



Reference: Medical schemes encouraged to host hybrid member meetings
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Circular 21 of 2023: Medical schemes encouraged to host hybrid Annual General Meetings (AGM) and Special General Meetings (SGM).

The purpose of this Circular is to encourage Medical Schemes to amend their rules to cater for a hybrid model or any other platform that is deemed fit to attract a larger audience.

Over the past months, the Office of the Registrar received complaints from members of the Medical Schemes who could not or were unable to travel across areas where the AGMs were held, thus limiting their participation.

Furthermore, the CMS had also noted post- COVID-19 period that Medical Schemes were reverting to hosting AGMs at dedicated venues - this was however not an inclusive process as not all members could travel across provinces to attend AGM's.

The Annual General Meetings (AGMs) are a key cornerstone of keeping the Board of Trustees (BoTs) of Medical Schemes accountable for their overall governance and performance. Importantly, AGMs protect the interests of beneficiaries as charged by the Medical Schemes Act Section 7 (a).

The CMS monitors Medical Schemes compliance with their rules and/ or the provisions of the Medical Schemes Act, 131 of 1998 (MSA) and/ or other legislation relating to medical schemes. Section 29(1)(m) of the MSA determines that *"no medical scheme shall carry on any business unless a provision is made in its rules regarding the manner of calling the AGM and Special General Meetings (SGM) of members, the quorum necessary for the transaction of business at such meetings and the manner of voting."*

Section 32 of the MSA further determines that *“the rules of a medical scheme and any amendment thereof shall be binding on the medical scheme concerned, its members, officers and on any person who claims a benefit under the rules or whose claim is derived from a person claiming.”*

Therefore, given all the clauses mentioned and the consideration of [Circular 36 of 2020](#), the Covid-19 lockdowns demonstrated the viability and success of Medical Schemes in hosting AGMs or SGM meetings on online platforms. The CMS is of the view that it could improve the participation and reach of members in the scheme's AGMs or SGM.

Altogether, the Office of the Registrar implores all Medical Schemes to continue with the hybrid model when conducting AGMs and SGMs as most of the medical schemes had already amended their rules to cater for virtual and in person meeting.

Sincerely,



Mr. Mfana Maswanganyi
Executive: Regulation
Council for Medical Schemes