and liabilities	4,140,390	3,859,988

Liability for incurred claims (previously outstanding claims provision)

The outstanding risk claims provision is an estimate of healthcare costs that have occurred but haven't been reported to the Scheme by the reporting date. We regularly review and adjust our assumptions to determine this provision. In 2024, provision was made for R24.7 million (2023: R25.8m).

How our investments performed

The investments held represent investments in:	2024 R'000	2023 R'000
Bonds	1,388,478	1,309,975
Collective Investment Schemes	702,648	613,440
Commodities	63,876	54,860
Equities	1,156,421	1,145,118
Linked Insurance Policies	529,342	389,896
Money Market Instruments	168,836	189,595
	4,009,601	3,702,884
The investments were managed by the following asset managers at year-end:		
Coronation Asset Management (Pty) Ltd	726,823	681,674
Allan Gray South Africa (Pty) Ltd	572,086	567,108
Ninety One SA (Pty) Ltd	2,005,918	1,805,187
Abax Investments (Pty) Ltd	704,774	648,915
	4,009,601	3,702,884

How we managed our capital

According to Regulation 29(2) of the Act, the Scheme must keep a minimum amount of money saved up, equal to 25% of all the money it gets from members, to ensure it can cover its costs. This is how this required amount is calculated:

The calculation of the regulatory capital requirement is set out below:	2024 R'000	2023 R'000
Liability for future members per the Statement of Financial Position	3,846,376	3,573,960
Less: cumulative unrealised net gain on measurement of investments to fair value	(697,206)	(572,030)
Accumulated funds per Regulation 29	3,149,170	3,001,930
Gross contribution income (R'000)	664,099	639,892
Solvency margin = Accumulated funds/gross contribution income x 100	474.20%	469.13%

Changes to SARS Medical Reporting

We would like to inform you about some significant updates to the medical scheme data reporting requirements mandated by the South African Revenue Service (SARS), effective from 5 October 2024. These changes aim to enhance the accuracy of data reporting and ensure the correct allocation of medical tax credits. Here are the key updates that you should be aware of:

- Reporting on disabled members and their dependants:** Medical schemes are now required to provide information about disabled principal members and their dependants. This change ensures that all relevant data is accurately captured and reported.
- Data on persons making payments on behalf of members:** If someone else makes payments on your behalf, their information must now be included in our reports. This helps maintain transparency and accuracy in our records.
- Separation of allowable and non-allowable expenses:** Previously, expenses not covered by medical schemes were reported as claims not paid on the IT3(f) certificate. Going forward, these expenses will be distinctly categorised into allowable and non-allowable expenses, providing a clearer picture of your medical expenses.

Related-party transactions

The Scheme is controlled by the Board of Trustees who are appointed by the participating employers or elected by the members of the Scheme. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Scheme. Key management personnel include the Board of Trustees and the Principal Officer.

Parties with significant influence over the Scheme

- Discovery Health (Pty) Ltd – administration, managed care services, financial and operational information arrangements in place. Discovery Third Party Recovery Services (Pty) Ltd (DTPRS) manages administration related to the Road Accident Fund.
- Kaelo Prime Cure (Pty) Ltd – reinsurance contract in place for day-to-day benefits, including treatment of chronic conditions, for Value Care Plan beneficiaries.
- MediKredit (Pty) Ltd – provides managed care services to the Scheme.
- Anglo Corporate Services South Africa (Pty) Ltd – provides management services and head office rental space.

