

BP4969S

**Minutes of the 55th Annual General Meeting
of Southern Cross Medical Care Society**

Held on Thursday, 1 December 2016 at 2.03pm
at The Savoy Room, Rydges Hotel, 30 Latimer Square, Christchurch

- Present: G W Gent, Chairman
- Dr D D Baird, Ms C M Drayton, Ms E M Hickey, G R W France, Ms J M Raue and K B Taylor (Directors)
- Senior management and advisors, including P J Tynan, V Caisley, S J Azzopardi, C Trigg, G Searle, R Ogilvie, R Cunningham (Secretary), and others totaling in excess of 150 Members
- Welcome: Mr Gent welcomed Members to the meeting, together with guest speaker Billie Jordan, before acknowledging Mr Munro from the Society's external auditors, KPMG.
- Introduction: Mr Gent introduced each of the Directors, before introducing Mr Tynan, the Chief Executive Officer and Ms Cunningham, the Secretary to the Board.
- Apologies: Ms Cunningham advised that there were no apologies received.
- One apology was advised from the floor.
- Notice of meeting and quorum: Mr Gent advised that notice of the Annual General Meeting had been given in accordance with the Rules of the Society, and as there were more than 12 Members present, Mr Gent declared the meeting open.
- Voting and speaking protocol: Mr Gent outlined the voting and speaking protocols to be followed, in dealing with the various motions to be considered in the meeting.
- Presentation of Annual Report and Financial Statements: In presenting the Annual Report and Financial Statements, Mr Gent gave a brief overview of the 2015/16 year. (A copy of Mr Gent's presentation is available on the Society's website). Mr Gent advised that Mr Tynan was stepping down as CEO, and that a new CEO would be announced the day after the AGM.
- Mr Tynan, the Chief Executive Officer gave a presentation on the Society's performance (a copy of Mr Tynan's presentation is available on the Society's website). Mr Tynan thanked the Board and staff for their support during his time as CEO.
- Mr Azzopardi, the Chief Financial Officer gave a brief update on the Society's investment performance and strategy (a copy of Mr Azzopardi's presentation is available on the Society's website).

It was then moved by Mr Gent and seconded by Ms Hickey, that the Annual Report and Financial Statements for the year ended 30 June 2016, and the Auditor and Appointed Actuary's Reports thereon, be received.

Prior to putting the motion to the vote, Mr Gent invited questions or discussion from Members.

The Chairman, Mr Tynan and Mr Azzopardi answered questions from members in relation to the Society's investment in global bonds and the change in common rating from age 65 to 75.

Following discussion and questions from the floor, the motion was put to the meeting and passed on the voices.

Appointment of a Trustee:

Mr Gent briefly outlined the role of Society Trustees, advising that Mr Taylor would be retiring as a Trustee, and Mr France had been nominated to fill the vacancy created.

It was moved by Mr Gent and seconded by Mr Taylor, that Mr France be appointed as a Trustee of the Society.

With no discussion from the floor, the motion was put to the meeting and passed on the voices.

Election of Directors:

Mr Gent explained that the number of candidates this year was equal to the number of vacancies.

Item 3.1:

Mr Gent commented to the meeting that as Dr Baird had advised the Board earlier in the year that he would be retiring, the Board initiated a recruitment process to fill the vacancy, including publicly advertising, and engaging an independent consultant specialising in Board and senior executive appointments to conduct a search process.

When filling this vacancy the Board was specifically looking for a clinical or medical background to replace the clinical perspective Dr Baird has been able to bring to the Board. The process also took into account the requirements of the Society's Fit and Proper Policy, designed to ensure that directors of licensed insurers are suitably qualified and experienced to be appointed.

This process resulted in the identification of Dr Philip Leightley who was subsequently nominated for the role of Director.

Dr Leightley made a brief speech to the meeting introducing himself and outlining the skills and experience he can bring to the Board, and answered questions from the floor.

It was moved by Mr Gent and seconded by Dr Baird, that Dr Leightley be elected as a Director of the Society.

Prior to putting the matter to the vote, the Chairman invited any discussion or questions. With no further discussion,

the motion was put to the meeting and passed on the voices.

Item 3.2:

Mr Gent advised that this year, in accordance with the Rules of the Society, Ms Elizabeth Hickey retires by rotation and, being eligible, has offered herself for re-election.

It was moved by Mr Gent and seconded by Mr Taylor that Ms Hickey be re-elected as a Director.

With no discussion from the floor, the motion was put to the meeting and passed on the voices.

General business:

Mr Gent advised that there had been a number of questions submitted by members prior to the meeting including:

- The assessment and funding of new treatment technology (specifically IORT and TAVI).
- The size of the Society's surplus relative to members' premiums
- The concept of private (insurance) funding of services provided by the public health sector.

Mr Gent discussed each of these topics in turn, outlining the Society's position on each of these issues.

Other General Business

Mr Gent invited questions from the floor regarding the business of the Society.

Mr Gent and members of the Society's management team then answered members' questions on a range of topics, including:

- What initiatives the Society is undertaking to encourage members to look after their own health
- AP claim for radiology procedure
- Better screening for cancer to allow for early detection, diagnosis and treatment.
- Premium levels for older members vs individuals saving sufficient funds for treatment
- Travel insurance pricing for older people
- The common rate transitioning from 65 to 75 years of age for older members
- Alternative contact details for a proxy form received too late to return via post
- Rewarding loyalty of long standing members
- How the Society manages its investment funds and which investment manager this is outsourced to
- Proposal that the overseas treatment benefit be extended to include procedures available in NZ
- Policy suspension/stand down period for members travelling overseas.

Recognising the retirement of Dr Baird

Mr Gent thanked Dr Baird for his contribution to the Board over the last nine years, in particular the clinical perspective he has brought.

The meeting closed at 3.06pm.