

## Annexure B

### The role and duties of Trustees

The duties of Trustees are described in the Medical Schemes Act, Act No 131 of 1998, as amended (Act).

#### **Section 57 - General provisions on governance**

1. Every medical scheme shall have a Board of Trustees consisting of persons who are fit and proper to manage the business contemplated by the medical scheme in accordance with the applicable laws and the rules of such medical scheme.
2. At least 50 percent of the members of the Board of Trustees shall be elected from amongst members.
3. A person shall not be a member of the Board of Trustees of a medical scheme, if that person is—
  - a. an employee, director, officer, consultant or contractor of the Administrator of the medical scheme concerned, or of the holding company, subsidiary, joint venture or associate of that Administrator; or
  - b. a broker.
4. The duties of the Board of Trustees shall be to—
  - a. appoint a Principal Officer who is a fit and proper person to hold such office and shall within 30 days of such appointment give notice thereof in writing to the Registrar;
  - b. ensure that proper registers, books and records of all operations of the medical scheme are kept, and that proper minutes are kept of all resolutions passed by the Board of Trustees;
  - c. ensure that proper control systems are employed by or on behalf of the medical scheme;
  - d. ensure that adequate and appropriate information is communicated to the members regarding their rights, benefits, contributions and duties in terms of the rules of the medical scheme;
  - e. take all reasonable steps to ensure that contributions are paid timeously to the medical scheme in accordance with this Act and its rules;
  - f. take out and maintain an appropriate level of professional indemnity insurance and fidelity guarantee insurance;
  - g. obtain expert advice on legal, accounting and business matters as required, or on any other matter of which the members of the Board of Trustees may lack sufficient expertise;
  - h. ensure that the rules, operation and administration of the medical scheme comply with the provisions of this Act and all other applicable laws; and
  - i. take all reasonable steps to protect the confidentiality of medical records concerning any member's state of health.
5. Any notice required or permitted to be given to a medical scheme in terms of this Act shall, if given to the Principal Officer, be deemed to have been duly given to the medical scheme.
6. The Board of Trustees shall—
  - a. *take all reasonable steps to ensure that the interests of beneficiaries in terms of the rules of the medical scheme and the provisions of this Act are protected at all times;*
  - b. *act with due care, diligence, skill and good faith;*
  - c. *take all reasonable steps to avoid conflicts of interest; and*
  - d. *act with impartiality in respect of all beneficiaries.*



7. A person shall not be a Principal Officer of a medical scheme if that person is—
  - a. an employee, director, officer, consultant or contractor of the Administrator of the medical scheme concerned, or of the holding company, subsidiary, joint venture or associate of that administrator;*  
*or*
  - b. a broker.*
  
8. The members of the Board of Trustees shall disclose annually in writing to the Registrar any payment or considerations made to them in that particular year by the medical scheme.