

MINUTES OF THE 47<sup>th</sup> ANNUAL GENERAL MEETING OF  
**THE INSURANCE EMPLOYEES CO-OPERATIVE CREDIT UNION LIMITED**  
HELD ON WEDNESDAY, DECEMBER 06, 2023 AT THE PEGASUS HOTEL,  
81 KNUTSFORD BOULEVARD, KINGSTON 5

**CALL TO ORDER**

A quorum having been ascertained, the General Manager, Mr. Bowen, called the meeting to order at 5:18 p.m.

He invited the Secretary to read the notice convening the meeting.

Members were asked to stand and recite the Prayer of St. Francis of Assisi.

**APOLOGIES FOR ABSENCE:**

Apologies for absence were tendered on behalf of the following members:

Mr. Courtney Holding	Miss Rejeanne Campbell
Mrs. Lesa Robinson	Mr. Aldane Milton
Mrs. Loris Chin Young	Mr. Ray Johnson
Mr. Neville Hendrickson	

**WELCOME:**

Welcome was extended to the following guests:

Ms Melaine Campbell	
Ms Kathrina D'Aguilar	Jamaica Co-operative Credit Union League
Ms Tresan Thompson,	)
Ms. Kayon Thompson	) Department of Co-operatives and Friendly Societies
Mr. Warren Bogle	Auditor
Ms Georgia Morrison	CUNA Mutual
Ms Joyce James	Stenographer
Ms Charmaine Mighty Campbell	

He extended special welcome to the following past presidents who were present:

Mr. Kenneth DaCosta  
Ms Bernita Locke

Mr. Derrick Logan

### **MINUTES OF THE 46<sup>th</sup> AGM:**

The minutes having been previously circulated was taken as read on a motion moved by Yvonne Grey (Guardian General) seconded by Garfield Coke (Exodus Insurance Brokers).

#### **Corrections**

**Page 6, 2<sup>nd</sup> column, under 'Introduction of the Head Table, 'Mr. Paulette Small' should read 'Ms Paulette Small'**

**The Minutes were confirmed on a motion moved by Ms Heather Lindo, seconded by Mrs. Veronica Blake Turner**

#### **Matters Arising:**

- In relation to Page 10, 4<sup>th</sup> paragraph, where it was recommended that the Credit Union renew its initiatives to grow membership as the aging membership would eventually cause a diminished membership, Ms Arlene Fairclough queried what the Credit Union was doing for its aging members and attracting younger members.

Mr. Bowen stated that to facilitate the mature members, an insurance was put in place that would allow them to continue borrowing after the age of 70 without them having to consider that their advancing years could affect the risk that the Credit Union face. In addition, a savings plan called the Senior Investor Plus for the older members was also put in place for this category of members.

A member suggested that a brochure listing all benefits available to the seniors should be given out as sometimes the staff are not aware of these things.

He further stated that the opening of the bond in 2022 was attracting younger persons.

Merlene Daley, a 79-year-old member suggested that the Credit Union assign a customer service representative to the seniors who they could interact directly with whenever they have a problem or need information. Mr. Bowen assured her that they do interact with these members on a one and one basis and cited an incident where they had to go to the home of one of their members to conduct business and sign documents.

- Queried by Ms Fairclough if anything had been done in relation to the revival of the member relationship programme to boost membership, Mr. Bowen stated that this was now being done through the field reps who are updated through meetings as to the products and benefits offered by the Credit Union. He also added that the expansion of the bond last year had helped to boost the number, which number would not be seen in the 2022 figures being presented but would be reported in the 2023 figures.

## **REPORTS:**

### **Board of Director's Report**

The President, Mr. Mark Wallen, noted that it was a pleasure to work and serve along with the rest of Board members and the other volunteers.

