

LA Conversations

WE'RE IN IT FOR YOUR HEALTH

2027
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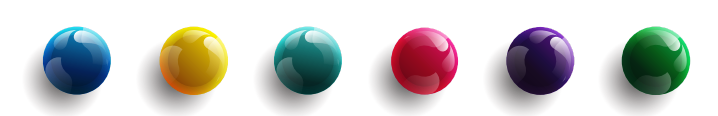
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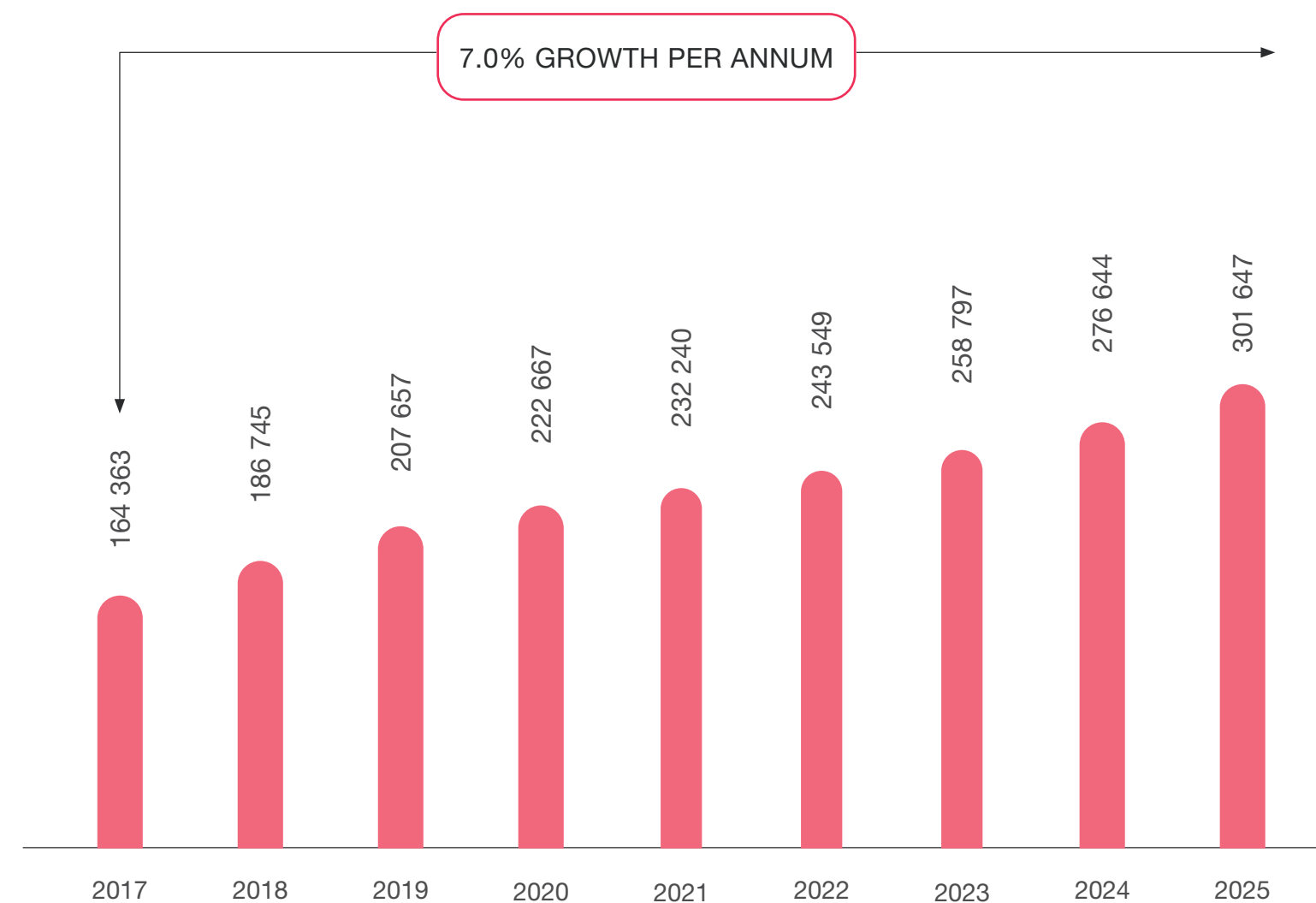
Strong beneficiary growth

LA Health now provides cover to over 322 000 beneficiaries, making it the fifth largest medical scheme in South Africa across both the open and restricted scheme industries.

The Scheme's robust growth remains an industry standout, recording an annual growth rate of 7% per annum between 2017 and 2025. Between January and August 2026 alone LA Health experienced an increase of over 20 000 beneficiaries.

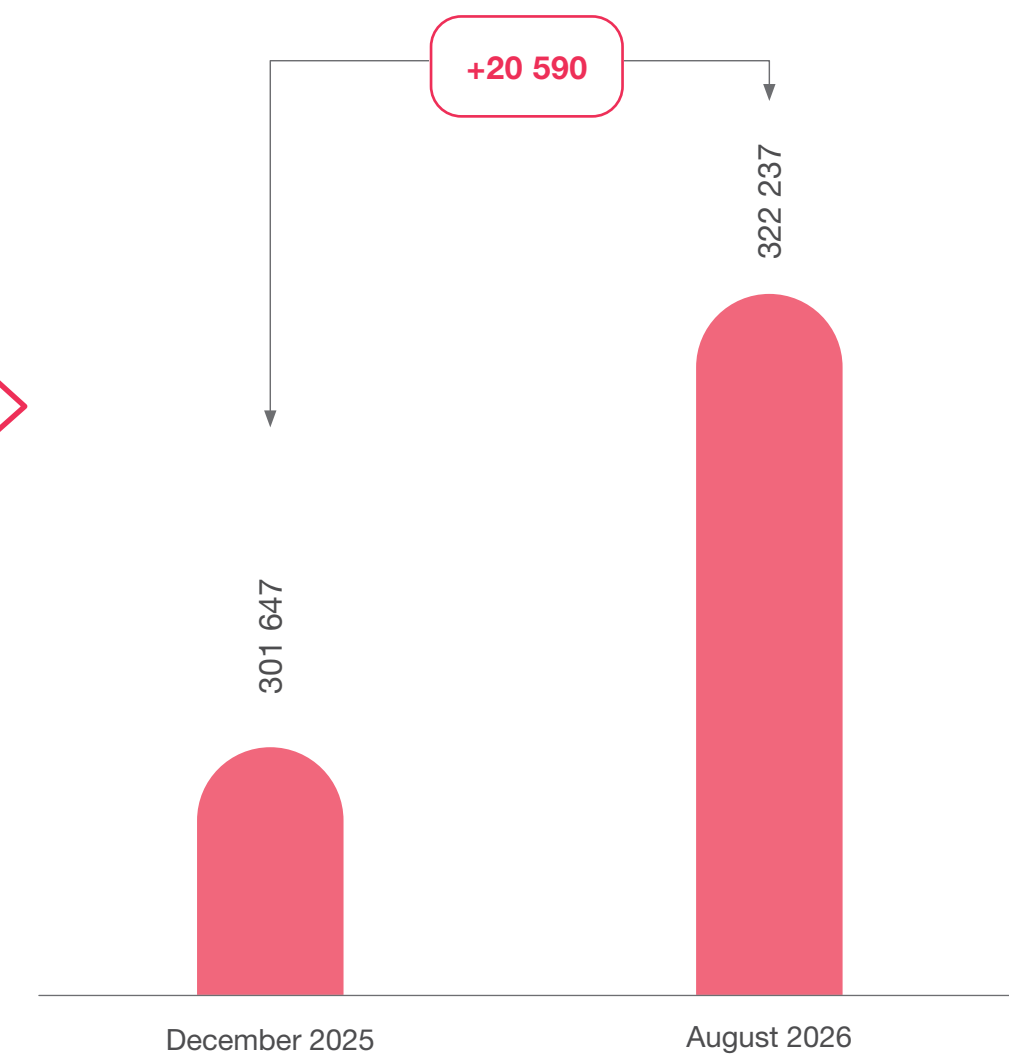
SUSTAINED BENEFICIARY GROWTH

TOTAL BENEFICIARIES (2017 – 2025)



POSITIVE LA HEALTH GROWTH CONTINUES INTO 2026

NET GROWTH IN BENEFICIARIES
(31 DECEMBER 2025 – 31 AUGUST 2026)



