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2026 Annual General Meeting Agenda

Date: 26 June 2026 at 12h00

Venue: Arrebusch Travel Lodge and Zoom

Meeting ID: 824 9193 4058

Password: 008093



*Please register at https://bit.ly/2026_NMC_AGM or simply scan the QR code to join the Zoom meeting.

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METHEALTH NAMIBIA
ADMINISTRATORS



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1. Agenda

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| 7. Approval of the Annual Financial Statements for the year ended 31 December 2025 | Chair |
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2. BOARD OF TRUSTEES/AUDITOR/ACTUARY INVESTMENT CONSULTANT-2025

- Board of Trustees- **Chairperson:** A. Emvula, **Vice-Chairperson:** Dr. H. du Toit, **Trustees:** Dr. L. Namoloh, K. Nghishitende, J. Iiyambula
- Principal Officer:** B. Nandago (Acting)
- Auditor: EY
- Actuary: i3 Actuaries
- Investment Consultant: i3 Actuaries and Consultants

3. 2025 AGM Minutes

Minutes of the Annual General Meeting held on Friday, 20 June 2025, as a hybrid meeting via Zoom and at Avani Hotel, 12:00

Present

The Chairperson, Mr. Mark Späth, 76 members present in person, 17 proxies in person, collectively representing 787 members, and 30 members attending online.

Officials in Attendance

M Späth	Chairperson of the Board	C van der Merwe	Methealth Namibia Administrators
H du Toit	Trustee	D van Wyk	Ernst & Young Namibia
A van Wyk	Trustee	M Mungeyi	Actuaries
J Crossman	Principal Officer	B Ireneus	Actuaries
B Nandago	Fund Manager	K Crous	Investment Consultant
L van Wyk	Office Manager	Taara Shaanika	Namibia Asset Management
Z Izaaks	Patient Care Coordinator	S Tjiuro	NAMAF
F Amulungu	Methealth Namibia Administrators	E Gariseb	NAMFISA
J Husselmann	Methealth Namibia Administrators	O Kaapama	NAMFISA
B Venter	Methealth Namibia Administrators		

2.1 Opening and Welcome

The Chairperson, Mr. Mark Späth, welcomed the Trustees, members, the Fund's service providers, the Investment Consultant, Actuaries, Auditors, Administrator, and representatives from NAMFISA and NAMAFA to the meeting.

2.2 Constitution of the Meeting

The Principal Officer, Ms. Jo-Anne Crossman, confirmed that 23 members attended online, 67 members were present in person, and 6 proxies represented 211 members. The stipulated quorum requirements were met and the Principal Officer confirmed that the meeting was duly constituted.

The members took note.

2.3 Approval of the 2024 AGM Minutes

The minutes were approved by the members.

2.4 Chairperson's Report

The Chairperson of the Board of Trustees, Mr. Mark Späth, presented the report for the 2024 financial year, highlighting a period of significant strategic progress, financial recovery, and renewed governance at NMC.

He reaffirmed NMC's commitment to building a resilient and responsive medical aid fund, guided by its mission to provide members with access to private healthcare and its vision to create long-term sustainable value for members' healthcare needs.

Strategic and Governance Developments

In 2024, the Board of Trustees underwent a structured election process, resulting in the introduction of new leadership while maintaining crucial continuity. The Chairperson informed members that, alongside himself and the Vice-Chairperson, Ms. Aune Emvula, the Board welcomed Ms. Kauli Nghishitende, Ms. Chantelle Katjiukua, and Ms. Anthea van Wyk.

The Board embarked on a refreshed Strategic Plan for the period 2024-2026, focusing on the following key areas:

- Financial sustainability, particularly in response to the high claims utilisation experienced in 2022 and 2023;
- Stakeholder engagement to reinforce alignment with the evolving needs of members; and
- Innovation, aimed at enhancing operational efficiency and improving service delivery to members.

Operational Highlights

The Chairperson noted that one of the encouraging operational outcomes in 2024 was a 2.29% improvement in the average age of new members, from 35.43 years in 2023 to 34.8 years in 2024. This positive demographic shift contributes to strengthening the long-term risk pool balance and supports the Fund's broader objective of sustainability.

Financial Performance

NMC delivered a robust financial recovery in 2024. Total insurance revenue increased to N\$2.13 billion from N\$1.88 billion in 2023. This growth was primarily driven by member contributions, with investment income contributing N\$59 million, compared to N\$43 million in the previous year.

Despite an increase in insurance service expenses to N\$2.19 billion from N\$1.93 billion in 2023, and a modest rise in administration fees to N\$134.7 million, NMC posted a surplus of N\$295 million, a substantial improvement from N\$56 million in 2023.

The reserve fund strengthened significantly to N\$742 million, elevating the reserve level to 34.8%, well above the NAMFISA prudential requirement of 25%. In parallel, the solvency ratio increased to 43.13%, up from 32.43% in the prior year, reflecting NMC's firm commitment to financial soundness and long-term sustainability. These financial outcomes were independently confirmed by an unqualified audit opinion issued by Ernst & Young for the 2024 financial year.

Stakeholder Engagement

NMC significantly expanded its stakeholder engagement efforts to strengthen its connection with members, regulators, and the broader public. A multi-channel communication strategy was employed, including social media platforms, email communications, radio appearances, and educational outreach events. These initiatives aimed to ensure the timely dissemination of information, promote transparency, and foster trust and collaboration with all key stakeholders.

Looking Ahead

The Chairperson stated that the Fund's strategic priorities will remain focused on long-term sustainability, steadier contribution increases, and advancing innovation-driven digital initiatives to improve service delivery. In anticipation of the Financial Institutions and Markets Act (FIMA) implementation and ongoing regulatory developments from NAMFISA, the Chairperson further highlighted the need to expand NMC's office structure to accommodate new specialised roles and responsibilities aligned with emerging compliance and operational demands.

Closing Reflections

The Chairperson concluded by noting improved key performance indicators and the Fund's strengthened financial position, demonstrating the dedication of the NMC team and the resilience of its members.

He acknowledged the rapidly evolving healthcare landscape, particularly with the emergence of artificial intelligence and digital technologies, and expressed confidence that NMC is well-positioned to lead with innovation, transparency, and purpose.

On behalf of the Board of Trustees, Mr. Späth extended sincere gratitude to all members, partners, and staff for their trust and collaboration throughout this transformative year.

Members noted.

2.5 Administrator's Report

Mr. Florian Amulungu reported that in 2024, Namibia's medical aid industry continued to face significant challenges driven by rising healthcare costs, economic pressure, and evolving member needs. Despite these challenges, the Fund demonstrated resilience, guided by sound governance, innovation, and commitment to member well-being.

He highlighted that preventive health, digital engagement, and mental wellness gained momentum, with all strategic initiatives aligned to support these emerging priorities. Regulatory oversight remained robust, emphasising sustainability and financial strength, with full compliance maintained by the Fund.

Mr. Amulungu expressed gratitude to the Board of Trustees, members, and service providers for their continued trust and collaboration. He emphasised their commitment to building on the progress made in 2024 and delivering even greater value in the coming year.

The members took note.

2.6 Executive Review by the Actuary

Ms. Mweneni Mungeyi from i3 Actuaries presented the Actuarial Report for the 2024 financial year. She highlighted that the Fund closed the year in a strong financial position, achieving a solvency ratio of 34.8%, which exceeds the NAMFISA prudential requirement of 25%. This represents a significant recovery from the low solvency ratio of 23.7% recorded in 2023.

In 2024, the Fund benefited from lower-than-expected claims and strong investment returns, which contributed to a robust operating and net surplus. Membership increased by 3.2%, reaching 34,124 principal members by year-end. While this membership growth supports the Fund's long-term sustainability, the importance of attracting younger and healthier members was noted to maintain a stable risk pool and manage solvency pressures effectively.

Contribution increases were 9.90% for 2024 and 3.25% for 2025, driven by tariff adjustments, utilisation trends, and benefit changes. For 2025, the Fund projects an operating profit of N\$181 million and anticipates a solvency level of 38.09%, despite claims in the first quarter exceeding the budget by 2.17%.

Ms. Mungeyi highlighted that ongoing efforts to contain rising claims continue both at the Fund and industry levels. Contribution increases for 2026 are expected to align with medical tariff inflation, subject to no unforeseen events impacting costs.

The members took note.

2.7 Investment Overview by the Investment Consultant

Mr. Kobus Crous, Investment Consultant (i3 Actuaries and Consultants), presented an overview of the Fund's assets invested across several portfolios, namely Namibia Asset Managers, Sanlam Investment Managers, Old Mutual, and M&G.

Given the ongoing political and economic uncertainties, Mr. Crous cautioned that the markets are expected to experience a volatile year ahead.

Members noted.

2.8 Notification of the Draft Annual Financial Statements 31 December 2024

The Chairperson presented the draft financial report and highlighted key financial indicators for the Fund. Reflecting on the past, he explained that three years ago, the reserve ratio stood at 38% but had dropped substantially due to the impact of COVID-19 and the broader challenges faced by the medical industry.

NMC maintained a conservative management approach, and the Fund successfully restored reserves to above the Trustee-guided level of 30%. A similar upward trend was observed in the solvency ratio, which increased from 32% to 43% over the same period. From a surplus perspective, the Fund posted a net surplus of N\$295 million in 2024, a significant turnaround compared to losses incurred over the previous three years and evidence of a clear recovery. Mr. Späth also noted that the planned premium increases for the following year are expected to be well managed, assuming stable interest rates and inflation.

