



taking care of our own

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# 2022 ANNUAL GENERAL MEETING NOTICE

*Taking care of our own at every stage of their health journey*

17 November 2022



**Dear Moto Health Care Member**

Attached for your attention kindly find the Notice of the 2022 Annual General Meeting (AGM), which was postponed and will now be held virtually on 2 December 2022 at 11h00.

A full set of documents including the audited 2021 Annual Financial Statements can be obtained by the following methods:

**Call us** on 0861 000 300

**Send an email** to [Terry@mhcmf.co.za](mailto:Terry@mhcmf.co.za)

**Download a copy** from our website at [www.mhcmf.co.za](http://www.mhcmf.co.za)

We look forward to interacting with you at our Annual General Meeting.

**Kind regards,**

**Danie van Tonder**  
Principal Officer



# 2022 Annual General Meeting Notice

Notice is hereby given that the postponed Annual General Meeting of Members of the Moto Health Care Medical Fund (MHC) will be held virtually on 2 December 2022 at 11h00.

Members who have registered to attend will have to login via the link sent to them prior to the meeting. Only active Principal members in good standing and in attendance at the meeting can vote. We have attached a Proxy Form for those members who are unable to attend this meeting, but wish to appoint another Principal member as proxy to act on their behalf at the meeting.

## AGENDA

- 1 Opening and apologies
- 2 Confirmation of proper notice and quorum present
- 3 Approval of the previous AGM minutes of 14 October 2021
- 4 Address by the Chairperson
- 5 Financial Statements and Auditors' Report for the period ending 31 December 2021
- 6 Approval of remuneration of Board of Trustees and sub-committee fees
- 7 Trustee elections
- 8 Appointment of External Auditors
- 9 Motions or resolutions in terms of Rule 31.1.5
- 10 Closure

**Members who wish to place notices of motion before the AGM are advised that the provisions of the Moto Health Care Rules apply and that the motions must be clear and fully motivated:**

- 31.1.5 Any member wishing to place matters to be discussed and resolved at the general meeting may do so provided that:
- 31.1.5.1 Such proposed resolution must reach the Principal Officer no later than 5(five) working days prior to the date of the annual general meeting;
  - 31.1.5.2 Notices of motion to be placed before the annual general meeting must reach the Principal Officer no later than 5 (five) working days prior to the date of the meeting

## MINUTES OF THE ANNUAL GENERAL MEETING OF MOTO HEALTH CARE (MHC) HELD VIRTUALLY ON THURSDAY, 14 OCTOBER 2021, AT 11h00

### 1. Opening & Apologies

The Chairperson, Mr B Canning, welcomed everyone present at the Annual General Meeting (AGM) of the Moto Health Care Medical Scheme (the Scheme) and thanked everyone for making the effort to attend. He noted that the ongoing COVID-19 pandemic had once again resulted in the Scheme having to hold the meeting virtually. This allowed more members to join the meeting.

**The Chairperson extended a special welcome to Mr Maswanganyi from the Council for Medical Schemes (CMS), who was attending as an observer. He then advised that the following people would be sharing the platform with him:**

**Danie van Tonder** - Principal Officer

**Aashna Albert** - MHC Fund Manager

**Terry Gucher-Greeff** - MHC Operations Manager

**Seemita Ramnarain** - Financial Manager from the Scheme's administrator, Momentum Health Solutions (MHS)

**Eugene Eakduth** - Fund Manager from MHS

**Alicia Naidoo** - Ernst & Young (EY)

**Kabelo Mafolo** - Lumi

The Chairperson appealed to the participants not to raise any issues that were not related to any agenda item and rather contact the MHC team via email after the meeting for assistance. He asked that the members with relevant questions should use the chat facility to post their messages and he would respond to them.

