

RESPONSES TO THE STANDING COMMITTEE ON PUBLIC ACCOUNTS



**Road
Accident
Fund**

THE RAF TRANSFORMATION JOURNEY

- RAF Journey
- Is the RAF able to meet its obligation
- RNYP

RAF Litigation Approach

- Default Judgments
- Legal Costs

PEOPLE MANAGEMENT

- Fraud and Corruption
- Employee Relations
- Recruitment
- Change management

PROCESSES AND SYSTEMS

- Contact Centre
- Procurement Plan – (ANNEXURE A)
- Claims process - (ANNEXURE B)
- Digitisation

**THE CASE FOR CHANGE...The Transformation
Journey of the RAF**

BACKGROUND & CONTEXT – THE EVOLUTION

MVA Act

The Motor Vehicle Assurance Act 29 of 1942 came into effect on 1 May 1946

1942

The Corder Commission of inquiry

1954

Du Plessis Commission of Inquiry

1962

1972

CMVA Act

The Compulsory Motor Vehicle Act 56 of 1972 promulgated to consolidate the 1942 Act after multiple amendments

MVA Act

The motor vehicle act 84 of 1986 deleted the provisions relating to the insurance premiums provided for claims to funded a levy on fuel

The Wessels Commission of Inquiry

1976

1981

The Grosskopf Commission of inquiry

1986

The Viviers Commission of Inquiry

1987

MMVAF

The Multilateral Motor Vehicle Accidents Funds Act 93 of 1989 was Promulgated in order to introduce a uniform Compensation system as between the former TBV States and the Republic of South Africa .

1989

BACKGROUND & CONTEXT – THE EVOLUTION

MVA Act

The Motor Vehicle Assurance Act 29 of 1942 came into effect on 1 May 1946

1942

The Corder Commission of inquiry

1954

Du Plessis Commission of Inquiry

1962

1972

CMVA Act

The Compulsory Motor Vehicle Act 56 of 1972 promulgated to consolidate the 1942 Act after multiple amendments

MVA Act

The motor vehicle act 84 of 1986 deleted the provisions relating to the insurance premiums provided for claims to funded a levy on fuel