Members noted.

2.9 Approval of the Trustee Remuneration

Mr. Ben Nandago, NMC Fund Manager, informed members that the proposal on page 31 of the meeting pack contained an error and presented the revised fees, adjusted based on the Namibian Consumer Price Index (NCPI) of 3.4% as of 31 December 2024.

He provided an overview of Board fees within the industry, highlighting that NMC's proposed fees are well aligned with market standards. Mr. Nandago informed members that the Trustees proposed moving to an hourly remuneration model for Trustee meetings going forward. The intention was to ensure fairness and accuracy, and to compensate Trustees for the actual time spent rather than paying a fixed blanket fee.

Mr. Nandago noted that a standard Board meeting usually lasts approximately four hours, while Committee meetings typically last one to two hours. Under the new fee proposal, remuneration would be paid only for the actual hours spent, and for meetings extending beyond the standard hours, the hourly rate would also apply to the additional time.

Mr. Nandago explained that, on average, the Fund holds four to five Trustee meetings per year, and two to three Committee meetings per year. The proposed hourly rates were presented as follows:

- No increase in Trustee fees following high claims utilisation for 2023 or 2024
- Adjustment by NCPI for 31 December 2024 - 3.4%
- Adjustment to an hourly rate to compensate for preparation time and fair remuneration; more payment for a longer meeting, less payment for a shorter meeting.

2025 NMC Proposed Trustee Fees	
Board of Trustees Meeting	
Chairperson	N\$1,331.97/hour
Vice-Chairperson	N\$926.72/hour
Trustee	N\$926.72/hour
Sub-Committee Meeting	
Chairperson	N\$1,331.97/hour
Vice-Chairperson	N\$926.72/hour
Trustee	N\$926.72/hour
Advisory Committee	
Chairperson	N\$1,331.97/hour
Vice-Chairperson	N\$926.72/hour
Trustee	N\$926.72/hour
Other	
Monthly retainer	N\$1,852.43 (Advisory Committee only)
Day-long sitting fee (i.e. strategy session, etc.)	BOT sitting fee/hour
Travelling rate per kilometre	N\$6.50
Local travel subsistence allowance	N\$1,242 per day
International travel subsistence allowance	N\$1,242 per day

Members noted and approved the hourly rate remuneration for the Trustees as presented.

2.10 Other Matters

Member Enquiry

The Principal Officer acknowledged the question submitted by a member regarding the benefit of full lifetime costs associated with cochlear or bone-anchored hearing implants. She confirmed that the matter would be addressed during the Benefit Design Meeting scheduled later in the year, and that feedback would be provided directly to the member. She further informed members that all questions raised in the meeting would be published on the Fund's website with corresponding answers for members' reference.

Special General Meeting

The Annual Financial Statements for 2024 were circulated to members for notification and not for approval. The Principal Officer explained the transition from IFRS 4 to IFRS 17 in 2024, which resulted in the removal of reserves from the statements. However, under the Medical Aid Funds Act of Namibia, funds remain obligated to inform members about their reserves.

While NMC implemented IFRS 17, the Regulator raised concerns regarding compliance with the Medical Aid Funds Act. Following consultations with relevant stakeholders and the Regulator, it was agreed not to retract the previously approved financial statements, but instead to issue a supplementary note, which would be submitted to the Public Accountants and Auditors Board for approval.

The financial statements were due to be submitted to NAMFISA by 30 June 2025, but an extension to 30 September 2025 was granted. The Principal Officer confirmed that the values in the Annual Financial Statements remained unchanged, and that only the supplementary note would be added.

Members were requested to endorse the convening of a Special General Meeting (SGM) on 15 August 2025 for approval of the final Annual Financial Statements. The Fund confirmed that appropriate notices would be shared with members and that the final statements would be made available prior to the meeting.

Members noted and approved the Special General Meeting to be held on 15 August 2025.

2.11 Trustee Election Results

Mr. El-Seko Uisso of Deloitte Namibia presented the voting summary for the Trustee elections. Electronic voting was conducted via the Election Buddy platform, commencing on 4 June and concluding on 18 June 2025.

A total of 3,212 successful votes were recorded, compared to 3,670 votes cast in 2024. Of the 85,135 emails sent to members, 9,331 were undelivered for reasons to be further investigated. Additionally, 41 members completely opted out. Email notifications were sent three times during the election period, once at the beginning and twice as reminders.

Statistics also showed that 9,446 members opened the ballot but did not vote. Challenges identified during the election process included missing or incorrect member information, the possibility that some members were unaware of the Trustee elections or the nominees, and the duration and timing of the election potentially affecting voter participation.

Elected Trustees were presented as follows:

1. Elected Trustee: Aune Emvula, for the Asset/Investment Knowledge category, with 1,638 votes.

Other nominees:

- Mark Späth with 793 votes
- Tiaan Bazuin with 367 votes

2. Elected Trustee: Lea Annabel Namoloh for the Human Resources Knowledge category with 1,093 votes.

Other nominees:

- David Uushona with 992 votes
- Gisela Lesar with 768 votes

The members took note.

2.12 Closing

Mr. Mark Späth extended best wishes to the elected Trustees in leading NMC to new heights. He also expressed appreciation to members for their participation and attendance at the meeting.

The Principal Officer thanked the outgoing Chairperson, Mr. Späth, for his dedicated service and leadership to NMC, and wished him well in his future endeavours.

There being no further matters for discussion, the meeting was formally closed.

APPROVED AT THE ANNUAL GENERAL MEETING HELD ON _____

Mark Späth
Chairperson

4. 2025 SGM Minutes

Minutes of the Special General Meeting held on Friday, 15 August 2025, hybrid meeting via Zoom, at Hotel Furstenhof, 12:00.

Present

The Chairperson, Ms. Aune Emvula, 21 members present in person, 15 proxies in person – collectively representing 240 members, and 21 members attending online.

Officials in Attendance

A Emvula	Chairperson of the Board
H du Toit	Vice Chairperson
A van Wyk	Trustee
J Crossman	Principal Officer
B Nandago	Fund Manager
L van Wyk	Office Manager
Z Izaaks	Patient Care Coordinator
F Amulungu	Methealth Namibia Administrators
J Husselmann	Methealth Namibia Administrators
B Venter	Methealth Namibia Administrators
C Van Der Merwe	Methealth Namibia Administrators
D Van Wyk	Ernst and Young Namibia
M Mungeyi	Actuaries
B Ireneus	Actuaries
Taara Shaanika	Namibia Asset Management
S Tjiuoro	NAMAF
E Gariseb	NAMFISA
O Kaapama	NAMFISA

3.1 Opening and Welcome

The Chairperson, Ms. Aune Emvula welcomed all present and reminded attendees that the Fund had its Annual General Meeting on 20 June 2025 where members were requested to endorse the convening of this Special General Meeting (SGM) on 15 August 2025 for the approval of the final 2024 Annual Financial Statements.

She emphasised that the financial statements not only reflect NMC's financial position and performance, but also portray accountability, transparency and commitment to the wellbeing of the members.

3.2 Constitution of the Meeting

The Principal Officer, Ms. Jo-Anne Crossman, confirmed attendance of 21 members online, 21 members present in person, and 14 proxies representing 236 members. The quorum requirements as stipulated were met and the Principal Officer confirmed the meeting duly constituted.

3.2.1 Notices for the 2025 Special General Meeting

The Namibian	10 July 2025
Email to all principal members	16 July 2025 - 4 August 2025
Social Media Platforms	11 July 2025 - 12,13 & 14 August 2025
The Republikein (Market Watch)	11 July 2025
Notices for downloads of pack	12 August 2025

3.3 Approval of the Annual Financial Statements 31 December 2024

The Annual Financial Statements were presented for notification, not approval, at the previous Annual General Meeting. This was due to the transition from IFRS 4 to IFRS 17 in 2024, which resulted in the removal of reserves from the statements, not considering that the Medical Aid Funds Act of Namibia required Funds to inform members about their reserves.

NMC implemented IFRS 17, but the Regulator raised concerns regarding its alignment with the provisions of the Medical Aid Funds Act. After consultations with relevant stakeholders, and the Regulator, it was resolved that the previously approved financial statements would not be completely withdrawn, but instead, a supplementary note would be prepared for approval by the Public Accountants and Auditors Board.

The Chairperson confirmed that the 2024 Annual Financial Statements were finalised, with a supplementary note to declare surplus/deficit and reserves, and that the statements were ready for approval.

The Chairperson presented the annual financial statement, covering comprehensive income, statement of financial position of the Fund, statutory income statement note, as per NAMFISA's requirements, and insurance service results showing a surplus of 294,791. She concluded by highlighting the Fund's closing balance of 740,161 as of 31 December 2024.

The members took note and approved the 2024 Annual Financial Statements.

3.4 Other Matters

The Principal Officer confirmed that no notices from members were received for discussion.

3.5 Closing

The Principal Officer thanked all members for attending. She informed the meeting that the newly elected Board of Trustees would review NMC's strategy in the beginning of 2026.

There being no further matters for discussion, the meeting was formally closed.

APPROVED AT THE ANNUAL GENERAL MEETING HELD ON _____

Aune Emvula
Chairperson

5. Chairperson's Report

Fellow members, trustees, stakeholders and guests,

It is my privilege to present the Chairperson's Report for Namibia Medical Care in respect of the 2025 financial year and to reflect on the Fund's position as we approach the next phase of its development.

