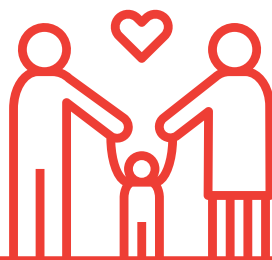


2017/18

A n n u a l R e p o r t

Business Mauritius Provident Association



Our vision:

To provide lifetime care to our members and contribute towards their peace of mind through flexible health care covers



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President's Report

Dear Member,

On behalf of the Managing Committee of Business Mauritius Provident Association, I am pleased to present to you the Annual Report for the year 2017/18 together with the Audited Financial Statements for the year ended 30 June 2018.

2017/18 was a landmark year for BMPA. Early in 2017 the Association amended its rules with a change in name from MEF Provident Association to Business Mauritius Provident Association with the brand name Mosanté. This new brand clearly reflects our caring mission and also supports our objectives which is the wellbeing of the Mauritian employment sector. BMPA today has evolved and goes beyond merely providing health care covers to its members and beneficiaries; the focus now is more on initiatives to promote a preventive approach to disease management and wellness in general. The presentation of this new branding to BMPA members was done in March 2018 at the Hennessy Park Hotel in Ebene.

Following the amendments, the number of Managing Committee's members was subsequently increased to nine, enabling one further employer representative to be represented on the committee. A committee member now holds office for a term of four years, and no member may serve more than two consecutive terms of office of four years.

On the financial side, BMPA was exposed to exceptional challenges during the year 2017/18. The gross surplus margin has suffered a substantial drop from 18% in 2017 to 1% in 2018 attributed mainly to the increased in claim ratio from 86% to 97% this year. Claims increased with a much steeper skew specially in the last quarter of the year which negatively impacted on the Association's financials. The Association received Rs 251 million as premium during the year out of which Rs245 million was spent as cost of claims. It is worth highlighting that despite the difficult market conditions and increasing competition, the year under review depicted growth in Corporate Membership of 10% and an increase of 4% in beneficiaries. The number of corporate members have increased from 645 in 2016/17 to 709 in 2017/18 and the number of beneficiaries have increased from 19746 in 2016/17 to 20546 in 2017/18.

We have recently launched the cashless system on a pilot basis at some selected pharmacies. Through the cashless system, a beneficiary will need only to pay the 20% excess under the merge benefit cover and the 80% will be settled by BMPA in line with his cover limit. This service is yet another initiative of our Administrator to value add to our panoply of innovative services.

As technology and innovation remains a key to enhancing customer service, we have rolled out different tech based services one of them being our mobile application,

'Mosanté App'. The application will enable a beneficiary to have real time information on his medical coverage anywhere, anytime at his fingertips. The application enables a beneficiary to view his available limit, claim status and payment information. The application also contains the Snap and Send feature which will enable a beneficiary to send a claim to BMPA by simply taking a photo of his medical report, receipts and any other supporting documents and send it to us for processing through the Mosanté App. A family cover is currently being worked by our actuarial consultant. The family will provide for an overall limit for both inpatient and outpatient treatments for a family. The whole idea behind the family cover is to enable an employee and his dependents to be covered at a relatively lower premium to fit in his budget.

Due to the large deficit in income over expenditure, the Managing Committee has decided to increase the standard rates to assure the continuing sustainability of the Association. An increase of 5% in the Merge Benefits Health Cover, 15 % in the Inpatient + Cover and 15% in the Catastrophe covers will be applied effective 1st October 2018. We are confident that the increase in premium combined with cost management measures will surely help spur growth in our surplus margins. We have also reviewed the bonus /malus mechanism whereby the bonus system will be capped to a maximum of 25% of the standard rate.

After 36 years of solid existence, we believe it is time to reinvent and reposition the organisation. It is now an opportune moment to pause and take stock of past achievements, assess the current situation, and also ponder on the best way ahead. In order to be more competitive and effective, BMPA has decided to review its strategies and its operational procedures. In this context, the committee has decided to appoint a consultant to identify new and ambitious goals and objectives for the Association and develop a three-year comprehensive strategic plan. The consultant will assist us in devising the new strategic plan and accompanying us in the action plan.