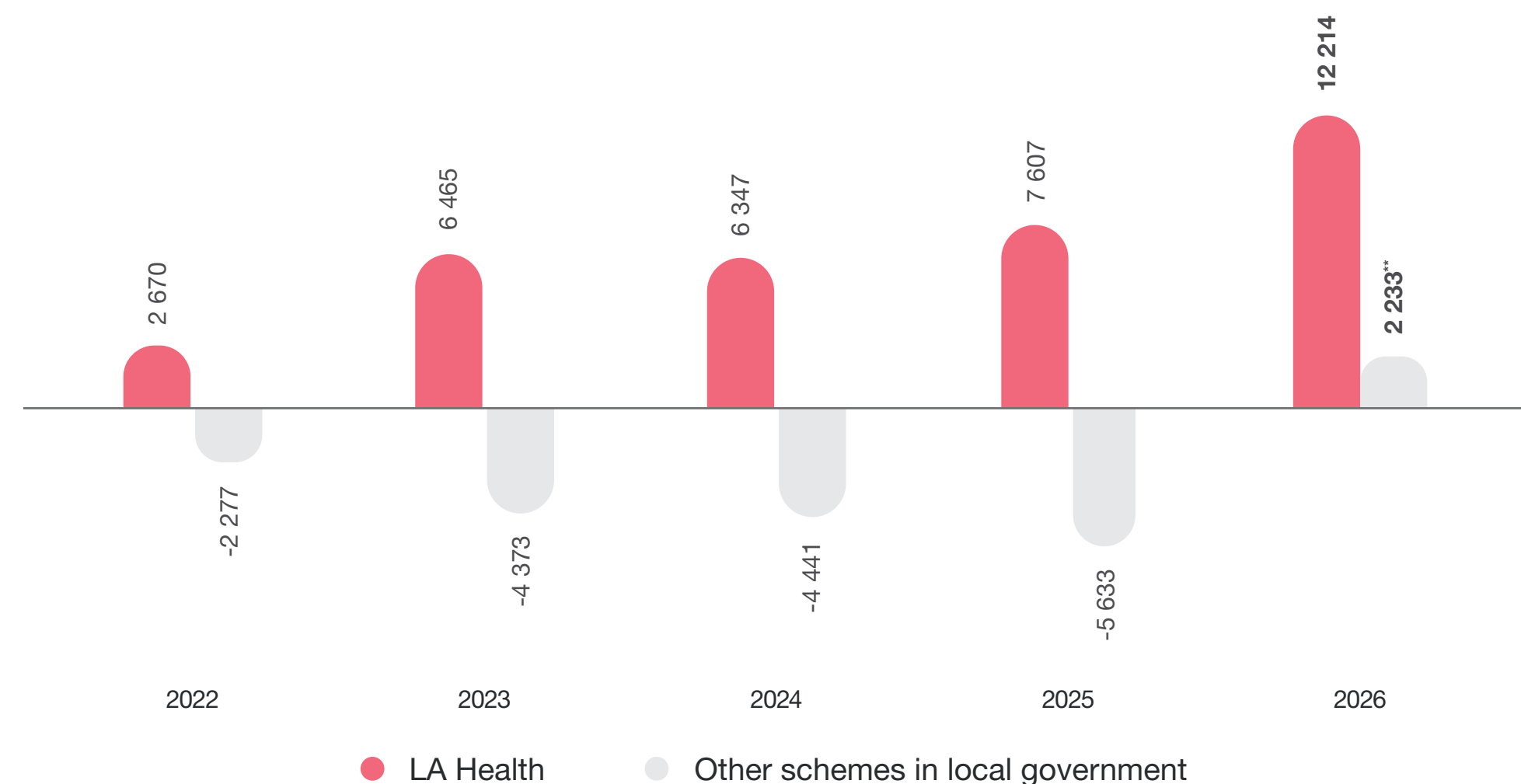
Strong membership growth

LA Health added over 12,200 principal members in the 12-months ended on 31 March 2026, the biggest membership growth in a single year the Scheme's history. The scale of LA Health is evidenced in the flagship benefit option, LA Active, being larger than the next two largest accredited schemes combined.

In 2026, the redistribution of Sizwe Hosmed lives impacted growth across the accredited schemes. The three accredited competitor schemes grew by a combined 2,200 lives. LA Health's growth of nearly six times that rate showed strong organic growth and members' preference.

MEMBERSHIP GROWTH

NET GROWTH IN PRINCIPAL MEMBERS (2022 – 2026)*



*(Annual member growth as at 31 March each year)

**Other local government schemes excludes Sizwe Hosmed in 2026

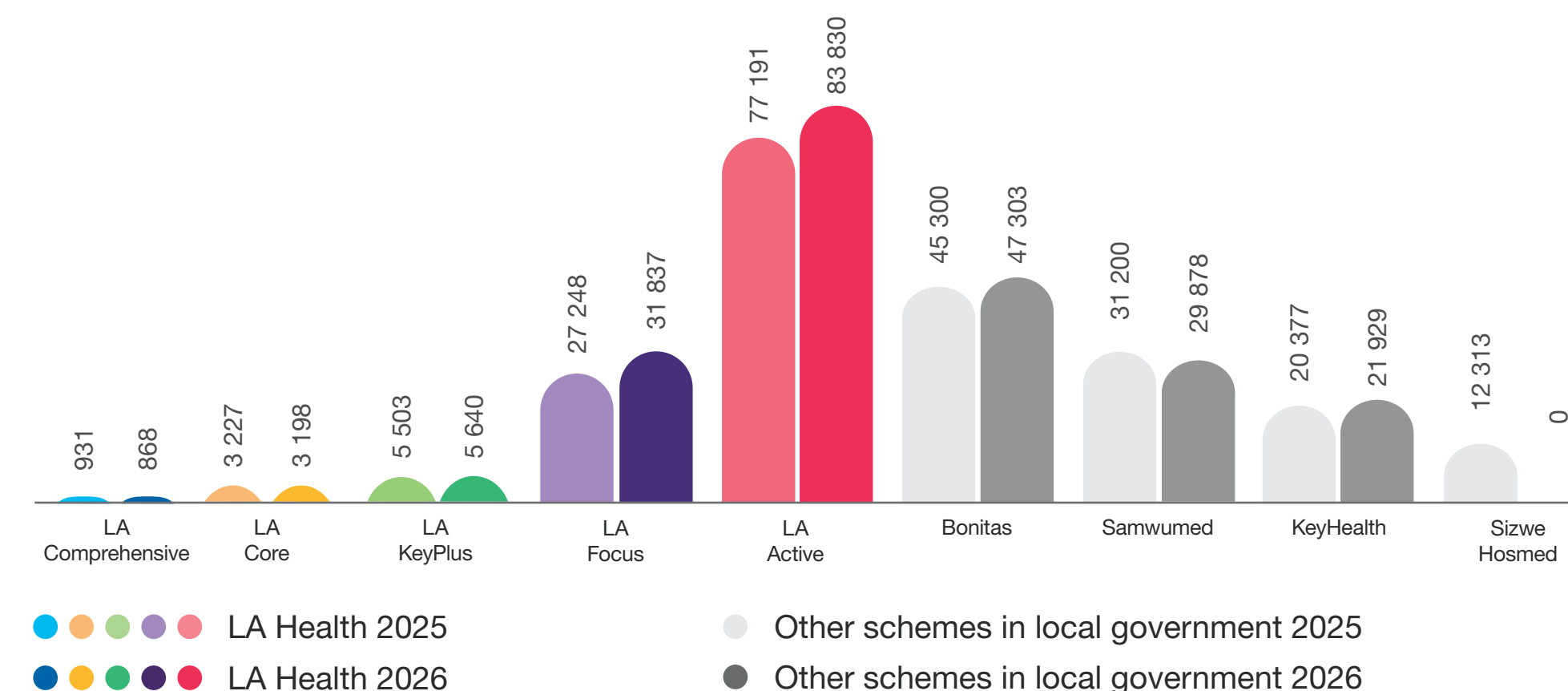
NET GROWTH IN PRINCIPAL MEMBERS OVER THE PAST 5 YEARS (TO 31 MARCH 2026)

+35 303
LA Health

-14 491
Other schemes in local government

MEMBERSHIP SIZE

TOTAL PRINCIPAL MEMBERS AS AT MARCH 2026*



LA Health 2025

LA Health 2026

Other schemes in local government 2025

Other schemes in local government 2026

*Annual member count as at 31 March each year

TOTAL PRINCIPAL MEMBERS AS AT 31 MARCH 2026

>126 000
LA Health

<48 000
Next largest scheme in local government



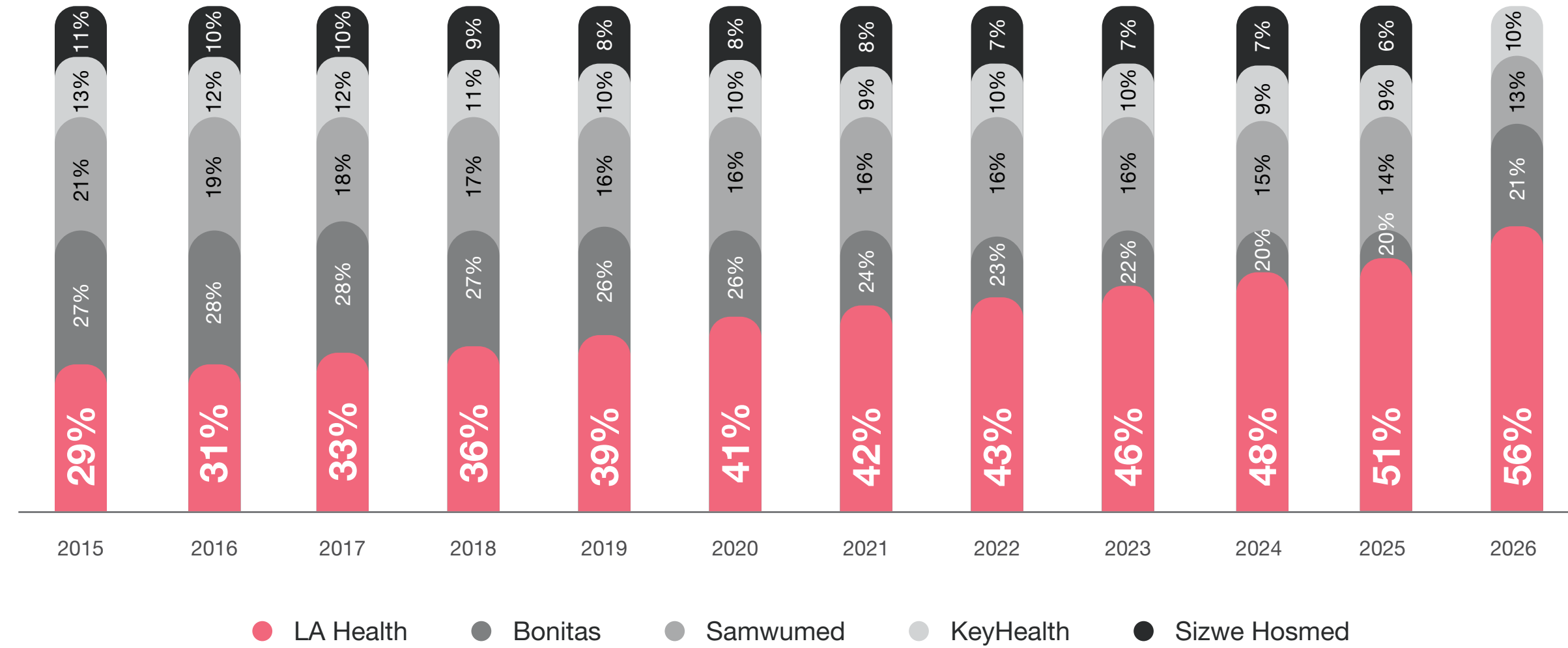
The scheme of choice for local government employees

As of March 2026, the majority of local government employees on a medical scheme choose LA Health. The long-term market share growth is driven by the Scheme's continued affordability and the quality of cover offered across its range of benefit options.

