

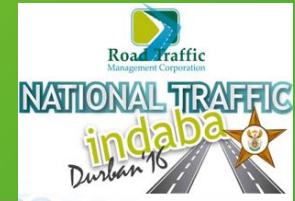


# **Impact of crashes on the economy, social system and related corruption on accident claims**

Presented by Dr. Eugene Watson: CEO

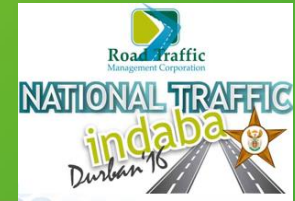
**Road Accident Fund**

# PRESENTATION OUTLINE



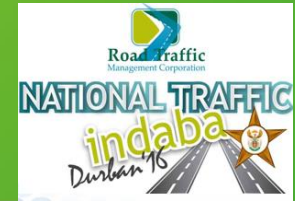
1. Mandate
2. Business Model
3. Accident Scene - Role Players
4. Collaboration between RAF and Law Enforcement Agencies:
  - 4.1 Crash Verification Database
  - 4.2 Claims Origination
  - 4.3 Fraud Management
  - 4.4 Promotion of Road Safety
  - 4.5 Joint Operations with Law Enforcement Agencies
5. Cost of Crashes carried by the RAF
6. Road Accident Benefit Scheme
7. Conclusion

