



**MINUTES OF THE TWENTY-FIFTH ANNUAL GENERAL MEETING OF
PBC HEALTH BENEFITS SOCIETY (PACIFIC BLUE CROSS)**

ROOM 616, 4250 CANADA WAY, BURNABY, BC

ON WEDNESDAY, JUNE 15, 2022

1. CALL TO ORDER & FIRST NATIONS LAND ACKNOWLEDGEMENT

The Chair, Brendan Dick, called the 25th Annual General Meeting to order at 6:00 p.m.

2. FIRST NATIONS LAND ACKNOWLEDGEMENT

On behalf of the Board of Directors and Pacific Blue Cross employees, Brendan Dick acknowledged that the land on which we were gathering is the unceded traditional territory of the Coast Salish Peoples, specifically the shared traditional territories of the Squamish, Tsleil-Waututh, Musqueam, and Kwikwetlem First Nations.

3. REPORT OF THE CREDENTIALS COMMITTEE

Brendan Dick reported that proper notice of the Annual General Meeting (“AGM”) had been given in accordance with the Bylaws. As there were more than 15 members in attendance, Brendan Dick declared a quorum present in accordance with Section 4.2 of the Bylaws.

4. APPOINTMENT OF RECORDING SECRETARY AND PARLIAMENTARIAN

Brendan Dick appointed Maeghan Kenney as Recording Secretary and Arpal Dosanjh as Parliamentarian for the proceedings.

5. ADOPTION OF THE RULES OF ORDER

Brendan Dick stated that the rules contained in Robert’s Rules of Order would govern the meeting as prescribed in the Bylaws and an abbreviated copy was included in the registration package for all members. He provided the attendees with instructions on how to vote on agenda items requiring approval.

6. ADOPTION OF AGENDA

Brendan Dick referred to the agenda that had been issued in advance of the meeting

It was **MOVED, SECONDED AND CARRIED** that the agenda be adopted.

7. CHAIR’S REMARKS

On behalf of the Board of Directors and Pacific Blue Cross employees, Brendan Dick welcomed the attendees to the first in-person Pacific Blue Cross AGM since the onset of the COVID-19 pandemic, expressing his appreciation that they took the time to attend.

He noted that this was the 25th AGM of Pacific Blue Cross—25 years since the Medical Services Association and the Credit Union & Cooperative Health Services Society joined forces to become a not-for-profit health benefits society, and what is now the largest health benefits and health insurance provider in the Province.

He advised that the Board of Directors, Management, and staff of Pacific Blue Cross were immensely grateful to the members, clients, intermediaries, and providers for continuing to support the organization in achieving its mission of improving health and wellbeing for British Columbians and acknowledged it was an honour to be able to do this work on their behalf.

8. Introduction of the Board of Directors

Brendan Dick introduced the members of the Board of Directors that were in attendance, thanking them for their dedication and service on the Board of Directors.

9. APPROVAL OF MINUTES

9.1 Minutes of the Annual General Meeting held June 16, 2021

The Minutes of the Annual General Meeting held June 16, 2021 were provided in advance of the meeting.

It was **MOVED, SECONDED AND CARRIED** that the Minutes of the Annual General Meeting held June 16, 2021 be approved.

10. REPORT OF THE BOARD OF DIRECTORS

Brendan Dick delivered the Report of the Board of Directors as outlined in the 2021 Annual Report that was linked to the AGM Notice of Meeting on the Pacific Blue Cross website. He reported that Pacific Blue Cross had become a shareholder and distributor for Blue Cross Life and that, in the final step of the transition, BC Life and Casualty Company had been dissolved after 40 years of operation. He gave special thanks to Kyle Mitchell who served on the BC Life and Casualty Company board for 37 years, and chaired it for the past 24 years.

Brendan Dick also reported that the Pacific Blue Cross Health Foundation had celebrated its ten-year anniversary and had provided over four million dollars to more than 175 organizations across the province that are improving health and wellbeing of British Columbians since its inception.

Brendan Dick ended his report with the announcement that John Crawford, President and CEO, would be retiring at the end of 2022 after more than 30 years with Pacific Blue Cross. Brendan Dick thanked John Crawford for his immeasurable contribution to the organization, noting that he was leaving Pacific Blue Cross as the largest health benefit provider in British Columbia with the highest membership they had had in the history of the organization.

