

23 February 2011



Mr S A Thobane
THE LAW SOCIETY OF THE NORTHERN PROVINCES
PO Box 1493
PRETORIA
0001

By E-mail: communications@lsnp.org.za; director@lsnp.org.za

Dear Mr Thobane

MEDICAL AID / ROAD ACCIDENT FUND CLAIMS

- 1 We refer to your "urgent notice to members" of 1 February 2011 (the LSSA notice), our 2 February 2011 request for information and a meeting (our request) and your response of 17 February 2011 (the LSSA rejection).
- 2 We respond at this time only to parts of the LSSA notice and rejection; whilst denying the others.
- 3 Discovery disputes the advice in and alleged motivation for the precipitous, damaging LSSA notice. Your belated, defensive rejection of our request – which avoids every Discovery inquiry – reinforces the impression that something is amiss. The Society is again invited to dispel the impression by correcting its advice in the LSSA notice and by playing open cards about how it arose. In the interim all Discovery's rights are reserved.
- 4 It is evident from the LSSA notice that at the start of February 2011, when it gave urgent advice to attorneys without seeking medical scheme input, the Society confused ordinary contractual insurance with statutory / regulatory medical scheme membership. In particular, the Society was unaware or failed to inform attorneys:

155 West Street, Sandton, PO Box 786722, Sandton 2146; Tel: 0860 99 88 77 or 085 123 8877 (Client Services),
(011) 529 2858 (Switchboard); Fax (011) 529 2958. www.discovery.co.za

Directors: M I Hikowitz (Chairperson), A Gore* (Group CEO), Dr J Broomberg (CEO), Dr B A Bink, P Cooper, S B Eustein (USA),
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- 25.2 Which members of the Society were involved in any way in the meeting(s) / deliberation(s) referred to in paragraph 25.1 above? And which members were involved in formulating and/or settling the LSSA rejection?
- 26 Should you remain of the view that Discovery is entitled to none of the information called for above, kindly provide us with your considered basis for this view so that we may address it in the PAIA notice / application which will follow.
- 27 Meanwhile we advise that Discovery is suffering ongoing, mounting harm as a result of the Society's failure to date either to withdraw or to correct the LSSA notice circulated at the start of the month. We confirm that, since the LSSA notice Discovery has recovered less than 25% of its usual recoveries of past medical expenses for a corresponding time period. Discovery knows of no other factor of significance that may account for this drop-off in recoveries and concludes that it is attributable to the LSSA notice. Indeed many firms of attorneys – including Ronald Bobroff & Partners – have in recent weeks relied on the LSSA notice as the basis on which they or their clients are withholding amounts due to the scheme. (In this regard we annex RBP's telefax dated 23 February 2011 addressed to clients who are members of Discovery.) Discovery's rights in regard to losses caused by the LSSA notice are reserved.
- 28 We look forward to your urgent response.

Yours faithfully,

Jeff Katz
Discovery
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