#### APOLOGIES:

##### Members:

Hannetjie Terblanche  
Ervin Absalom

##### Present:

*Member attendance as per the virtual facility: 30 members inclusive of Board members and Scheme personnel listed below.*

##### Board of Trustees:

Barry Canning:	Chairman
Jan Schoeman	
Tshepo Molele	
Renee Coetsee	
Henry Lombard	

##### Moto Health Care (the Scheme):

Danie van Tonder	<i>Principal Officer</i>
Aashna Albert	<i>Scheme Fund Manager</i>
Terry Gucher-Greeff	<i>Scheme Operations Manager</i>
Salome Botha	<i>Liaison Officer</i>

**Scheme Administrators –  
Momentum Health Solutions (MHS)**

Eugene Eakduth	<i>Fund Manager</i>
Seemita Ramnarain	<i>Financial Manager</i>
Simon Sibeko	<i>Regional Manager</i>

**Scheme external auditors and independent body –  
Ernst & Young Inc.:**

Alicia Naidoo

## 2. Confirmation of Proper Notice and Quorum Present

The Chairperson confirmed that there were 54 members present in the meeting; which meant that the meeting was quorate and that the meeting was duly constituted in terms of Rule 31.1.3 of the Scheme Rules, which specifies that at least 30 members are required to be present at the AGM in order for the meeting to be deemed quorate.

The Chairperson confirmed that the Scheme Rule 31.1.2 stated that the notice of the AGM must be furnished to members at least 14 days prior to the date of the meeting, which was complied with.

## 3. Approval of Minutes of the AGM on 15 October 2020

The minutes of the AGM held on 15 October 2020 having been included in the notice circulated to all members, were taken as read. The minutes were approved as a true reflection of proceedings.

This was proposed by 7 members and seconded by 2 members.

## 4. Address by the Chairperson

The Chairperson noted that the Notice of the AGM contained his review of the Scheme's performance for the year 2020. He noted that, as most members had read the documents, he would only highlight some salient points:

- The South African Government had declared a National State of Disaster on 15 March 2020 as a response to the COVID-19 pandemic. This had resulted in the country being placed on Alert Level 5 lockdown from 26 March to 31 April 2020. The consequences for the country were dire with businesses being badly affected and large numbers losing their jobs. He noted that the Motor Industry Bargaining Council statistics during this period reflected substantial job losses, which had led MHC's Board of Trustees to consider some form of relief for the employees, and employers that support the Fund. Contributions were discounted by 50% from April to June 2020 via a rule amendment which was approved by CMS with the relief amounting to R99 million and benefiting 17 415 members.
- The COVID-19 impact on the Fund during 2020 resulted in 1 049 lives being infected by the virus, by year-end 884 recovered and, sadly, 47 lives were lost. The COVID-19 related claims amounted to just over R36 million with the Fund incurring significantly lower risk claims than budgeted. While investment income was substantially lower, the result of a reduction in interest rates and volatility in equities, and contribution income was lower by the R99 million relief, the Scheme nevertheless posted a surplus of R18 million.
- A great deal of uncertainty exists around the trajectory of COVID-19 and its impact on medical schemes, so it was wise to plan for every eventuality. With COVID-19 declared a Prescribed Minimum Benefit, meaning that medical schemes must pay claims related to the virus in full, there could be a spike in claim costs. It was, therefore, reassuring that the Fund is sufficiently funded to meet any such eventuality.

- The loss of members continued to weigh upon MHC. The Fund's marketing strategy was completely frustrated by COVID-19, to the extent that the members of the marketing team were unable to pursue membership recruitment as planned for most of the year. Working remotely, members of the marketing team enjoyed limited success in signing up new members. This was regrettably offset by the loss of members because of significant job losses in a distressed industry. The Fund lost 1 994 members in 2020 but this should be seen in the context of CMS's latest annual report that reflects membership losses across various schemes in South Africa.
- It was with profound sadness when news was received in October 2020 that Douglas Simpson, one of our Trustees, had passed away. He made a significant contribution towards the governance of the Fund and members were asked to join the Chairperson in paying tribute to his loyalty to the Fund.
- The Fund's Audit Committee not only met but also exceeded the Board's expectations of carrying out its mandate. He extended the Board's thanks to Ian Catt, the Audit Committee's Chairperson, and the rest of the Committee for their hard work.
- Ernst & Young, who have served as the Fund's external auditors for several years, were recommended to be reappointed for the 2021 financial year. This was accepted by the Board.
- Appreciation was extended to the PO and his team, Mr Eakduth and the team from MHS as well as the Scheme's other service providers.
- The Principal Officer's report explored the macro environment by making the point that medical schemes are altruistic in their very nature. Healthcare inflation significantly outstripped general inflation and provided a comprehensive list of factors impacting on the spiral of costs. He had highlighted that a trend existed in a reduction in the number of medical schemes because of amalgamations and liquidations.
- The Principal Officer's report reminded everyone what MHC strategic objectives are and quoted the Scheme's mission statement, which is "To be the scheme of choice for all employees of employers participating in the Motor Industry".
- From an operational perspective, the report touched on the contracts with service providers, and how these are managed, and touched on the scheme's communication strategy, as well as the product design.
- The Principal Officer's report detailed the Scheme's financial performance, which would be dealt with in more detail when the Annual Financial Statements (AFS) and Auditor's Report would be highlighted by Ms Ramnarain