LA Health increased its market share by 5% in 2026, the largest share gain in the Scheme's history.

MARKET SHARE

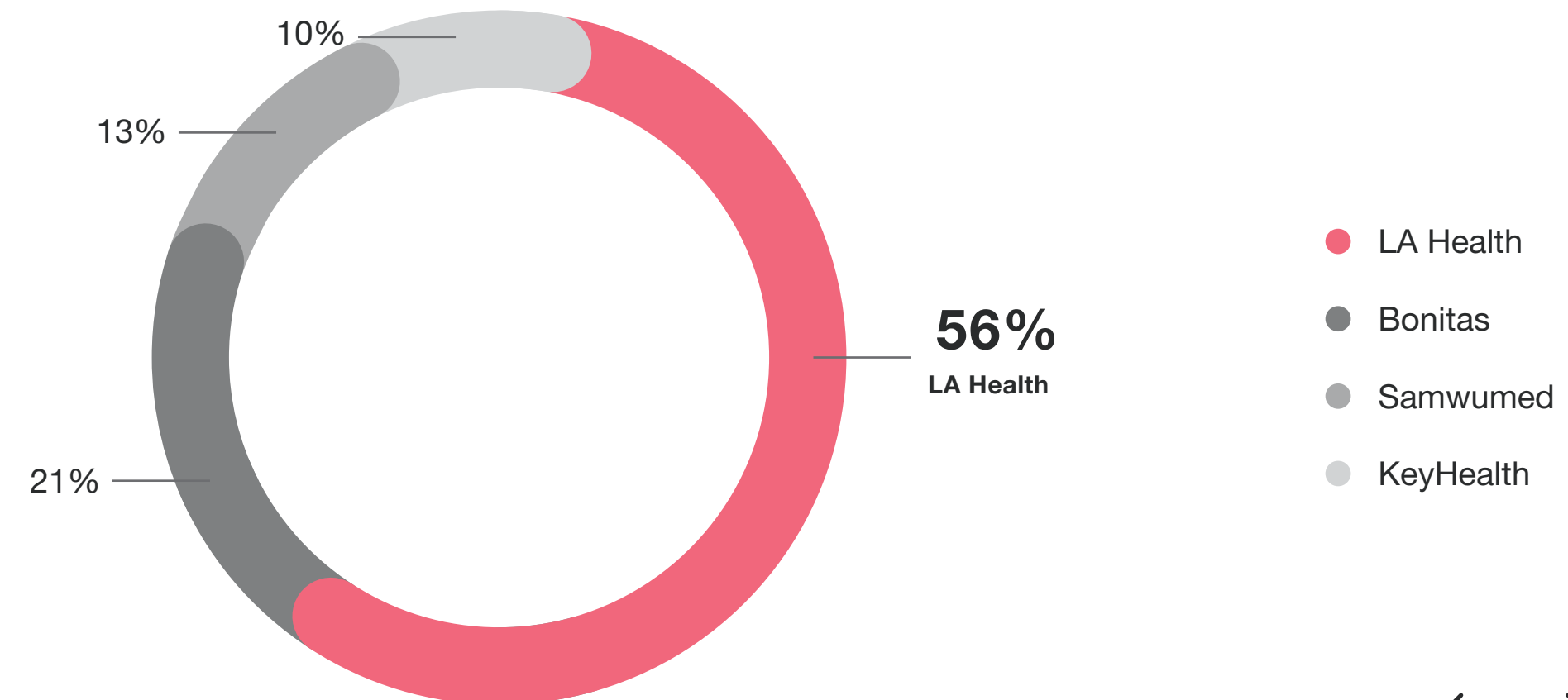
(2015-2026)



*(Market share as at 31 March every year)

LOCAL GOVERNMENT MARKET SHARE

MARCH 2026

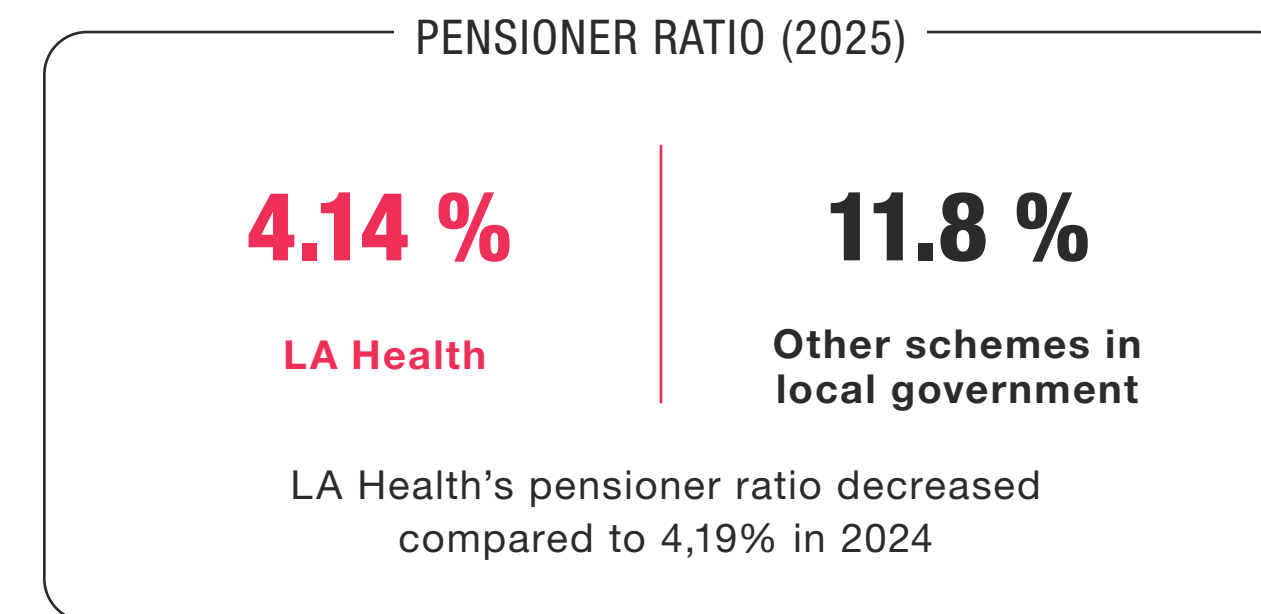
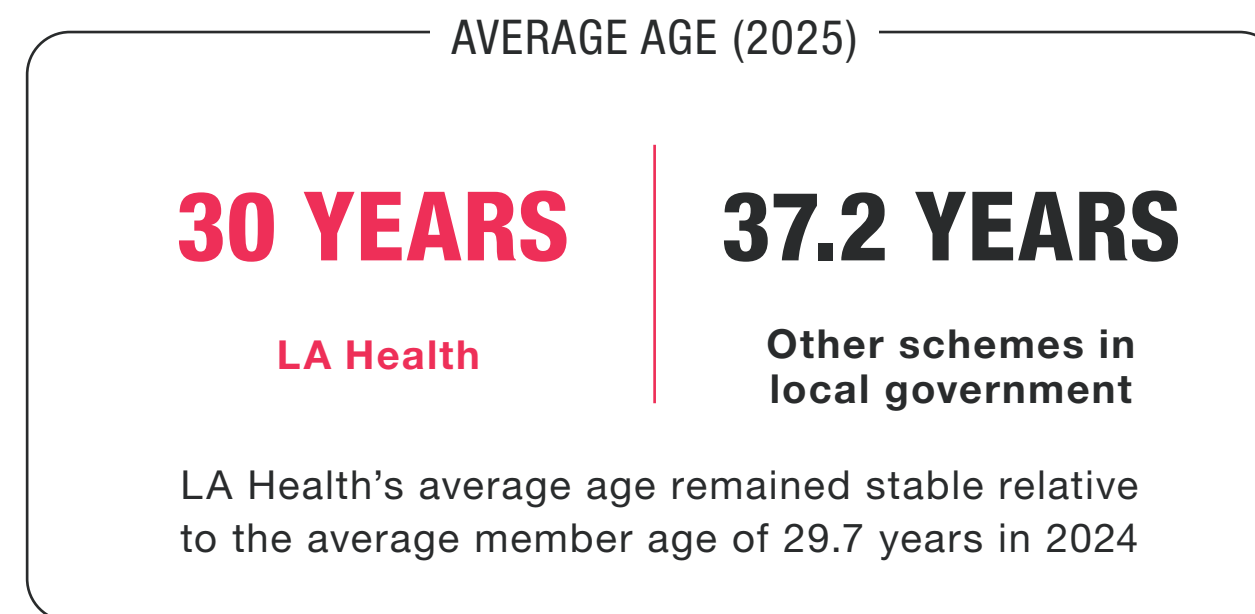


Attracting young and healthy lives

LA Health Medical Scheme has consistently attracted young and healthy lives, maintaining a healthy demographic profile with an average age well below competitor schemes.

The demographic profile of new joiners in 2025 resulted in the Scheme's average age remaining stable at 30 years, reinforcing the long-term sustainability of the Scheme.