No message would be complete without expressing my deep and heartfelt appreciation to the members of the Managing Committee, members of the subcommittees, Business Mauritius, Medscheme and to the members at large for their continued belief in the future sustainability of the Association.

Wishing you all a good health for a productive workforce!
Sincerely,



Ashley Gokhool



Managing Committee

Mr Sailendrasingh (Ashley) GOKHOOL

President

Chief Finance Officer - STR Marketing Ltee

Mr. Awadhkoomarsing BALLUCK

Vice President

Consultant - Business Mauritius

Mr. Eric LISIS

Treasurer

Human Resource Manager - Building & Civil Engineering Co. Ltd

Mr. Tejnarain CHUMROO

Secretary

Secretary - Federation of Unions of Managers of Private Sec.Schools

Mr. Arthur Michel Philippe GAUTHIER

Vice Treasurer

Accountant - Metal Can Manufacturers Ltd

Mr. Sunil SANTBAKSHSINGH

Member

Human Resources Manager - M.S.I.R.I

Mr. Ballakrishna APPADU

Member

Educator - La Confiance College

Mrs. Nathalie NICOLIN

Member

Assistant to Head of Personal Department - General Construction Ltd



An Overview

Managing Committee

The Managing Committee is the strategy and policymaking arm of the Association. During the year 2017/18 seven meetings were held.

The Audit and Corporate Governance, Marketing and Investment sub-committees have also held meetings to assist the Managing Committee in its decision-making processes.

Investment Sub-committee

The Committee is chaired by Mr. Philippe Gauthier and composed of the following members:

- **Mr Awadhkoomarsing BALLUCK** - Member
- **Mr Nilesh GAMMOO** - Member
- **Mr Imrith RAMTOHUL** - Investment Advisor - AON Hewitt Ltd

The Committee met twice during the year.

Audit and Corporate Governance Sub-committee

The Committee was chaired by Mr Re haz Sayed HASSEN (until December 2018) and the committee is composed of the following members:

- **Mr Sunil SANTBAKSHSINGH** - Member
- **Mr Daniel CHAN CHONG** - Member (appointed chairperson as from January 2018)
- **Mr Bernard PREFUMO** - Member
- **Mr Nilesh GAMMOO** - Member

The Committee met six times during the year.

Marketing Sub-committee

The Committee is chaired by Mr Nilesh Gammoo and composed of the following members:

- **Mr Ballakrishna APPADU** - Member
- **Mrs Isabelle CANGY** - Member
- **Mr Tejnarin CHUMROO** - Member

The Committee met twice during the year.

35th AGM Highlights

The 35th Annual General Meeting of BMPA was held on Thursday 28 September 2017 at 14 00 at the BM –MCCI Building, Rue Du Savoir, Ebene Cybercity, Ebène, where all issues related to the Association and its future were discussed alongside the Audit Report and Accounts.

Highlights of the President's Report

“The year under review has been quite a busy one for the Association.”

1. Amendment of Rules

A milestone in the history of the Association!

A Special General Meeting was held in April 17 whereby members of the Association were invited to take a special resolution to amend the rules completely. A majority of vote for the adoption of the resolution were received.

The new set of rules have been reviewed in view of adopting the right framework, ethical behavior and good governance and to allow the Association to innovate and provide adequate services for the betterment of its beneficiaries.

2. CCM case

The Competition Commission of Mauritius (CCM) has initiated an investigation on the application of a common scale of cost by healthcare providers and administrators. All the providers through the Association of Private Health Plans and Administrators (APHPA) have opted for a collective defense. The scale of cost is considered to be an instrument to regulate fees of service providers and medical practitioners in the private health industry.

The Association have opted for a marker which shall provide for a leniency period to continue using the scale cost and at the same time discussing with CCM and other institutions for the legal recognition of the scale of cost.