## 5. Financial Statements and Auditor's Report for the period ending 31 December 2020

The Chairperson advised that the Scheme's Audit and Risk Committee, chaired by Mr I Catt, had engaged with the Scheme's auditors, Ernst & Young, and thoroughly interrogated the statements and the report. The Committee was thus able to recommend that these be approved and adopted. The Chairperson noted that the Scheme had not received any comments or adverse findings from CMS who had interrogated the Financial Statements and the Auditor's Report.

Ms S Ramnarain advised that the audited financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS) and the Medical Schemes Act. The Financial Statements were reviewed by the Audit & Risk Committee and formally approved by the Board of Trustees in April 2021. The following salient summary of the results were highlighted:

- The Scheme's Risk Contribution Income for 2020 amounted to R678 million which was a decrease from the prior year due to the three-month contribution holiday that was given to members in 2020.
- The Relevant Healthcare Expenditure (which is claims and capitation fees incurred) was R621 million which is a decrease from the prior year. Due to the COVID-19 pandemic, the claims incurred decreased. The risk claims were R622 million vs. R731 million in 2019.
- Elective procedures were not as anticipated and general claims costs decreased.
- Accredited managed healthcare services were R16.4 million vs. R17.7 million in 2019 due to the membership decrease in the Scheme.

- This resulted in the Gross Healthcare Result of R56.5 million that was an improvement to the prior year's result of R50.7 million.
- The Scheme's Net Healthcare Result was a deficit of R4.8 million vs. R13.2 million in 2019.
- Other Income was R26.1 million vs. R40.4 million in 2019 due to investment income decreasing and lower interest rates, etc.
- Other expenditure (compromising the Scheme's asset manager fees) was R2.7 million in line with the prior year.
- Net surplus for the year was R18.6 million vs. R24.5 million in 2019 leaving the Scheme with a healthy solvency ratio 63.5%. This is an improvement on the 2019 solvency of 52.9% and well in excess of the statutory solvency ratio requirement of 25%.
- The Scheme's total assets are at R594 million vs. R583 million in the prior year with Accumulated Funds being at R477 million for 2020.

Mr Mafolo instructed the members on how to vote on the resolution to approve the AFS.

It was announced by the Chairperson that 47 votes were in favour of approving the 2020 AFS. No votes were against, and 2 members abstained.

## 6. Approval of Remuneration of Board of Trustees and Sub-Committee Fees

The PO advised that the Scheme had used the same basis as in previous years to determine the Trustee and Sub-Committee fees, which was per guidance from the CMS. He noted that the relevant documents pertaining to the proposed fees were on the AGM site for members to access. The Department of Public Service and Administration's guidelines were utilised, and they had an hourly rate for their consultants which he had used to multiply by the number of hours a Trustee spent at a board meeting, as well as time spent reviewing the documents prior to the meeting. This had worked out to a retainer fee of R7 137 per month for the Chairperson, with the Trustees getting R4 996 per month. The Audit Committee was paid in line with the Board of Trustee fees.

The Principal Officer advised that he had submitted the proposed fees to CMS and they had been approved.

