



Quantifying Risk, Enabling Opportunity.

COFI BILL & Medical scheme industry

Author: Charlton Murove

Date: 17/09/2020

Version: v.1.0



Quantifying Risk, Enabling Opportunity.

Presentation Name File

Author Name Surname

Date dd/mm/yyyy

Version x.0.0

OVERVIEW

Hierarchy with MSA

Demarcation

Licencing

Outcomes focused

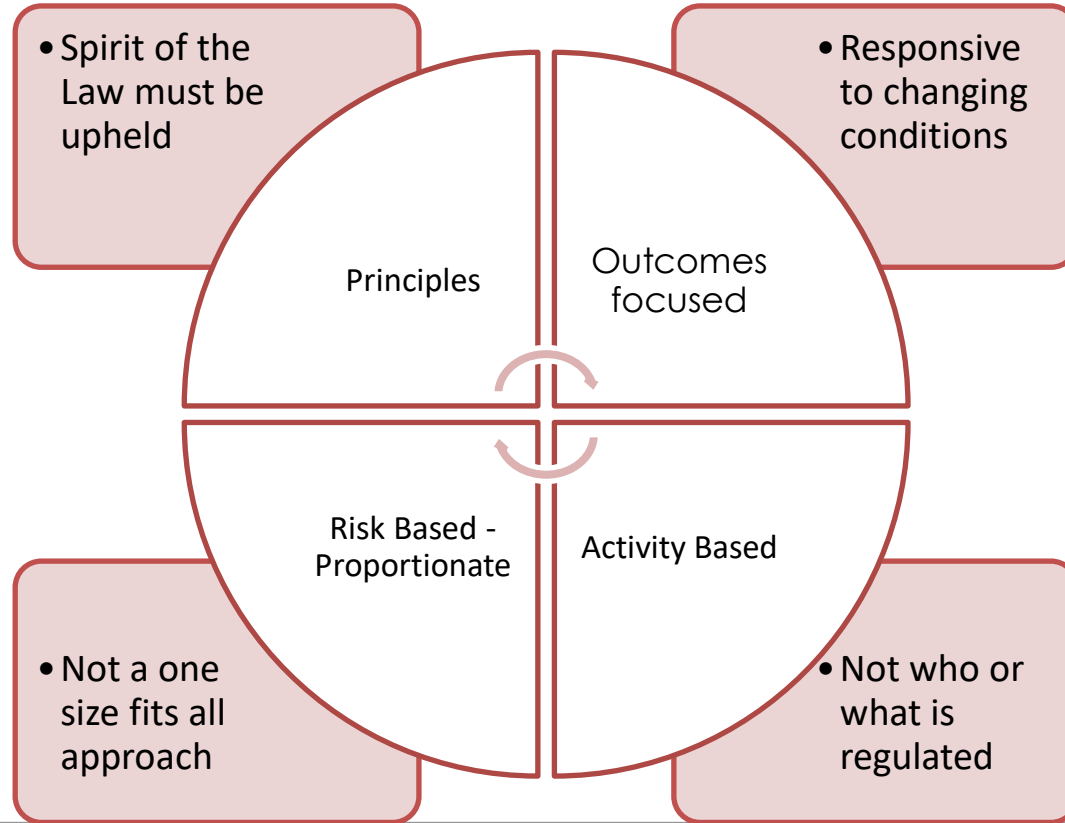
Exemptions

Conduct Standards

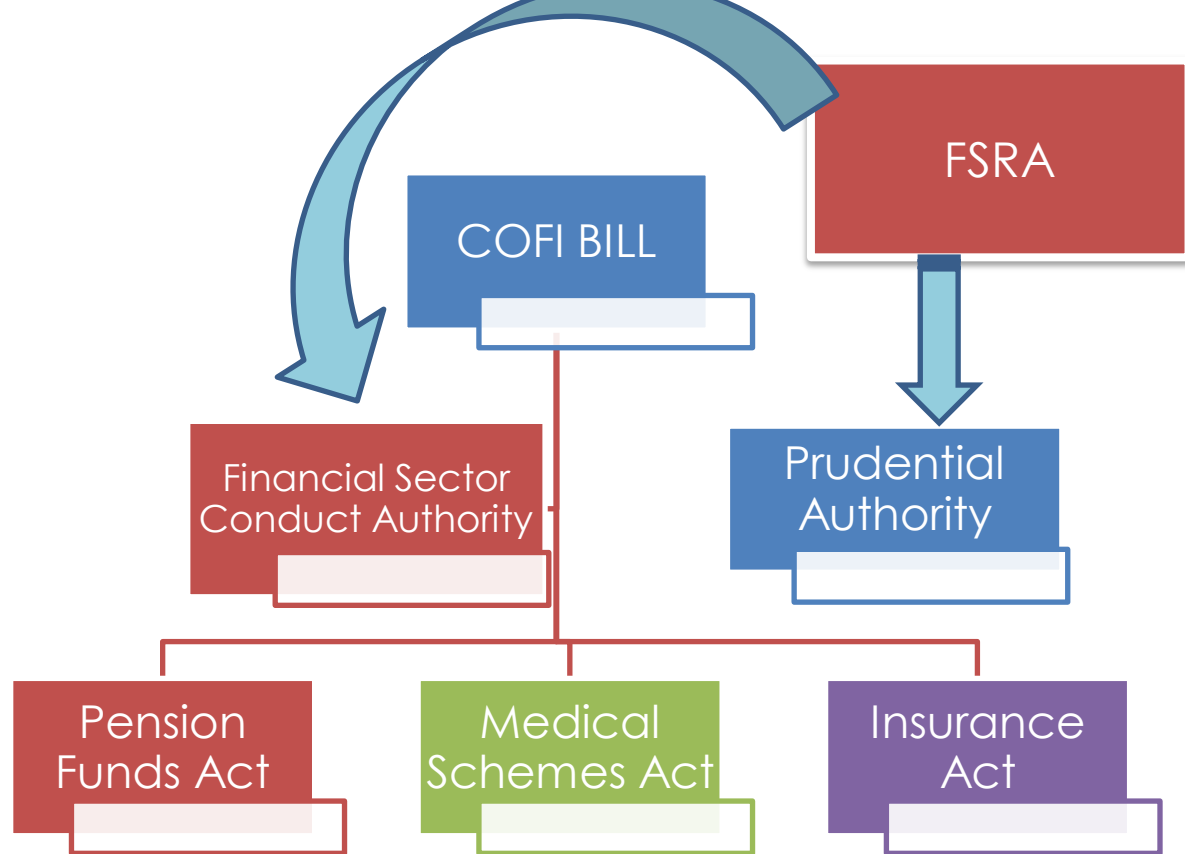
Remuneration

Implementation

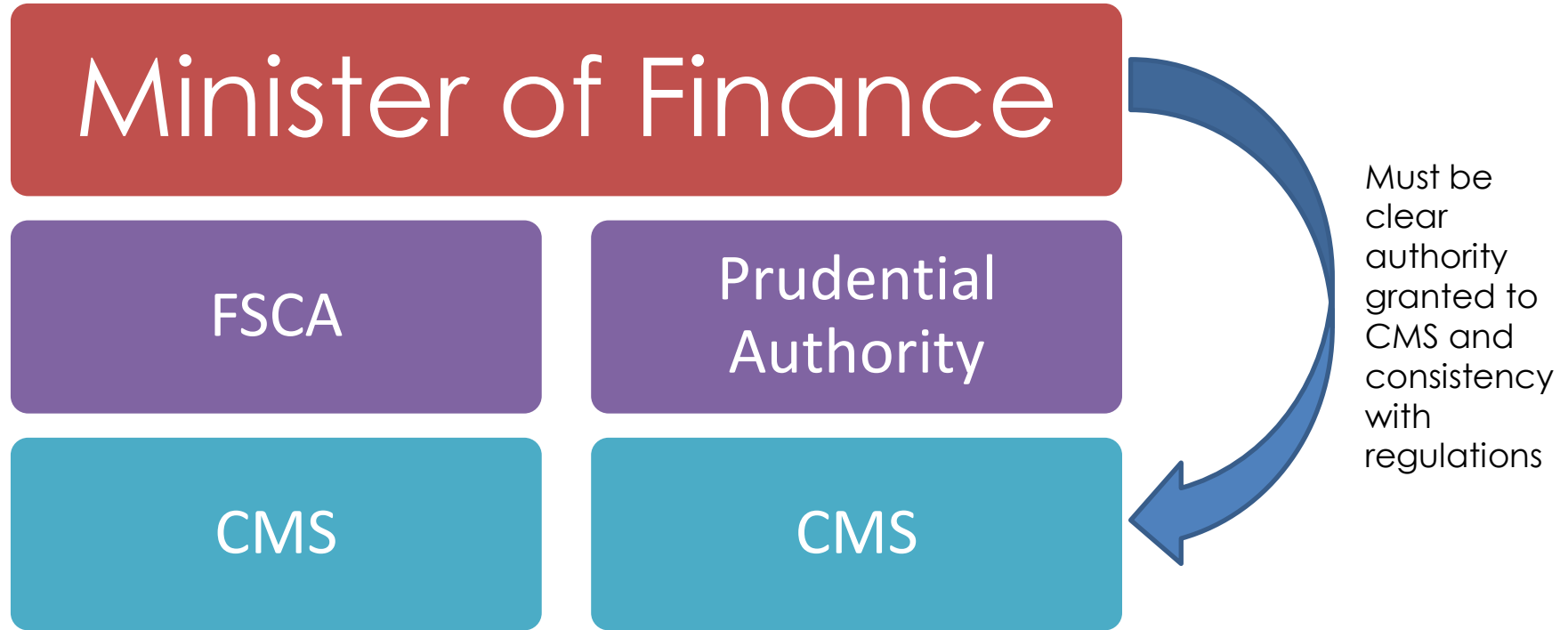
COFI BILL