#### **He highlighted the following:**

- With the relaxing of the Covid 19 restrictions, the year 2022 began with continued focus on helping members manage the effect of the Covid 19.
- Inflation for 2021 ended at 9.1% which resulted in the Bank of Jamaica increasing its policy rates in order to manage inflation. This was accompanied by other measures to contain liquidity.
- The Microcredit Act was passed in 2022 by Government and registered five entities. Over 100 applications were received for processing which was a strong indication of the competitive nature of the lending market.
- 2022 marked 45 years of the existence of IECCU and throughout the year several events were held to celebrate this milestone. Included in the events were a Joint Movie Night with the Jamaica Co-operative Credit Union League at Carib Cineplex 2, a Church Service at the Richmond Park Church of the Nazarene, an Anniversary Christmas Banquet at the Terra Nova All Suite Hotel where volunteers and employees were recognized for their contribution to IECCU. A newspaper supplement was developed with the support of many stakeholders in the industry, members and associates. Special thanks were extended to the staff and members who led and participated and contributed to the activities.
- The implementation of the Common Reporting Standard took place during the year and the Credit Union was successful in meeting the deadline. Also implemented was the Simplified Due Diligence as a way to onboard new members who sometime had difficulty meeting the normal standards. Since its introduction, there had been an improvement in membership growth coupled with the widening of the common bond in late 2022.

- Also implemented during the period under review was the Creditor Life Insurance for non-cash secured loans exceeding \$1M which provided further protection to members borrowing more than the Loan Protection coverage.
- There was an increase in the loan loss provisions during the year, which was the main factor that resulted in a deficit of \$3.08M for 2022.
- Members' attention was drawn to the Board Members Attendance on Page 29.
- The Credit Union continued to invest in training in the areas of assessing membership applicants, delinquency control, and credit assessment while facilitating certified training in several areas of the Proceeds of Crime Act.
- Albeit the challenges experienced with people, technology and environment, the Credit Union continued to focus on being compliant with regulatory bodies and acquiring the most suitable software.
- In looking to the future emphasis would be placed on how to achieve greater efficiencies particularly through the introduction of new technologies.
- A performance management tool was developed for implementation during 2023 to better align effort to reward.
- After the easing of Covid 19 restrictions, members at the centre became a focus for the Credit Union where they were engaged through activities such as trips to several places and the team visited various offices and engaged with the members.
- The Partner Plan Account, Christmas Club and Savers Club were some of the products promoted throughout the year. A new product, Solar Plus Loan was added to the existing loan portfolio.

The Holiday Loan was upgraded enabling members to access up to 80% of the average of their salary at 10% per annum interest.

The waiving of the 6-month waiting period for the Payroll Loan was also extended to 2022.

- The Credit Union transitioned to the AccessPlus Debit Mastercard which was initiated by the credit union movement in Jamaica. Several weekend promotions took place where members were issued with the new cards.

- The 2022 PEP Scholarship Award recipients were Cam'ron Wright and Khya'Sanoi Duncan. The Jamaica Co-operative Credit Union League Bursary was offered to Nickojay Barnett.
- In celebration of the 45<sup>th</sup> Anniversary, the Credit Union had a week of activities for Credit Union Week from October 17 – 21, 2022 which was kicked off with the National Credit Union Week church service held by the Jamaica Co-operative Credit Union League. Maxfield Park Children's Home was the beneficiary of the Community Outreach project for the week.
- The Montego Bay office remained a vital part of the service delivery in Western Jamaica.
- Efforts to deliver statements by email without compromising the domain yielded fruit as a solution was found at the end of the year. Delivery of statements by emails commenced in 2023. Members were however encouraged to utilise the internet banking for continuous access to balances and transaction information.
- The website continued to be used as a marketing tool where members were able to access their accounts, make inquiries and loan appointments and download forms.
- The year ended with a Delinquency Ratio of 5.09% exceeding the PEARLS Ratio standard of 5%. The team was persistent in locating some of the delinquent members who had since regularised their accounts. Association with the collections agencies and Credit Bureau contributed to the increase in recoveries.
- Condolences were offered to the families and close friends of Inez Beckford, Donald Cooper, Merril Francis, Marcia Gordon, Edgar Lazarus, Paul Massey, Jenevia Scott, Evangeline Smith, Allison Stephenson, Allison Sterling-Smith, Zephline Walker, Yvette Wallace, Ruby Watson and any other whose names were not mentioned.

The Chairman on behalf of the Board acknowledged with gratitude the hard work of the Supervisory Committee, the Credit Committee, the Delinquency Committee and their external partners. He extended thanks to the members for their unwavering commitment and loyalty and implored all present to make the Insurance Cooperative Credit Union their union of possibilities to assist them on their way to financial success.