Financial Performance

NMC concluded the 2025 financial year demonstrating strong financial stability. The audited annual financial statements confirm a statutory reserve level of **41.8%**, well above the regulatory minimum levels and comfortably ahead of the Fund's strategic solvency objective. The net revenue earned increased to **N\$2.225 billion**, when compared to the 2024 financial year, and the Fund generated a regulatory surplus of approximately **N\$190 million** for the year. The Fund's investment activities contributed positively, as the portfolio generated a **13%** return during the 2025 financial year.

Membership Growth

Membership growth remained encouraging. Principal members at year-end rose to **36,136** and total beneficiaries to **77,077**, as membership growth of approximately **4.0%** was achieved against a budget assumption of **2.0%**. By early 2026, NMC's market share stood at **36%**, reaffirming the Fund's central role in the Namibian medical-aid landscape.

Operational Progress

Operationally, the Fund continued to strengthen its service platform. Digital claims processing reached very high levels, online claims submission remained a key operating strength, and member-facing digital usage continued to expand. These achievements enhance convenience for members, strengthen administrative discipline, and provide a stronger foundation for cost management and fraud detection.

The Board recognises that financial strength alone is not sufficient. The central challenge remains the continued escalation of claims costs, particularly hospital expenditure, provider behaviour, and fraud-waste-abuse risks. The actuarial risk review confirmed that the 2025 claims experience exceeded budget, and the strategic review highlighted that while NMC is financially strong, it remains structurally exposed to cost pressures.

Strategic Priorities

Accordingly, the Board's focus has shifted from recovery to control, optimisation and sustainability. Key priorities include:

- tighter provider accountability,
- stronger clinical governance,
- improved option sustainability,
- enhanced prevention and behaviour-change measures,
- full regulatory readiness, and
- continued digital leverage.

These priorities are essential to protect affordability and preserve value for members over the long term.

Furthermore, the Board acknowledges the need to align the Fund's Rules with both its strategic direction and the evolving regulatory framework under the Financial Institutions and Markets Act (FIMA).

A comprehensive rule-modernisation process is therefore a priority for 2026.

As members are aware, FIMA and the related NAMFISA medical aid standards came into force on 1 May 2026. The Medical Aid Fund Rules Standard, published in Government Gazette No. 8908, now applies to registered medical aid funds, the respective Boards of Trustees, Principal Officers, and Fund Administrators. Transitional provisions allow existing Fund rules to continue, provided the rules are not inconsistent with the new framework, but timely amendment and alignment are required.

FIMA Readiness Programme

The Board has initiated a structured FIMA readiness and implementation programme, which includes:

- clause-by-clause review of the Fund's Rules,
- governance remediation,
- review of Administrator outsourcing arrangements,
- alignment with the new valuator and financial-soundness requirements, and
- preparation of the Fund's submission pack to NAMFISA for consideration.

External legal and actuarial advisers are supporting this process, which includes Board approvals, regulatory engagement, training and member communication.

Importantly, this is not a narrow legal exercise but a broader governance and operational programme designed to ensure compliance, sound governance and financial resilience under the new regime.

Conclusion

On behalf of the Board, I extend sincere thanks to our Members for their continued trust, to the Principal Officer and staff for their commitment, to our Administrators and service partners for their support, and the Regulator and industry stakeholders for their constructive engagement.

NMC enters the next period with confidence and discipline. Our task now is to convert financial strength into long-term sustainability, ensuring that the Fund remains trusted, relevant and resilient in a demanding healthcare environment.

6. Administrator's Report

2025 witnessed the continued growth of the Namibian medical aid industry. As a proudly Namibian fund, NMC is pleased to have made a significant contribution to the overall growth of the industry, celebrating the achievement of being awarded the PMR Diamond arrow accolade, in recognition as the best medical aid fund in Namibia for the year 2025.

During the year NMC successfully navigated a challenging operating environment characterised by geo political risks, rising fund costs, increasing claims and an evolving legislative ecosystem. Despite these challenges, we as the administrator remain committed to providing the fund with stable leadership, sound governance, regulatory readiness and most importantly member well-being.

As Methealth, we take this opportunity to extend our sincere gratitude to the management and Board of Trustees of NMC, to the Regulator and all other key stakeholders for the consistent support and guidance provided in delivering the common purpose of excellence to the members of the fund.

We also recognise and appreciate the contributions of the Methealth Executive and Management teams, as well as all staff, for their dedication and hard work throughout the year. As we move forward with a FIMA-focused outlook, we remain firmly committed to serving the fund and delivering high-quality medical aid administration services aligned with our strategy and mission.

7. Actuarial Report



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SAND CITY INVESTMENTS FIFTY (PTY) LTD
Registration Number: 2014/0017

09 June 2026

Ben Nandago
Acting Principal Officer
Namibia Medical Care

Actuarial Report for 2026 Annual General Meeting

This report will provide information on various aspects of the financial performance of Namibia Medical Care (NMC or "the Fund") over the financial year ended 31 December 2025 and forecast into 2026.

1. Financial Performance

The Fund closed off the 2025 financial year in a strong financial position. Its solvency ratio of 41.8% exceeds the regulatory benchmark of 25%. The table below summarises the Fund's financial performance estimate for the financial year ended 31 December 2025. Comparative figures for the financial year ending 31 December 2024 are also provided.

	2025*	2024	2023
	N\$ '000	N\$ '000	N\$ '000
Net Contributions Income	2 225 165	2 130 157	1 884 872
Net Claims Incurred	(1 978 664)	(1 742 508)	(1 788 754)
Net Expenses	(190 553)	(169 337)	(163 131)
Operating Surplus/(Deficit)	55 948	218 312	(67 013)
Net Investment Income	134 165	76 477	61 011
Net Surplus/(Deficit)	190 113	294 789	(6 002)
Fund Reserve	930 274	740 161	446 370
Solvency Level	41.8%	34.8%	23.7%

* Based on 2025 Draft Financial Statements

Over the three years prior to 2024, the Fund experienced financial challenges due to high claims experience. Solvency decreased from a peak of 37.9% in 2020 to a low of 23.7% by the end of 2023, falling below the NAMFISA prudential requirement of 25%. However, in 2024, the situation improved significantly after the Fund implemented corrective actions to address and reverse this downward trend.

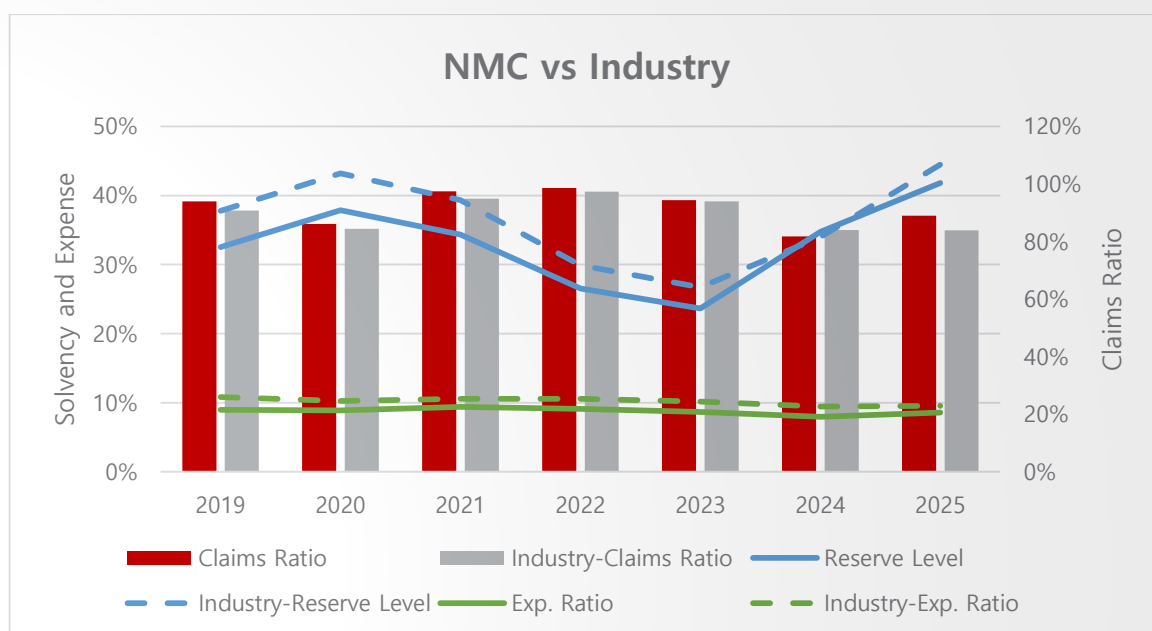
The claims experience gradually stabilised in 2024 and 2025, resulting in a strong operating surplus. In addition, high investment returns contributed to a higher overall net surplus. These led to an

independence • integrity • ingenuity

increase in solvency level to 34.8% by the end of 2024 and a further increase of 7.1% to 41.8% in 2025.

The Trustees have set a target solvency ratio of around 30%, a level they believe is sufficient to protect the Fund against financial shocks while ensuring timely payment of valid claims. At the same time, the Fund aims to avoid accumulating excessive reserves, which could negatively affect members' value for money.

The table below shows the fund's performance compared to industry.



Historically, the Fund maintained a solvency level above 30% for several years until 2021. The solvency ratio dropped from 2022 to below 25% in 2023 primarily due to unexpectedly high claims experience over the period. The improvement in performance for 2024 and 2025, brought the solvency level up to 41.8%. The 2025 average solvency level stands at 42.41% for Open Funds and 44.52% for the industry.

