

Liberty Medical Scheme maintains stability despite adverse market environment

Liberty Medical Scheme (LMS) consolidated its position as one of the top schemes in the country during the 2010 financial year, the Scheme revealed at its Annual General Meeting.

According to LMS's Executive Principal Officer, Andrew Edwards, the Scheme has showed strong resilience in a relatively adverse market environment as 2010 was a challenging year for the medical aid industry.

"LMS increased its membership significantly, year on year with the merger with Medcover taking effect. Although a slight overall drop off took place during the year due to GEMS and other market forces, last year's merger with Medcover also provided us with additional reserving which positions us well for the future challenges of private healthcare in our country," says Edwards.

Furthermore, the Scheme has also reduced its administration costs for the fourth year running, below market norms, to ensure that members have access to quality healthcare without being overburdened with additional costs. Edwards adds, "The Scheme's solvency ratio is above the regulated 25%, currently 28%, which puts the business in the right position to pursue other opportunities and refine its product offering. Plans are underway to further improve our benefit offering to members and one of the key elements that we will be looking at is our pricing strategy."

LMS monitors its client service mechanisms very closely to ensure that the business keeps abreast with changes in the industry, especially from a legislative point of view. The implementation of the Consumer Protection Act (CPA) in April 2011 will have an impact on how medical aid schemes service their clients, however, LMS is ensuring that it adheres to this important development.

According to Edwards, the Scheme faced some unique challenges in 2010, but showed remarkable resilience in the face of adversity. Financially, the Scheme has never been more stable and has its eye firmly set not only on retaining its current membership base, but increasing the customer base as well.

The Scheme has put in place a streamlined Governance structure which saves on non-healthcare costs, while ensuring a strong commitment to good corporate governance practices. All the Trustees are members of the Scheme and every decision is taken with the members' best interest in mind.

<http://www.insurancegateway.co.za/HealthcareConsumers/PressRoom/ViewPress/Irn=4065&URL=Liberty+Medical+Scheme+maintains+stability+despite+adverse+market+environment>