



The roles and duties of Trustees

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The duties of Trustees are described in the Scheme Rules and in the Medical Schemes Act, no 131 of 1998, as amended (Act). Extracts of the Scheme Rules and the Act are provided for your information. A full set of the Scheme Rules is available [here](#).

Rules of the Discovery Health Medical Scheme

Rule 18: duties of the Board of Trustees

18.1

The Board is responsible for the proper and sound management of the Scheme, in terms of these Rules.

18.2

The Board must act with due care, diligence, skill and in good faith.

18.3

Members of the Board must avoid conflicts of interests, and must declare any interest they may have in any particular matter serving before the Board.

18.4

The Board must apply sound business principles and ensure the financial soundness of the Scheme.

18.5

The Board shall appoint a principal officer who is fit and proper to hold such office and may appoint any staff which in its opinion are required for the proper execution of the business of the Scheme, and shall determine the terms and conditions of service of the principal officer and of any person employed by the Scheme;

18.6

The chairperson must preside over meetings of the Board and ensure due and proper conduct at meetings.

18.7

The Board must cause to be kept such minutes, accounts, entries, registers and records as are essential for the proper functioning of the Scheme.

18.8

The Board must ensure that proper control systems are employed by and on behalf of the Scheme.

18.9

The Board must ensure that adequate and appropriate information is communicated to the members regarding their rights, benefits, contributions and duties in terms of the Rules.

18.10

The Board must take all reasonable steps to ensure that contributions are paid timeously to the Scheme in accordance with the Act and the Rules.

18.11

The Board must take out and maintain an appropriate level of professional indemnity insurance and fidelity guarantee insurance.

18.12

The Board must obtain expert advice on legal, accounting, actuarial and business matters as required, or on any other matter of which the members of the Board may lack sufficient expertise.

18.13

The Board must ensure that the Rules and the operation and administration of the Scheme comply with the provisions of the Act and all other applicable laws.

18.14

The Board shall ensure that the Scheme complies with applicable laws and considers adherence to non binding rules, codes and standards.

18.15

The Board must take all reasonable steps to protect the confidentiality of medical records concerning any member or dependant's state of health.

18.16

The Board must cause to be kept in safe custody, in a safe or strong room at the registered office of the Scheme or with any financial institution approved by the Board, any mortgage bond, title deed or other security belonging to or held by the Scheme, except when in the temporary custody of another person for the purposes of the Scheme.

18.17

The Board must make such provision, as it deems desirable, and with due regard to normal practice and recommended guidelines pertaining to retention of documents, for the safe custody of the books, records, documents and other effects of the Scheme.

18.18

The Board shall disclose annually in writing to the Registrar, any payment or considerations made to them in that particular year by the Scheme.

18.19

The Board shall ensure that the Scheme is and is seen to be a "responsible corporate citizen."

The Medical Schemes Act, no 131 of 1998, as amended

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 per cent 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."

(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.

(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.