# 1. MANDATE

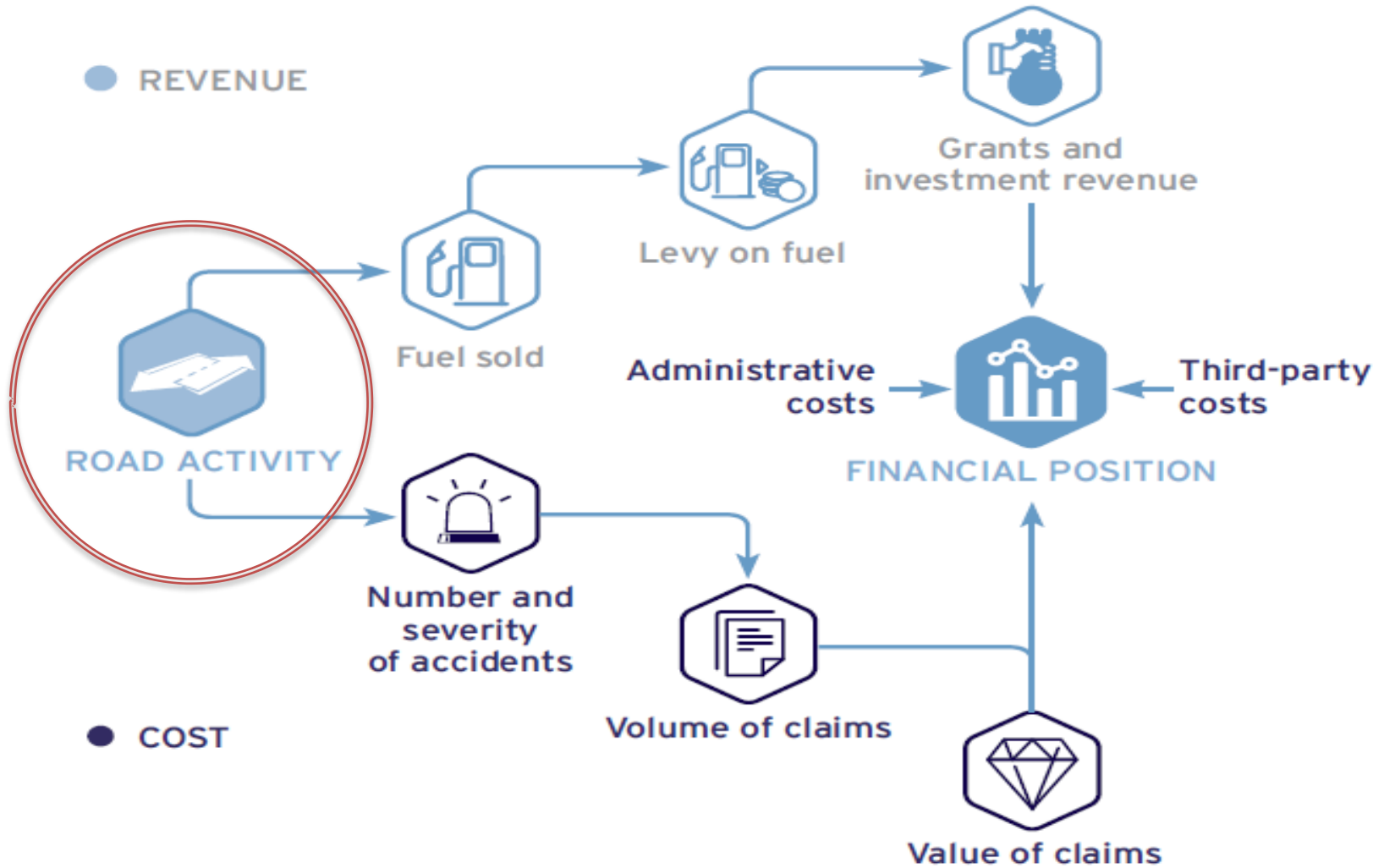


- Road Accident Fund Act, 1996 (Act No. 56 of 1996) & RAF Amendment Act, 2005 (Act No. 19 of 2005)
  - › “Payment of compensation in accordance with this Act for loss or damage wrongfully caused by the driving of a motor vehicle”
  - › The Fund provides compulsory cover to all users of South African roads against injuries sustained or death arising from accidents involving motor vehicles within the borders of South Africa
- In simple terms, Government expects the RAF to:
  - › Provide a social security safety net to victims of road crashes
  - › Indemnify, rehabilitate and compensate those injured
  - › Promote the safe use of all South African roads
  - › Be its consoling arm to those affected by car crashes

# 2. BUSINESS MODEL

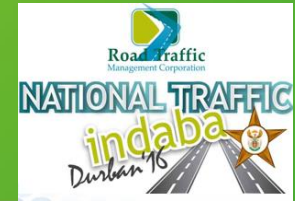


## Business Model





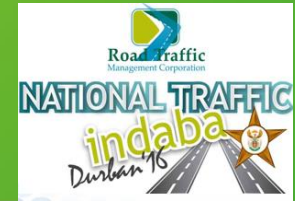
# 4. COLLABORATION BETWEEN RAF AND LAW ENFORCEMENT AGENCIES



## 4.1 Crash Verification Database

- The RAF receives regular data from Information Collection Agents (ICA's)
  - SAPS, Traffic and Metro Police, RTMC
  - Emergency Medical Services
  - Commuter and transport organisations
- Data Analyses are conducted:
  - Annual Prevalence of Road Crashes Report, used for RAF liability forecasts
  - Identification of hazardous locations for evidence-based road safety interventions
  - Claim origination, validation and verification

# 4. LAW      COLLABORATION BETWEEN RAF AND ENFORCEMENT AGENCIES



## 4.2 Claim Origination, Verification and Validation

- Crash information enables the origination, verification and validation of claims
- Official documentation and reports are an integral element of lodging a claim under the RAF Act as statutory compliance is a necessity
- Information confirms a crash and is used to determine the apportionment of fault (negligence) and the extent of the liability stemming from a crash

### Important crash information:

- Vehicle registrations
- Number and particulars of drivers involved in a road crash
- Number and particulars of victims: injured and fatalities
- Crash sketch plans
- Police case numbers
- Statements for validation



# 4. COLLABORATION BETWEEN RAF AND LAW ENFORCEMENT AGENCIES



## 4.3 Rooting out fraud

### RAF Forensic Investigation Department (FID)

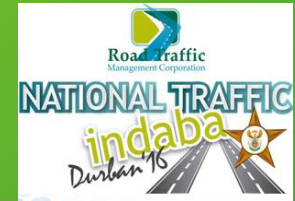
- Responsible for measures to prevent, detect, investigate and resolve fraud
  - Recovery of losses, awareness and reporting are important aspects too
- Root out fraud, corruption and other illegal activities committed against the Fund
  - Evidence obtained is referred to SAPS for further criminal investigation
  - SAPS refers matters to the NPA for prosecution

#### – 2015/16 Fraud and corruption detection & prevention

- |                          |              |
|--------------------------|--------------|
| • Arrests                | 391          |
| • Convictions            | 231          |
| • Repudiations           | R423 million |
| • Cases Referred to SAPS | 807          |



# 4. COLLABORATION BETWEEN RAF AND LAW ENFORCEMENT AGENCIES

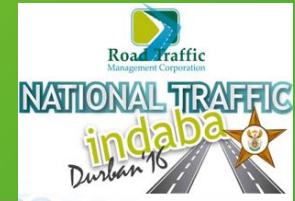


## 4.3 Rooting out fraud

Fraud risk areas are:

- **Scene of Accident (EMS, Tow Truck Drivers)**
- **Hospital administration (Access to patients' medical records)**
- **SAPS (ARs, Commissioning of Affidavits)**
- Attorneys (Changing of versions, not consulting with clients)
- RAF Staff (Selling of information, colluding with attorneys)
- Medical practitioners (Inflating injuries, completing SMR without clinical notes)
- Panel Attorneys (Colluding with Plaintiff Attorneys, not giving RAF cases proper attention)

# 4. COLLABORATION BETWEEN RAF AND LAW ENFORCEMENT AGENCIES



## 4.4 Promoting Road Safety

Programmes run in partnership with Provincial Traffic Departments and other Key Role Players

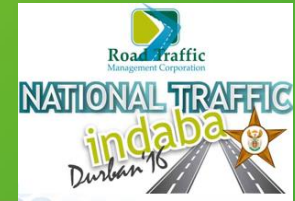
### LOW COST INFRASTRUCTURE PROJECT

- In conjunction with the Provincial Traffic and Municipalities
- Focused on pedestrian safety
- Installation of speed calming infrastructure (speed humps, road studs, signage, road marks etc)

### DEFENSIVE DRIVER/ RIDER TRAINING

- Focused on practical and theoretical safety training for professional drivers (taxi, bus & truck) and motorcyclists
- Facilitate training for traffic officers

## 4. COLLABORATION BETWEEN RAF AND LAW ENFORCEMENT AGENCIES



### 4.4 Promotion of Road Safety

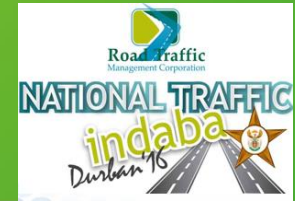
#### PROMOTION OF CHILD RESTRAINTS

- In support of the amendments to the National Road Traffic Act
- Raise awareness of the importance of child restraints
- Preventing fatalities and serious injuries involving minor children
- In conjunction with Hospitals and Traffic departments during road blocks

#### YOUTH DRIVER EDUCATION PROGRAM

- Run in conjunction with Youth Development Agency, South African Youth Council and Road Freight Association
- Targets Youth between the ages of 18 and 34 who are willing to build careers as professional drivers
- Provides training for both Learners and Drivers Licences

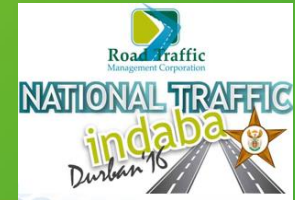
# 4. COLLABORATION BETWEEN RAF AND LAW ENFORCEMENT AGENCIES



## 4.5 Support to Joint Operations of Law Enforcement Agencies:

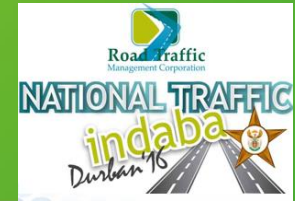
- Traffic and SAPS Road blocks
- Cross Border Road Safety Joint Operations
- Low Cost Infrastructure projects
- RAF ON THE ROAD