In terms of operational efficiency, the Fund experienced an increase in expense ratio from 7.9% of total contributions in 2024, to 8.6% in 2025. The Fund's expense ratio remains consistently below the industry average of approximately 9.63%, continuing the Fund's trend of maintaining expense ratios under 10% for ten consecutive years.

The Fund continuously monitors the financial performance of each benefit option to ensure consistency across all offerings. This approach prevents cross-subsidisation between options and enables the Fund to apply uniform contribution increases, ultimately lowering the overall risk profile.

2. Membership

The total principal members of the Fund increased by 5.9% from 34 124 at the end of 2024 to 36 135 at the end of 2025. The average industry principal members increase for the year was 3.0%. The Fund is actively engaged in marketing activities to attract and retain members.

Most of the new members joined the hospital plan options (Amber Plus and Emerald Plus) and primary care options (Topaz and Topaz Plus). The Jade option also attracted many of the new members.

It is beneficial to a medical fund if it can attract new members and consistently increase its total membership size every year as this would generally avoid the situation whereby, on average, the members of the Fund would grow older every year. The membership growth does however place pressure on the solvency ratio of the Fund, and to ensure that the new members that it attracts, are relatively younger and healthy members. This will keep the risk pool healthy and thereby benefit all the members of the Fund.

3. Contributions and Benefits

The contributions and benefits of all the options offered by NMC is reviewed on an annual basis. This is done to ensure that the benefits remain relevant and competitive and to allow for the impact of the annual medical tariff adjustments (medical inflation).

To ensure low future contribution increases, it is important to maintain low benefit changes. Significant benefit increases could result in high contribution increases, which have decremental effect on the affordability and sustainability of the Fund. There was hence no material benefit.

The change in the contribution tables for each option is driven by three main factors. These are the annual tariff adjustments, the increase in utilisation and then the increase due to benefit changes and allocations to the reserves. The utilisation increase represents the effect of new, more expensive technology being introduced in the treatment of patients, as well as the effect of changes in claiming patterns of members.

The contribution increases for 2025 was 3.25% for both individuals and groups while increase for 2026 was 4.5%, which is 2.2% below the expected increase in claims. The expected increase for the three factors on average for the fund, were as follows:

Tariff Adjustments	3.61%
Utilisation Adjustments	1.00%
Benefits and Allocation to Reserves	2.12%
Total	6.73%

The manageable claims experience for past two years enabled the Fund to grant lower contribution increase for 2025 and 2026.

4. Forecast for 2026

The membership increased by 0.39% during the first quarter of 2026 and expected to increase slightly for the remainder of the year.

The pricing and benefit review for 2026 projected an operating surplus of about N\$100 million and a solvency level of 42.09% by the end of 2026. The claims for the first quarter of 2026 were 3.48% higher than budget. Despite the higher claims experienced for the quarter, we anticipate that the

Fund Solvency level will be above minimum target of 30% should the claims be lower or align with our projections.

The Fund remains committed to offering value for money benefits whilst safeguarding the financial soundness and sustainability of the Fund. NMC in collaboration with other Medical Aid Funds and other industry players also continue exploring industry-wide measures to manage Fraud, Waste and Abuse, that not only threatens the sustainability of individual Funds, but also that of the industry at large.

In the absence of any other adverse events, we expect that the contribution increases for 2027 to broadly follow the increase in the medical tariffs.

Yours sincerely



Nico Smit

B.Comm | FASSA | FSAN

In my capacity as an Actuary

For and on behalf of i3 Actuaries and Consultants

8. Investment Report

i³ ACTUARIES and CONSULTANTS

independence • integrity • ingenuity

NAMIBIA MEDICAL CARE FUND

QUARTERLY INVESTMENT REPORT

DECEMBER 2025



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1. Introduction

Background

The purpose of this report is to:

- Monitor the cash flows for investment purposes,
- Monitor the investment performance of the Fund's investment managers, and
- Monitor the overall return of the Namibia Medical Care Fund

Performance monitoring is necessary to enable the Fund's Trustees to make informed decisions about the placement of the Fund's investments.

Regular reporting encourages the Fund's managers to achieve the maximum possible return within the Fund's risk parameters since the Trustees will be aware of their performance, relative to their benchmark and their peers. Returns are based on the financial year of the fund which runs from January to December.

The returns calculated are net of investment charges (asset management fees, brokerage fees etc.) and reflect the returns earned on the market value of the portfolio.

The Fund's assets are invested in the Namibian Asset Managers (NAM) Capital Plus Fund, the Sanlam Investment Managers (SIM) Managed Fund the Old Mutual Absolute Stable Taxed Investment and M&G Inflation Plus.

The SIM, NAM and M&G Inflation Plus portfolios are managed on an absolute return mandate, with a moderate risk profile.

Old Mutual AGP Stable Taxed Investment is an insurance policy with a conservative risk profile. All portfolios aim to achieve returns more than Namibian inflation, while being cognisant to protect capital over the long-term. Short-term negative returns may occur. The funds are managed on a segregated and pooled basis.

The Fund purchased Sections No 1 & 2, as shown, and more fully described as Sectional Plan no. 39/2007 in the building or building known as Verna Court, situated at Windhoek, in the Municipality of Windhoek, with a combined floor area of 661 square meters. The Property was bought for N\$6,200,000. The current market value of the property is estimated at N\$14,085,000 as per the November 2023 valuation.

2. Fund Analysis

Market Values

Market Values (N\$m)	Sep '25	Dec '25	% of Portfolio
NAM Capital Plus Fund	89.2	92.9	8.6%
Old Mutual Absolute Stable Taxed Investment	271.7	303.7	28.1%
M&G Inflation Plus	284.0	314.7	29.2%
SIM Absolute Managed Fund	267.1	290.4	26.9%
Direct Property	15.0	15.0	1.4%
Capricorn Investment Fund	30.4	62.3	5.8%
Total Fund	957.4	1 079.0	100.0%
Bank Account	87.7	91.8	100.0%

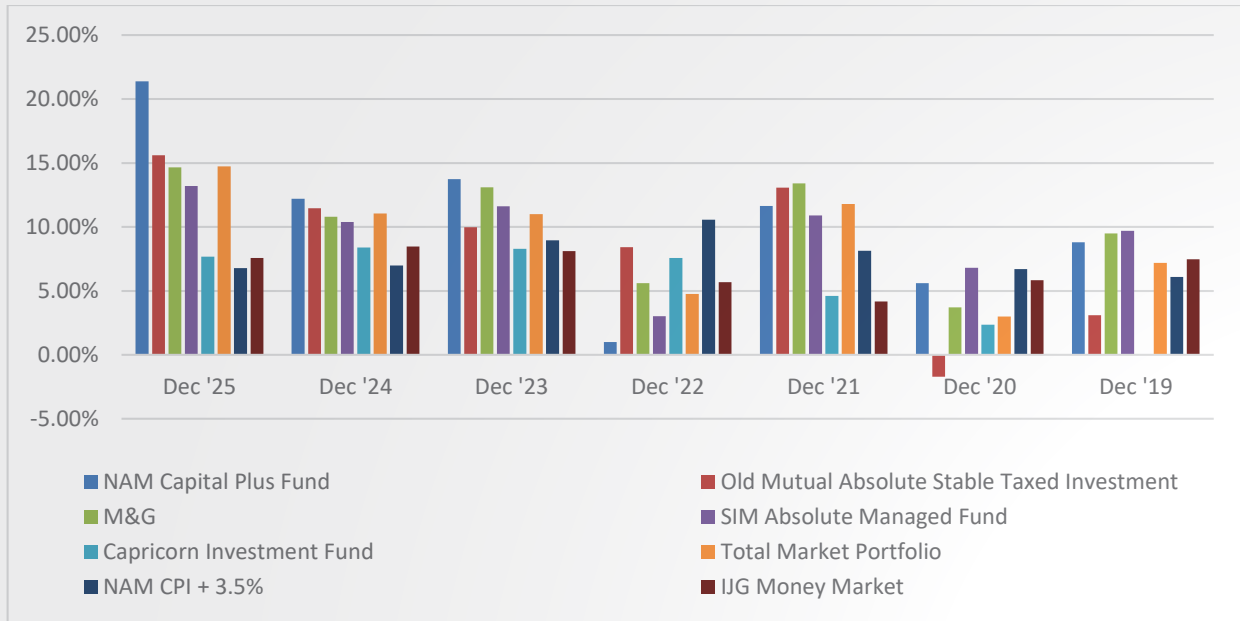
Net Cashflows

Net Cashflows (N\$m)	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
NAM Capital Plus Fund	-	-	-	-
Old Mutual Absolute Stable Taxed Investment	9.0	9.0	-	15.0
M&G Inflation Plus	12.0	12.0	-	20.0
SIM Absolute Managed Fund	9.0	9.0	-	15.0
Direct Property	-	-	-	-
Capricorn Investment Fund	-	(20.0)	(30.0)	31.3
Total Fund	30.0	10.0	(30.0)	81.3