Hierarchy with MSA



Hierarchy with MSA: Section 291 of the FSRA



Key Definitions

Financial Service

- “offering, promoting marketing, advice, managing e.t.c”
- Includes medical Scheme
- Includes Administrators

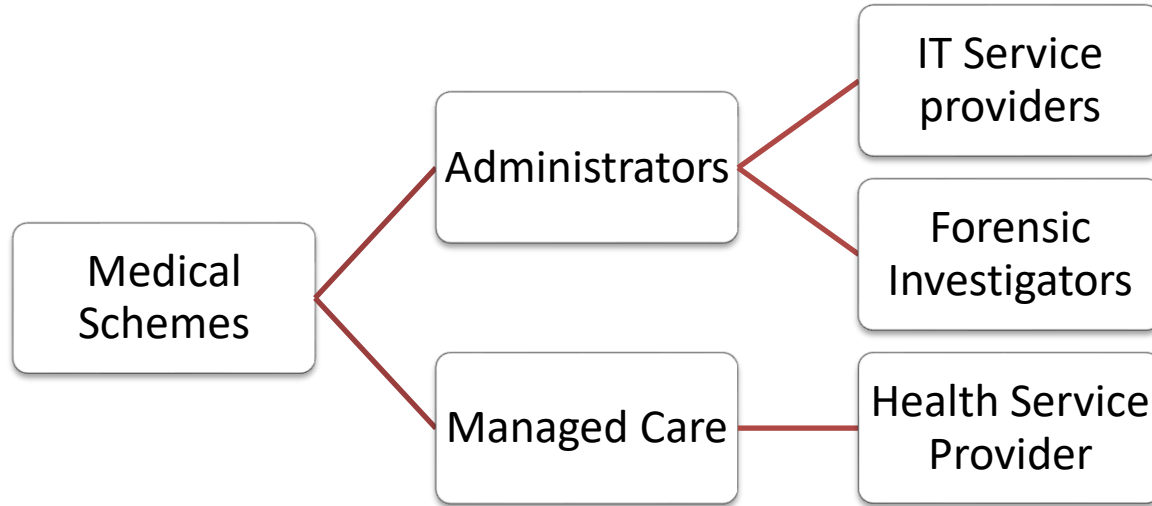
Financial Institution

- “financial service or product provider”
- Includes medical Scheme
- Includes Administrators

Financial Products

- Includes benefits offered by medical schemes

Outsourcing



- Anyone who has outsourced a service with a financial institution must be licensed