Mr Schoeman asked whether a member of the Board of Trustee could vote in favour of the fees or whether this would then be seen as a conflict of interest. The Chairperson stated that all MHC members were entitled to vote unless there was an objection from a member.

The Chairperson requested members present to raise any concerns. As none were raised, he moved for the Trustee's remuneration for 2020 to be increased as per the PO's recommendation.

The Chairperson requested members present to vote on the resolution pertaining to the Trustee remuneration for 2020.

It was announced by the Chairperson that there were 44 votes for the resolution, no votes against and 1 abstention.

## 7. Trustee Elections

The Chairperson stated that there were two vacancies on the Board of Trustees and referred the members present to the agenda pack where the nominated member Trustees were featured.

**The Chairperson announced that two valid nominations (one new nomination and one re-nomination) had been received to fill the vacancies on the Board which meant that the following are elected as Trustees:**  
Mr Marwaan Davids and Ms Rene Coetsee

## 8. Board of trustees composition

The PO advised that the Board of Trustees had decided to reduce its composition from 8 trustees to 6 to reduce costs for the Scheme. He noted that this had already been approved by the CMS and was informing the members for transparency reasons.

## 9. Re-appointment of external auditors: Ernst & Young (EY)

The Chairperson confirmed that in terms of the Scheme rules, the appointment of the external auditors was required to take place at the AGM. He noted that, in terms of legislation, after a period there is a mandatory rotation of auditors required; for the Scheme, this will be in 2023. The Audit and Risk Committee have recommended to the Trustees that EY be re-appointed as the Scheme's external auditor – the recommendation has been accepted by the Board of Trustees.

The Chairperson requested members present to vote on the resolution to approve the re-appointment of EY as the external auditors of the Scheme.

Mr Mafole displayed the voting and the Chairperson confirmed that there were 51 votes in favour, no votes against and 1 abstention.

## 10. Motions or resolutions in terms of rule 31.1.5

The Chairperson noted that, in accordance with the Scheme Rules 31.1.5, notices of motion to be placed before the AGM should reach the Principal Officer no later than five working days prior to the date of the AGM. No notices of motion had been received.

Ms Gucher-Greeff advised that she had just received an email from a member regarding the AFS, which would be addressed outside of the meeting.

## 11. Closure

The Chairperson thanked the members for attending the meeting and trusted that they had gained better insight into the operations of the Scheme and the challenges it faces as a medical scheme. He thanked the Principal Officer and his team for facilitating the meeting.

The Chairperson declared the meeting closed.

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**Chairman**

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**Date**



# Chairman's Report for the year ended 31 December 2021



Since the coronavirus was first recorded in South Africa in March 2020, the country has been hit by a number of waves of the pandemic. Three of the waves were experienced in 2021. For obvious reasons the National State of Disaster remained in place for the entire year.

This had a negative impact on the retail motor industry. Economic activity failed to gain sufficient traction in the industry. In areas where it did improve it was off a low base. According to the Economic and Labour Report for the Motor Industry Bargaining Council 2022 compiled by the late Mike Schussler and Elize Kruger of [economisst.co.za](http://economisst.co.za), the following was highlighted:

- In 2020 South Africa recorded the deepest decline in GDP as well as GDP per capita in 100 years.
- Many headwinds kept household spending under pressure in 2021, among others high unemployment, stagnant real wage growth, rising inflation, a high tax burden, and low confidence levels. Then there was large scale unrest in two provinces.
- While wages in the motor industry, both on the retail and manufacturing side, at least kept up with inflation, turnover and profits did not, which meant that high wage increases could result in job losses.
- Even though the economy grew by 4.8%, this was off a low base, and the SA economy would still be smaller by the end of 2021 than in 2019.
- The retail motor industry is recovering its returns but from a very low base, meaning that there would not be big improvements in employment.

In reminding ourselves that MHC serves only personnel engaged in the retail motor industry, it is against the above backdrop that the Scheme continued to serve its members. Notwithstanding the challenges encountered, the positives outweighed the negatives.