### **Questions/Comments**

- Mr. Garfield Coke expressed concern as it related to the savings to loan ratio as also the decline in loan take-up. He queried if the Credit Union was considering, in terms of loan processing, to make the process easier for longstanding members.

He noted that 50% of Board Members did not attend 75% of the meetings held hence contributing to one third of the scheduled meetings not being held due to a lack of quorum.

The Chairman stated that as pointed out in the report, funds were available for onlending but the loan take-up was not as buoyant as expected. This he added led to a process of innovation being undertaken where they now have a loan to facilitate every single aspect of the life of every single member and staff members were sensitized, especially the frontline staff members, to the various product offerings so as to better able assist members who apply for a loan. Marketing efforts had been ramped up in relation to the product offerings. He added that the marketplace was very competitive, and all efforts were being made to engage and share with the members that IECCU had the lowest interest rates on loan in the market. Going forward a more targeted marketing would be adopted in terms of the product offering so as to bring about awareness. He noted that there should be some traction from the young members that were coming on board with the widening of the bond. He urged all members to help in this regard.

In relation to the poor attendance of Board Members, he admitted that a lot of the meetings were aborted due to a lack of quorum but notwithstanding they were in constant dialogue with the General Manager and other members of team and that the committees that function as important arms of the Board ensured that the work of the Board was executed and carried out. He expressed optimism that going forward this would not be repeated in terms of attendance as a much more stringent approach would be taken in terms of absenteeism.

- A member complained bitterly that she was not pleased with the spread that she received on her savings compared to the rate she paid on her loan and added that savings in the Credit Union was to build wealth for members and not to make them poorer and asked that the Credit Union look at the rates being charged on the loan versus the rates paid on savings. The Chairman acknowledged that this was something which was deliberated and agonized on at meetings. He however pointed out that in the financial landscape there had been a gradual move towards increasing fees enabling a lot of banks to report mega-profits which come mainly from fees, and not interest income, while IECCU charged little or no fee. He agreed with the member that the ultimate goal was about building wealth and ensuring the wellbeing, financial safety and stability of every member but as trustees of the Credit Union they had a fiduciary responsibility to ensure that the finances were managed in a fashion that did not jeopardize the Credit Union. He further pointed out that presently they did not have an equity portfolio, while the other players in the marketplace, the bulk of their earnings come from their pool funds to include equities and real estate and that this was something that was being looked at by the Credit Union to enable it to earn meaningful returns.

Mr. Bowen added that the Credit Union was risk averse and avoid instruments that are high risk, but they do have investment partners that they work with and place any excess funds from members who want to have their funds placed on bonds which carry better returns.

The member also noted the poor attendance of Board members at meeting and reminded the Board that they were elected to serve the membership and not just having their names on paper saying they are members of the Board.

- Ms. Dorna Parker (Guardian Life) stated that NHT had expanded their loan portfolio and their loan tenure and was now seeking partners, to include credit unions, to come onboard with them but that she was aware that IECCU did not take up the offer. The Chairman stated that that was not so as they were in the process of developing a strategic plan in terms of the way forward which would form the basis of how they move forward as a stronger union.

Mr. Bowen explained that NHT was facilitating an arrangement where institutions like the credit unions and the banks were asked to become lenders of mortgage loans to NHT recipients. These institutions he stated would bear all the risks associated with that loan, while at the same time the rate of return applied was not up to them. He noted that the Credit Union had since met with NHT as to the way forward as they would have funds tied up in a long-term instrument at a low rate of return. He pointed out that major institutions were not involved and so they had to be very careful in getting into such arrangements. The Chairman added they would continue to explore and evaluate the matter and at the end of the process the membership would be informed of the outcome.

- Mr. Michael Richard (Guardian Life) expressed concern in relation to the two large loan balances reported in the Annual Report which he stated could jeopardize his interest and queried what led these members to that level of dependency.