THE OVERALL DEMOGRAPHIC PROFILE OF LA HEALTH REMAINS SIGNIFICANTLY BETTER THAN THAT OF ITS COMPETITORS



LA HEALTH CONTINUES TO ATTRACT A YOUNGER, HEALTHIER NEW JOINER PROFILE

AVERAGE AGE OF LA HEALTH BENEFICIARIES COMPARED TO AVERAGE AGE OF NEW LA HEALTH JOINERS (2015 – 2025)*



*(Annual beneficiary age as at 31 March each year)



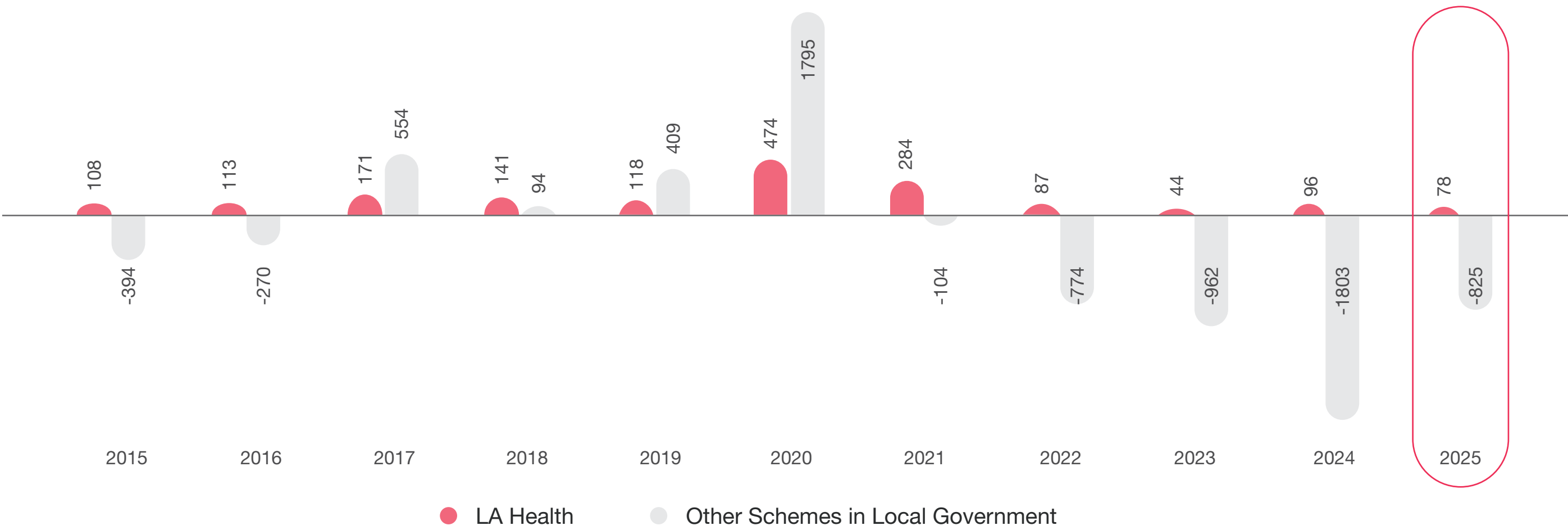
Sustained financial strength

LA Health maintained its long-term stable operating performance in 2025. The Scheme’s commitment to prudent financial planning has ensured its ability to consistently manage changes in healthcare utilisation, while maintaining benefits and affordable contributions.

Once again LA Health was the only scheme in the local government sector to record a positive operating outcome in 2025, indicating the accuracy of the Scheme’s pricing strategy, and underlying stability of benefits available to members.

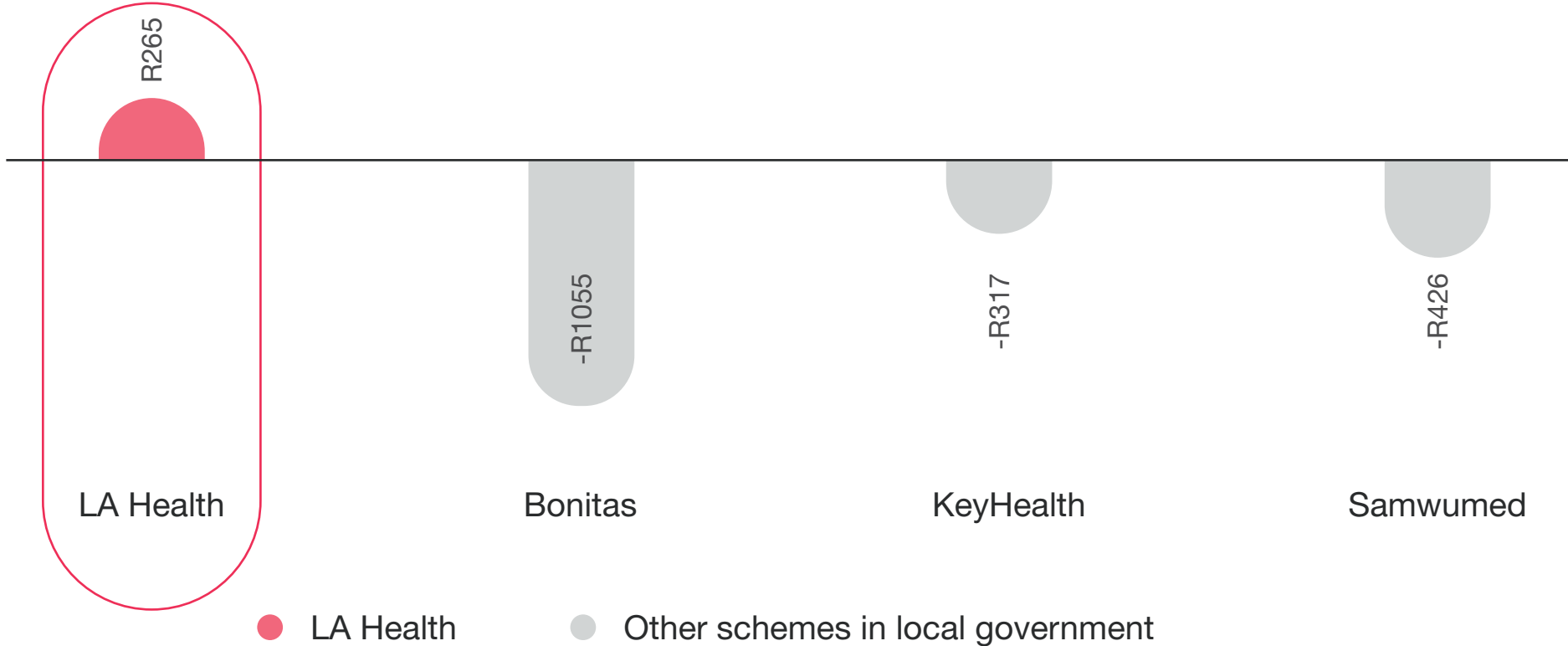
LONG-TERM OPERATING PERFORMANCE

NET HEALTHCARE RESULT (RM)



LONG-TERM OPERATING PERFORMANCE

NET HEALTHCARE RESULT (RM)



Note: 2025 net healthcare result calculated from scheme annual financial reports.

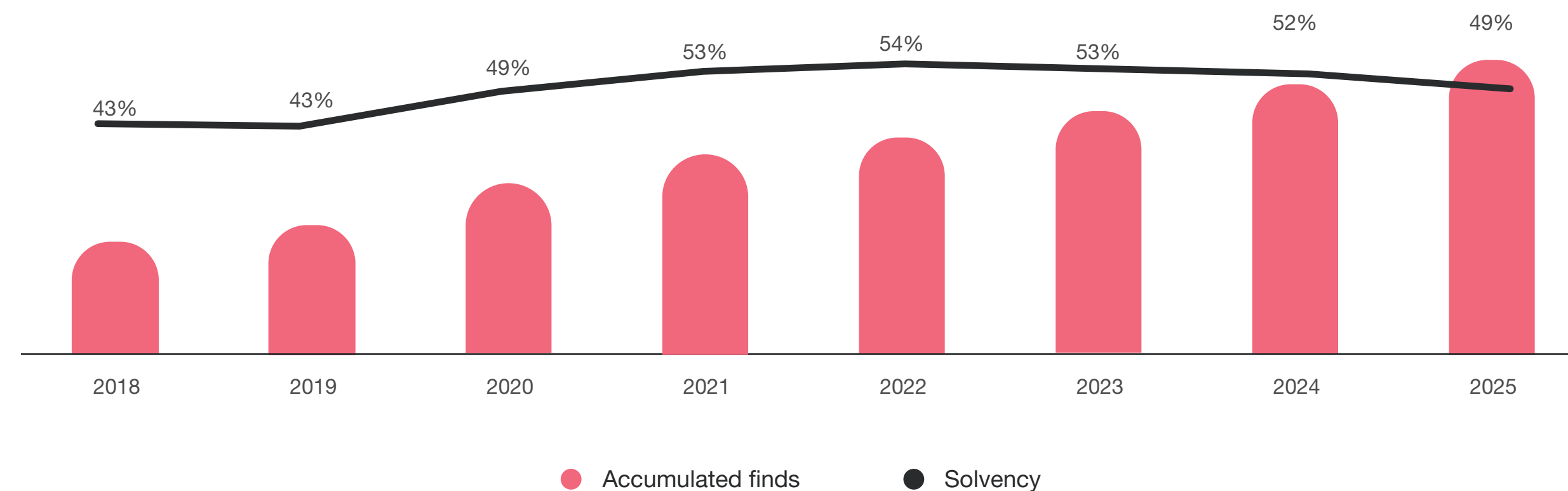


Sustained financial strength

As a non-profit organisation, medical schemes set member contributions to align with projected claims for the upcoming year while also meeting regulatory solvency requirements. Achieving the right balance between contributions and claims is essential to ensure the Scheme's long-term financial health. This balance safeguards both the sustainability of the Scheme and members' continued access to quality healthcare benefits.