Having been declared a Prescribed Minimum Benefit by the Minister of Health on 7 May 2020, Covid-19 had a significant impact on claims during 2021. When South Africa started its Covid-19 vaccination programme the Scheme was required to pay for all vaccinations, of members. The financial impact on the Scheme amounted to R73.93 million, double that of the 2020 experience. Of this the amount spent on vaccinations totaled R8.51 million.

However, the Scheme continued to have a similar experience to that in 2020 in respect of risk claims, as elective procedures were cancelled or postponed to free up facilities to deal with Covid-19 cases. A positive net health care result of R4,3 million, and investment income of R52,5 million net of fees of R2,9 million, and other sundry income of R0,8 million enabled the Scheme to achieve a pleasing financial result by year end. The total net surplus amounted to R57,6 million, increasing the Scheme total members' funds to R535 million, which translated into a solvency level of 63,9%.

The one blot on the landscape for the Scheme was the continued net loss of members. During 2021 the scheme's membership was reduced by 949. However, this was a significantly better outcome than in 2020 when the Scheme lost 1994 members as Covid-19 played havoc with people's lives. Had it not been for the ongoing

National State of Disaster characterized by various lockdown levels that continued to frustrate efforts to recruit new members, the loss of membership could have been mitigated even further. Interestingly when analysing the reasons for members leaving the Scheme it emerges that more than 70% of those are as a consequence of members leaving their employment in the industry. For many members affordability is becoming a huge challenge, and this also has an impact on continued membership.

Governance of MHC is sound. It pleases me to report that the Board of Trustees continued to meet their obligations in overseeing the affairs of the Scheme. I would thus like to assure all members and stakeholders that the Board of Trustees constantly evaluates the present and future strategic position of the Scheme, which is also referred to in the notes to the Annual Financial Statements pertaining to the "Going concern" aspect, as well as in "Events after the reporting date". This is always done with the best interest of members at heart.

Covid-19 continues to impact on the world of work, with working remotely and holding meetings virtually becoming almost the norm. However, this is not without its challenges, but I am pleased to report that Danie van Tonder, our Principal Officer, and his team yet again did a sterling job managing the scheme's affairs in the face of those challenges. The same can be said of our administrator, Momentum Health Solutions, and other service providers.

Three members of the Scheme's Board of Trustees reach the end of their term at this year's AGM. I would like to pay tribute to them for the significant contribution they made to the governance of the scheme, as well as the two Trustees that continue their term of office. If one had a glimpse of the bulky board packs that the Trustees receive prior to Board meetings, one will realise that Trustees need to spend considerable time preparing for meetings. They certainly come well prepared for meetings, and this made my role as Chairman a pleasurable one. To them all I convey my sincere gratitude.

Four new Trustees have to elected at the AGM. I am pleased to note that the three retiring members are available for re-election, the Scheme having received valid nominations for them. In something I can only describe as unprecedented, the Scheme has received six further valid nominations. This, therefore, requires that a ballot be held to elect the new Trustees. The AGM will be held virtually, and a facility will be provided to cast votes electronically.

The Trustees of the Scheme depend heavily on the support of its Audit and Risk Committee which is chaired by Ian Catt, who is ably supported by independent committee members, Miles Mafojane and Avashnie Ramdhani, and Board members, Renee Coetzee and myself. In considering the objectives of the committee, which are, amongst others, to assist the Board in its evaluation of the adequacy and efficiency of the internal control systems, accounting practices, information systems, and auditing processes applied to the Scheme or its administrator in the day-to-day management of the business, I can with every conviction report that the Committee not only met but exceeded the Board's expectations. To the members of it I extend the Scheme's appreciation for their efforts.

In my 2020 report I made mention of the Independent Regulatory Board for Auditors' (IRBA) Mandatory Audit Firm Rotation regulation. In terms of this audit firms serving, amongst others, Public Interest Entities (PIEs), have to rotate every five years. This means that our long serving auditors, Ernst & Young, may not accept reappointment after 1 April 2023, as MHC, being a medical aid scheme, is regarded as a PIE. Fortunately, in terms of this regulation, Ernst & Young, are still in a position to accept reappointment to conduct the Scheme's 2022 audit. Based on their excellent service provided over the past years, the Audit and Risk Committee has recommended that Ernst & Young be reappointed to conduct the 2022 audit, and the Board of Trustees has accepted the recommendation.