Summary of Returns

Market Portfolio	Dec '25	Dec '24	Dec '23	Dec '22	Dec '21
NAM Capital Plus Fund	21.39%	12.20%	13.75%	0.99%	11.65%
Old Mutual Absolute Stable Taxed Investment	15.61%	11.45%	9.97%	8.43%	13.06%
M&G Inflation Plus	14.67%	10.79%	13.11%	5.59%	13.40%
SIM Absolute Managed Fund	13.20%	10.38%	11.61%	3.02%	10.89%
Direct Property	-	-	-	-	-
Capricorn Investment Fund	7.66%	8.39%	8.28%	7.57%	4.61%
Total Fund	14.74%	11.05%	11.01%	4.76%	11.79%
NAM CPI + 3.5%	6.77%	6.99%	8.95%	10.57%	8.12%
IJG Money Market	7.57%	8.48%	8.11%	5.67%	4.18%

Historical Annual Performance



Monthly Returns



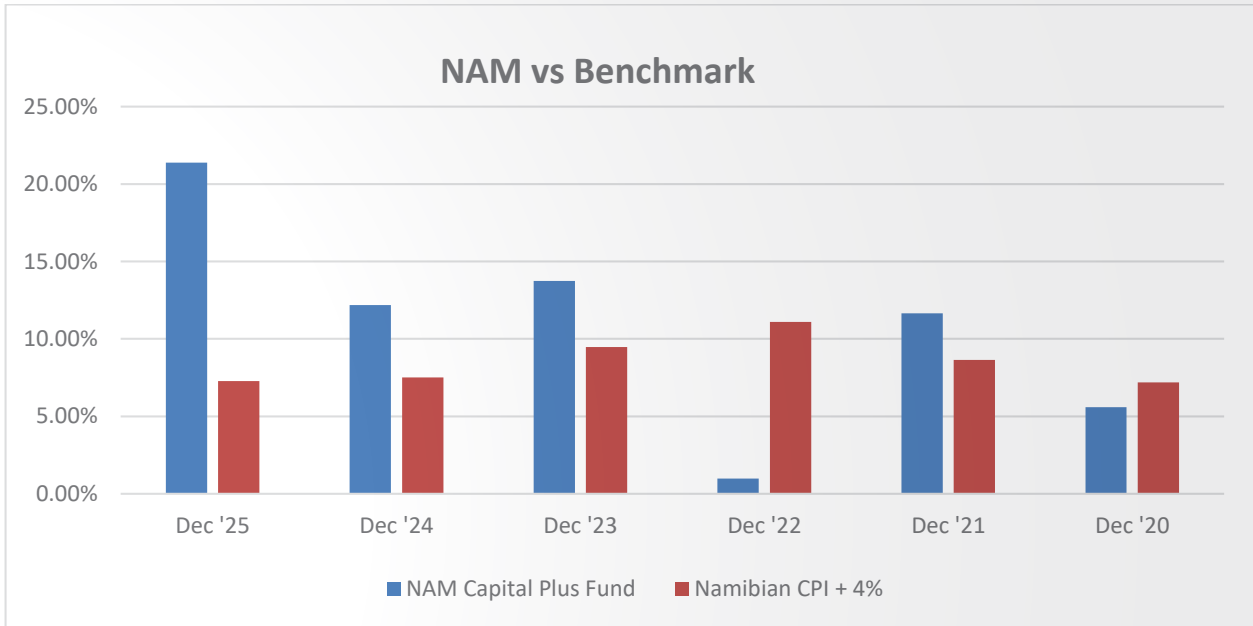
3. Portfolio Overview

NAM Capital Plus Fund

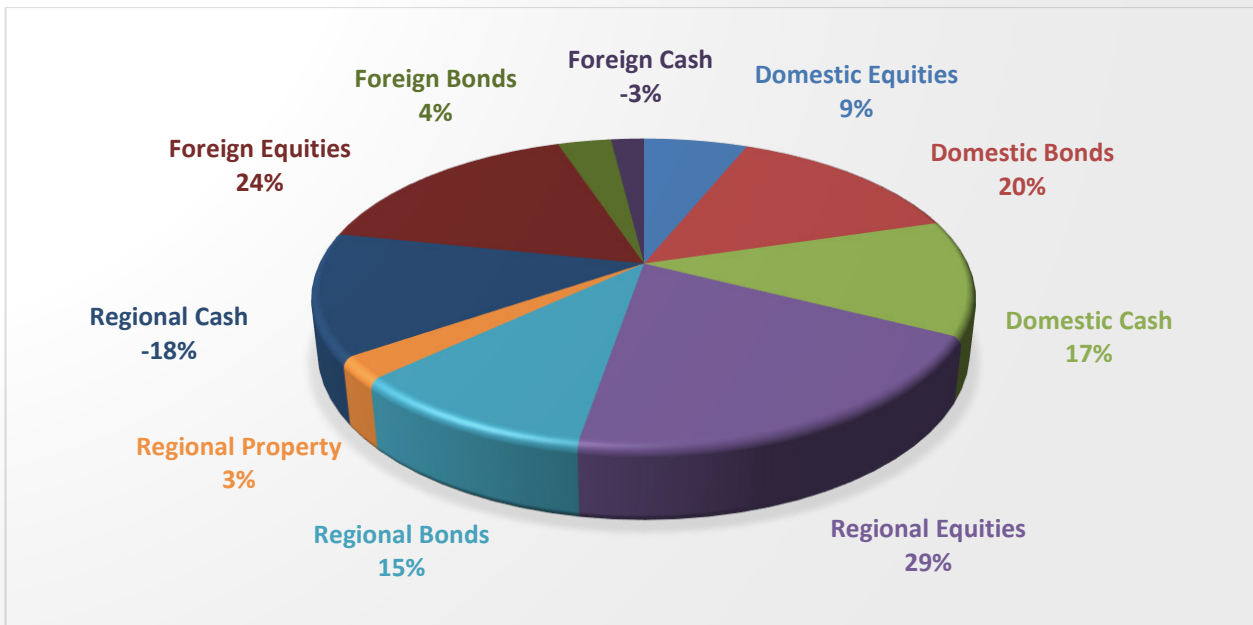
Portfolio Objective

The mandate is an absolute return mandate suitable for investors with a moderate risk tolerance and is benchmarked against the CPI plus 4.0% gross of fees.

Historical Performance



Portfolio Positioning

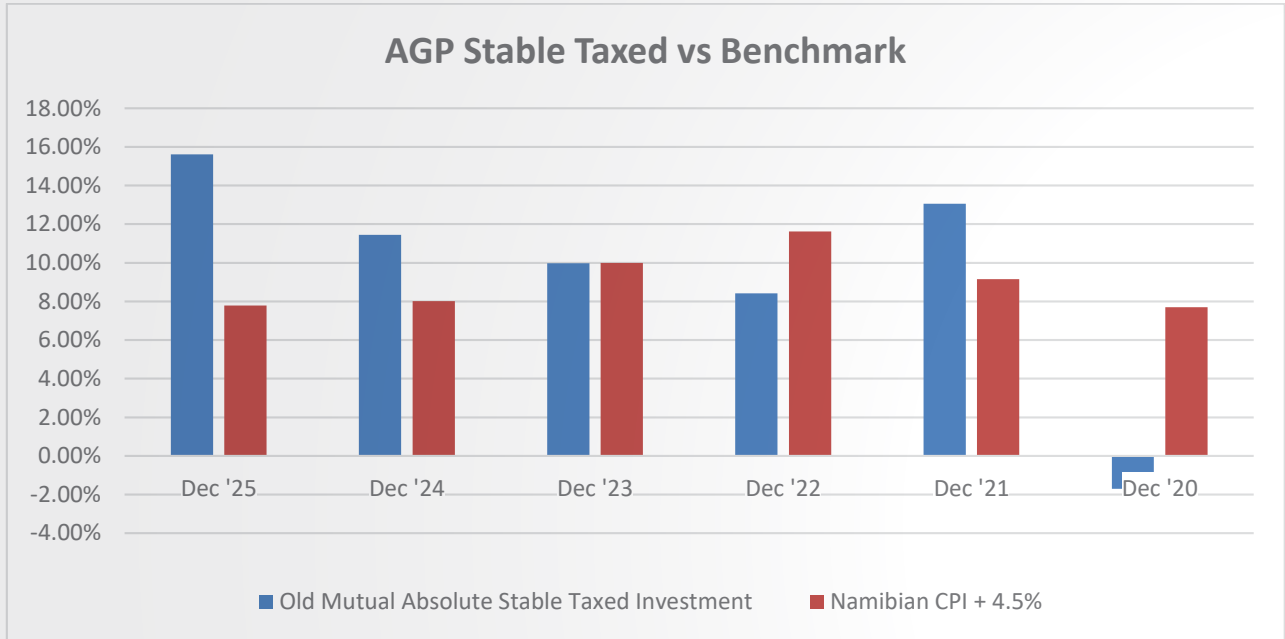


Old Mutual Absolute Stable Taxed Investment

Portfolio Objective

Old Mutual AGP Stable Taxed Investment is an insurance policy with a conservative risk profile. All portfolios aim to achieve returns more than Namibian inflation, while being cognisant to protect capital over the long-term