Transactions with parties with significant influence over the Scheme	2024 R'000	2023 R'000
Statement of Comprehensive Income transactions		
Discovery Health (Pty) Ltd		
• administration fees	23,545	22,844
– insurance service expense	21,703	21,056
– other operating expenses	1,842	1,788
• managed care: management services fees	12,644	12,328
MediKredit (Pty) Ltd – electronic checking fees	1,419	1,389
Kaelo Prime Cure (Pty) Ltd – reinsurance contract fees	23,373	20,303
Anglo Corporate Services South Africa (Pty) Limited		
• head office rental and management fees	227	485
Statement of Financial Position		
Balance due to Discovery Health (Pty) Ltd	2,831	2,694
Balance due to MediKredit (Pty) Ltd	227	221
Indirect investment in employers	66,042	79,034

A robust risk management framework

Our system for managing risks and controlling internal processes is designed for reasonable assurance and to help us achieve our goals. We use different methods to understand and track risks, like internal models and analyses that look at different scenarios. Everything we do is checked carefully to make sure it is functioning effectively. We also have a whistleblowing process for people to report any concerns they have.

How we share our risk

The Scheme has entered into risk transfer agreements with third party service providers to ensure cost effective services. This provides the Scheme with the ability to mitigate an identified risk by agreement with a third-party service provider. The principle is based on the sharing of predefined potential claims loss in return for exclusivity of delivering the service.

Organisation	Services capitated	Plan
Kaelo Prime Cure (Pty) Ltd	Provides primary healthcare services at healthcare centres and contracted network service providers, including a limited hospital benefit.	Value Care Plan
Netcare 911 (Pty) Ltd	Provides emergency transport services and other ambulance services.	Managed Care Plan Standard Care Plan
Centre for Diabetes and Endocrinology (CDE)	Provides diabetes related medical services including related hospitalisation expenses.	Managed Care Plan Standard Care Plan
Dental Risk Company	Provides a network of dentists providing dental related medical services.	Standard Care Plan

Board of Trustees

Member Elected	Member Elected – Alternate trustee	Employer Appointed	Employer Appointed – Alternate trustee
Dr Fox FH (Chairman)	Dlamini Z	Barrett CM	Ameer KN
Coetzer JP (Vice-chairman)	Farrell MR	Liston JB	Mateme M
Elliott CC	McKie Thomson CMT	Mamabolo NM	Matemera TS
Hosking S	Mhlongo QP	Moodley R	Ngidi K
Mason-Gordon NJ	Preston GP	Thompson HM	
Dr Mbekeni CWS	Ragolane NS	van der Bijl BD	

Statement of responsibility

The Trustees are responsible for the preparation and fair presentation of the annual financial statements of the Anglo Medical Scheme (the Scheme), set out on pages 32 to 80, comprising the statement of financial position at 31 December 2024, the statement of comprehensive income, statement of cash flows for the year then ended and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with IFRS® Accounting Standards (IFRS) and the requirements of the Medical Schemes Act of South Africa. In addition, the Trustees are responsible for preparing the report of the Board of Trustees. The Trustees are also responsible for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management.

The Trustees have reviewed the Scheme's budget for the year ending 31 December 2025. The Trustees have made an assessment of the Scheme's ability to continue as a going concern and have no reason to believe the business will not be a going concern in the year ahead.

The auditor is responsible for reporting on whether the financial statements are fairly presented in accordance with the applicable financial reporting framework.

Approval of the annual financial statements

The annual financial statements of Anglo Medical Scheme, as identified in the first paragraph, were approved and authorised for issue by the Trustees on 9 April 2025 and are signed on their behalf by:



Dr FH Fox
Chairman



Mr JP Coetzer
Vice-Chairman



Ms JC le Roux
Principal Officer

Basis of preparation

The Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS), which are set by the International Accounting Standards Board (IASB). The Financial Statements are also prepared in accordance with the Act, which requires additional disclosures for registered medical schemes.

Find out more

This special edition of MediBrief is a summary of the key information in our 2024 Annual Financial Statements. If you would like the full set of financials with their corresponding detailed notes on our annual financial statements, please get in touch with us.

Call us: 011 638 2939 | Email us: Yvonne.Landsberg@angloamerican.com
Download: www.angloms.co.za > My Scheme > Annual Financial Statements