



Reference: Annual General Meeting("AGM"), Special General Meeting("SGM")
& Trustee election notification.

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CIRCULAR 11 OF 2017: SCHEMES NOTIFICATION FOR THE HOLDING OF SCHEME MEETINGS AND ELECTIONS.

BACKGROUND

One of the functions of the Council for Medical Schemes (CMS) is to protect the interests of the beneficiaries at all times. To this end CMS is enjoined to monitor whether or not medical schemes comply with their rules and/ or the provisions of the Medical Schemes Act, 131 of 1998 (MSA) and/ or other legislation relating to medical schemes.

The CMS has noted that sometimes there are instances where scheme meetings are disrupted or convened contrary to the rules of the scheme. This is sometimes due to members being disgruntled with the process that the schemes follow in convening such meetings.

The CMS will continuously monitor scheme meetings to assess whether or not the medical schemes:

- a) follow the rules of the scheme when convening and conducting AGMs and SGMs; and
- b) take necessary steps to secure accessible venues where AGMs and SGMs are held.

PURPOSE OF THIS CIRCULAR

This circular serves as a call upon all medical schemes to notify the CMS in writing:

- a) of a date on which a medical scheme intends to hold an AGM or SGM;
- b) of a date on which a medical scheme intends to hold trustee elections; and
- c) information regarding the geographical area in which the scheme intends to hold its AGM, SGM or trustee election.

NOTIFICATION OF DATES ON WHICH A MEDICAL SCHEME INTENDS TO HOLD AN AGM OR SGM

1. All medical schemes are required to annually notify the CMS in writing (*20 days before convening a meeting in terms of the scheme rules*) of a date on which they intend to hold an SGM or AGM.
2. The notification shall:
 - a) state the date on which the meeting will be held;
 - b) contain a framework, with a timeline illustrating adherence to the notice periods stipulated in the rules of a medical scheme, that the medical scheme shall follow to convene and hold such meeting;
 - c) state measures that a scheme intends to put in place to protect and secure the venue on the day of the meeting; and
 - d) Contain a detailed budget estimate that a medical scheme plans to expend in the holding of such meeting.
3. All medical schemes shall provide the CMS with an electronic copy of the notification as well as a meeting pack for such AGM or SGM that each medical scheme sends to its members.

NOTIFICATION OF DATES ON WHICH A MEDICAL SCHEME INTENDS TO HOLD TRUSTEE ELECTIONS

1. The CMS will continuously monitor trustee elections to assess whether or not the medical schemes:
 - a) Follow the rules of the scheme when calling for, and conducting trustee elections.
 - b) Take the necessary steps to ensure independent, free, fair and credible elections.
 - c) Take the necessary steps to secure the venues where trustee elections are held.

2. All medical schemes are therefore, required to notify the CMS in writing (*20 days before commencing with a call for nominations in terms of the scheme rules*) of a date on which they intend to hold trustee elections.

3. The notification shall:
 - a) State the date on which the trustee elections are to be held;
 - b) Contain a framework, with a timeline, that illustrates conformance with time periods stipulated in the rules of a medical scheme, that the medical scheme will follow to convene and hold such meeting;
 - c) State all the measures that a scheme intends to put in place to ensure independent, free, fair and credible elections. This includes measures taken to protect and secure the venue on the day of the meeting.
 - d) The notification shall also contain a budget estimate that a medical scheme plans to expend in conducting the trustee elections.

EFFECTIVE DATE

Medical Schemes are required to submit the date and area in which they intend to hold their scheme meetings, to the CMS by 28 March 2017. The purpose for requesting information regarding the dates prior to the schemes issuing the AGM notifications, is to allow the CMS ample time to publish such information on social media platforms as a way of encouraging medical scheme members to participate in such meetings.

Schemes are reminded to notify the CMS of their respective meetings 20 days before convening the AGM or SGM meeting, and 20 days before commencing with a call for nominations for trustee elections.

All correspondence with regard to AGMs, SGMs or trustee elections must be directed to agm@medicalschemes.com.

This Circular is effective upon the date of release.



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