3. Debtors Policy

A debtors' policy has been devised to deal with the issue of late payments and long outstanding debtors. The policy has come into operation as from March 2017.

4. Internal Auditor

RSM Ltd has been appointed as the internal Auditor of the Association following a request for proposals among renowned firms.

Its functions will include examining, evaluating and monitoring the adequacy and effectiveness of operational and internal controls established to ensure that BMPA's activities and operations mitigate risk and secure propriety, economy, efficiency and effectiveness in all areas.

5. Investment Advisor

In order to better assist the investment sub-committee in its decision making process, the Committee has appointed an Investment Advisor namely Aon Hewitt Ltd. The Investment Advisor shall monitor existing investment portfolio, advise and recommend the investment committee on potential investment. An Investment Policy shall also be devised to guide the investment strategies of the Association.

6. All-inclusive benefit under the Merge Benefit Cover

As from January 2017 the Merged Benefit health cover has been revamped to include an annual limit for chronic diseases and preventive care benefits. The chronic disease which covers diabetes and hypertension and the preventive care benefit include medical checkup, blood test and other benefits.

This initiative is in line with the new mindset under which BMPA is operating namely disease management and health consciousness.

Activities during the Year

Amendments of Rules and Rebranding

Business Mauritius Provident Association (BMPA) revamped the identity of its current flagship medical plan namely “Mosanté”.

The presentation of this new identity to BMPA members was done in March 2018 at the Hennessy Park Hotel in Ebene amidst its members and collaborators. The Honourable Soomilduth Sunil Bholah Minister of Business, Enterprise and Cooperatives and The Honourable Soodesh Satkam Callichurn, Minister of Labour, Industrial Relations, Employment & Training were present for the event.

About the logo



The continuous line in the upper image mark depicts employees in a healthy working environment who have a wellbeing and caring employer and the bond that exists between them. It also represents the family as parents and the “bonding knot” in the middle represents the children and dependents. The arc below is a smile representing the caring and supportive hand of Mosanté. The illustration has been inspired by the widely recognized icon of employees, groups, family and smileys used in infographics. The color scarlet represents a better working environment as well as good living. Access to medical and health service for those who they care for is represented by the peaceful dark amazonite (blue-green) color.

Actuarial review of BMPA

An actuarial review of the Association as at 31 January 2017 was done by an independent actuary. The review covered the following areas:

- Adequacy of the premium under the existing set up
- Review the existing benefit/premium structure
- Analysis of Premium and claims data
- Reserving
- Expenses
- Investment
- Risks
- other matter impacting of the efficient operation of the Fund

The committee is currently working on the implementation of the recommendations of the Actuary.

Review of Terms & Conditions

To ease the implementation of new services which are mostly technology based, the Committee has reviewed the terms and conditions of the Association. This will also enable the Committee to review certain clause to increase flexibility so as to better adapt & cater to the needs of our members. The new terms and conditions will be effective as from 01 October 2018.

Recruitment of Customer Relationship Officer

BMPA recruited its very first staff in April 2018 after 36 six years of operation. Ms. Anjanah Soodeehul holds the position of customer relationship officer. We remain confident that she will be an invaluable asset for BMPA and will help to grow the Associations' membership. She will also handle all the complaints and queries from members and ensure that everything is dealt with in a timely manner.

Dedicated Customer Support line

As part of our commitment to continually improve on our services, we are also glad to introduce a Dedicated Customer Support Line. Members can now reach us on 403 5060 for their queries.