Historical Performance

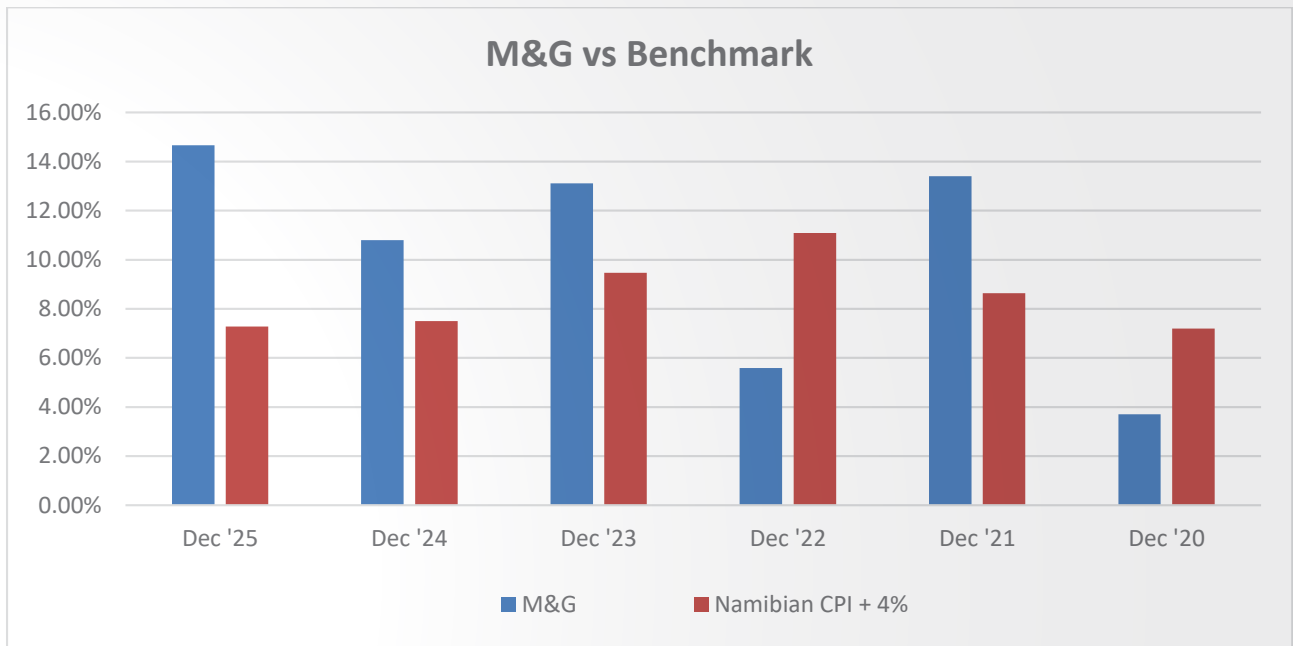


M&G Inflation Plus Fund

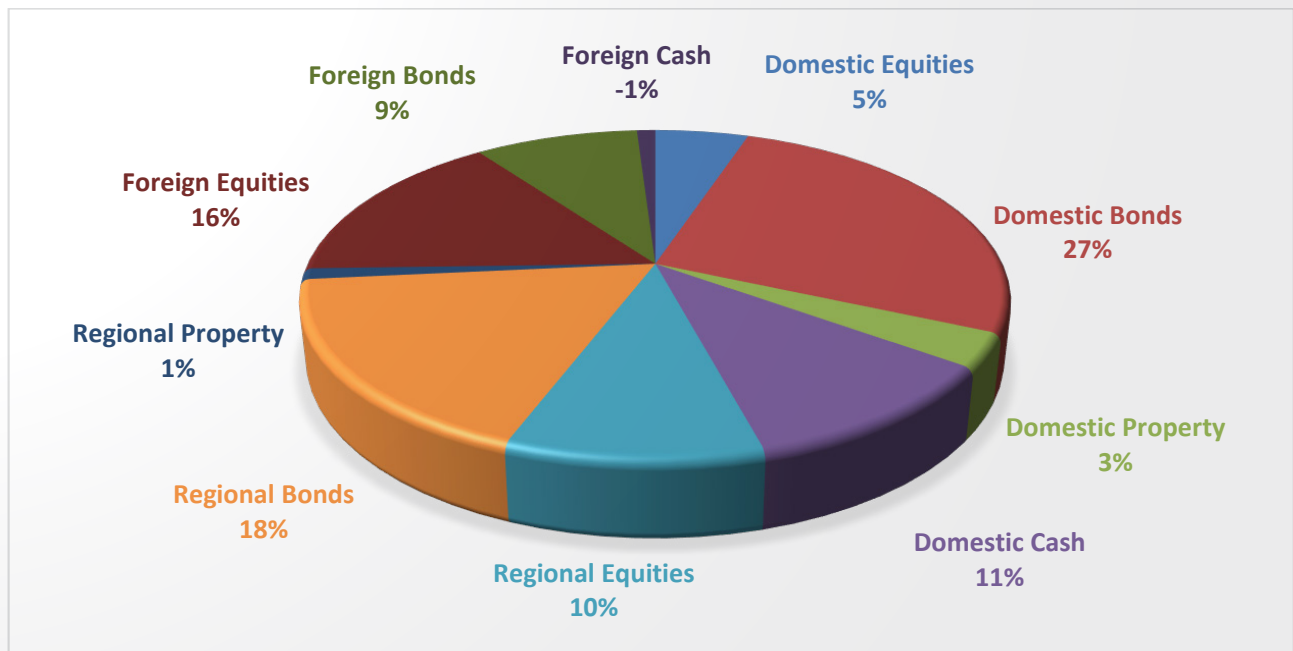
Portfolio Objective

The mandate is an absolute return mandate suitable for investors with a moderate risk tolerance and is benchmarked against the CPI plus 4.0% gross of fees.

Historical Performance



Portfolio Positioning

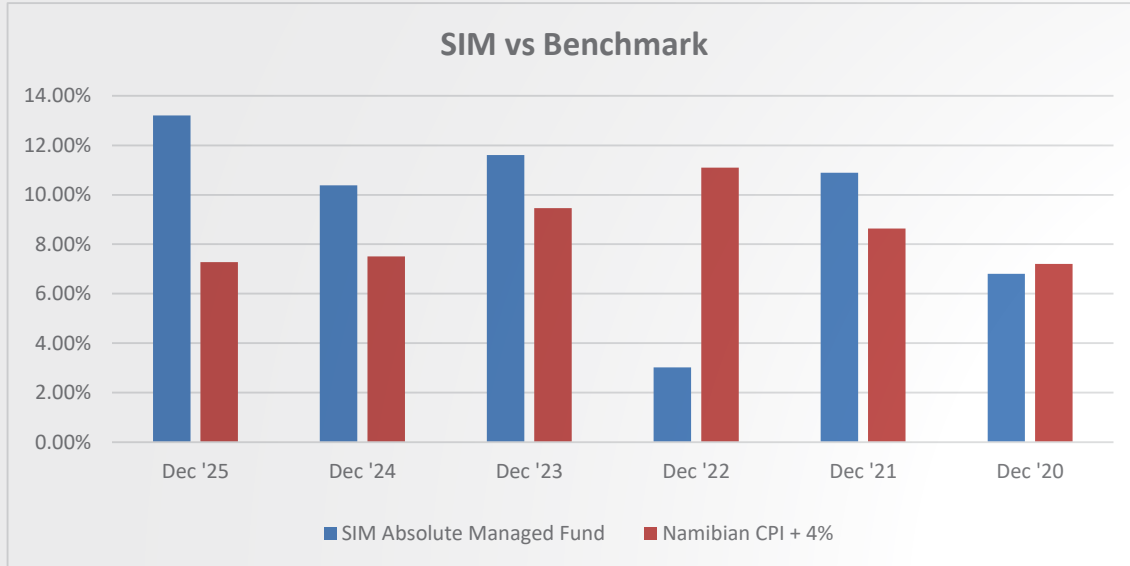


SIM Absolute Managed Fund

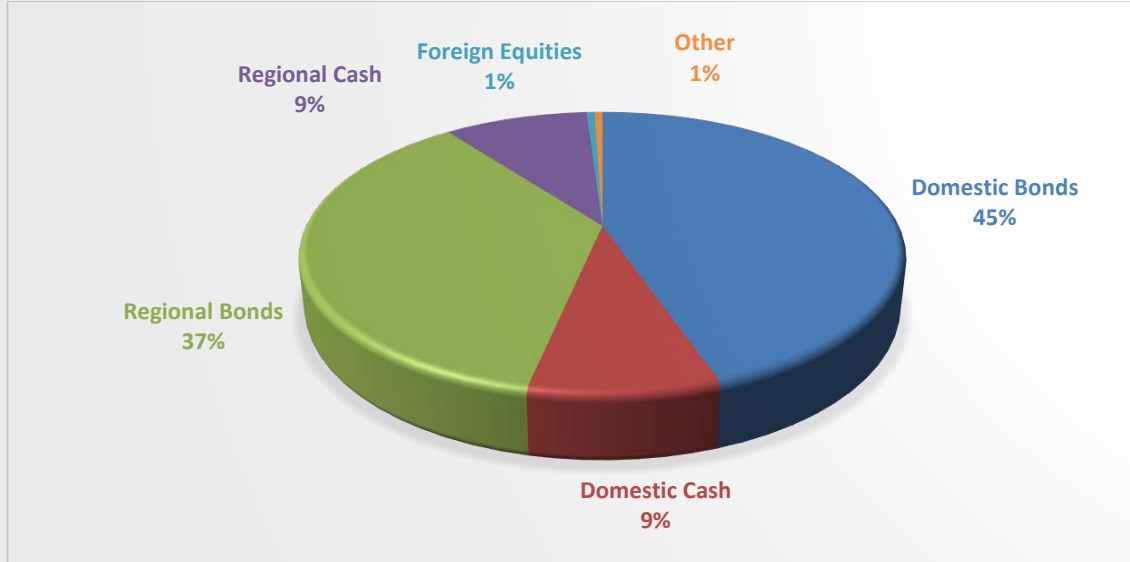
Portfolio Objective

The mandate is an absolute return mandate suitable for investors with a moderate risk tolerance and is benchmarked against the CPI plus 4.0% gross of fees.