11. PRESENTATION OF THE AUDITED FINANCIAL STATEMENTS

Brendan Dick called on Glen Copping, Senior Vice President and Chief Financial & Investment Officer, to present the audited financial statements for the year ended December 31, 2021.

Glen Copping reported that Pacific Blue Cross maintains systems of internal accounting and administrative controls which provide Management with reasonable assurance that assets are safeguarded and reliable financial records are maintained. The appointed actuary is responsible for ensuring that the methods for the valuation of insurance liabilities are in accordance with accepted actuarial practice, applicable legislation, and associated regulations and directives, and is required to provide an opinion on the appropriateness of the insurance liabilities at the balance sheet date to meet all policyholder obligations of Pacific Blue Cross.

KPMG LLP, an independent auditor, has been appointed to express an opinion as to whether these financial statements fairly present Pacific Blue Cross' financial position and operating results in all material respects in accordance with International Financial Reporting Standards (IFRS). The appointed actuary and independent auditor may consider each other's work in discharging their respective responsibilities.

Glen Copping reported that for 2021, Billed Revenue increased from \$1.30B in 2020 to \$1.63B, total Revenue increased from \$368M in 2020 to \$405M, and comprehensive income increased from a gain of \$9.2M in 2020 to a gain of \$28.3M.

The appointed actuary opinion is that the amount of policy liabilities, net of reinsurance recoverable, makes appropriate provision for all policy obligations and the consolidated financial statements fairly present the results of the valuation.

The independent auditor opinion is that the financial statements fairly present, in all material respects, the consolidated financial position of Pacific Blue Cross at December 31, 2021 and its consolidated financial performance and its consolidated cash flows for the year in accordance with IFRS.

He reported that the Pacific Blue Cross Board of Directors had reviewed and approved the financial statements to December 31, 2021. To assist the Board of Directors in meeting its responsibility, it had appointed an Audit Committee comprised entirely of independent directors. The Audit Committee meets regularly with Management, the internal auditors and the independent auditors to review internal accounting controls, audit results and accounting principles and practices.

It was **MOVED, SECONDED, AND CARRIED** to receive the PBC Health Benefits Society's audited financial statements for the year ended December 31, 2021.

12. APPOINTMENT OF AUDITORS

Mary LaPlante, Chair of the Audit Committee, reported that the *Societies Act* requires that a reporting society, such as Pacific Blue Cross, appoint an auditor and that it is the recommendation of the Board of Directors that KPMG LLP be appointed as the auditors of Pacific Blue Cross to hold office until the close of the next AGM.

It was **MOVED, SECONDED AND CARRIED** that the appointment of KPMG LLP as the auditors of Pacific Blue Cross to hold office until the close of the next Annual General Meeting be approved.

13. PRESIDENT & CEO REMARKS

John Crawford, President and CEO, welcomed the members and guests and delivered the Message from the President and CEO as outlined in the 2021 Annual Report that was linked to the AGM Notice of Meeting on the Pacific Blue Cross website.

He noted that despite the continuing impacts of COVID-19 in 2021, Pacific Blue Cross had achieved remarkable results in 2021 including increasing the following: consolidated revenue by 24%, claims paid by 15%, processed claims by 18%, and the number of members by 2.2%. Individual health insurance products generated \$61 million in sales, including a 30% increase in the refreshed Guaranteed Acceptance product launched in April. Unfortunately the expected increase in the sale of travel insurance did not occur as the Omicron variant affected people's travel plans, however surveys indicate a strong, pent-up demand for travel, as well as an increase in buying intentions for travel and trip protection insurance which we expect to lead to a this category rebounding in 2022.

Through drug management policies, Pacific Blue Cross had saved plan sponsors at least \$51 million in 2021, and he also noted that as a result of aligning drug policies with BC Pharmacare's Biosimilars Initiative, plan sponsors and members had saved up to \$62 million in drug costs by the end of 2021.

John Crawford advised that Pacific Blue Cross had been named as one of Canada's Top Green Employers, recognizing the commitment to reducing the environmental impact of our operations as well as creating a culture of environmental awareness throughout the organization.

He reported that Pacific Blue Cross had expanded its partnership with the First Nations Health Authority to address their mental health service delivery and the new automated service jointly implemented made it quicker and easier for mental health-care providers and First Nations Health Authority members to access various programs. Within six weeks of the launch, 90% of pre-determinations and claims were being submitted online and claims turn-around time reduced from five days to one day.