While I have already made mention of Danie van Tonder and his team having to face many challenges brought on by the National State of Disaster, I would like all to join me in acknowledging his, and his team's unstinting efforts in the interests of all members and beneficiaries. His team consists of:

- Aashna Alberts - Fund Manager,
- Terry Greeff - Operations Manager,
- Salome Botha - Member Liaison Officer, and
- Drini Emeric - Scheme's Secretary and PA to the PO.

They deserve a round of applause.

Momentum Health Solutions (MHS) continue to meet MHC's expectations in administering it. Their strong team, members of which are listed below, continued to provide members with superior service.

- Eugene Eakduth – Scheme Executive,
- Gisella Fourie – Clinical Executive,
- Elsje Steyn – Actuarial Analyst,
- Pateka Bunyonyo – Senior Actuarial Analyst,
- Vuyo Mokoena – Health Product Analyst
- Seemita Ramnarain – Financial Manager,
- Chris Sauer – Forensic Services,
- Sivuyile Tshelu – Chief Risk Officer, and
- Ayanda Nxumalo – Fund Secretary.

On behalf of all at MHC, I extend to them sincere appreciation for delivering that service.

To give a glimpse of the level of service provided by MHS, permit me to raise the issue of fraud, wastage, and abuse (FWA) in health care as it affects medical aid schemes and their members. FWA pose a significant risk to schemes as estimates show that this burden costs schemes several billion rands every year in funds that could be used to pay for the critical health care needs of scheme members. Chris Sauer heads up the MHS Forensic Services and their function is to detect and prevent irregular or invalid claims. Through their efforts, underpinned by sophisticated systems, the inherent risk of FWA to MHC is substantially mitigated.

This effort is further enhanced by other service providers to MHC, who ensure that claims do not spiral out of control. They are:

- Mediscor – Pharmaceutical Benefit Management.
- DRC – Dental Claims oversight, and
- PPN – Optical Claims oversight.

Our sincere thanks to them for their support.

Finally, I would like to thank you, our members, for your continued support and faith in MHC. Covid-19 still poses a threat, so please continue to take care and stay safe.

Barrymore Canning

# Principal Officer Scheme Report

## 2021 Financial Year (Jan – Dec 2021)

The Medical Scheme industry is complex and unique. We will try to share with you our view of the core issues by addressing and explaining the macro environment, scheme operations and financial indicators.

### Macro Environment

Global Healthcare Costs are in constant increase. Healthcare inflation worldwide is then also higher than general inflation and South Africa and Moto Health Care are not different. Unlike other types of insurance, medical schemes derive no benefit from higher contributions, because there are no shareholders, dividends or bonuses to be paid out. **The cost pressures on schemes are the result of the following factors:**

1. Increasing use of healthcare services by members.
2. The spiraling cost of providing the Prescribed Minimum Benefits (PMBs).
3. The rising cost of new medicines and technologies.
4. The increase in chronic illnesses.
5. The rise in cost of medical malpractice insurance.
6. The poor quality of state healthcare services.
7. Increasing fraud.
8. Anti-selection, which is when someone joins a medical scheme only when he or she is ill and needs to claim.
9. High mandatory reserves.
10. Absence of regulatory reform. Some measures were scheduled to be implemented but shifted aside when the government changed its healthcare policy focus to the implementation of National Health Insurance.
11. Scheme membership in general is not growing.
12. The current system. This system allows over-servicing, entrenches fraud and does nothing to align the incentives between the funders and the providers.
13. Insurance products. The new demarcation Regulations are positive.
14. National Health Insurance. Some employers still hide behind this as an excuse for not subsidising their employees. We think that this is wrong as it will take a very long time to provide proper cover, if at all, if one looks at the affordability. Our disease burden as measured by the World Health Organisation is more than double that of the global average. Coupled with a systemic shortage of providers, backlogs on infrastructure upgrades to facilities and extensive mismanagement of funds and resources within the Health Department, a more realistic strategy would be to divide responsibility between what the state can afford to deliver and allow citizens with sufficient means the freedom to purchase whatever healthcare they wish.