# 5 . COST OF CRASHES CARRIED BY RAF

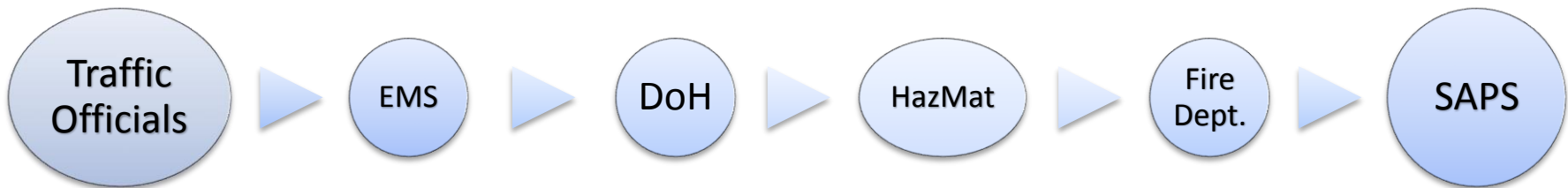
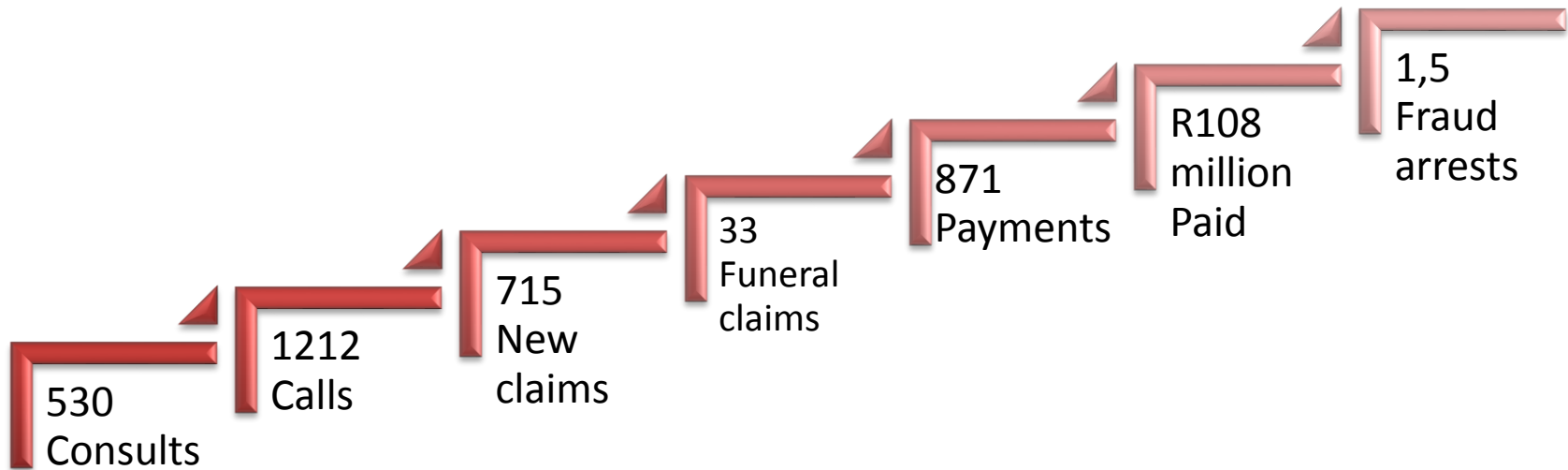


Pillar	2015/2016
Open Claims	217 182
Claims settled and paid (Finalised claims)	188 759
Claim Expenditure	R28.6bn (RNYP R10.6bn)
Claims Liability	R154bn
Claims Expenditure <ul style="list-style-type: none"> <li>•General Damages</li> <li>•Loss of Earnings</li> <li>•Loss of Support</li> <li>•Medical Expenses</li> <li>•Funeral Expenses</li> </ul>	R8.7bn R13.3bn R3.1bn R1.2bn R120mln
Legal Costs	R6.6bn
Average value of a claim	R143 127

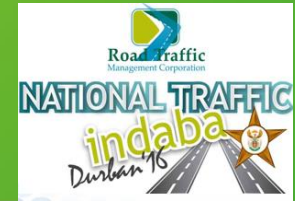
# 5 . COST OF CRASHES CARRIED BY RAF



In South Africa, on an average business day the RAF will deal with....



## 6. ROAD ACCIDENT BENEFIT SCHEME



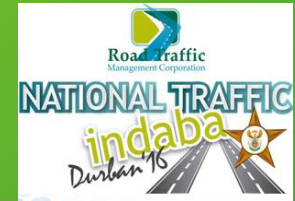
RABS is the new scheme that will operate on social security principles, as opposed to insurance principles of negligence and loss

The 'No-fault', fixed benefit scheme will ensure smooth alignment with the Comprehensive Social Security System ("CSSS") envisaged by Government.

- Wider cover to persons injured in road accidents;
- Fewer exclusions from benefits;
- Defined benefits which are affordable;
- Appropriate healthcare benefits based on a reasonable tariff;
- Simplified claims procedures;
- Reduced disputes by removing the 'fault' requirement and by providing pre-determined benefits; and
- Alleviate the burden on our Courts.



# 7. CONCLUSION



Great effort is and will be placed on:

- Fulfilling the Fund 's legislative mandate \*Consoling Arm of Government\*
- Providing efficient support to the victims of road accidents
- Preventing the catastrophic socio-economic effects of accidents in our society

Every serious and fatal crash increases the RAF liability!

Every RAF claim has an inextricable link to South Africa's traffic departments and a solid, mutually beneficial relationship is and remains a priority!

Ideally, safer roads would see fewer crashes and this in turn would see fewer deaths, fewer RAF claims, less pain and less suffering!

# Thank You

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