



**PSG**

**KONSULT** *Finansiële Beplanning • Financial Planning*

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13 March 2009

Bargaining Council for the Contract Cleaning Industry  
P O Box 47435  
GREYVILLE  
4023

Dear Sir,

**RATE REVISION IN RESPECT OF THE BCCCI FAMILY CRISIS PLAN**

The BCCCI Family Crisis plan was implemented in March 2007 and has thus been running for a period of 23 months. The claims received during this period, has given the underwriter and service providers sufficient data to make accurate assumptions on the utilisation of the group and to revisit their rates going forward.

The monthly contribution is made up of a risk premium, an administration fee, commission and service provider fees payable to ER24 and P3.

ER24, the emergency evacuation service provider has kept their rate fixed since date of inception of the BCCCI plan. This was during the period of the very volatile petrol price fluctuations which continues to impact heavily on industries that rely on any form of transport. As a result ER24 requested that we increase the fee. After surveying the industry and some negotiation we agreed to an increase of 19% on the ER24 portion of the total contribution. The revised rate is still very competitive in comparison with other service providers of a similar quality.

In addition to this, the underwriter has requested that the risk contribution increases by 11%. Even though the underwriter is comfortable that the fund is running within acceptable norms, an adjustment to the rate is prudent in order to allow for an increase in the crude mortality rate as a result of HIV/AIDS. Given that the majority of the claims are in respect of Funeral cover, this adjustment is quite important to ensure the long term sustainability of the plan.

Since inception, PSG Konsult have paid in excess of R1.15 million worth of claims in respect of hospitalisation, which equates to approximately 11 000 days of combined hospitalisation across all members. We have paid R4 million in respect of funeral benefits, with 53% of these claims being paid within 2 days from receipt of the claim and 81% within 7 days from receipt of all required documentation.

We have appointed 6 additional staff members to cater specifically for the needs and requirements of the BCCCI membership and as from May our Member Support Unit will be able to assist the members in 7 of the official languages. We have also recently implemented a mass sms functionality and this has already proven to be a very successful method of communicating with our members.

**PSG KONSULT Finansiële Beplanning (Edms) Bpk / Financial Planning (Pty) Ltd Reg N°. 1999/006725/07**

Gemagtigde Finansiële Diensteverkaffer / Authorised Financial Services Provider  
RFD Lisensienommer / FSB Licence Number 728

Direkteure / Directors : W Theron (Voorsitter/Chairman), DPB Hugo (HUB/CEO), T Cloete, TA Landman, HB Lindes, J Theron (FD)



Houermaatskappy / Holding Company : PSG KONSULT Bpk / Ltd

Direkteure / Directors : J de V du Toit (Voorsitter/Chairman), W Theron (HUB/CEO), TW Biesenbach (HOB/COO), MD Allen, JB Borchers, T Cloete, CA de Bruyn, DPB Hugo, JD Inge, RN King, DJ Klopper, TA Landman, HB Lindes, JF Mouton, GM Steenkamp, L van der Walt

Maatskappysekretaris / Company Secretary : PSG Konsult Bestuursdienste (Edms) Bpk / PSG Konsult Management Services (Pty) Ltd

We are also proud to announce that PSG Konsult has followed through on their commitment to meaningful black economic empowerment, and have established PSG Konsult Nhluvuko. With effect from 1 March 2009, the administration and brokerage division that deals with the BCCCI Family Crisis Plan will form part of this company which is fully empowered, with 51% of its shares in the hands of previously disadvantaged individuals. PSG Konsult Nhluvuko is therefore a level 4 contributor to your BEE score card.

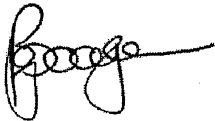
We believe that the relationship with the BCCCI has been a successful one and to show our commitment to the plan and to our members, PSG Konsult has decided not to increase the commission, or the administration fee on the BCCCI Family Crisis Plan. We understand the tremendous financial pressure that both business and members are facing given the current credit crunch, and we believe that increasing the contribution by the minimal amount, whilst still ensuring sustainability, will assist all parties.

The BCCCI Family Crisis Plan contribution will thus increase by a total of 8% with effect from 1 May 2009. The new contribution will be R54 per family per month.

We believe that we have negotiated the best rates in order to ensure an inflation related increase, and we once again commit to on-going service excellence. We will shortly be moving offices to allow for additional staff and we have commissioned IT infrastructure that will allow us to deal with considerable member growth in the very near future.

We look forward to our continued partnership.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Booyesen', with a long horizontal flourish extending to the right.

Belinda Booyesen  
Administration Executive