Cashless Pharmacy

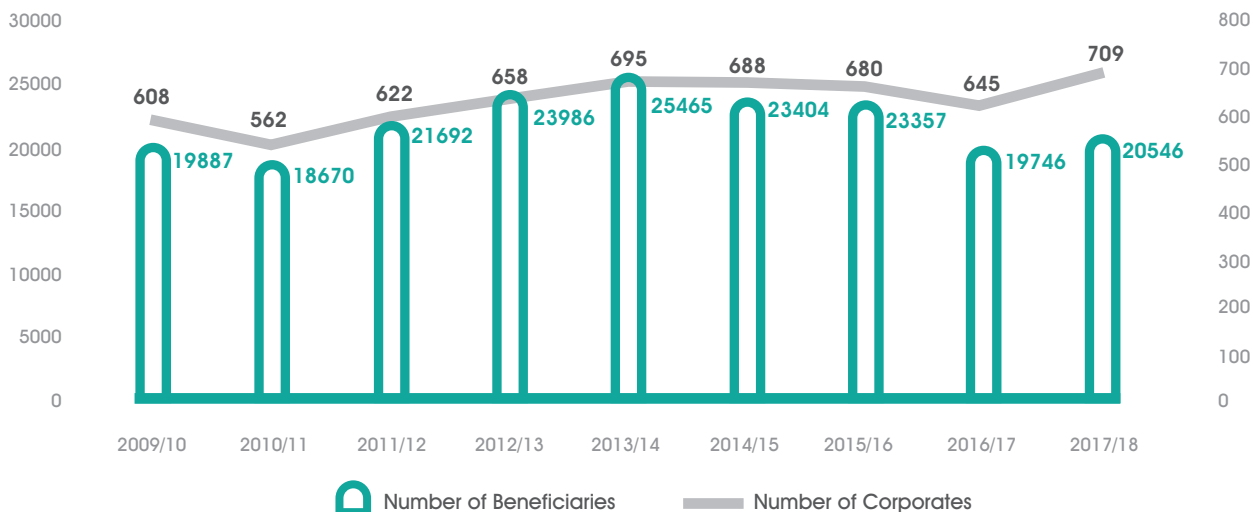
A cashless system has recently been launched on a pilot basis by the Administrator at some selected pharmacies. Through this cashless service, a beneficiary will only need to disburse the applicable excess which is 20% on purchase of medication and the remaining balance will be settled by Mosanté in line with the medical cover of such beneficiary. This facility will be expanded to other service providers across the island at a later stage.

Participation at Expo Maurice

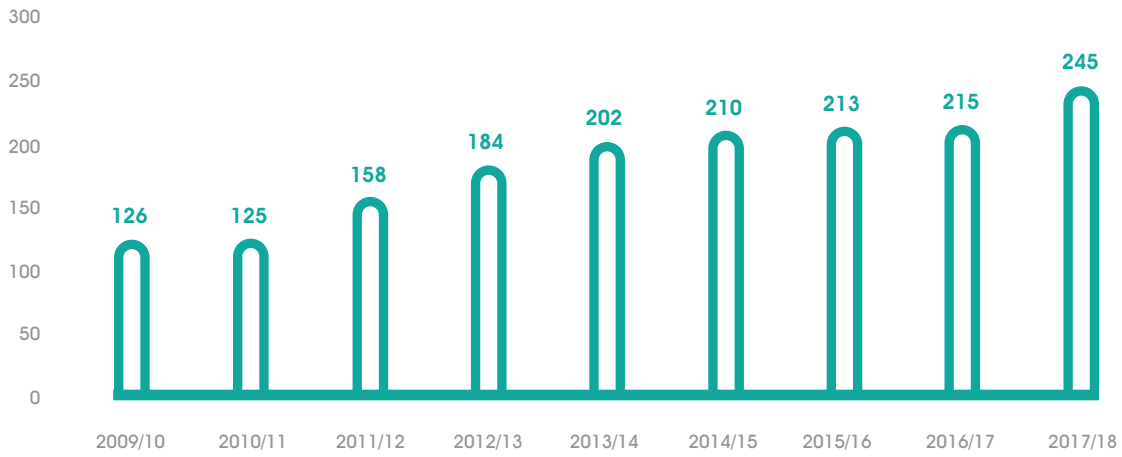
In order to increase its visibility and create increase awareness on our services, Mosanté was present at the EXPO Maurice event, a National Exhibition part of the celebration of the 50th anniversary of the Independence of Mauritius.