Licensing

Case by case
basis

Relate to
unique
position

Scope & size
of business

Oversight on
contractual
arrangements

Review on
MOI

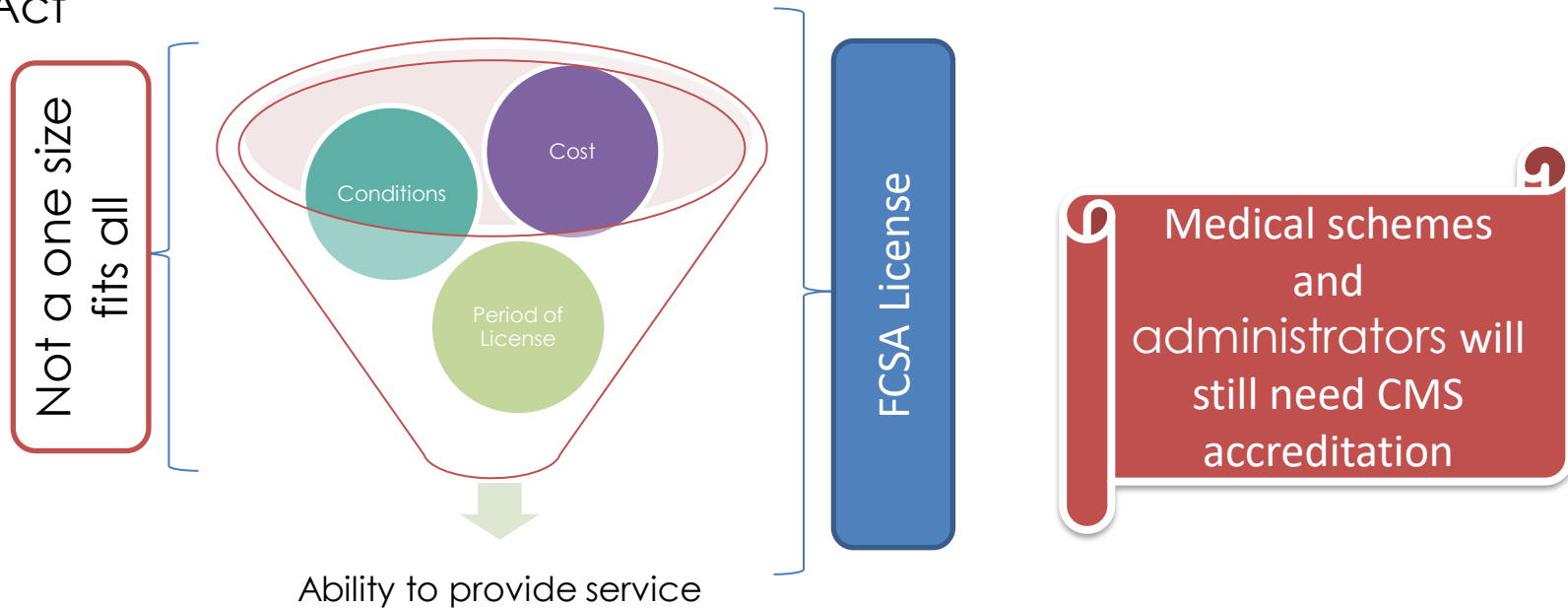
Limiting fees &
remuneration

Ensure TCF is
upheld

Limit value &
benefits on
contracts

Licencing

- Medical schemes & administrators will need to be licensed under the COFI Act
- The FCSA will oversee licensing and may exempt financial institutions from the Act



Outcomes focused: TCF



Exemptions

Broad Principles

- Enhance & Support efficiency and integrity of financial markets
- Protect consumers
- Maintain financial stability

Exemption from COFI Act

- May be granted to all medical schemes and administrators
- Only allowed if another regulator exists (CMS)

Partial Exemption from COFI Act

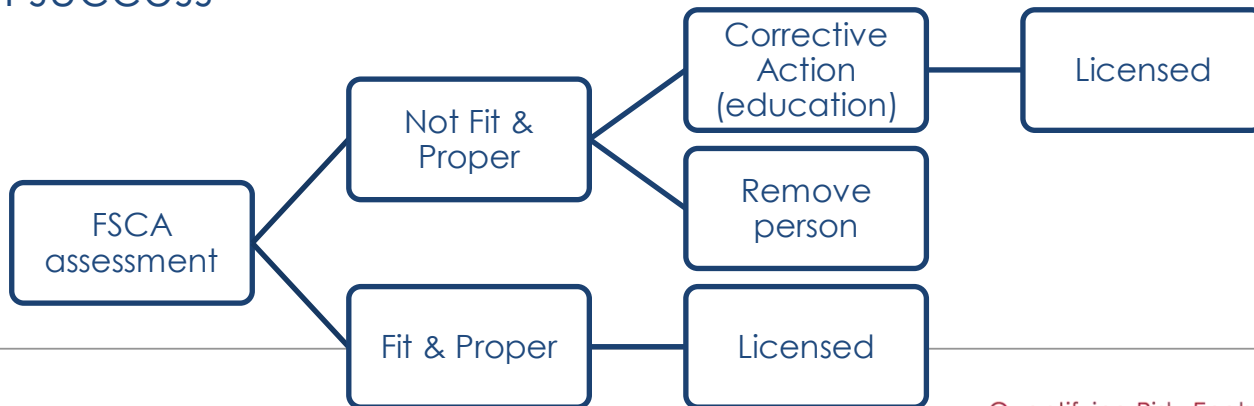
- Allowed were the Act is considered too onerous
- Playing field for schemes may not be the same

Governance

- Similar to MSA
- COFI states that the provisions in the Bill will complement any other relevant legislation

Fit & Proper Requirements

- Similar to MSAB
- Key persons are required to be suitably qualified with evidence of some exam success



Conduct Standards

TCF principles

Oversight on
scheme &
Administrators

Still in
development
phase

Affect multiple
parties
(brokers)

Remuneration

- Promotes fair remuneration of contractors, service providers and representatives
- Remuneration must be reasonable commensurate with activity & service performed
- Contracts must not increase risk to beneficiaries, lead to service being remunerated twice

Health Service Providers ? DSP arrangements

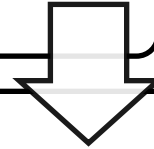
- Quality of care?
- Outcomes?