#### There is a downward trend in the number of medical schemes.

This drop is the result of continued amalgamations and liquidations driven by the difficulty in maintaining the sustainability in some schemes.

## Strategic Objectives

Management of the Fund focused on implementing the strategic objectives approved by the Trustees for the period under review, namely:

- Growing the Fund and retaining existing members.
- Developing affordable, competitive and holistic health care solutions for the motor industry.
- Driving effective education and communication to members and stakeholders operating in the motor industry.
- Branding Moto Health Care as the medical aid fund of choice in the motor industry.
- Maintaining the financial sustainability of MHC.
- Constantly monitoring the strategic future of the Scheme.

The Scheme's Mission statement is as follows: "To be the scheme of choice for all the employees of employers participating in the Motor Industry Bargaining Council." The main factor identified, which will determine MHC's success in achieving its Mission, is by sufficiently differentiating the scheme from its competitors through:

- Maximising its value proposition as offered within the framework of a dynamic business model capable of delivering:
  - The best priced benefits (affordability);
  - The most appropriate selection of benefits for employees at all levels in the Motor industry;
  - The most compelling set of complementary benefits to reward loyalty to MHC by:
    - Members;
    - Brokers;
    - Healthcare Service Providers.

The other Mission success factors are regulatory and stakeholder support, improved service levels and continued balanced financial performance and sound corporate governance.

## Contracts and Operations

All the Fund's major service contracts were renewed for 2021 after due consideration was given to the operational performance of the service providers. Their performance was managed consistently. Tools used to manage included SLAs, regular meetings and the review of weekly, monthly and quarterly management and operational reports by service providers.

## Communication and Product Design

Management implemented a number of initiatives to grow the Fund. This included distributing marketing emails to employers operating in the industry and the servicing of health care brokers.

In addition, regular advertorials were placed in industry related magazines.

Between April and September 2020, management undertook an extensive process to critically examine the benefits provided to members. The exercise which involved stakeholders, allowed the scheme to design a range of benefits suited to all who operate in the motor industry. This included the re-confirmation of the two new efficiency discount options at a lower contribution to attract young and new members, who are willing to be limited to network providers for hospitals and chronic medicines.

## Moto Health Care Rules

The 2021 Rules of MHC were duly registered by the Council for Medical Schemes.

The Fund's virtual Annual General Meeting (AGM) was on 14 October 2021 in accordance with the rules of the Fund

## Financial Management

The Financial Statements for the year ended 31 December 2021 are included in the AGM pack. I will only highlight the main indicators as follows:

- The total contributions were R819 million and the total risk contributions were R741 million. The Scheme ended with a gross healthcare result of R63.8 million after claims and capitation fees were paid. Administration costs compares favorably to the industry, especially if one considers the low average contribution of the Fund and the cost of outsourcing the marketing function. After managed healthcare and other costs and investment income, the Scheme ended with a net surplus of R57.6 million.
- The continuing positive reserve position of the Fund supports the 5th and final strategic objective which is that the fund remains viable into the future.
- The average age of our beneficiaries increased slightly to 36.65 years with a dependent ratio of only 1.1. The average family size is 2.1 people. The pensioner ratio (>65 years) increased from 13.2% to 13.5%.

There were 16 948 members on average in 2021. The average net contribution per beneficiary per month was R1 719. The solvency level increased from 63.5% to 63.9%.

The accumulated reserves belong to the members of the scheme. The figure at the end of December 2021 increased to R535 million. This is well above the required value of R205 million, based on 25% of the total contribution (R819 million) for 2021.

## Conclusion

In closing, my thanks to our valued Board of Trustees and Audit Committee members and especially Mr Barry Canning and Mr Ian Catt, the respective Chairpersons for providing unrestricted guidance to the Fund office. I also want to thank the MHC staff and service providers for their continued commitment to MHC.

Finally, I must thank the members and employers who continue to place their confidence in us by choosing to belong to Moto Health Care. We remain committed to managing the Scheme wisely, thereby achieving positive returns for the benefit of the members. The Trustees and management of Moto Health Care all agree that we have a fantastic opportunity to provide the best health care to all our members. To this end we will constantly pursue our mission of being the Fund of choice in the motor industry and to take care of our own.