The Chairman pointed out that he had given in his report a synopsis of the genesis of IECCU and as such a lot of their members were life underwriters and would only be paid based on the amount of business they write and with the advent of Covid 19 some of them fell on hard time. He noted that the Credit Union continued to support and work with many of them as they were not quick to foreclose and repossess but there were instances where despite the efforts made, some of these loans ended in the wrong column and so they were moving to recover. He however assured the meeting that these moneys were not lost as efforts continued to collect even though they were written off.

**There being no questions the Report of the Board of Directors was unanimously adopted on a motion moved by Dorna Parker seconded by Brian Clennon.**

## **Auditor's and Treasurer's Report**

### **Auditor's Report**

The Chairman invited Mr. Bogle to read the Auditor's Report.

Mr. Bogle asked that a motion be moved to have the Appendix to the Audit taken as read. This was moved by Mr. Dwayne Brown, seconded by Mr. Derrick Logan.

He then read the report which stated inter alia that the financial statements gave a true and fair view of the financial performance and cash flows of the Credit Union for the year ended in accordance with the International Financial Reporting Standards and the requirements of the Co-operative Societies Act.

### **Treasurer's Report**

The Treasurer's Report was presented by Mr. Bowen, General Manager, in the absence of the Treasurer.

He pointed out that there was an error in the report as it related to the League's Annual General Meeting which he noted was held in 2022 but was a part of the CCU Convention.

He then highlighted the following:

- Assets grew by 4.3% or \$89 Million to close 2022 at \$2.16 Billion, compared to \$2.07 Billion in 20221.
- During the year, finance costs associated with deposit products were increased by 6%, moving from \$16.5 Million to \$17.5 Million. He explained that financial costs are the returns paid to members, which he noted reflected the determination of the Credit Union to pay a little more to members.
- Interests charged on some loans were reviewed and were found to be in line with market rates.
- There was a significant increase in Loan Loss Provision of \$18.5 Million or 15%. This he stated was associated with a few large loans which were in arrears and were being pursued.
- Loans after Provision increased by 2% and loans overall increased by \$14.5 Million or 11% which arose from the strategy of increasing higher premium loans as these loans carry better returns.



- Return on property income reduced from \$3.4 Million to \$2.8 Million which he attributed to less rental being collected as the tenant left and because more office space was needed, was not replaced.
- He noted that while public utterances suggested that some financial institutions charge rapacious fees, something which he commented on last year, IECCU service charges were well below those of other entities, albeit recognizing that going forward, utilizing this avenue to increase income was unavoidable and would play a significant role in future strategy. He however assured the meeting that these fees would be reasonable and reminded the members that management was always open to negotiation.
- Members savings in share account increased by 3% or \$25 Million as at December 2022.
- He directed the meeting's attention to the chart depicted on screen which showed that that the source of funds remained stable over the past several years.
- Institutional Capital and Permanent Shares to Asset Ratio was approximately 12% which was above the standard of 8%. He however pointed out that whilst it was at 12% and would be considered good, it had been inching down slowly where last year it was at 14.5% and it was now down to 12% and was something that they were paying special attention to. He explained that to stem the decrease, the Credit Union would have to earn more dividend enabling it to put more into Institutional Capital.
- Loan to Asset stood at 67% compared to 68% in 2021, a ratio that was compliant with the standard though they would have preferred to be at least 73%.
- Delinquency stood at 5.2% in December 2022, the standard being 5%, which was a slight decline over the previous period. He encouraged all members experiencing financial challenges to come in and talk with a representative and do not allow the Credit Union to go the route of collectors as it was a cost to both the borrower as well as the Credit Union.
- He directed members' attention to the Use of Funds Chart which showed that 67% of the funds were allocated to loans.
- He also directed members to the table showing Key Ratios and their movement as at December 31, 2022.
- In relation to Signs of Growth ratio, he pointed out that there had been improvement in membership growth, but this would not be seen in the booklet as it started at the end of the year when the bond was changed.