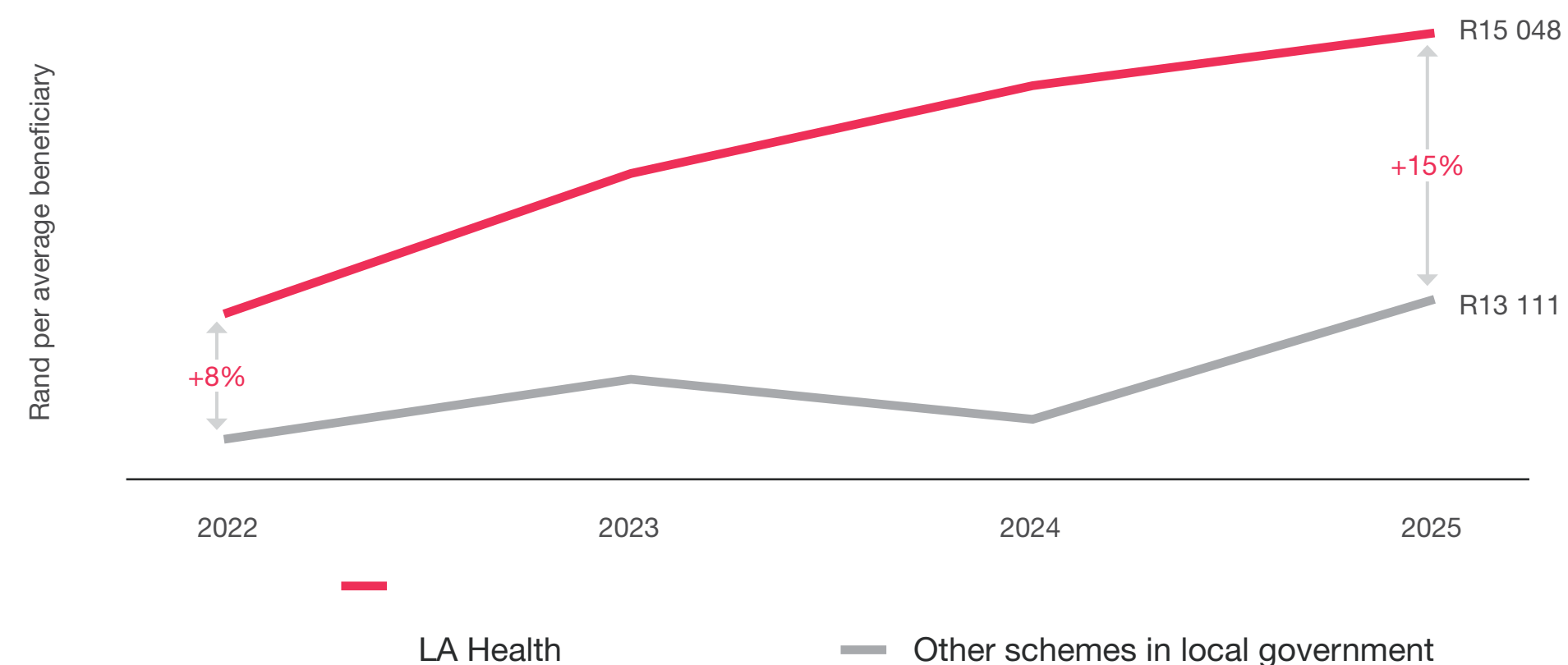
Despite rapid growth, LA Health's solvency has remained stable with a 9% increase in member reserves in 2025. As an indication of the financial strength of the Scheme, at a per member level LA Health holds 15% more reserves than the other local government schemes.

LONG-TERM FINANCIAL STABILITY

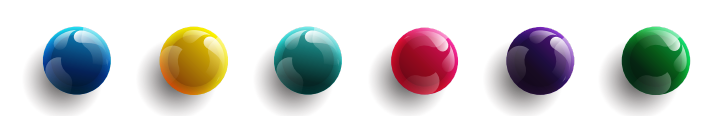


LONG-TERM OPERATING PERFORMANCE

2022 TO 2025



COMPREHENSIVE LEVELS OF COVER FOR OUR MEMBERS



Comprehensive levels of cover for our members

Over the course of the past 12 months, LA Health paid out over R7.7bn in claims for members across a broad range of healthcare needs. The Scheme is well positioned to continue providing members with the best quality, value-for-money cover.

The WELLTH Fund continues to be a unique offering that provides additional value and supports healthy behaviour for all new members joining LA Health.



R7.7 BILLION | TOTAL LA HEALTH CLAIMS PAID FROM APRIL 2025 TO MARCH 2026



HOSPITAL CLAIMS

- R4.1 bn** paid for hospital claims
- 53.4%** of total claims cost
- 63 724** hospital admissions
- R64 160** average cost per admission
- 287 937** days spent in hospital
- 4.5** days spent in hospital per admission



CHRONIC CLAIMS

- R205.2 m** paid for claims relating to chronic conditions
- 2.7%** of total claims cost
- 67 719** beneficiaries with chronic conditions
- R253** average cost per beneficiary per month
- 553 480** prescriptions dispensed



ONCOLOGY CLAIMS

- R306.8 m** paid for oncology treatment
- 4.0%** of total claims cost
- 3 380** beneficiaries registered for the oncology benefit
- 2 366** beneficiaries currently claiming for oncology treatment
- R10 807** average cost per beneficiary per month



DAY-TO-DAY CLAIMS

- R2.9 bn** paid for day-to-day claims
- 37.6%** of total claims paid
- 822 554** GP visits
- 171 624** specialist visits
- 328 169** allied visits (e.g. biokineticist, physiotherapist, chiropractor)
- 2.8 m** prescriptions dispensed



MATERNITY CLAIMS

- R176.8 m** paid for births
- 2.3%** of total claims paid
- 2 980** number of deliveries
- R59 313** average cost per delivery



SCREENING AND PREVENTION

- 63 031** beneficiaries performing screening assessments



THE WELLTH FUND

- R116.6 m** total amount paid from the WELLTH Fund
- R41 m** in GP claims paid from the WELLTH Fund
- R11 m** dentist claims paid from the WELLTH Fund
- R2 m** in psychologist claims paid from the WELLTH Fund

Note: All figures for the period April 2025 to March 2026.

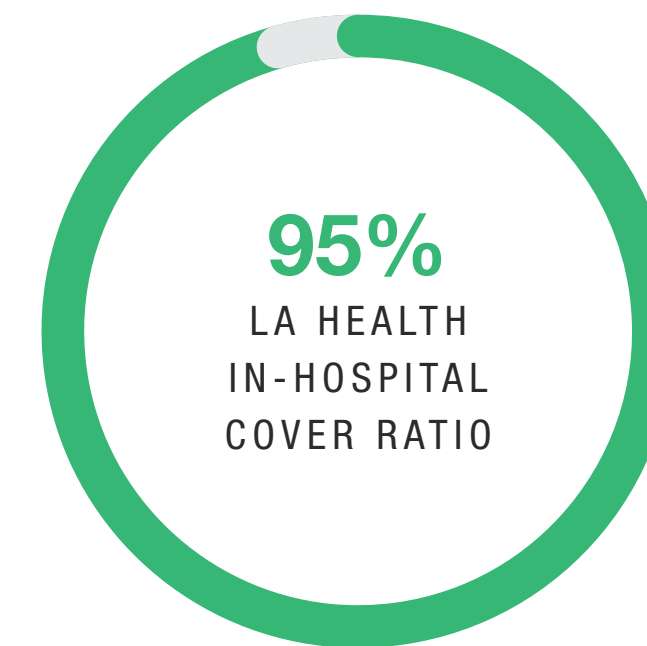


Exceptional levels of hospital cover

LA Health’s hospital admission rate has remained largely stable at 22.8% - with over R4.1bn worth of hospital claims paid by the Scheme over the past 12-months equating to an in-hospital cover ratio of 95% for the year ending 31 March 2026.