Historical Performance



Portfolio Positioning

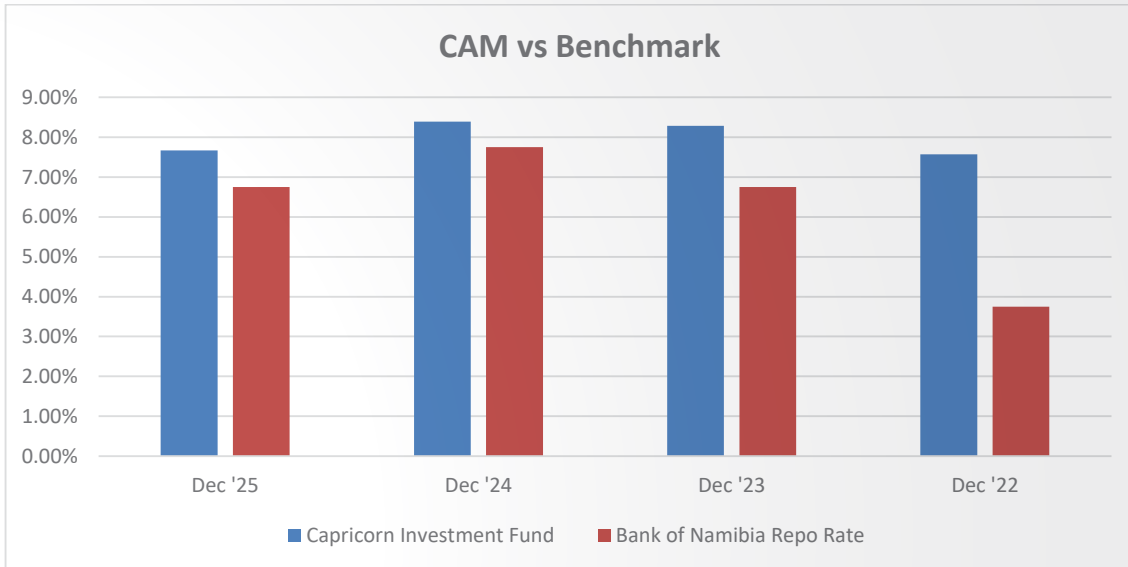


Capricorn Investment Fund

Portfolio Objective

The Fund is a money market fund with a very low-risk profile. The Fund's main aim is to provide a stable and secure return without the volatility generally associated with equity, property, and international markets. The return of the fund shall adjust following changes in short term interest rates.

Historical Performance



4. Market Overview

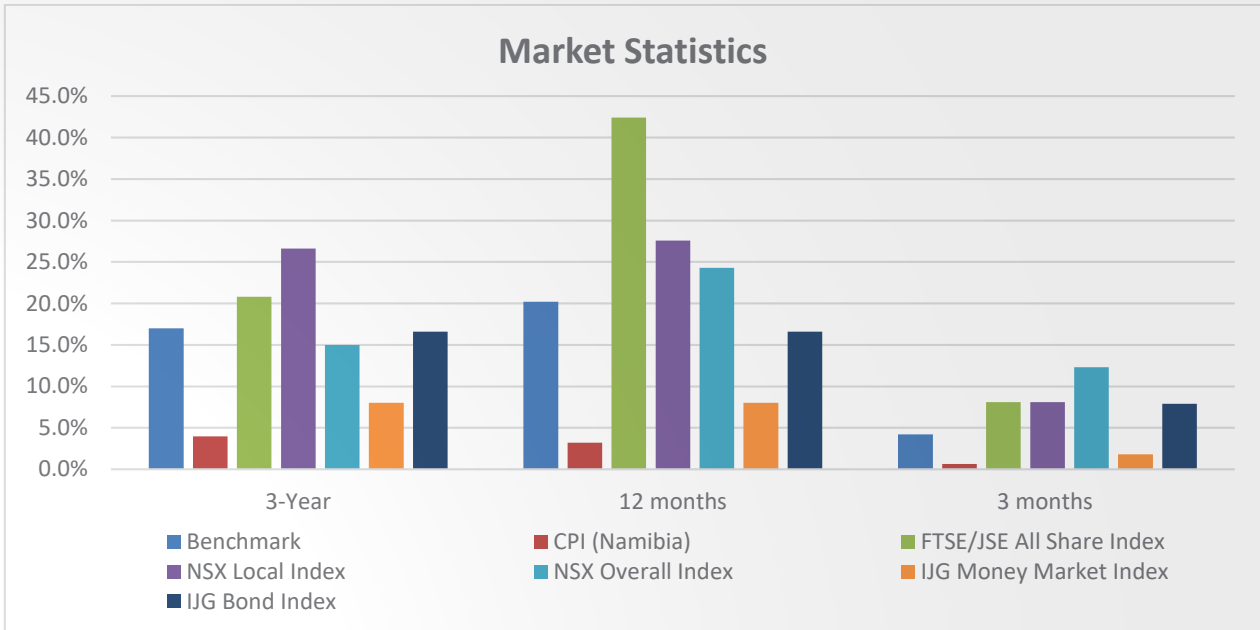
In the final quarter of 2025, the NSX Overall Index saw a return of 12.32% in Namibian dollars and a 17.13% return in US dollars. This resulted in a year-to-date return of 24.2% in Namibian dollars and 41.32% in US dollars. In South Africa, The FTSE/JSE All Share Index (ALSI) saw a return of 8.10% over the quarter, bringing the year-to-date return to 42.4%. In the bond market, the Namibian IJG All Bond Index (ALBI) had a return of 7.86% and a year-to-date return of 17.03%, while the South African FTSE/JSE ALBI returned 8.96% over the quarter and a one-year return of 24.24%.

South Africa made notable progress in improving investor confidence. In October 2025, South Africa and three other African countries, were removed from the Financial Action Task Force grey-list. In the following month, South Africa saw a credit rating upgrade by the S&P global Ratings agency for the first time in two decades. The rating was upgraded from BB- to BB, bringing the rating two steps below investment grade. Building on this positive momentum, the South African Reserve Bank's (SARB) Monetary Policy Committee instituted a further repo-rate decrease in November, following the two reductions made in May and August. The repo rate was decreased by an additional 25 basis points to 6.75%. Moreover, a new inflation target of 3% with a one percentage point tolerance band was announced.

The global equities markets have seen a strong recovery following the devastating effects of the United States (US) tariffs announced in 2025. Over the last quarter, the Dow Jones Industrial Average saw an increase of 3.49%, bringing the year-to-date return to approximately 13%. Similarly, the NASDAQ increased by 2.14% over the quarter and a year-to-date return of around 20.5%. The S&P 500 saw a return of approximately 2% over the fourth quarter, resulting in a year-to-date return of around 17%. Moreover, the MSCI World index returned 3.1% over the quarter and a year-to-date return of 21.1%. In the emerging markets, the MSCI Emerging Market Index saw an increase of 4.7% over the quarter, bringing its year-to-date return to 33.6%.

Towards the end of the quarter, the US dollar weakened against other currencies due to expectations surrounding further Federal Reserve rate cuts, concerns over the fiscal deficit, and other contributing factors. Combined with increased demand for gold, this resulted in the South African rand and Namibian dollar trading at approximately 16.6 per US dollar at the end of the quarter.

5. Appendix



9. Performance of the Group

STATEMENT OF COMPREHENSIVE INCOME - FUND		
For the year ended 31 December		
	2025	2024
	N\$'000	N\$'000
Insurance revenue	2,225,165	2,130,157
Insurance service expense	- 2,340,434	- 2,193,599
Insurance service result	- 115,269	- 63,442
Expenses on other insured benefits	- 2,223	- 2,205
Other operating expenses	- 16,673	- 10,830
Net Other Income / Expenses	-	-
Net Investment Income	139,086	79,925
Asset Management Fees	- 4,921	- 3,448
Net surplus for the year	-	-

STATEMENT OF FINANCIAL POSITION - FUND		
At 31 December		
	2025	2024
	N\$'000	N\$'000
Assets		
Non-Current Assets	10,833	10,905
Current Assets	1,157,209	935,120
Total Assets	1,168,042	946,025
Equity and Liabilities		
Liability to members - Mutual fund	930,274	740,161
Insurance contract liability	232,335	200,963
Other liabilities	5,433	4,901
Total Equity and Liabilities	1,168,042	946,025
Reserve Level		
(Members' fund / Net contributions)	41.81%	34.75%
Solvency Ratio		
(Total assets / Net claims)	49.91%	43.13%

10. Membership Statistics

FINANCIAL YEAR	2025	2024
Total Membership as at 31 December 2025	77,077	74,500
Principal Members (including Pensioners)	36,136	34,188
Pensioners	2,536	2,405
Dependents	40,941	40,312
Average Number of Members	75,867	73,656
Member to Dependant ratio	1:1.13	1:1.18
Member to Pensioner ratio	1:0.07	1:0.07
Average Age of Members	44.73	43.44