Administrators / Managed Care / Other Service Providers

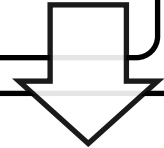
- Measuring quality / quantity of service
- Overlap of contracts

Demarcation

Demarcation Regulations; Short-term and Long-Term Insurance Acts

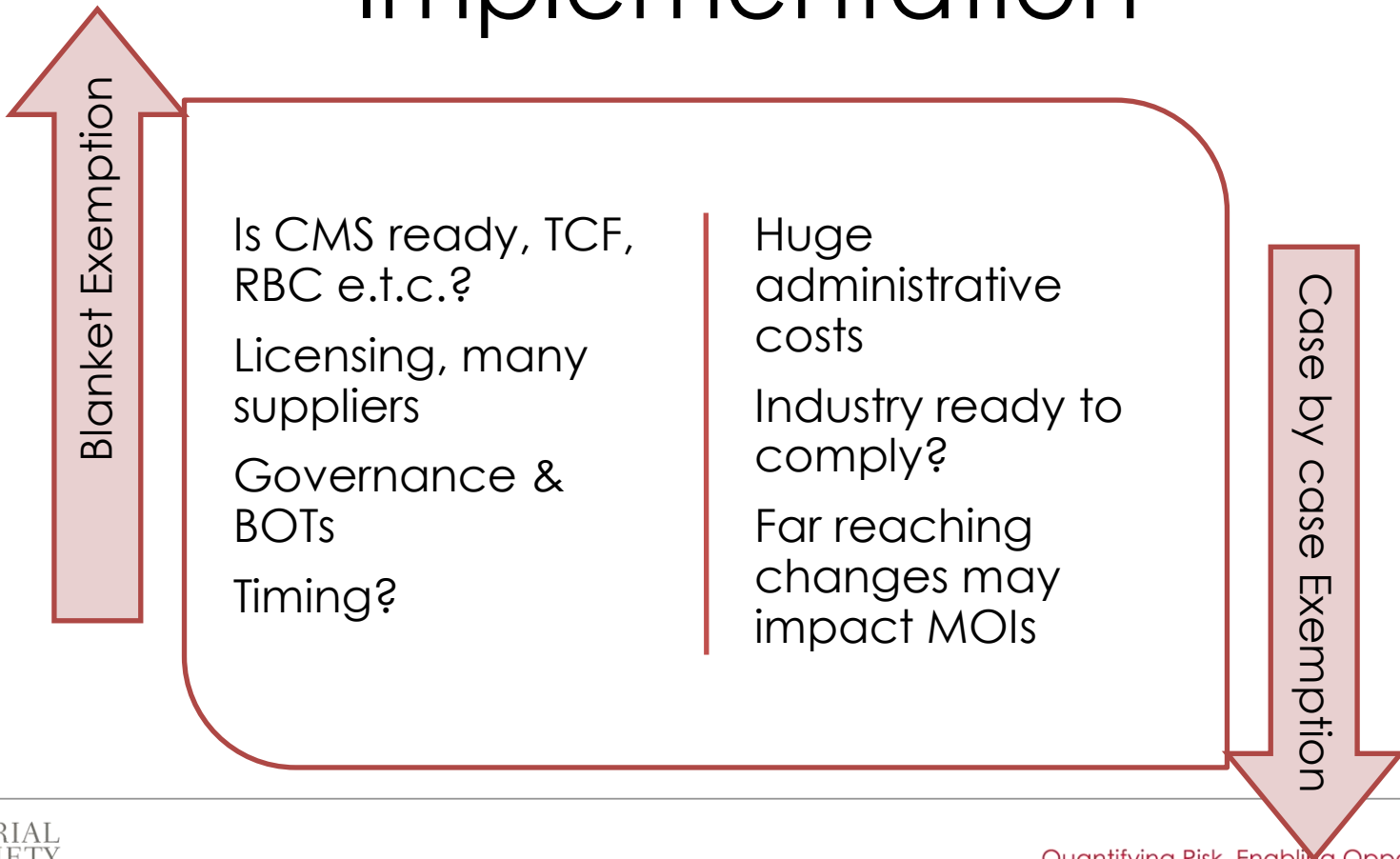


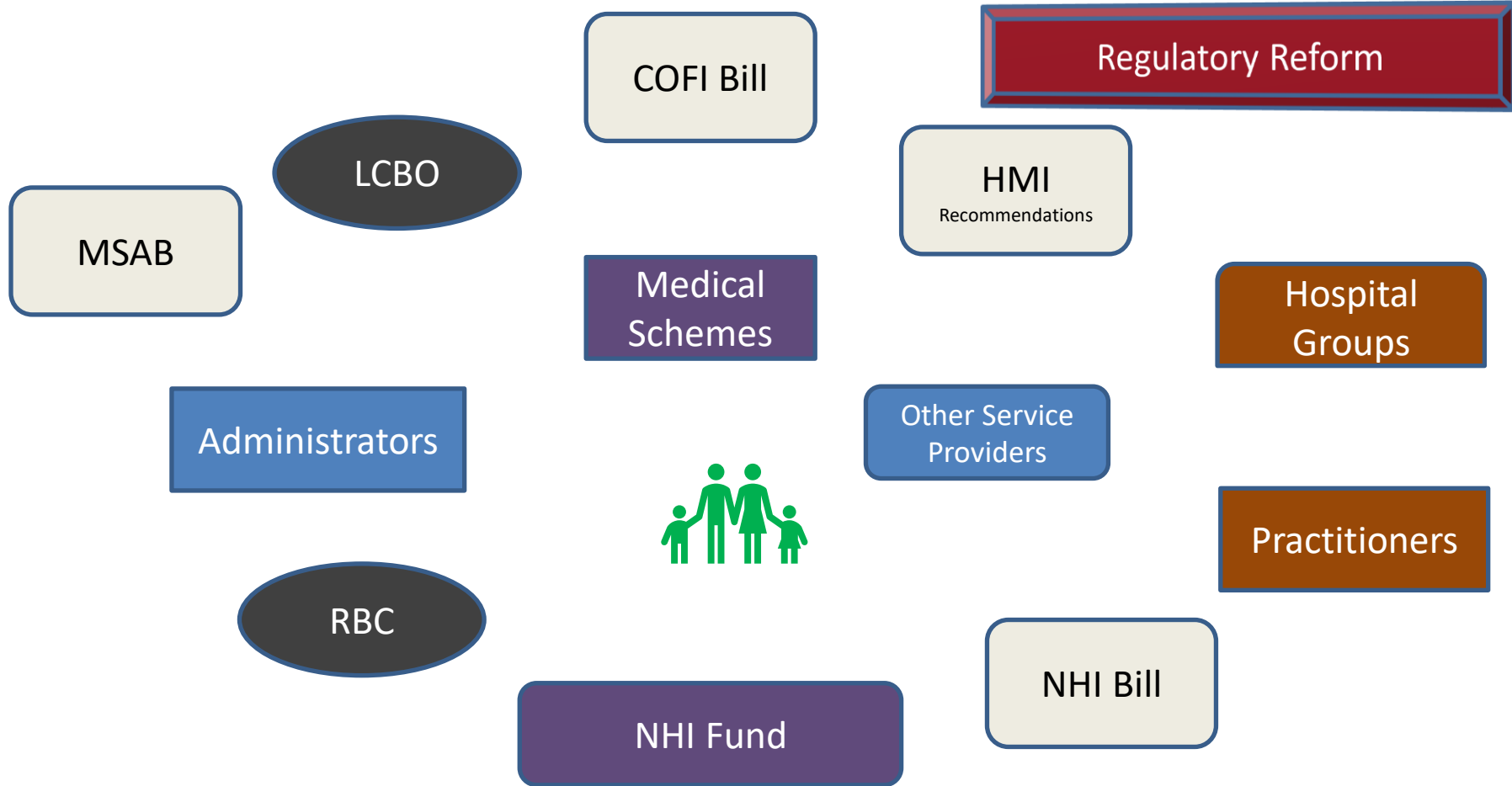
COFI Bill: Repealing these Acts



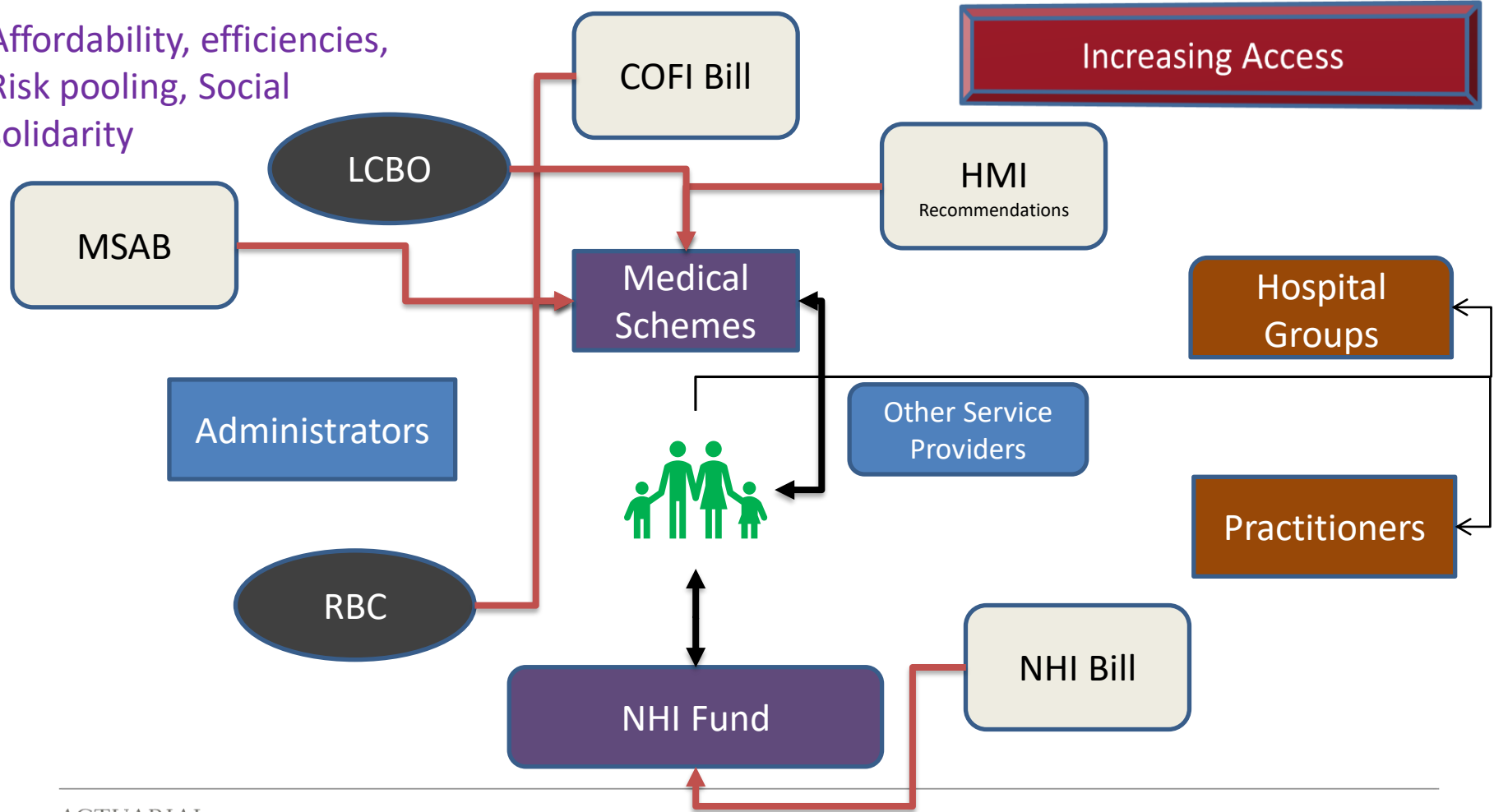
Ensure that the demarcation regulations are carried through Insurance Act

