

MINUTES OF THE 27TH ANNUAL GENERAL MEETING OF THE MALCOR MEDICAL AID SCHEME

Date/ time:	Wednesday, 22 June 2022 at 09:00		
Venue:	Virtual meeting via MS Teams		
	Present – Members:	Peter Dorfan Bert Marais Clinton Van Zitters Alison Lowes Ravi Govender Wendy Scott Juandre Els Rominisha Govender Richard Kenneth Roseveare Venessa Holtzhausen Ian Parker Diederik Johannes Putter Hazel Riddell Charlene Jones Hymie Shapiro Nadira'S Velen Iain Gardner David Jackson Geoffrey Du Preez Warren Gates Frank Thayer Willie Oosthuizen Naomi Buchner Susanna Engelbrecht Esther Morgan Monica Coetzee Antoinette Matthyser Thembeka Kulwa Desislava Ivanova Petro Campher John Barbe Fazel Bhayat Bruce Harvey Gerhard Fouche Pamela Hadebe Pascale Campodonico Anele Gqada Makhaya Gqeba Nombuso Khumalo Clifton Gadiah Stephan Macebele Fhulufhelo Maissy Mashila	Principal Officer Chairperson of the Board of Trustees Trustee Trustee Trustee Trustee Trustee Alternate Trustee
	Present - Non-members:	Ms Marlene Wilkinson Ms Rene Visser Ms Margot van Rooyen Mr Andries Katisi Mr Brian Dowden Mr Charles Fontaine Ms Lynette James	Administrator – Fund Manager Administrator – Finance Administrator – Fund Coordinator Administrator – ICT Operator External Audit Partner External Audit Partner
	Apologies:	Ms Lynette James	

ITEMS MINUTED

1.	CONSTITUTION	ACTION
1.1	<p>Notice of meeting and welcome</p> <p>The Chairperson of the Scheme, Mr Marais, opened the meeting and welcomed all attendees to the 27th Annual General Meeting (AGM) of the Scheme.</p> <p>The Chairperson confirmed that the Notice of the Annual General Meeting had been sent to all Members of the Scheme in accordance with the Rules of the Scheme. He extended a special welcome to the external auditors from Harris Dowden and Fontaine and the representatives of the administrator.</p> <p>Ms Wilkinson presented the meeting etiquette and explained how the voting and approval of items will be conducted during this virtual meeting. Ms Wilkinson further demonstrated basic functions of the Zoom platform, such as how to raise a hand or comment in the notes section.</p>	
1.2	<p>Present</p> <p>The Chairperson confirmed the attendance.</p>	
1.3	<p>Apologies</p> <p>The Chairperson confirmed the apology tendered.</p>	
1.4	<p>Confirmation of quorum</p> <p>In terms of Rule 27 of the Scheme Rules, at least 30 members is required to constitute a quorum of the meeting. As this requirement was met, the Chairperson declared the meeting to be duly constituted noting the meeting was virtual in nature and more than 30 members were present on the Zoom meeting.</p> <p>The Chairperson confirmed that 4 proxy forms have been received. It was noted that the following members appointed the Chairperson of the Annual General Meeting, to vote on their behalf because they are unable to attend today's meeting. from the members was listed as:</p> <ul style="list-style-type: none"> ■ Lynette James ■ Rodger Bruce Webb, AND ■ Karen Elizabeth Whittal <p>■ It was noted that a 4th proxy form was received from Mr Glenn Naicker. Mr Naicker appointed Ravi Govender to vote on his behalf. It is noted for the record that this proxy form was received after the cut-off time of 15 June as communicated. The Chairperson advised that the Scheme decided to allow it as Mr Naicker is from the Defy employer group. It came to the attention to the Scheme that Defy IT security blocked the Annual General Meeting communication from going through to members work email addresses and the matter was only resolved recently. Defy members did receive Notice of the Annual General Meeting and a copy of the Annual General Meeting Booklet via SMS however the SMS communication did not include the proxy form.</p>	
1.5	<p>Confirmation of motions received</p> <p>The Chairperson advised that no motions had been brought before the Principal Officer or the Board of Trustees to be added to the Agenda of the meeting.</p>	
2.	MINUTES OF THE PREVIOUS MEETING	ACTION
2.1	<p>Annual general meeting held on 24 June 2021</p> <p>The minutes of the 26th Annual General Meeting of the Scheme held on 24 June 2021 were proposed for approval by the Chairperson. Ms Ivanova supported, and the Principal Officer seconded the proposal. The Chairperson confirmed that the minutes will be signed confirming it as an accurate recording of the proceedings of that meeting.</p>	
3.	ANNUAL FINANCIAL STATEMENTS	ACTION
3.1	<p>Annual Financial Statements for the year ending 31 December 2021</p> <p>The Principal Officer advised that the Annual Financial Statements of the Scheme for the year ended 31 December 2021, including the report of the trustees, had been distributed with the Notice to the members and made available for inspection via the Scheme's website.</p> <p>The Principal Officer requested Ms Visser to present an overview of the Annual Financial Statements to the meeting.</p>	