The Wessels Commission of Inquiry

1976

1981

The Grosskopf Commission of inquiry

1986

The Viviers Commission of Inquiry

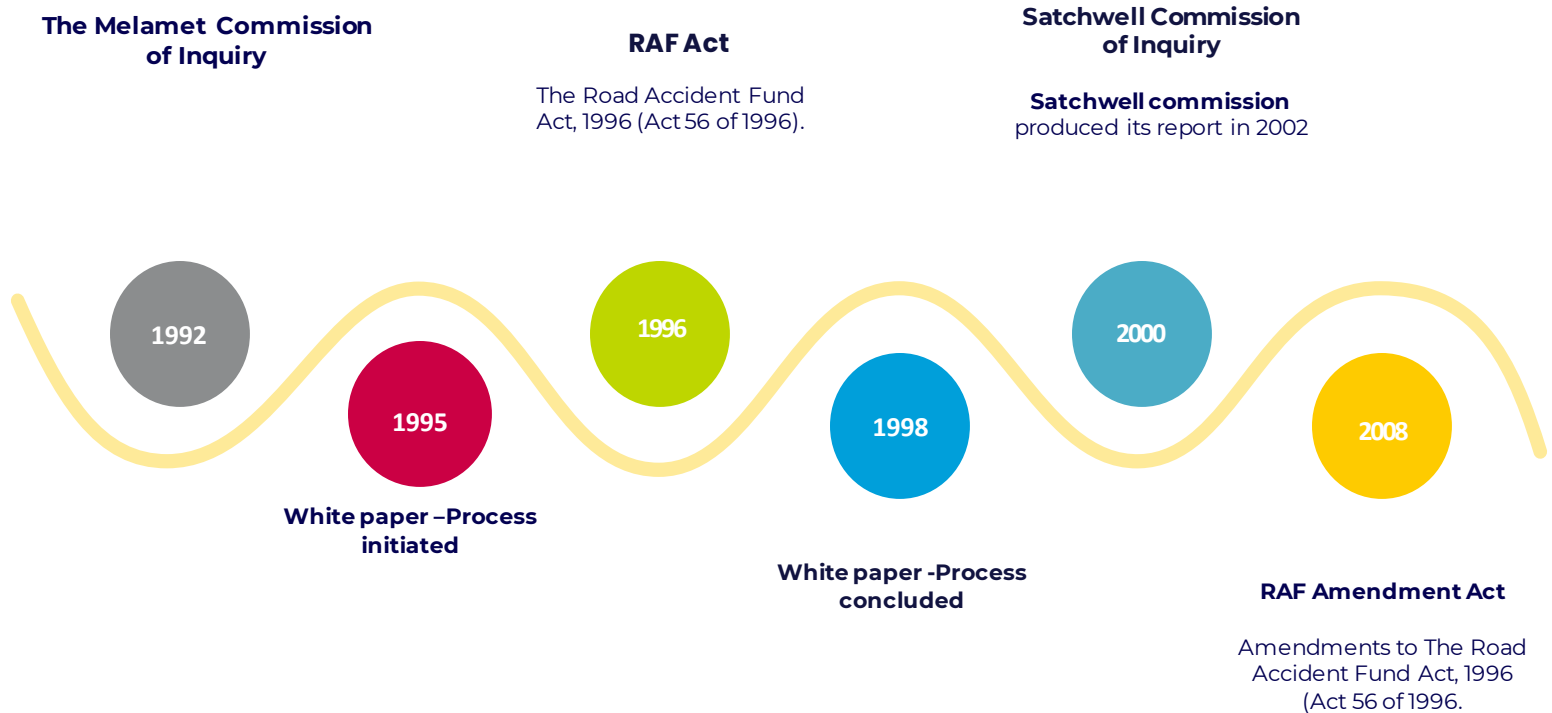
1987

MMVAF

The Multilateral Motor Vehicle Accidents Funds Act 93 of 1989 was Promulgated in order to introduce a uniform Compensation system as between the former TBV States and the Republic of South Africa .

1989

BACKGROUND & CONTEXT – THE EVOLUTION



CONTEXT....Evolution of the RAF Operating Model

Period	Model	Rationale for change
1942 - 1965	<p>Motor Vehicle Assurance Act 29 of 1942</p> <p>Compulsory insurance provided by private short term insurance companies</p>	<p>The system collapsed in the sixties when insurance companies had insufficient income to cover claims.</p> <p>Several companies were liquidated and this led to the establishment in 1965 of the Motor Vehicle Accident Fund to act as reinsurer of companies which undertook compulsory MVA insurance. This also collapsed and was replaced in 1986.</p>
1986 – 31 April 1997	<p>Motor Vehicle Accidents Act 84 of 1986.</p> <p>Compulsory insurance system abandoned in favour of a levy on fuel.</p> <p>Investigation and finalisation of claims was outsourced to private short term insurers as agents.</p>	<p>The agency system was highly ineffective and was the genesis of the claims backlog.</p> <p>it was phased out from 1993- 1997. at the time the claims backlog had risen to 156 359.</p> <p>Satchwel Commission of inquiry was to be appointed following the 1998 White Paper on RAF</p>

CONTEXT....Evolution of the RAF Operating Model



Period	Model	Rationale for change
<p>01 May 1997 – 2020</p>	<p>Road Accident Fund Act 56 of 1996.</p> <p>The agency system abandoned in favour of insourcing Investigation and finalisation of claims.</p> <p>Created a system of claims handlers who together with a RAF panel of attorneys directly interacted with Plaintiff attorneys for “investigation” and settlement of claims.</p> <p>These “investigations” were also outsourced to a panel of assessors.</p> <p>A panel of Actuaries was also put in place.</p>	<p>Amount owed to claimants(RNYP) had skyrocketed to R 17.4 billion.</p> <p>Claims backlog had grown to over 420 000 claims. Majority already litigated and clogging the court rolls across the country.</p> <p>Administrative costs had snowballed to R17 billion, with legal costs accounting for R10.6 billion.</p> <p>Actuarial Projections pointed to <u>a total collapse of the system on 31 March 2023</u> if the operating model was maintained. <u>The RNYP was expected to grow to over R51 billion, at which point it would have exceeded the annual revenue income which ended up at R48 billion.</u></p>
<p>2020-2025 Strategy</p>	<p>Road Accident Fund Act 56 of 1996. same legislative framework</p>	