- He stated that all credit contracts including those outside IECCU formed part of the provision assessment and added that it was important for members to maintain good credit record as this would improve their loan prospect.
- A new loan product geared towards young persons studying had been developed, which he stated was the only one around and which had some elements of Student Loan but there were improvements to it and asked members to enquire about it.
- In conclusion, he stated that the 45th year was marked by a focus on competing for loans in a very aggressive market which required product reviews and flexibility as it related to members' borrowing needs.
- He reminded the members that the Credit Union was owned by them and its success would be to their benefit.
- Looking to the future, he noted that the year 2023 would involve more risks and there would be changes to the operations as the Credit Union seeks to improve efficiency. He assured the meeting that the new regulations that had come to the fore would be met going forward and would require balance and creativity within the boundaries of prudence.
- Thanks was extended to the Auditors, Bogle and Company, the Registrar of Cooperative Societies, the Jamaica Cooperative Credit Union League, CUNA for their professional assistance and guidance throughout the year. He thanked the members for their loyalty and dedication. The Board, on behalf of the members, thanked the management, team members and volunteers who continued to serve the organization.

#### **Questions/Comments**

- In terms of the two delinquent loans that featured in the Annual Report, Ms. Stewart questioned whether the Credit Union was a part of the Credit Bureau as these borrowers, if they were overseas, could be tracked down. Mr. Bowen stated that IECCU was a part of the Credit Bureau but that it was difficult to track persons overseas but noted that there was a collector with access to overseas avenues who they engaged and implored to leave no stones unturned in tracking those who have run off with the Credit Union's money.

**The Treasurer and Auditor Report was unanimously adopted on motion moved by Antonette McDonald seconded by Julia Stewart.**

#### **Supervisory Committee Report:**

The Supervisory Committee Report was presented by Damion White, member of the Supervisory Committee.

- He outlined that the membership of the Supervisory Committee consisted of Peter Samuels, Dwight Moore, Stephen Levy, Damion White and Pauline Givans.
- The Committee convened ten meetings during the period and there was 100% compliance in respect of attendance at meetings.
- The Committee reviewed the following areas of the operations of the Credit Union:
  - Information and Communication Technologies (ICU)
  - Financial Management
  - Delinquency
  - Marketing and Membership Growth
  - Human Resource Management

He outlined the areas of concerns as reported in the Report but noted that in relation to these areas of concerns, dialogue was had with the management who was responsive and co-operative.

- The Supervisory Committee expressed condolences to the family of the former Chairman, Mr. Peter Samuels, who retired earlier in the year due to ill health and subsequently passed.
- He extended thanks to the Board of Directors, other volunteers, the management and staff of the Credit Union for the support and cooperation given to the Committee during the year.
- He thanked the members of the Supervisory Committee for their time and commitment to serve and their cooperation.

**There being no questions the Supervisory Committee Report was adopted on a motion moved by Rohan Grant, seconded by Lilieth Henry.**

#### **CREDIT COMMITTEE REPORT:**

The Report was presented by the Chairman, Mr. Odeon Campbell.

He highlighted the following:

- That the Year 2022 marked IECCU's 45<sup>th</sup> year of existence as a Credit Union as well as its unwavering commitment to provide credit financing to its members.
- That Motor Vehicle Loan, Education Loan, Travel and Vacation Loan continued to be the more popular loan types on IECCU's menu of loans.
- The Credit Union continued to review its loan products being sensitive to its membership's needs as reflected in the recent introduction of the Water Tank Loan and the Solar Loan.
- The Credit Union widened its bond in 2022 as a means of generating growth in membership which had been yielding result. He urged all members to encourage relatives and co-workers to join the Credit Union.
- During the year under review over 1800 applications for loans were reviewed resulting in a total disbursement of \$1.1 Billion in loans, which represented an increase of 6% over the previous year.

He thanked the members for their patronage and continued participating in the Credit Union activities, the management, staff and Board of Directors for the support extended to them during the period under review. He extended special thanks to the Committee for their commitment and dedication.

**There being no questions, the Credit Committee Report was adopted on a motion by Lillias Mowatt, seconded by Doreen Allen.**

#### **APPROPRIATION OF SURPLUS**

Mr. Bowen reported that no appropriation would be made as the Credit Union made a deficit of \$3M for 2022.

#### **MAXIMUM LIABILITY**

The Board of Directors proposed that the Maximum Liability for 2023 be set at \$2.2 billion which would satisfy the maximum projected growth in interest bearing liabilities in keeping with Article XIX, Rule 69.