11. Trustee Remuneration

10.1 Industry Trustees Remuneration

	FUND 1	NAMIBIA MEDICAL CARE	FUND 2	FUND 3	FUND 4	CLOSED FUNDS	
2026/2027						FUND 5	FUND 6
BOT MEETING							
Chairperson	5,353.00	1,331.97/hour	6,252.13	6,500.00	1,200.00	4,344.00	0.00
Vice Chairperson	3,886.00	926.72/hour	5,404.17	5,200.00	1,200.00	3,545.00	0.00
Trustee	3,886.00	926.72/hour	4,923.34	4,700.00	1,200.00	3,205.00	0.00
SUB-COMM MEETING							
Chairperson	5,201.00	1,331.97/hour	6,252.13	5,900.00	1,200.00	4,202.00	0.00
Vice Chairperson	3,886.00	926.72/hour	5,404.17	4,000.00	1,200.00	2,765.00	0.00
Trustee	3,886.00	926.72/hour	4,923.34	4,000.00	1,200.00	2,765.00	0.00
EXCO / ADVISORY COMMITTEE							
Chairperson	5,201.00	1,331.97/hour	6,252.13	6,500.00	N/A	4,344.00	0.00
Vice Chairperson	3,886.00	926.72/hour	5,404.17	5,200.00	N/A	3,545.00	0.00
Trustee	3,886.00	926.72/hour	4,923.34	4,700.00	N/A	N/A	0.00
Monthly retainer	2,497.00	1,852.43	N/A	N/A	N/A	N/A	0.00
		Advisory Committee Members Retainer					
Day-long sitting fee (eg. Strat session)	1,201 p/hr to maximum of 6,005	BOT sitting fee per hour	1,600 p/hour	BOT sitting fee	1,200.00	Board meeting fees	0.00
Proposed increase for 2026/2027 (%)*	3.1% (CPI)	No increase		CPI max 5%	NIL		N/A

1. Average NMC meeting duration: 4 hours for Board and 2 hours for Committee
2. Remunerated preparation time: 2 hours Board and 1 hour for Committee
3. All Board/Trustee fees reflected in the comparison table are on a per-sitting basis.

S&T ALLOWANCES 2026							
						CLOSED FUNDS	
2026	FUND 1	NAMIBIA MEDICAL CARE	FUND 2	FUND 3	FUND 4	FUND 5	FUND 6
Traveling rate per kilometer	4.50 p/km	6.50 p/km	4.60 p/km	6.50pkm	4.50 p/km	6.00-7.71 p/km	6.85 per km
Local travel subsistence allowance	750 p/day	1,242 p/day	864 p/day	490 excl accommodation	750 p/day	528 p/day	N\$ 490 p/day
	Excl accommodation	Excl accommodation					Excl accommodation
International travel subsistence allowance	1,200 p/day	1,242 p/day	1,728 p/day	980	N/A	1060 p/day	N\$ 1,300
							Excl accommodation
Proposed increase for 2026/2027					NIL		N/A
							Increased this year

10.2 Recommended Trustee Remuneration Structure

The current Trustee remuneration structure was approved by members at the 2025 Annual General Meeting held on 21 June 2025.

It is recommended that the Trustee fees for 2026 remain unchanged.

	2026(N\$) Tax Inclusive
Trustee Meetings Chairperson Vice Chairperson Other Trustees	N\$1,331.97/hour N\$926.72/hour N\$926.72/hour
Sub Committee Meetings Chairperson Vice Chairperson Other Trustees	N\$1,331.97/hour N\$926.72/hour N\$926.72/hour
Advisory Committee (AC) Members' retainer fee All Members	(per month) N\$1,852.43
Day-long sitting fee (ie, Strat session, etc)	BOT sitting fee per hour
Accommodation	N\$1,242per night
Traveling rate per kilometer Local travel subsistence allowance International travel subsistence allowance	N\$6.50/km N\$1,242p/day N\$1,242p/day

12. Other Matters

Matter 1

Dear Principal Officer

1. That the Fund conducts a review of member benefits and claims trends to determine why benefits are being depleted rapidly and to identify measures that will improve the sustainability and value of benefits available to members.
2. That the Fund considers introducing a refund, credit, or reward system for members who do not fully utilise their annual benefits, subject to the Fund's financial sustainability and applicable regulations. This would encourage responsible use of benefits and provide greater value to members.
3. That the Fund reviews its benefit structure with the aim of eliminating co-payments for consultations with General Practitioners and Specialists, thereby reducing out-of-pocket expenses for members.

Response to Member Matter: Benefit Utilisation, Member Value and Co-payments

A member submitted suggestions ahead of the AGM regarding benefit utilisation, claims trends, member value and out-of-pocket expenses. The Fund acknowledges and appreciates the member's constructive input.

1. Review of benefits and claims trends

The Fund notes the member's suggestion that benefits and claims trends be reviewed to determine why benefits may be depleted rapidly and to identify measures to improve the sustainability and value of benefits available to members.

The Fund considers claims experience, benefit utilisation, financial performance and emerging cost drivers as part of its annual benefit design and actuarial review processes. These reviews assist the Fund in identifying areas where benefits may be depleted quickly, where utilisation patterns or provider charging trends may be placing pressure on benefits, and where benefit design improvements may be required.

This matter will be referred to the Benefit Design Committee for further consideration. The review will include utilisation trends, high-claiming benefit categories, early depletion patterns and possible interventions to improve the sustainability and value of benefits.

2. Refund, credit or reward system for unused benefits

The Fund notes the member's suggestion that a refund, credit or reward system be considered for members who do not fully utilise their annual benefits.

While such mechanisms may encourage responsible use of benefits and improve perceived member value, they must be carefully assessed to ensure that they do not discourage members from accessing necessary healthcare, create inequity between low-claiming and high-claiming members, or negatively affect the Fund's long-term sustainability.

NMC already has certain mechanisms aimed at supporting members where benefits are depleted or where members have low claims experience, including Benefit Booster, Benefit Booster Up and Back-up Benefit arrangements on applicable benefit options. Any further refund, credit or reward mechanism would need to be assessed against the Fund Rules, actuarial advice, affordability, fairness between members and applicable regulatory requirements.

This proposal will be referred to the Benefit Design Committee for further review, including whether existing mechanisms can be enhanced, expanded or better communicated to members.

3. Review of GP and Specialist co-payments

The Fund notes the member's suggestion that the benefit structure be reviewed with the aim of reducing or eliminating co-payments for General Practitioner and Specialist consultations.

The Fund recognises that co-payments can increase out-of-pocket expenses for members. At the same time, co-payments form part of the broader benefit design and cost-management framework and assist in balancing access to care, affordability of contributions and the sustainability of benefits.

The Fund already provides cover for General Practitioner and Specialist consultations across its benefit options, subject to the applicable limits, tariffs, co-payments and Fund Rules. Any proposal to reduce or remove co-payments would need to be carefully assessed, taking into account utilisation trends, provider tariffs, contribution affordability, claims experience and the impact on the Fund's reserves.

This suggestion will be referred to the Benefit Design Committee for consideration as part of the next benefit review process.

Matter 2

Dear Principal Officer

1. I would like to ask how often the Mental Health Benefits are reviewed?
2. How was the Mental Health Benefits appropriately adjusted over the past 10 years?
3. How did Mental Health conditions increase over the last 10 years regarding claims?
4. The Psychiatrist and Psychologist Consultation fees covered under day to day benefits, or not?
5. Can there be a comparison to Mental Health Benefits and Cancer treatments (Benefits made available) or Knee Replacement Benefits?
6. How is it possible that Psychiatric treatment is capped?
7. And what is this based on?

Response to Member Matter: Mental Health Benefits

The Fund acknowledges the importance of mental health as part of overall health and wellbeing. The matter is also timely, given the recent national focus on mental health reform and the broader industry movement toward improved access, early intervention, reduced stigma and more equitable treatment of mental health conditions.

1. Frequency of review of Mental Health Benefits

The Fund's benefits, including mental health benefits, are reviewed annually as part of the review process of Fund rules and benefits for the following year.

2. Adjustment of Mental Health Benefits over the past 10 years

The review process of mental benefits considered claims experience, utilisation trends, affordability, contribution impact, actuarial input, clinical appropriateness, provider charging patterns, regulatory developments and the long-term sustainability of the Fund.

3. Increase in Mental Health claims over the past 10 years

The Fund has seen an increase in mental health claims over the past 10 years specifically post COVID. A detailed 10-year analysis of mental health claims trends will require input from the Administrator and Actuaries.

4. Cover for psychiatrist and psychologist consultation fees

In terms of the current NMC Rules, psychiatric treatment is provided for under the applicable benefit options:

Out of Hospital:

The Psychiatrist day-to-day consultations and psychotherapy are payable from the GP's & Specialists Day to Day benefit limit while the Psychologist consultations and psychotherapy are payable from the Auxiliary / Supplementary Health / Allied Health Professional Services Services benefit limit.

In-Hospital:

Psychiatric hospitalisation is subject to the relevant benefit limits on psychiatric hospitalisation. Only the hospital claims are paid from this capped limit. The Psychiatrist, Psychologist and related allied health professional services are covered from the Overall Annual Benefit as per chosen option.

5. Comparison with other major benefit categories

The member requested that mental health benefits be compared with other major benefit categories such as oncology and knee replacement benefits.

Mental health is treated like any other conditions except for the hospitalisation part whereby the hospital admission is capped at a certain limit. The rest of the hospital related services such as Psychiatrist and Psychologist treatment while in-hospital are payable from the Overall Annual Limit.

6. Basis for capping psychiatric treatment

The capped benefit limit is according to the clinically appropriate, evidence-based length of stay required for in-hospital treatment of mental conditions. The Fund, however, considers extension of the capped benefit limit through Ex Gratia process.