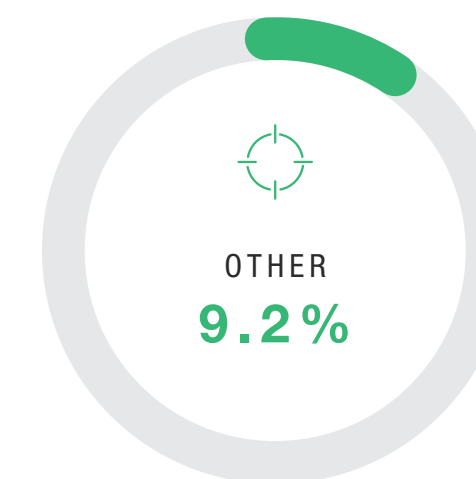
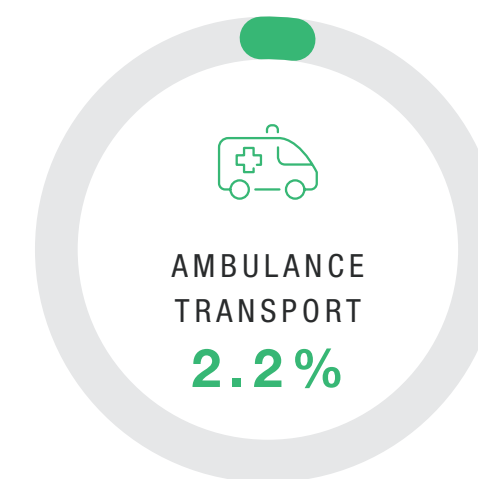
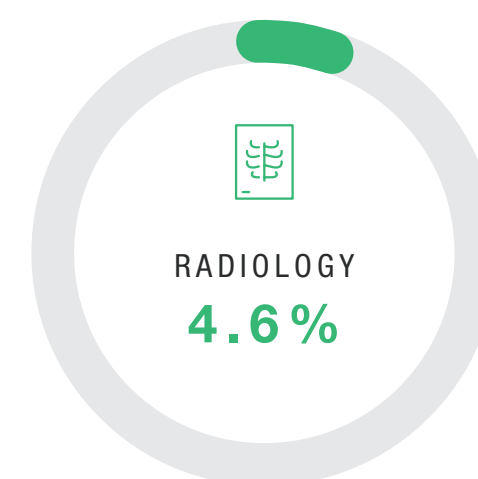
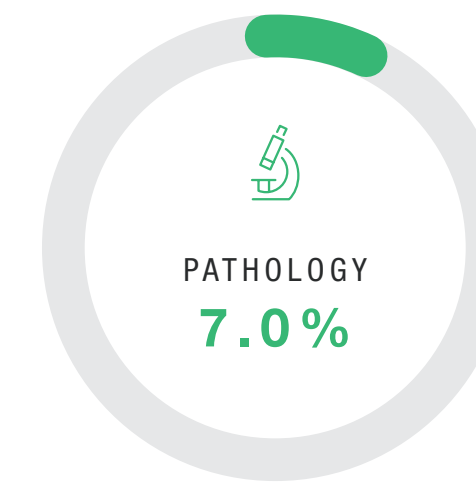
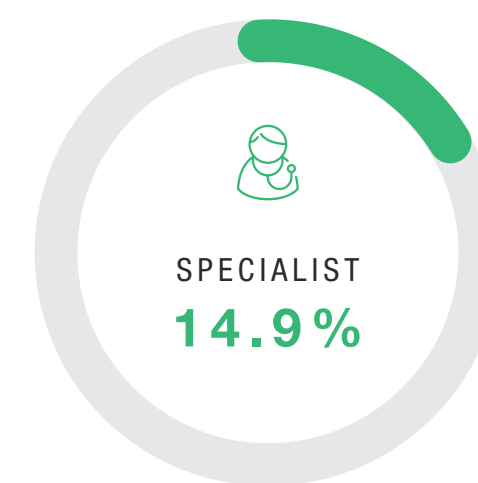
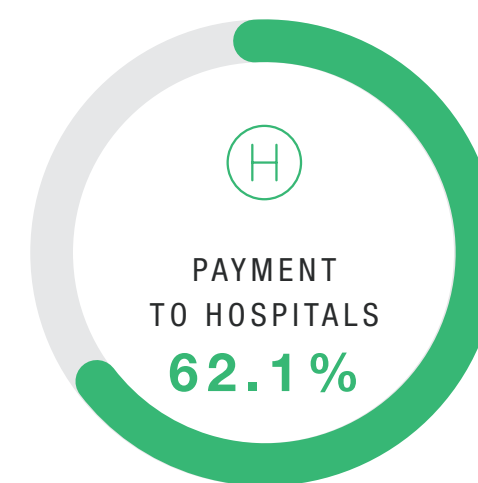
Over this period, 180 beneficiaries were covered for hospital claims of greater than R1 million, while nearly 2,000 members benefitted from cover for hospital claims greater than R250,000.

OVERALL IN-HOSPITAL CLAIMS PAYOUT RATIO



HOSPITAL CLAIMS BY TYPE OF PROVIDER

On average for every R100 paid by LA Health for a claim relating to a hospital admission, R62.10 is paid to the hospital and R14.90 to specialists.



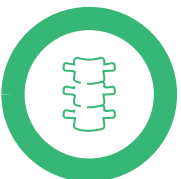
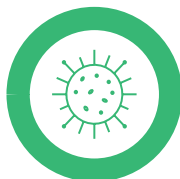
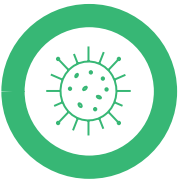
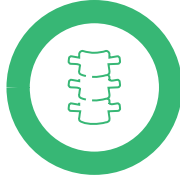
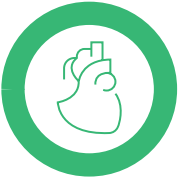
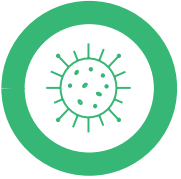
Cover for members with complex and emergency healthcare needs

As seen from the top 10 highest claims paid by LA Health over the 12-month period ending March 2026, beneficiaries of various ages, health status and income can be faced with unexpected and costly healthcare events. Based on the total LA Focus principal member contributions in 2025, the highest claim would require 125 years' worth of contributions to fund.

LA Health's stable financial foundation and dedication to delivering funding for high-quality healthcare mean that members can rely on continued access to comprehensive cover for both emergency and complex medical needs well into the future.



10 HIGHEST INDIVIDUAL MEMBER CLAIMS PAID IN 12 MONTHS = R 38.1 MILLION

 R4.7 M Age 45 LA Focus 123 days Fracture of head, spine	 R3.6 M Age 40 LA Active 127 days Septicaemia
 R4.5 M Age 51 LA Active 118 days Septicaemia	 R3.6 M Age 71 LA Active 95 days Spinal subluxation and stenosis
 R4.1 M Age 38 LA Focus 95 days Pancreatitis	 R3.4 M Age 17 LA Active 113 days Medical or surgical complication
 R3.9 M Age 45 LA KeyPlus 37 days Congestive cardiac failure	 R3.4 M Age 0 LA Active 113 days Neonatal distress
 R3.8 M Age 14 LA Active 119 days Septicaemia	 R3.2 M Age 51 LA Active 88 days Respiratory complications

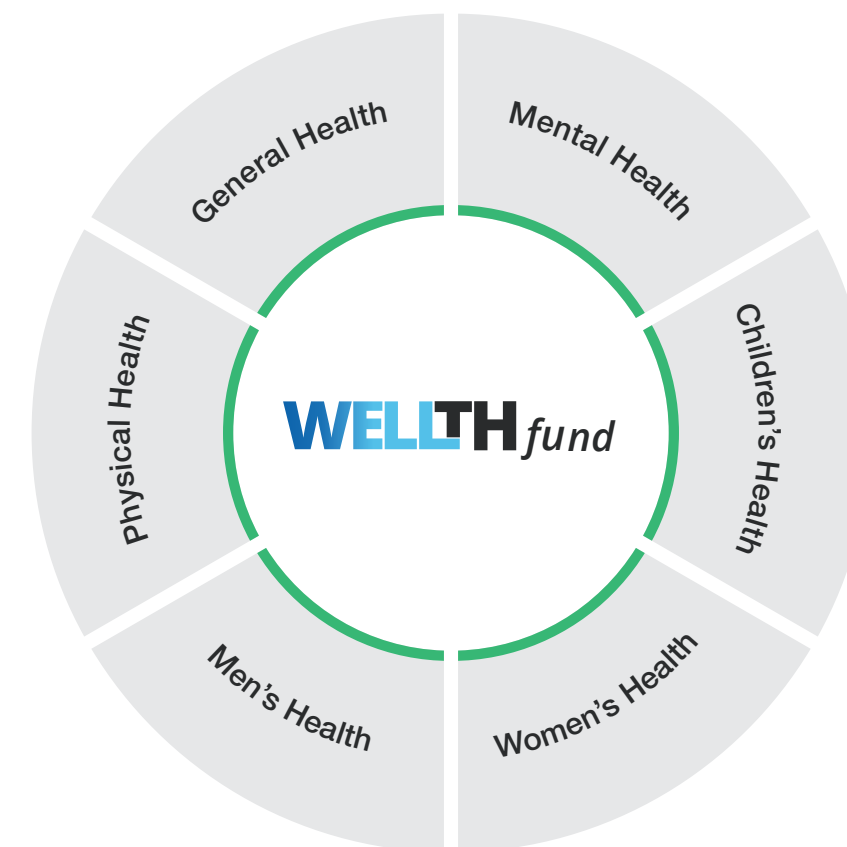


The WELLTH Fund delivers immediate value to members

The WELLTH Fund, introduced in 2024, rewards members for completing a screening assessment by unlocking up to R10,000 per membership in additional day-to-day benefits. The WELLTH Fund has proved an exceptional success, increasing screening assessments and unlocking around R117m in additional benefits for members.

Given its success, the WELLTH Fund will continue to be available to new members for the foreseeable future. This means that all new LA Health members will have once-per-lifetime access to the WELLTH Fund, ensuring that members have access to cover to act on the outcomes of their screening tests.

