



RULINGS ISSUED BY THE OFFICE OF THE REGISTRAR

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K v Medihelp Medical Scheme

Termination of membership due to non-disclosure

The complainant lodged a complaint against Medihelp Medical Scheme (“the Scheme”) following its decision to terminate her membership on the grounds of alleged non-disclosure of material information. The Scheme alleged that the complainant failed to disclose her medical history and that this failure, compromised its ability to accurately assess the risk undertaken and its entitlement to apply waiting periods as permitted by the Medical Schemes Act.

The complaint argued that her treating doctor’s report made no mention of any chronic condition, in contradiction to the Scheme’s contention that she failed to disclose such relevant information. She further complained about the Scheme’s post-termination payment demands, which were inconsistent and made without providing clear proof of payments made to service providers.

The complaint was referred to the Scheme for its response as envisaged in Section 47(1) of the Act.

In its response to the complaint, the Scheme advised that it routinely investigates funding requests relating to chronic medicines, hospital admissions and major medical procedures that are submitted within the first 12 months of membership. According to the Scheme, this is done to identify potential non-disclosure of material information. It further indicated that medical records from the complainant’s doctor revealed prior treatment for anxiety disorder, reflux, and iron deficiency, which were not disclosed in the complainant’s application for membership submitted in May 2024.

The Scheme further revealed that the complainant had previously been enrolled on a different membership between January and April 2024, and that these medical conditions were previously declared. However, she subsequently reapplied for membership and in the new application, failed to disclose her pre-existing conditions. It was argued by the Scheme that each new membership application is treated as a separate and independent contractual agreement which requires full disclosure of information, including any information previously disclosed. It was based on this omission that the Scheme resolved to terminate the membership effective 1 June 2024.

Regarding her failure to disclose the medical conditions which she had previously disclosed in prior membership applications, the complainant acknowledged this fact and stated that she initially disclosed the conditions as she thought they were conditions. However, in the current application, she argued that she did not disclose same because her treatments were once off incidents. She also conceded that the application form did call for full disclosure of all diagnoses and treatments, both acute and chronic.

In defence of its decision, the Scheme cited Section 66(1)(d) of the Act which stipulates that it is an offence for any person who has *“knowledge of any fact or the occurrence of any event affecting his or her right to receive any benefit in terms of the rules of a medical scheme, and who fails to disclose such fact or event to the medical scheme with the intent to obtain from the medical scheme a benefit to which he or she is not entitled or a larger benefit than that to which he or she is entitled”*

The Scheme further relied on Section 29(2)(e) of the Act, which entitles a medical scheme to cancel or suspend the membership of any person on the grounds of *“non-disclosure of material information”*.

Following the termination of complainant’s membership, the Scheme reversed all claims paid under the void membership and commenced debt recovery, informing the complainant of an outstanding balance of R19,508.45. The complainant’s argument that she was unaware of the need to re-declare previously disclosed conditions was rejected, as this duty is an explicit requirement under both contract law and insurance laws.

In conclusion, the Registrar found that the Scheme’s termination of membership and related recovery of funds were consistent with the Act and legal principles governing contracts rendered void *ab initio* due to material non-disclosure. The complaint was therefore dismissed.