

# **SUPREME COURT OF APPEAL OF SOUTH AFRICA**

## **MEDIA SUMMARY – JUDGMENT DELIVERED IN THE SUPREME COURT OF APPEAL**

From: The Registrar, Supreme Court of Appeal

Date: 28 MARCH 2008

Status: Immediate

*Please note that the media summary is intended for the benefit of the media and does not form part of the judgment of the Supreme Court of Appeal*

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### ***GUARDRISK INSURANCE CO LTD v REGISTRAR OF MEDICAL SCHEMES AND ANOTHER***

The Supreme Court of Appeal this morning decided a drawn out dispute between the Registrar of and Council for Medical Schemes on the one hand and a member of the Alexander Forbes Group, Guardrisk Insurance Co Ltd, on the other hand. In terms of the decision Guardrisk is entitled to continue to market and sell its AdmedGap and AdmedPulse policies.

The said policies have been developed for members of a medical scheme, to cover the difference between medical expenses paid by the scheme and expenses charged by a provider of medical services.

An issue arose between the parties, several years ago, when the Registrar and the Council demanded from Guardrisk to stop its marketing and selling of the mentioned policies as it constituted a contravention of the Medical Schemes Act. When Guardrisk refused to accede to this demand the Registrar and the Council obtained an interdict from the Johannesburg High Court to enforce their view.

On appeal by Guardrisk the Supreme Court of Appeal decided in its favour and set aside the interdict. It decided that the selling of the AdmedGap and AdmedPulse policies does not constitute the business of a medical scheme and therefore does not infringe the provisions of the Medical Schemes Act or the Short Term Insurance Act.

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