Membership and Analysis

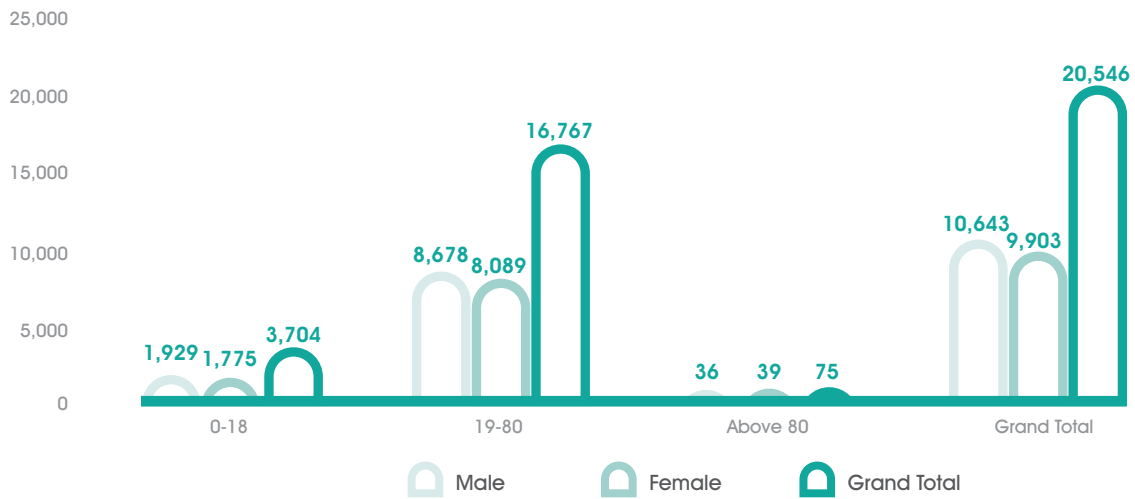
Membership Trend



Claims Paid (MUR M)



Membership by Age group



Financial Statements for the Year ended 30 June 2018



Statement of assets and liabilities as at 30 June

	Notes	2018 Rs	2017 Rs
ASSETS			
Equipment	2	29,112	-
Contribution receivable	3	4,077,376	9,000,298
Amount receivable from reinsurer - net	10	1,885,222	6,975,596
Sundry debtors and prepayments	4	4,115	3,180,668
Available-for-sale financial assets	5(i)	31,627,112	25,473,037
Fixed deposits	5(iii)	31,451,560	47,607,099
Held-to-maturity investment	5(iv)	13,550,180	-
Cash and cash equivalents		1,399,299	11,572,990
TOTAL ASSETS		84,023,976	103,809,688
LIABILITIES			
Contribution prepaid and sundry creditors	6	6,803,639	5,002,579
IBNR	7	16,430,986	12,122,824
TOTAL LIABILITIES		23,234,625	17,125,403
		60,789,351	86,684,285
ACCUMULATED FUNDS			
Accumulated surplus		84,168,515	76,519,974
(Deficit)/surplus for the year		(27,049,009)	7,648,541
Fair value reserves	5(ii)	3,669,845	2,515,770
TOTAL ACCUMULATED FUNDS		60,789,351	86,684,285

Chairman:



Treasurer:



INDEPENDENT AUDITORS' REPORT

We, the undersigned, having had access to all books and accounts and having examined the foregoing return and verified the same with accounts and vouchers relating thereto in accordance with International Standards on Auditing, sign the same found to be correct and duly vouched.