**This was accepted on a motion moved by the Treasurer, seconded by Bryan Clennon.**

#### **NOMINATIONS COMMITTEE REPORT**

The Chairman of the Nominations Committee presented the Nominations Committee Report, which Committee was appointed in accordance with the Credit Union Rule. The Committee consisting of Paulette Small, Mark Bowen and Mitchell Walters Nembhard looked at the requisite resources needed for all committees, examined the impact of term limits, fit and proper requirement, and delinquency in seeking to fill the vacancies from the wider membership and nominated the following persons:

## BOARD OF DIRECTORS

Directors Retiring:	Directors Nominated	Term
Andre McFarlane	Andre McFarlane	2
Lesa Robinson	Lesa Robinson	2
Barrington Lawrence	Barrington Lawrence	2
Mark Wallen	Anphia Morgan	2
Rejeanne Campbell	Diana Facey	2

She gave a brief profile of the two new members to the Board.

Anphia Morgan, a member of IECCU for 30 years, whose career started in the insurance business at Frazer Fontaine and Kong underwriting insurance. She was now employed at Civil Aviation Authority where her area of speciality was in Risk Management.

Miss Diana Facey, a former banker, and an active member of IECCU for 15 years and now employed to Sagicor in Sales for 14 years and in law insurance for 3 years. She possessed skill in the area of managing regulatory requirements.

## CREDIT COMMITTEE

Odeon Campbell	Odeon Campbell	2
Audrey Wilson	Audrey Wilson	2

## SUPERVISORY COMMITTEE

It was noted that all members retire at the end of each year.

Retiring were:	Nominated:
Damion White	Damion White
Dwight Moore	Dwight Moore
Pauline Givans	Pauline Givans
Steven Levy	Steven Levy
	Eugenie Cousins

Eugenie Cousins, a member of IECCU for over 20 years, and a trained educator and an experienced Administrator of over two decades at Sagicor Life Jamaica has been involved in customer service administration, projects management, technology implementation and holds a Masters Degree in Business Administration. She headed the implementation and deployment of a number of technology improvements and efficiency projects and has integrated her tech savvy approach into her various roles at Sagicor.

All of the above nominees expressed their willingness to serve if elected.

## **ELECTIONS**

Ms Tresan Thompson from the Department of Cooperatives was invited to conduct the elections. She stated that it was a pleasure to be present at the meeting. On behalf of the Department of Co-operatives she conveyed condolence to the members of IECCU on the passing of Mr. Peter Samuels.

## **BOARD OF DIRECTORS**

She noted that Andre McFarlane , Lesa Robinson, Barrington Lawrence , Anphia Morgan and Diana Facey were nominated to the Board for a term of 2 years. She then asked for nominations from the floor. On the second call Mr. Neuton Nelson nominated Mr. Woodrow Small who was not present and therefore the nomination was not accepted. There being no further nominations she declared the abovenamed nominees duly elected to serve on the Board of Directors for a term of two years. This was accepted on a motion moved by Merlene Daley, seconded by Dwayne Brown.

## **CREDIT COMMITTEE**

Nominations were asked three times from the floor and hearing none, Ms Thompson declared Odeon Campbell and Audrey Wilson duly elected to serve on the Credit Committee for two years. This was accepted on a motion moved by Lorraine Hall Clarke, seconded by Veronica Blake Turner.

## **SUPERVISORY COMMITTEE**

Nominations were asked three times from the floor and hearing none Ms Thompson declared Damion White, Dwight Moore, Pauline Givans, Steven Levy and Eugenie Cousins to serve on the Supervisory Committee for a period of one year. This was accepted on a motion moved by Joseph Walters seconded Lilieth Henry.

She asked the elected persons to meet within 10 days of the meeting and thereafter submit to the Department of Co-operatives, the Jamaica Co-operative Credit Union and any other subsidiaries the listing of the volunteers to include their contact information.

The Chairman thanked Ms Thompson for so ably guiding the election process.

**ANY OTHER BUSINESS:**

(None was brought forward)

Mr. Bowen took the meeting through the prize giving exercise.

The agenda having been exhausted the Chairman thanked all for coming.

**ADJOURNMENT**

The adjournment was taken at 8:40 p.m.