INTRODUCED IN 2024 TO DRIVE SCREENING AND PREVENTION



Beneficiaries have access to six broad categories of healthcare services, empowering them to better understand their personal health status

UNLOCKING BENEFITS FOR MEMBERS

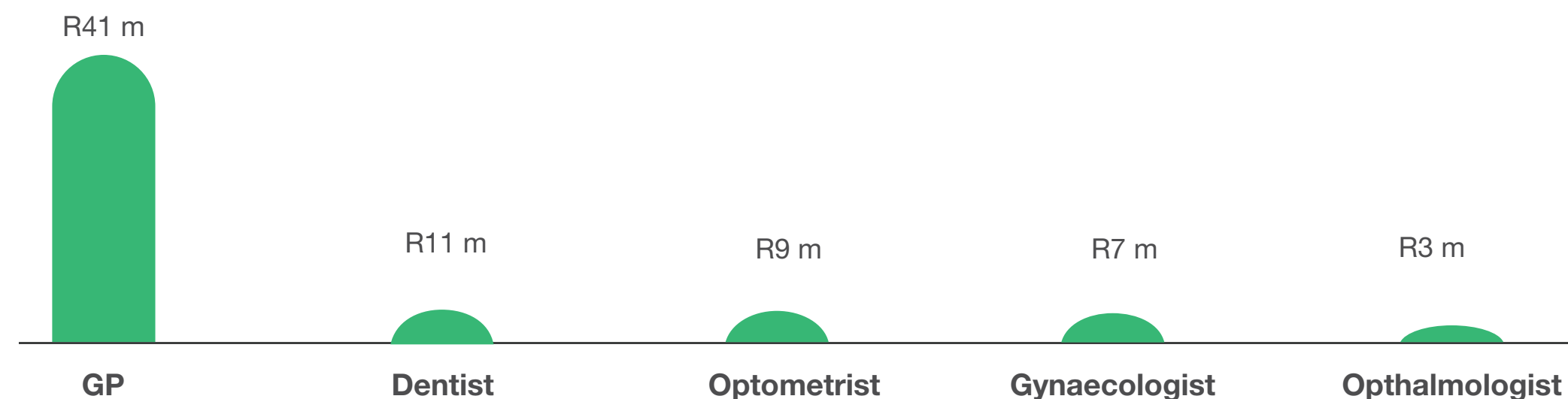
+84%
Increase in health screenings from inception of WELLTH Fund

R116.6M
In WELLTH Fund benefits unlocked*

R3 845
Average value unlock per member

ACROSS A RANGE OF SERVICES

Claims paid – top 5 healthcare services:



*As at March 2026



Rich benefits accessed through extensive provider networks

LA Health caters for healthcare needs across all life stages and levels of severity. This ranges from cover for routine, everyday healthcare to advanced healthcare needs and comprehensive financial protection in the event of a severe medical emergency. These benefits are underpinned by the most extensive provider networks in the industry, ensuring members have access to the highest quality healthcare providers through seamless member journeys. This is the reason why more than 128 000 local government employees and their family members have selected LA Health as their Scheme of choice.

EXTENSIVE PROVIDER NETWORKS

LA Health’s extensive provider networks minimise member shortfalls and regular monitoring and engagement with providers ensures the highest quality of care.

LA HEALTH
GP NETWORK

>5 528
Contracted GPs
throughout South Africa

LA HEALTH
SPECIALIST NETWORK

>5 600
Contracted Specialists
throughout South Africa

LA HEALTH MEMBERS HAVE ACCESS TO DIFFERENTIATED, HIGH-VALUE BENEFITS

LA Health members have access to market differentiated benefits for both routine, everyday healthcare as well as for the treatment of advanced healthcare needs and conditions.



DAY-TO-DAY BENEFITS

All LA Health members have access to rich day-to-day cover funded from the Medical Savings Account, the Extended Day-to-day Benefit or the Above Threshold Benefit, according to the benefit option selected. Day-to-day benefits for LA KeyPlus members are accessed through network pathways and funded from the Major Medical Benefit.



MENTAL HEALTHCARE PROGRAMME

Members have access to a comprehensive mental healthcare benefit, which includes in-hospital cover, out-of-hospital care and digital therapeutics for depression.



WELLTH FUND

The WELLTH Fund provides new members with once-off access of R2 500 per adult and R1 250 per child, up to R10 000 per family for additional discretionary routine care after completing a screening assessment.



CHRONIC ILLNESS BENEFIT

LA Health provides full cover for 27 Prescribed Minimum Benefit (PMB) Chronic Disease List conditions across all benefit options and for listed additional conditions on the LA Comprehensive, LA Core and LA Engage options. Members are offered flexibility in their medicine choice through a formulary and a Chronic Drug Amount for non-formulary medicine.



MATERNITY BENEFIT

LA Health offers comprehensive maternity benefits, particularly differentiated by its extensive cover pre and post birth as well as additional support for high-risk pregnancies.



ONCOLOGY BENEFIT

The Oncology Benefit provides access to comprehensive cover and healthcare services for the treatment and management of cancer on all benefit options. Certain benefit options also cover high-cost medicine and innovative treatment.



UPDATES FOR 2027

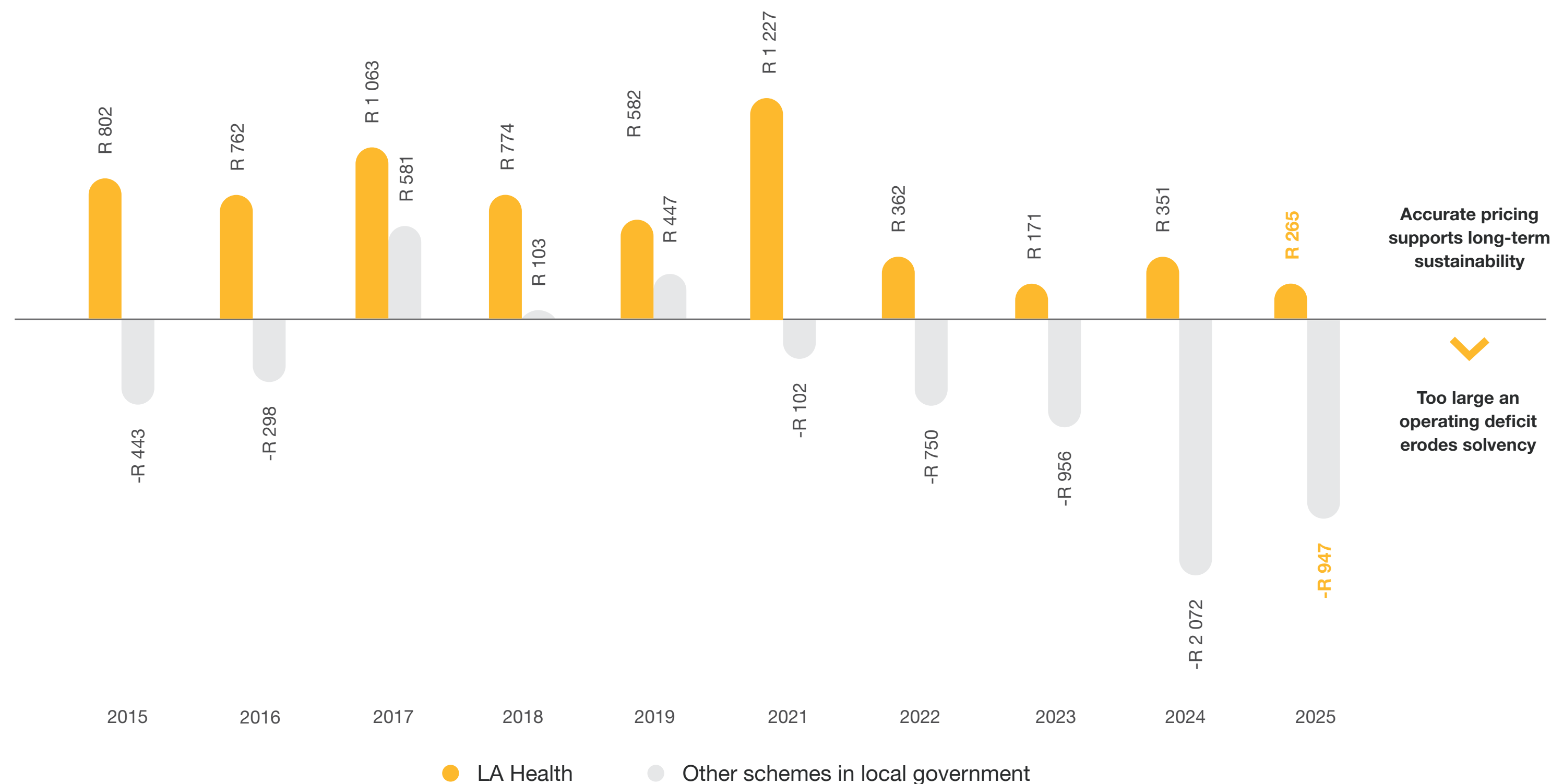
Stability and predictability

LA Health's long-term approach to pricing has been to prioritise sustainability and certainty for members. For sixteen consecutive years the Scheme has maintained a positive price ratio between net healthcare result and risk contributions, in contrast to local government competitors who have experienced variable operating deficits.

This pricing approach protects member benefits and provides greater predictability for advisers and stability for members.

LA HEALTH HAS MAINTAINED A NET HEALTHCARE SURPLUS FOR THE PAST 16 CONSECUTIVE YEARS

Net healcare result as per average beneficiary 2015 to 2025



Sustaining value for members

Due to a stable and consistent operating performance, LA Health has consistently provided the lowest contribution increases amongst local government accredited schemes. Over the past five years this is equivalent to 12.8% in lower cumulative increases versus the average of the other schemes servicing local government employees.

The cumulative effect of these lower increases has resulted in real savings for members and shows the value of stable and consistent pricing for member affordability.

