

HealthGroup Strategic Review: Sirago Gap Cover Option & Premium Guide 2026 vs 2027

Underwriter: GENRIC Insurance Company Limited (FSP 43638)

Administrator: Sirago Underwriting Managers (Pty) Ltd (FSP 4710)

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Effective Date: 1 January 2027 (Overall Annual Limit effective 1 April 2027)

1. Executive Summary & Market Context

The private healthcare funding environment continues to experience intense pressure from medical inflation, rising specialist tariffs, and growing out-of-pocket liabilities for medical scheme members. Against this backdrop, Sirago Underwriting Managers has released its 2027 product renewal, balancing long-term claims sustainability with targeted benefit enhancements across its boutique gap cover range.

- **Weighted Average Premium Adjustment:** Sirago has implemented a balanced weighted average premium increase of **8.2% for 2027**, structured across age bands and option tiers to absorb rising specialist shortfalls whilst maintaining risk pool stability.
- **Overall Annual Limit (OAL) Indexation:** In compliance with statutory demarcation legislation, the aggregated Overall Annual Limit (OAL) will increase from R223 000 per dependant per annum (2026) to **R232 000 per dependant per annum** effective 1 April 2027. Note that this limit applies per dependant and not per policy.
- **Boutique Market Positioning:** Sirago maintains its position as a boutique gap cover provider; balancing comprehensive short-term risk protection with dedicated intermediary support, robust digital claim integration, and innovative cancer and trauma benefits.

2. Option Comparison & Product Matrix (2027)

Feature / Benefit Category	Ultimate Gap	Plus Gap	Gap Assist	Gap Liberal
Overall Annual Limit (OAL)	R232 000 ppa	R232 000 ppa	R232 000 ppa	R232 000 ppa
Tariff Shortfall Cover	Additional 500%	Additional 500%	Up to 500% (Max 600%)	Up to 500%
Robotic Surgery Limit	R40 000 pppa	R19 000 pppa	R13 500 per claim	R15 000 pppa

Feature / Benefit Category	Ultimate Gap	Plus Gap	Gap Assist	Gap Liberal
Penalty Fee Co-Payments	R18 500 pc (Max 2 pppa)	R18 500 pc (Max 1 pppa)	Not Covered	R16 000 pc (Max 1 pppa)
Specialized Scan Cover	R7.5k pc (MRI, CT, PET)	R5k pc (MRI, CT, PET)	Not Covered	Not Covered
Orthotist Benefit	R10 000 pppa	Not Covered	Not Covered	Not Covered
Child Casualty Illness Age	18 years & younger	18 years & younger	18 years & younger	18 years & younger

3. Premium Comparison Tables (2026 vs 2027)

Ultimate Gap Cover

Membership Type & Age Band	2026 Monthly Premium	2027 Monthly Premium	Rand Variance	Percentage Increase
Individual (0 – 64 years)	R645	R694	+R49	+7.6%
Individual (65+ years)	R973	R1 050	+R77	+7.9%
Family (0 – 64 years)	R778	R844	+R66	+8.5%
Family (65+ years)	R1 150	R1 250	+R100	+8.7%

Plus Gap Cover

Membership Type & Age Band	2026 Monthly Premium	2027 Monthly Premium	Rand Variance	Percentage Increase
Individual (0 – 64 years)	R511	R550	+R39	+7.6%
Individual (65+ years)	R825	R860	+R35	+4.2%
Family (0 – 64 years)	R618	R720	+R102	+16.5%
Family (65+ years)	R965	R1 050	+R85	+8.8%

Gap Assist Cover

Membership Type & Age Band	2026 Monthly Premium	2027 Monthly Premium	Rand Variance	Percentage Increase
Individual (0 – 64 years)	R440	R475	+R35	+8.0%
Individual (65+ years)	R735	R795	+R60	+8.2%
Family (0 – 64 years)	R505	R548	+R43	+8.5%
Family (65+ years)	R820	R890	+R70	+8.5%

Gap Liberal Cover (*Key Client Choice*)

Dependant Age Band	2026 Monthly Premium	2027 Monthly Premium	Rand Variance	Percentage Increase
0 – 29 years	R194	R209	+R15	+7.7%
30 – 39 years	R225	R243	+R18	+8.0%
40 – 49 years	R291	R314	+R23	+7.9%
50 – 59 years	R389	R420	+R31	+8.0%
60 – 64 years	R550	R595	+R45	+8.2%
65+ years	R705	R770	+R65	+9.2%

4. Key 2027 Benefit Upgrades

- **Teenage Casualty Illness Extension:** Emergency illness casualty cover is expanded to cover children **18 years and younger** (previously 12 and younger).
- **Boarding Fees Included:** Private ward shortfall benefits now officially cover direct family member boarding fees.
- **New Orthotist Benefit (Ultimate):** A dedicated R10 000 annual sub-limit covers shortfalls on compression stockings, neck braces, slings, moon boots, crutches, and orthotic braces.
- **Specialized Scan Expansion:** MRI and CT scan benefits have been renamed to include **PET scans**, and the cover is extended to the **Plus option** (up to R5 000 per claim).

5. Underwriting Rules, Waiting Periods & Exclusions

- **General Waiting Period:** A 3-month general waiting period applies to all newly inception policies and added dependants, except for accidental events.
- **Pre-Existing Conditions:** A 10-month waiting period applies to pre-existing conditions, diseases, or illnesses (whether diagnosed or not prior to inception).
- **Pre-Existing Cancer Waiting Period:** A strict **12-month waiting period** applies to all pre-existing cancer-related treatments and conditions.
- **Specific Procedure Waiting Periods (First 6 Months):** Claims for myringotomy/grommets, adenoidectomy, tonsillectomy, hysterectomy (unless malignancy is proven), and spinal/back/neck/joint procedures (repairs, scopes, replacements, and related scans) are excluded for the first 6 months, paid at 50% from months 7 to 10, and fully covered from month 11 onwards.
- **Transfer of Cover:** Waiting periods are fully waived if the policyholder has held continuous gap cover for 12 months or longer with a previous provider, with no break in

cover. If serving uncompleted waiting periods elsewhere, the balance is transferred to Sirago.

6. HealthGroup Strategic Advisory & Recommendations

1. **Promote Gap Liberal for Budget-Conscious Families:** As one of HealthGroup's most popular client choices, **Gap Liberal** offers age-segmented pricing (starting at R209 pm for under-30s) whilst maintaining robust tariff top-ups and co-payment protection.
2. **Leverage Plus Option Upgrades:** With the addition of **PET scan cover** and the extension of shortfalls to match Ultimate's tariff structure, the **Plus Gap** option offers exceptional mid-tier value.
3. **Gap Cover as an Absolute Necessity:** As medical schemes restrict in-hospital specialist reimbursements to 100% or 200% whilst private surgeons and anaesthetists routinely charge **300% to 600%**, maintaining a premier gap cover policy remains non-negotiable.
4. **Year-End Renewal Timelines:** All option changes, new policy applications, and dependant additions for the 1 January 2027 benefit year must be submitted prior to the annual closing date.

Prepared by:

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