STATEMENT OF FINANCIAL POSITION FOR THE YEAR AS AT 31 DECEMBER 2021

	Notes	2021 R'000	2020 R'000
ASSETS			
Non-current assets			
Investments held at fair value through profit or loss	2	109,975	46,491
Current assets			
Trade and other receivables	3	633	894
Cash and cash equivalents	4	62,338	105,883
Total assets		172,946	153,268
FUNDS AND LIABILITIES			
Members' Funds			
		146,424	125,114
Current liabilities			
Outstanding risk claims provision	5	5,750	6,100
Trade and other payables	6	20,772	22,054
Total funds and liabilities		172,946	153,268

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 R'000	2020 R'000
Risk contribution income		297,072	299,966
Relevant healthcare expenditure		(281,310)	(258,356)
Net claims incurred		(275,352)	(252,108)
Risk claims incurred	7	(276,281)	(252,938)
Third party claim recoveries		929	830
Net income/(expense) on risk transfer arrangements	8	80	(125)
Risk transfer arrangement fees paid		(2,901)	(2,529)
Recoveries from risk transfer arrangements		2,981	2,404
Managed care: management services	9	(6,038)	(6,123)
Gross healthcare result		15,762	41,610
Administration fees	10	(11,450)	(11,594)
Other administration expenses	11	(3,503)	(3,521)
Broker service fees		(796)	(641)
Net impairment (losses)/gains	12	(64)	5
Net healthcare result		(51)	25,861
Other income		21,912	12,676
Investment income	13	16,367	3,284
Employer group reinsurance recoveries		5,519	9,389
Sundry income		26	3
Other expenditure		(551)	(315)
Asset management fees	2	(551)	(315)
Total net comprehensive income for the year		21,310	38,222

FOUR-YEAR SUMMARY

	2021 R'000	2020 R'000	2019 R'000	2018 R'000
Investments held at fair value through profit or loss	109,975	46,491	47,413	43,014
Members' funds	146,424	125,114	86,892	82,562
Comprehensive surplus	21,310	38,222	4,330	9,546
Solvency %	45.9%	41.7%	30.0%	29.9%
Claims Ratio	94.7%	86.1%	97.9%	93.9%

TRUSTEE EXPENDITURE

	2021 R'000	2020 R'000
Trustee remuneration	96	95
Trustee reimbursements - travel costs	-	3
Total trustee expenditure	96	98

Ms Visser presented the areas of non-compliance with medical scheme legislation for the year under review. It was noted that although these may not be material in amount or effect, the Trustees are required by the Council for Medical Schemes to report on all matters of non-compliance.

Comparative figures

- Decrease of 307 members
- Average age 33.1 years (2020: 32.6 years)
- Pensioner ratio 6.2% (2020: 5.7%)
- Claims ratio 94.7% (2020: 86.1%)
- NHE ratio 5.3% (2020: 5.3%)
- Solvency ratio 45.87% (2020: 41.71%)

The Independent Audit Report for the year ended 31 December 2021 was included in the distributed Annual Financial Statements. In the opinion of the Auditor, the financial statements have been fairly presented, and there are no material instances of non-compliance with the requirements of the Medical Schemes Act.

No questions were raised, and the Chairperson proposed that the 2021 Annual Financial Statements be adopted. This was supported by Mr Clinton van Zitters and seconded by Ms Monica Coetzee.

4.	APPOINTMENT OF AUDITORS	ACTION
4.1	<p>Harris, Dowden and Fontaine</p> <p>The Principal Officer advised that in terms of Section 36 of the Medical Schemes Act, auditors must be appointed at each Annual General Meeting to hold office from conclusion of that meeting to the conclusion of the next Annual General Meeting.</p> <p>The Principal Officer advised that the Trustees propose the reappointment of Harris Dowden and Fontaine, to perform the 2022 audit. This recommendation has the support of the Audit and Risk Committee of the Scheme.</p> <p>The reappointment was supported by the Mr Van Zitters and seconded by Mr Roseveare.</p>	