K RAMCHURUN, FCCA
Licensed by FRC



Grant Thornton
Chartered Accountants

Income and expenditure account for the year ended 30 June

	Notes	2018 Rs	2017 Rs
INCOME			
Gross subscriptions	8	251,341,797	249,655,975
Insurance subscriptions	10	(59,261,770)	(46,618,160)
Net subscriptions		192,080,027	203,037,815
CLAIMS			
Gross claims	9	244,583,272	214,801,836
Insurance claims	10	(54,171,396)	(48,927,355)
Net claims		190,411,876	165,874,481
Gross surplus		1,668,151	37,163,334
EXPENDITURE			
Management fees	11	24,913,886	22,930,487
Referral fees	12	208,756	1,027,102
Bad debts written off	3(i)	851,094	2,655,306
Stationery and photocopy charges		760,846	642,750
Audit fees		302,000	245,819
Bank charges		43,392	103,818
Marketing fees	13	1,676,031	1,568,349
Rebranding costs		1,700,634	-
Legal fees		200,000	-
Medical, professional and consultancy fees		670,914	2,656,176
Depreciation		4,485	-
Salaries		74,214	-
Sundry expenses		185,917	176,612
Total expenditure		31,592,169	32,006,419
Operating surplus		(29,924,018)	5,156,915
Finance income		3,123,600	2,559,038
Foreign exchange gain		(271,591)	(67,412)
Liability written back		23,000	-
Net (deficit)/surplus for the year		(27,049,009)	7,648,541
Fair value changes on available-for-sale financial assets	5(ii)	1,154,075	843,434
Accumulated surplus and reserves brought forward		86,684,285	78,192,310
Accumulated surplus and reserves carried forward		60,789,351	86,684,285

Statement of receipts and payments for the year ended 30 June

Rs

Bank balance on 01 July 2017 11,572,990

Receipts

Subscriptions	244,828,830
Matured deposits	23,338,486
Interest and dividend received	1,897,726
Receipts from reinsurers	1,947,978
Interbank receipts and matured investments	5,732,887
	277,745,907

Payments

Claims paid	(230,025,286)
Management fees	(22,851,274)
Net payment to insurers	(146,205)
Investments acquired	(29,050,180)
Professional fees	(332,830)
Medical and consultancy fees	(741,648)
Marketing fees	(1,629,382)
Stationery and photocopy charges	(760,846)
Audit fees	(211,313)
Sundry expenses	(354,464)
Salaries	(74,214)
Bank charges	(41,322)
Rebranding costs	(1,700,634)
	(287,919,598)

Bank balance at 30 June 2018 1,399,299

SIGNATURES OF:

Chairman:



Date: 24 SEP 2018

Treasurer:



Date: 24 SEP 2018

Notes to the accounts for the year ended 30 June 2018

1. Summary of accounting policies

1.1 Overall considerations

The accounts have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Standards Board ("IASB"), in terms of recognition and measurement and the requirements of the Registration of Associations Act 1978.

The significant accounting policies are summarised below.

1.2 Financial instruments

Financial instruments carried on the statement of assets and liabilities include receivables, cash and cash equivalents, available-for-sale investments, fixed deposits, held-to-maturity investment and payables. The particular recognition and measurement methods adopted are disclosed in the individual accounting policy associated with each item.

1.3 Foreign currency

Functional and presentation currency

The accounts are presented in Mauritian Rupees ("MUR" or "Rs"), which is also the functional currency of the Association.

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in the income and expenditure account.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

1.4 Equipment

Equipment are initially recorded at cost less accumulated depreciation and impairment losses.

Depreciation is calculated on the straight line method to write down the cost of assets to their residual values over their estimated useful lives as follows:

Furniture 16.7%

The estimated useful lives are reviewed at each reporting date.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are included in the income and expenditure account. All repairs and maintenance are expensed during the financial period in which they are incurred.

1.5 Subscription

1.5.1 Subscription income

Subscription income is accounted for on an accrual basis.

1.5.2 Claim costs

Claim costs are accounted for on an accrual basis.

1.6 Other income

Interest income is recognised on an accrual basis using the effective interest rate, unless collectability is in doubt.

1.7 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank, together with other short term, highly liquid investments maturing within 90 days from the date of acquisition that are readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value.