CUMULATIVE CONTRIBUTION INCREASES OVER THE PAST 5 YEARS



12.8%
More affordable than the other accredited schemes over the past 5 years

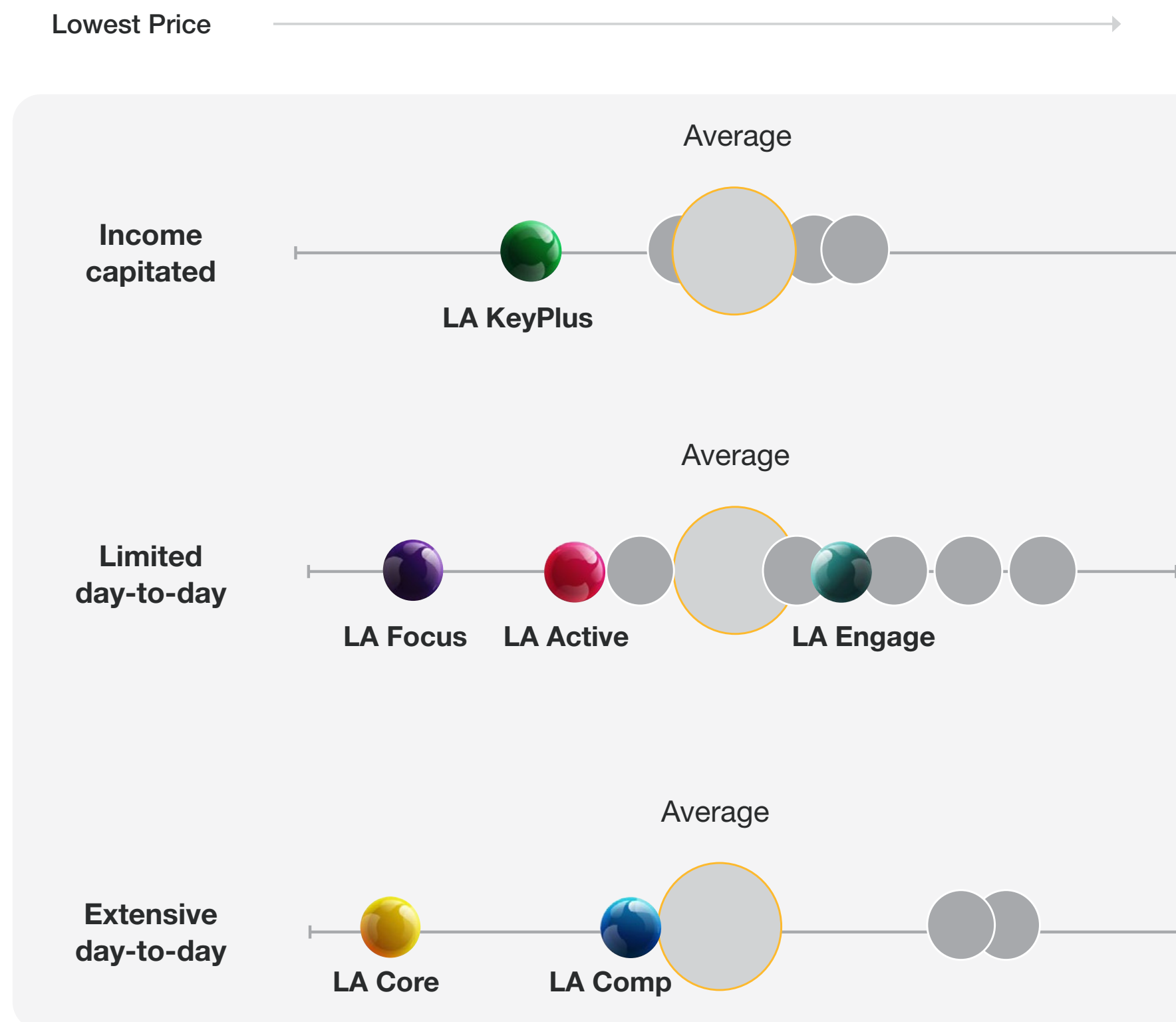
R27 240
in average estimated contribution savings for a family over the past 5 years



Sustaining value for members

LA Health's six benefit options provide a range of choice for individual and family healthcare and financial needs. These options are specifically designed for local government employees and provide exceptional value within their respective segments of the market.

AVERAGE CONTRIBUTION COMPARISON FOR A FAMILY (PRINCIPAL MEMBER, ADULT DEPENDENT AND CHILD)



Medical inflation

Medical inflation is the year-on-year increase in the cost of healthcare claims to a medical scheme. Contribution increases must match the expected medical inflation to ensure long-term affordability and sustainability of benefits for members.

Medical inflation is driven by a number of factors which affect the overall cost of providing medical care.



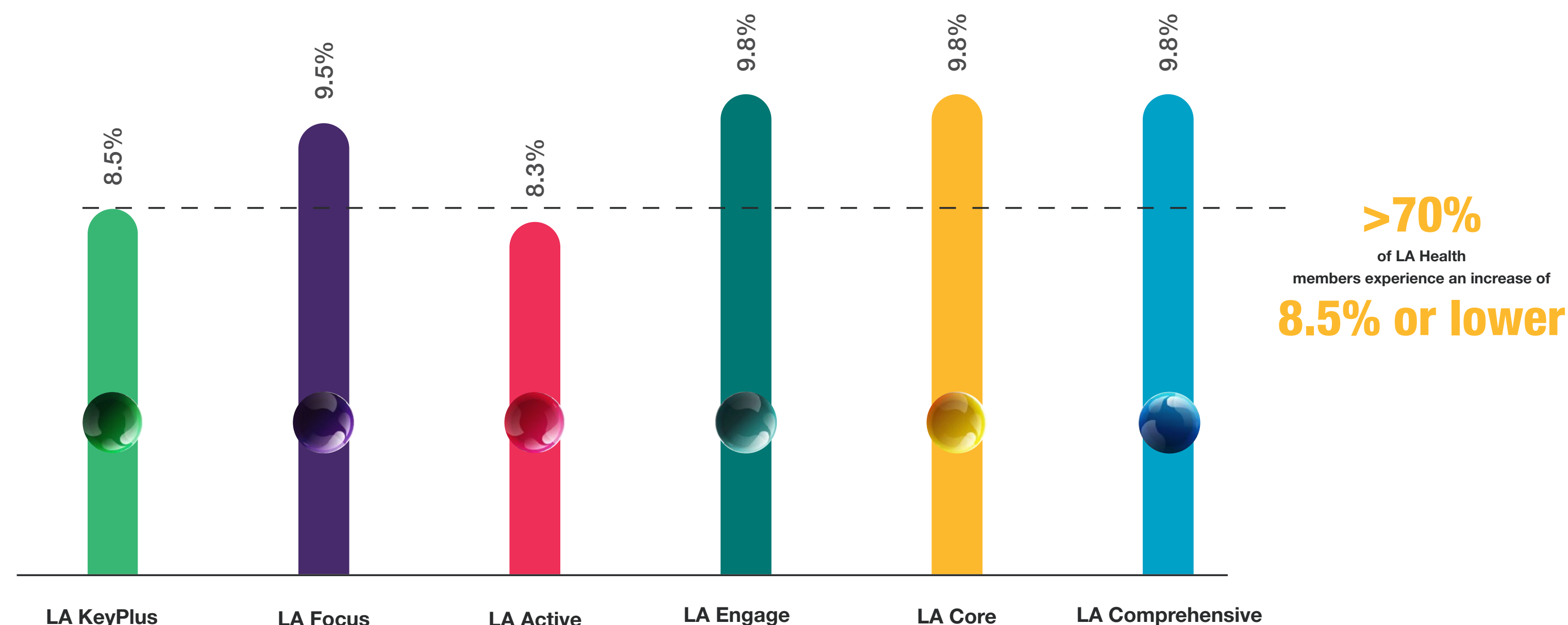
2027 contribution increases

The 2027 contribution increases balance affordability with LA Health’s commitment to providing members with access to highest-quality healthcare and sustainable long-term value.

From 1 January 2027, contributions will increase by a weighted average of 8.6%, with increases varying across the six LA Health benefit options. More than 70% of members will experience an increase of 8.5% or less.

The option-specific increases range from 8.3% on LA Active to 9.8% on LA Comprehensive, LA Core and LA Engage

CONTRIBUTION INCREASES FOR LA HEALTH BENEFIT OPTIONS FROM 1 JANUARY 2027



Benefit updates for 2027

While there is stability across LA Health’s six benefit options in 2027, normal annual updates to limits, copayments and thresholds will apply from 1 January 2027.

Specific updates have been made to ensure highest quality care for substance abuse, as well as funding access to GLP-1s

EXTENSION OF DSP FOR SUBSTANCE ABUSE MANAGEMENT

From 1 January 2027 the designated service provider (DSP) network for the management of substance abuse will be extended, by the accreditation of any appropriately positioned/ skilled provider

If the DSP is not used, a 20% copayment will apply in line with normal DSP rules

INTRODUCTION OF GLP-1 FUNDING FOR MEMBERS WITH DIABETES

In 2027 the Scheme will pay as follows for GLP-1s for member with Diabetes

When the member is registered on the Chronic Illness Benefit (CIB) for Diabetes Mellitus 2:	Pay from the CIB up to the applicable Chronic Drug Amount (CDA)
When the member is NOT registered on the CIB for Diabetes, but the member is identified as having Diabetes (certain tests/medicine claims)	Pay from the applicable day-to-day benefit as acute medicine. Applicable limits will apply.
In all other instances	No Cover

LIMITS, COPAYMENTS AND THRESHOLDS

- Benefit limits, copayments and deductibles will increase in line with relevant inflation (approximately 4.8%) from 1 January 2027
- Medical Savings Accounts on relevant benefit options will increase in line with risk contribution increases on 1 January 2027
- Annual thresholds will increase by 4.8%, in line with tariff increases on 1 January 2027. These include the the LA Comprehensive Above-Threshold Benefit limit and the LA Core, LA Engage and LA Active options’ Extended Day-to-Day Benefit



10 Reasons to recommend LA Health

01

The medical scheme which local government employees trust

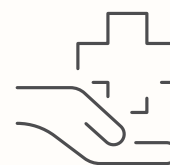
Almost 60% of local government employees choose LA Health for them and their families



02

Cover is designed for you

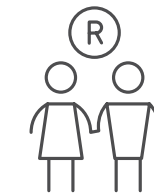
Six benefit options mean you can choose one to suit your clients' healthcare needs and budget



03

Great value

Great benefits and service for an affordable monthly amount



04

Protection when it matters most

Unlimited hospital cover and cover for medical emergencies



05

High value cover for everyday healthcare

Rich benefits for doctor visits, medicine, dentistry and more



06

Protection against major illness

Comprehensive cover for cancer treatment and chronic conditions



07

Supporting growing families

Great benefits for pregnancy, childbirth and young children



08

Service where it is needed

Dedicated support backed by convenient digital tools



09

Get rewarded for healthy living

Our Wellness Programme rewards you for healthy habits



10

Excellent networks

A wide range of healthcare providers in our networks, providing full cover





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LA-Health



LA Health

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