5.	APPOINTEES TO THE BOARD OF TRUSTEES	
5.1	<p>Notification of appointees to the Malcor Board of Trustees</p> <p>In terms of rule 19.1 the affairs of the Scheme must be managed by by a Board consisting of at least five (5) persons who are fit and proper. Rule 19.2 further requires that at least half of such Trustees must be elected by members from amongst members to serve terms of office of three (3) years each. The remaining Trustees must be appointed by the employer and shall serve for three (3) years as well. Retiring embers of the Bord are eligible for re-election.</p> <p>At present the Board of Trustees consist of eight (8) Trustees comprising of five (5) member elected Trustees and three (3) employer appointed Trustees.</p> <p>It was noted that members of the Board are not entitled to any remuneration, honorarium or consulting fees in respect of their duties as trustees or any other fee in respect of services rendered in their capacity as members of the Board.</p> <p>The Scheme appointed Mr Warren Gates from Total Risk Managers, currently consultants to the Scheme, as its Electoral Officer.</p> <p>Following receipt of the results from the Electoral Officer, and in compliance with Rule 19.6 of the Rules the results was announced to the Annual General Meeting as follows:</p>	

Nominations received:		
Nominees		
	Albertus Marais – existing Trustee that was up for re-election – serving on the BOT for 12 years	
	Alison Lowes – existing Trustee that was up for re-election – serving on the BOT for 10 years	
	Clinton van Zitters – existing Trustee that was up for re-election – serving on the BOT for 12 years	
	Hymie Shapiro - new nomination	
	Juandre Els – existing Trustee that was up for re-election – serving on the BOT for 7 years	
	Lynette James – existing Trustee that was up for re-election – serving on the BOT for 28 years	
	Riaan Verster – existing Trustee that was up for re-election – serving on the BOT for 10 years	
	Siyanda Andrew Moyeni – new nomination	

The Scheme then called on members to vote on 16 May 2022. The voting closed on 16 June 2022. The results of the member elections are as follows:

- Total votes received: 479
- Total number of members who voted: 100
- There were no spoilt ballots

The results per candidate as follows: Name of Candidates:	VOTES RECIEVED	
Albertus Marais	78	
Alison Lowes	59	
Clinton van Zitters	71	
Hymie Shapiro	48	
Juandre Els	53	
Lynette James	65	
Riaan Verster	73	
Siyanda Andrew Moyeni	32	

Based on the number of votes received by these candidates, the 6 member trustees elected by the members who will take office from this Annual General Meeting until the Annual General Meeting in 2025 are:

Name of Candidate	
Albertus Marais	
Alison Lowes	
Clinton van Zitters	
Juandre Els	
Lynette James	
Riaan Verster	

With regards to Employer appointed Trustees, it is noted for the record that Ms Wendy Scott, who was previously the Employer appointed Alternate Trustee, has been appointed as a full member of the Board in November 2021, following the resignation of Mr Chris Botha.

Ms Rominisha Govender has since been appointed as the Alternate Employer Trustee from 1 February 2022.

6.	SUBMITTED MOTIONS	ACTION
6.1	<p>Motions Submitted</p> <p>The Principal Officer reported that no formal notices or motions have been received to be placed before this meeting by the cut-off time of 15 June or thereafter.</p>	
7.	GENERAL	ACTION
7.1	<p>General matters for discussion</p> <p>COVID-19 costs</p> <p>The Principal Officer presented some information regarding the Schemes COVID-19 experience during the year 2021.</p> <p>It can be noted that notwithstanding the COVID-19 costs, the Scheme had a significant decrease in claims in general since 2020, a trend that has continued into 2021 and directly attributable to the societal impact of the COVID-19 pandemic. This may be due to members consequently avoiding interaction with healthcare providers because of fear of contracting the virus or the government-imposed restrictions.</p> <p>It was noted that elective procedures and healthcare utilisation dropped during the COVID-19 waves, but an increase between waves can also be observed.</p> <p>The Scheme's financial position as highlighted in the figures presented by Ms Visser, remains healthy. Although the 2021 elective procedure catch-up were lower than expected, the catch-up has started when looking at the 2022 claims figures coming through.</p> <p>In terms of COVID-19 testing and treatment it is clear to see the impact of the third and fourth wave on the costs for in-hospital related cost as well as out-of-hospital costs.</p> <p>The vaccine take-up and costs per month reflected there was 3 340 visits in 2021 and 617 visits up to March 2022 at public sector vaccination sites. The majority of the claims from the public sector is still not received. Assuming an average costs of R430 per visit for the vaccine and the cost to administer the vaccine means approximately R1.4 million in vaccine claims are still to be received for payment.</p> <p>The Scheme paid R2.7 million towards COVID-19 vaccinations and the cost for the administration of these vaccines during 2021.</p> <p>According to the Scheme data, 4 109 members have been fully vaccinated, this represents 40% of the Schemes members that is older than 12 years and are considered to be eligible to receive the vaccine.</p>	
8.	CLOSURE	ACTION
8.1	<p>There being no further business, the Chairperson thanked all present for their attendance and declared the meeting closed at 09:58.</p>	

Signed as a true record of proceedings.



Chairperson signature

21 June 2023

Date







Malcor_2022 AGM approved minutes

Final Audit Report

2023-07-10

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