Fixed deposits with maturity dates more than 90 days are disclosed separately in the statement of assets and liabilities.

1.8 Provisions

Provisions are recognised when the Association has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and the amount can be estimated reliably. Timing or amount of the outflow may still be uncertain.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

1.9 Impairment of assets

At each reporting date, the Association reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment. When an indication of impairment loss exists, the carrying amount of the asset is assessed and written down to its recoverable amount.

1.10 Expenditure

Expenditure is recognised in the income and expenditure account upon utilisation of the service or as incurred.

1.11 Receivables

Receivables include mainly sundry debtors, contribution and reinsurance fees receivable.

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial.

1.12 Accumulated funds

Accumulated funds includes all current and prior years' results.

1.13 Payables

Payables include mainly accruals, contribution prepaid and other payables.

Payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

1.14 Available-for-sale financial assets

Available-for-sale financial assets include non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any other categories of financial assets. The Association's available-for-sale financial asset includes quoted and unquoted investments.

Quoted securities

The quoted securities are initially measured at cost plus transaction costs and subsequently at fair value with reference to their closing price on the relevant stock exchange or NAV at the reporting date. Gains and losses are recognised in income and expenditure account and reported in fair value reserves within accumulated funds except for impairment losses which are recognised in the income and expenditure account.

Unquoted securities

Unquoted securities are measured at cost less any impairment charges, as its fair value cannot be estimated reliably. Impairment charges are recognised in income and expenditure account.

Dividends are recognised in income and expenditure account and within other income.

1.15 Held-to-maturity ("HTM") investment

HTM Investment is non-derivative financial asset with fixed or determinable payments and fixed maturity other than loans and receivables. Investment in treasury bill is classified as HTM as the Association has the intention and ability to hold it until maturity.

HTM investment is measured subsequently at amortised cost using the effective interest method.

1.16 IBNR (Incurred But Not Reported)

IBNR represents liabilities for claims that are occurred, but which are not yet reported to the Association. The IBNR is determined by a qualified actuary using the loss ratio run-off triangle model.

1.17 Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

2. Equipment

Cost	Furniture Rs
Additions during the year and at 30 June 2018	33,600
Depreciation	
Charge for the year and at 30 June 2018	4,488
Net book value at 30 June 2018	29,112

3. Contribution receivable

(i) Contribution receivable at the reporting date was as follows:

	2018 Rs	2017 Rs
Contribution receivable	4,077,376	9,000,298

(ii) The ageing of contribution receivable is as follows:

	2018 Rs	2017 Rs
Less than 1 month	2,446,494	552,862
Less than 2 months	1,253,152	4,998,876
Less than 3 months	377,730	3,448,560
	4,077,376	9,000,298

(iii) The policy of the Association is to write off contributions unpaid for a period of three consecutive months. Contributions written off during the year amounted to Rs 851,094 (2017: Rs 2,655,306).

4. Sundry debtors and prepayments

	2018 Rs	2017 Rs
Sundry debtors	4,115	2,280,668
Prepayments	-	900,000
	4,115	3,180,668

5. Investments

	2018 Rs	2017 Rs
(i) Available-for-sale financial assets		
<i>Unlisted</i>		
- Afrasia Bank Limited - Class A Series 2 shares	3,999,750	3,999,750
- Exchange Traded Funds	845,781	778,999
- MCB Unit Trust	7,501,817	7,047,494
- MCB Group Limited	524,400	516,800
- SBM Holdings Ltd	423,987	421,658
- SBM Perpetual Fund	5,090,436	-
<i>Listed</i>		
- Attitude Property Ltd	3,100,000	2,562,500
- MCB Group Limited – notes	2,025,017	2,058,996
- SBM Holdings Ltd – bonds	4,007,124	4,085,640
- United Investments Limited - bonds	4,108,800	4,001,200
	31,627,112	25,473,037
(ii) Movement in available-for-sale financial assets		
As at 01 July	25,473,037	19,097,017
Additions	5,000,000	5,532,586
Fair value adjustments	1,154,075	843,434
As at 30 June	31,627,112	25,473,037
(iii) Fixed deposits		
- ABC Banking Corporation	5,711,721	5,435,670
- Afrasia Bank Limited	-	9,402,429
- BanyanTree Bank Limited	2,040,200	-
- CIM Finance Ltd	4,689,230	10,283,008
- Spice Finance Ltd	7,778,341	-
- The Mauritius Civil Service Mutual Aid Association Ltd	11,232,068	22,485,992
	31,451,560	47,607,099
Term deposits are placed with several financial institutions with maturity dates of more than 90 days from date of origination.		
(iv) Held-to-maturity investment		
- Treasury bills - Barclays Bank Mauritius Ltd	13,550,180	-