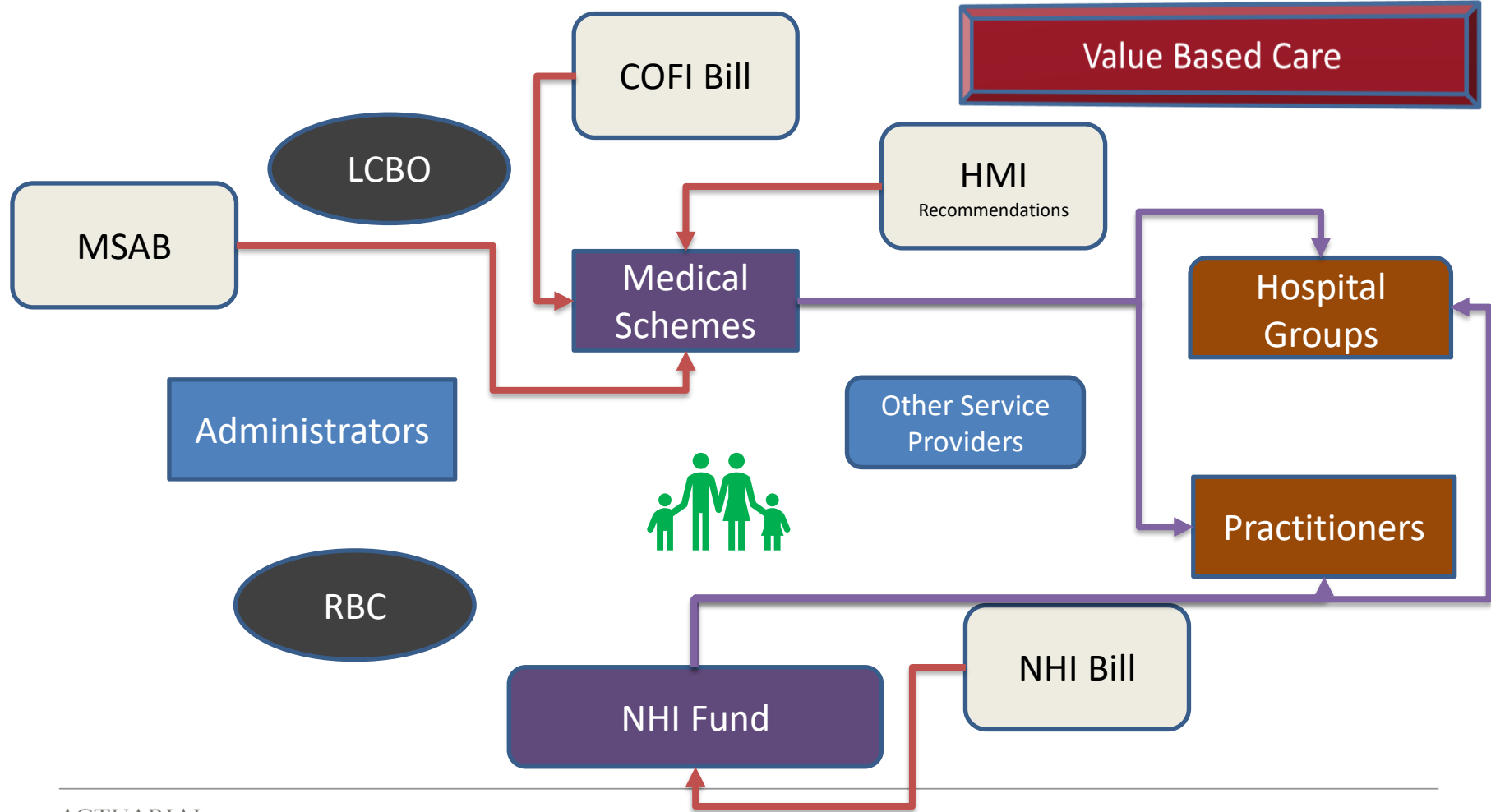
Implementation

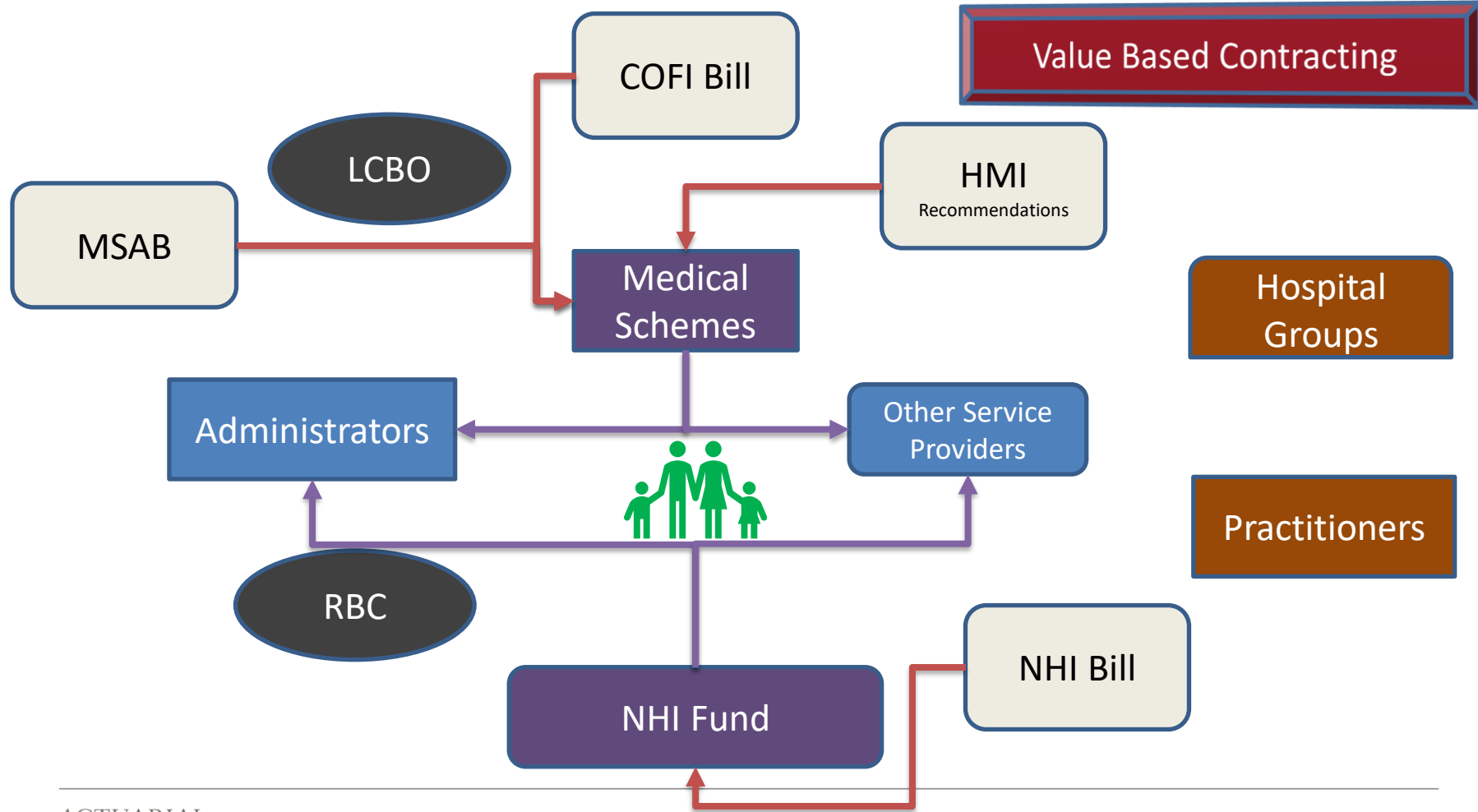


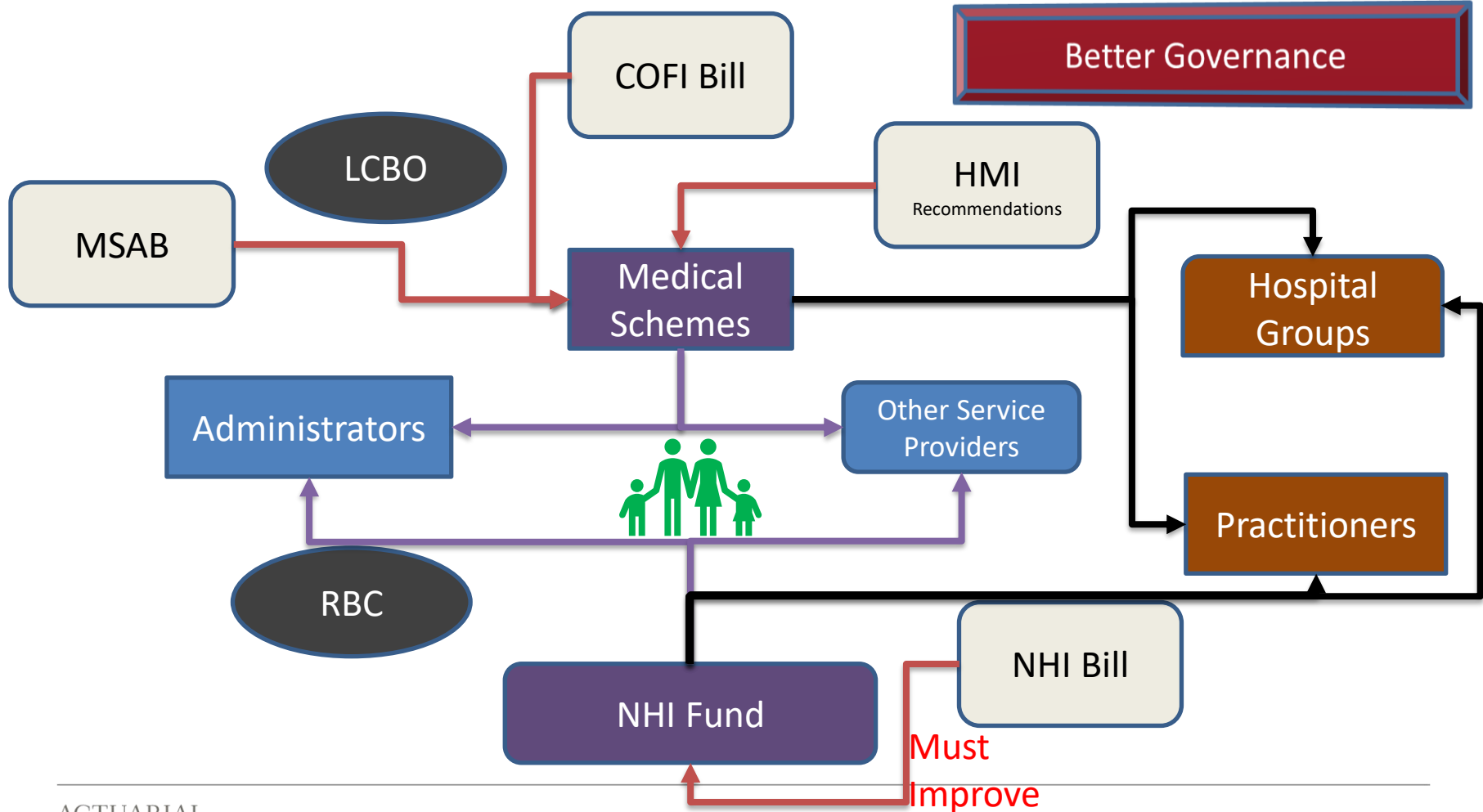