The diagnosis for Moto Health Care is positive. It is one of the biggest schemes with restricted membership and is focused on the needs of people in the motor industry. It also offers the full range of products available in the market. The accumulated reserve percentage (solvency ratio) is double the required level, which gives Moto Health Care a clean bill of health for the future and peace of mind to its members.

**Yours in good health!**

**Danie van Tonder**

Principal Officer

*August 2022*

# Proxy & Voting Process

## Use of Proxy Form

**Principal Members in good standing who attend the virtual AGM have the right to vote.**

Principal Members must only use the proxy form issued herewith or one obtained on request from Ernst & Young (EY) or the Scheme office. The use of proxy forms other than those issued by the proper means will result in the nullification of the votes.

Only Principal Members who are in good standing and in attendance are entitled to vote at the Annual General Meeting. Spouses, children and any other dependants are not allowed to vote. A proxy form not completed in full will be deemed to be spoilt and disregarded in the determination of a matter where voting is needed.

## Voting Procedures

**To properly cast their votes, Principal Members are required to observe the following procedures:**

Fill in their Moto Health Care membership number

Fill in their identity number in the space provided on the proxy form

Date and sign the form in the space provided at the bottom of the form

*\*These measures are intended to secure the process against fraud.*

**Return the proxy form by using the following method:**

**Email:** [Alicia.Naidoo@za.ey.com](mailto:Alicia.Naidoo@za.ey.com)

## Closing Date

Completed forms must be received by 17h00 on 24 November 2022. Forms returned other than in the manner described herein will not be considered

## Counting of votes and results declaration

Votes will be counted by EY after voting at the Annual General Meeting has ended. On completion of the process, EY will submit a report to the Board of Trustees in accordance with the Rules of the Scheme.

## Contact Details

The election process is independently managed by EY. Enquiries pertaining to the process should be directed to Alicia Naidoo by email at [Alicia.Naidoo@za.ey.com](mailto:Alicia.Naidoo@za.ey.com).

## Independent Electoral Officer:

The Scheme has appointed an independent electoral officer. The final list of candidates for Trustee elections will be made available as soon as the validation process has been completed.

# Procedure for the Moto Health Care 2022 Virtual AGM

## Procedure

### Registering for the AGM:

- You need to register to attend the AGM by clicking on the register here link in the email that you received from the Scheme
- Once you are registered you will receive a confirmation of your registration and, prior to the AGM, a link to join the AGM will be provided
- You will be able to view this on any device with an internet connection (desktop PC, laptop or mobile phone)
- On the day of the AGM you will need to click on the link provided in order to join the AGM

### Prior to the AGM:

- Read all the documentation sent to you
- Remember to register to attend the AGM
- Submit any questions you may have to [agm@mhcmf.co.za](mailto:agm@mhcmf.co.za)

### On the day of the AGM:

- Make sure you have your membership number
- Have the documents for the AGM
- Be in a place where you will not be interrupted for the duration of the AGM
- Try to join the meeting by 10h45
- Click on the link that was provided to you
- Before joining the AGM, you will be asked to confirm your details
- Fill in the necessary details
- Check that your audio is working
- Enjoy the AGM!

### During the AGM:

- The Chairperson of the Board of Trustees will be the host of the meeting
- Should you have a question, you can submit it by clicking on the icon and typing out your question
- All questions sent will be moderated before being sent to the Chairperson to avoid repetition
- At relevant times in the meeting, the Chairperson will request that you vote on a proposal
- The proposal that you need to vote on will appear on your screen and you will be presented with three options: for, against or withheld - as well as for possible proxies you have.
- Select the answer that you want to provide
- Once you have logged in, your vote it cannot be altered
- The Chairman will declare the voting period closed and there will be a small break while the votes are provisionally tallied
- The results of the vote will be displayed on your screen
- At the end of the meeting, the Chairman will address any questions that need to be answered.







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# 2022 ANNUAL GENERAL MEETING NOTICE

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