Enhancement of the digital experience continued in 2021, 90.8% of all claims were received electronically and online individual product sales increased to 65%. In addition, PROVIDERnet registrations for direct bill and e-claims increased by 5% over 2020, and the mobile app downloads increased by 20% with over 728,000 digital interactions via the app in 2021. Pacific Blue Cross also launched Blue Quote, a new online quoting tool for intermediaries in the small group marketplace.

John Crawford reported that 2021 was first year of the Grow Good Health three-year strategic plan which built on the successes he had spoken to earlier through continued innovation, more growth and diversification in underserved sales channels, and the delivery of exceptional member experiences. He thanked the staff, Management, and the Board of Directors for their leadership as they navigated the impacts of the pandemic. He also thanked John Elwick and Kyle Mitchell, who had helped guide BC Life & Casualty Company over its forty-year existence, noting that it was a pleasure and an honour to work with such a distinguished group of people for so many years.

John Crawford completed his remarks advising that he felt privileged to have been a part of the organization for the past 30 years, seeing Pacific Blue Cross grow from where it started in 1997 to where it is today, how much promise it has for being a major force in health care in British Columbia.

He concluded by thanking everyone, including those not in the room - members, plan sponsors, health care providers and intermediaries - for their continued support.

14. ELECTION OF DIRECTORS

Brendan Dick, on behalf of the members of Pacific Blue Cross, extended a thank you to the Directors that served this past year. He stated that their dedication and commitment to Pacific Blue Cross had been outstanding.

14.1 Report of the Nominating Committee

Brendan Dick called upon Joey Hartman, Chair of the Nominating Committee, to present the Report from the Nominating Committee.

Joey Hartman reported that the Nominating Committee was comprised of Directors not standing for election at this year's AGM. It included herself as Chair, Trevor Davies, and Malcolm Williamson.

Joey Hartman provided the following report on behalf of the Nominating Committee.

As stated in Pacific Blue Cross' Bylaws, the Board of Directors of Pacific Blue Cross is comprised of fourteen members representing three categories of members:

- Four Health Care Professional;
- Six Individual; and
- Four Organizational.

Directors to be elected at the AGM will normally serve three-year terms.

When the call for Nominations was issued this year, there was one director vacancy to fill through this year's election. The Governance Committee of the Board set criteria for Directors based on the skills needs of the Board. The priority skills that the Board believed were needed to be filled in this year's election to enable the Board to effectively meet its fiduciary, legal requirements and regulatory expectations included: Financial and Risk Management.

Two candidates were interviewed by the Nominating Committee and assessed against their self-rated skills. The results of this process are detailed in the Candidate Profiles included in the AGM materials on the website.

Both candidates were forwarded to the Board as eligible and qualified Director Nominees to stand for election at the AGM. One Director Nominee was also recommended to the Membership. The recommendation was based on which Director Nominees best demonstrated alignment with the 2022 priorities and will best complement and strengthen the existing Board of Directors.

Joey Hartman asked if there were any questions on this year's Director nomination and election process.

14.2 Announcement of Election of Directors from the following category:

Joey Hartman advised that the Board of Directors Election was conducted through an electronic voting platform. The election process was overseen by scrutineers, KPMG LLP, who were present at that evening's AGM, and the Board of Directors Election results have been validated by the KPMG LLP scrutineers.

Joey Hartman announced the following results of the Board of Directors Election:

14.2.1 Organizational Members (1)

In the Organizational Members Category, the total number of ballots cast was 797.

The results were as follows:

Lee Riggs with 573 votes

Peter Urbanc with 222 votes

Abstain with 2 votes

Therefore, the following Director Nominee was declared elected to serve for a three-year term of office:

Lee Riggs

It was **MOVED, SECONDED AND CARRIED** that all election ballots be destroyed thirty (30) days after the date of the Annual General Meeting.

15. NEW BUSINESS

Brendan Dick called for any new business that may properly be brought before the meeting. There was none.

16. DATE AND PLACE OF NEXT ANNUAL GENERAL MEETING

It was **MOVED, SECONDED AND CARRIED** that the date and place of the next AGM of Pacific Blue Cross be at the call of the Board Chair.

17. CLOSING REMARKS

On behalf of the Board of Directors, Brendan Dick thanked all Pacific Blue Cross employees for their time to help with organizing the registration and proceedings for the AGM, including those providing technical support. He also thanked the members for their attendance and participation.

18. ADJOURNMENT

The meeting was adjourned at 6:29 p.m.

Chair of the Board of Directors

Corporate Secretary