6. Contribution prepaid and sundry creditors

	2018 Rs	2017 Rs
Contribution prepaid	1,982,212	1,411,246
Management fees payable	2,214,565	1,051,953
Marketing fees payable	441,350	394,701
Sundry creditors	108,550	76,726
Accruals	2,056,962	2,067,953
	6,803,639	5,002,579

7. Incurred But Not Reported claims (“IBNR”)

	2018 Rs	2017 Rs
IBNR	16,430,986	12,122,824

IBNR relates to liabilities for claims that have been incurred, but which have not yet been reported to the Association at the reporting date. The IBNR has been determined by a qualified actuary using the loss ratio run-off triangle model and the amount of 16,430,986 reported as at 30 June 2018 represents the best estimate of any potential liability for such obligations.

8. Gross subscriptions

	2018 Rs	2017 Rs
Gross subscriptions	251,341,797	249,655,975

Gross subscriptions relate to total premiums collected from the members of the Association.

9. Gross claims

	2018 Rs	2017 Rs
Gross claims	244,583,272	214,801,836
Number of claims paid	62,518	60,247
Claims ratio	97%	86%

Gross claims represent the total claims paid by the members of the Association.

10. Insurance subscription and claims

10.1 Net premium received

The premiums received and claims settled in respect of catastrophe covers during the year are as follows:

	2018 Rs	2017 Rs
Insurance subscriptions	59,261,770	46,618,160
Insurance claims	(54,171,396)	(48,927,355)
	5,090,374	(2,309,195)

10.2 Loss on reinsurance

The loss on reinsurance of catastrophe covers with Swan General Ltd during the year are as follows:

	2018 Rs
Reinsurance premiums received	58,866,470
Reinsured costs	(59,261,770)
	(395,300)

10.3 Amount receivable from reinsurer - net

The catastrophe covers of the members of the Association which is reinsured with a reinsurer; SWAN General Ltd. A reconciliation of the movement of amount receivable from insurers is shown below:

	2018 Rs	2017 Rs
As at 01 July	6,975,596	4,666,401
Movement during the year	(5,090,374)	2,309,195
As at 30 June	1,885,222	6,975,596

11. Management fees

	2018 Rs	2017 Rs
Management fees	24,913,886	22,930,487

The fee structure for the management services to the administrator of the Association, Medscheme (Mtius) Limited is 8.5% of gross monthly premiums charged to clients excluding Value Added Tax ("VAT) and 5% of gross monthly premiums charged to business derived from referral services (including VAT); provided that the loss ratio in respect of referral business is above 86%. Management fees are payable monthly.

12. Referral fees

	2018 Rs	2017 Rs
Referral fees	208,756	1,027,102

The fee structure for referral services is 7% on annual premiums on businesses referred to the Association, payable either on a monthly or a quarterly basis.

13. Marketing fees

	2018 Rs	2017 Rs
Marketing fees	1,676,031	1,568,349

The fee structure for the marketing services to Business Mauritius is 0.5% of the annual contribution and a per-beneficiary fee of Rs 20 per annum, with a minimum of Rs 500,000 annually, settled by the Association on a quarterly basis.

Business Mauritius Provident Association,
c/o Business Mauritius,
BM-MCCI Building,
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