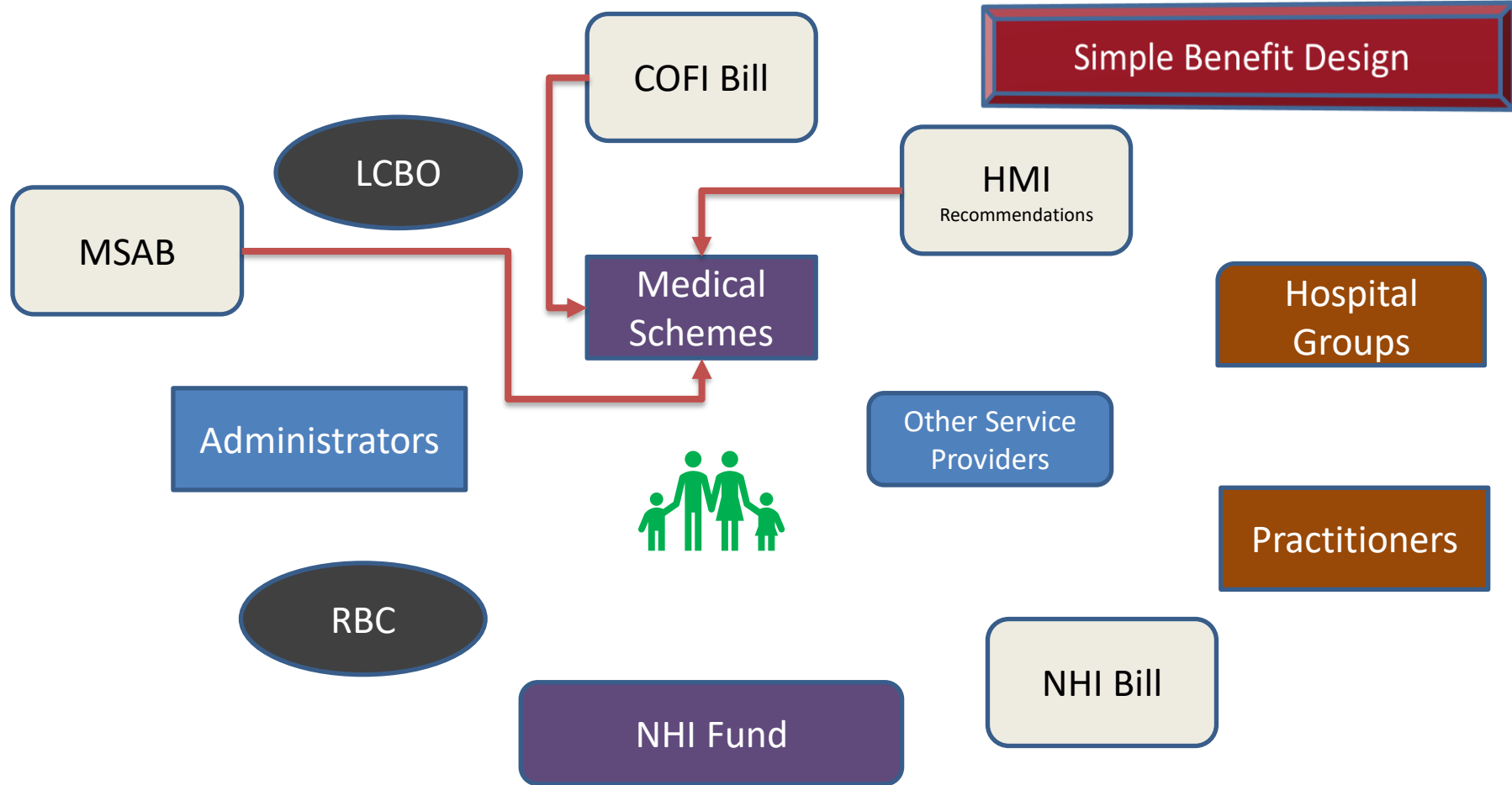
Affordability, efficiencies,
Risk pooling, Social
solidarity

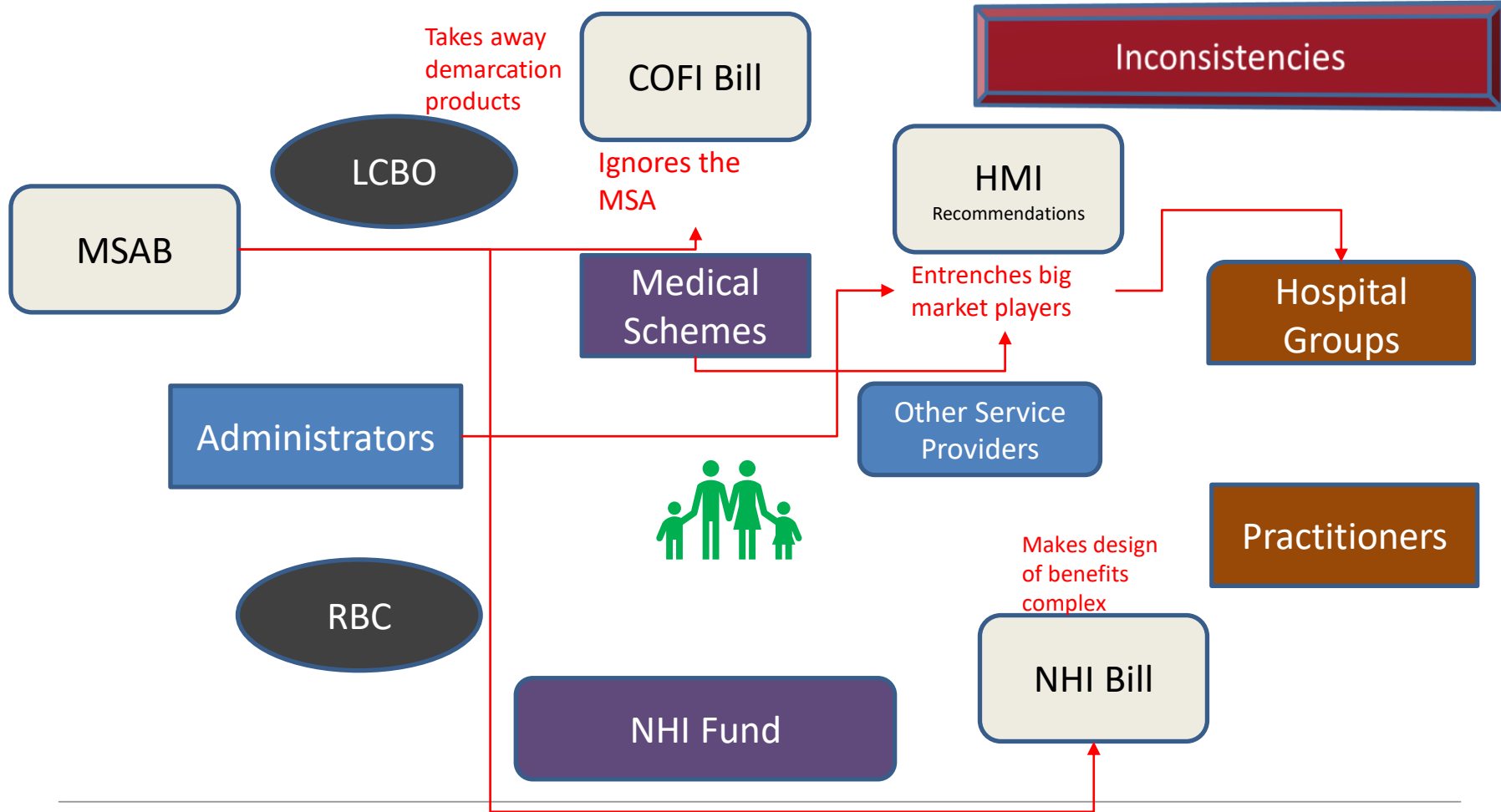














Quantifying Risk, Enabling Opportunity.

Thank You

Presentation Name: File

Author: Name Surname

Date: dd/mm/yyyy

Version: v0.0