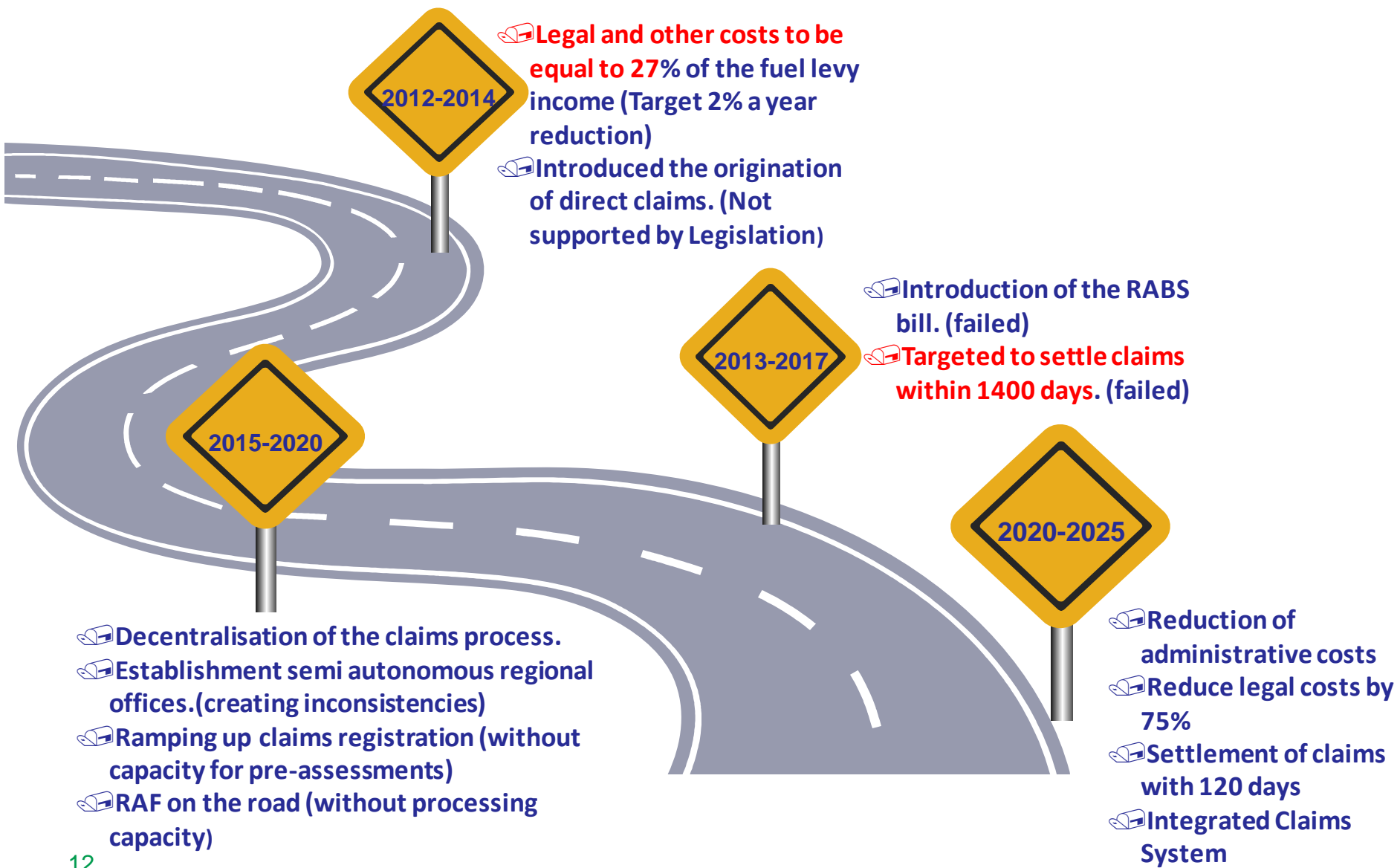
THE BEGINNING....Evolution of the Operating Model

Period	Model	Rationale for change
2020-2025 Strategy	<p>Road Accident Fund Act 56 of 1996. same legislative framework</p> <p>Abandoned the highly litigious, ineffective and costly operating model favour of a focus on investigation and settlement of claims within 120 days.</p>	See RAF transformation journey slide.

- In a presentation to the Transport portfolio committee meeting on the 09 November 1999, the RAF Acting CEO, Mr. Chris Greenland indicated “ ..*that **the present compensation system and levels of compensation cannot be reconciled with funding by means of the fuel levy system. This is evidenced by the rapidly mounting actuarial deficit which stood at R7 233 million at the end of 1997.** a further argument raised in favour of the propositions in the white paper is the **high settlement costs, which are disproportionate to the actual compensation paid and ultimately received by the road accident victim**”.*
- This period coincided with the formalization of the RAF “de facto” panel of attorneys which had been accused of not being racially representative. It was clear in the public invitation to tender that preference would be given to **emergent black attorneys**
- According to Mr. Greenland, the primary objective of the establishment of the RAF panel was, “ **the real reduction of costs**”
- The report further noted that, “**It is no longer the position that the Fund actually sustain the financial viability of any attorney or firm. Neither is it the position that such attorney or firm expect dependency on the Fund.**”

- 22 years after the white paper on the RAF, the current Board inherited a Fund grappling with the same challenges.
- In *Ketsekele vs Road Accident Fund*, 08 May 2015, Judge Bertelsmann warned that a **radical change** was required *“to provide a solution to the present morass of needless litigation and unacceptable delays”*. He was concerned that the new proposals in the RABS bill contained *“a worrisome proposal, that the new agency will absorb the existing Fund's structures.”* he argued that, *“With such assimilation the new agency will be exposed to the risk of perpetuating the Fund's culture of indifference to human suffering and financial waste. If so, the new agency would be saddled with **an inheritas damnosa**, a cursed inheritance that would doom it to fail virtually immediately”*
- The 2020-25 strategic plan was premised on effecting this radical change, presenting a complete departure from the litigious and financially wasteful model Judge Bertelsmann warned about.

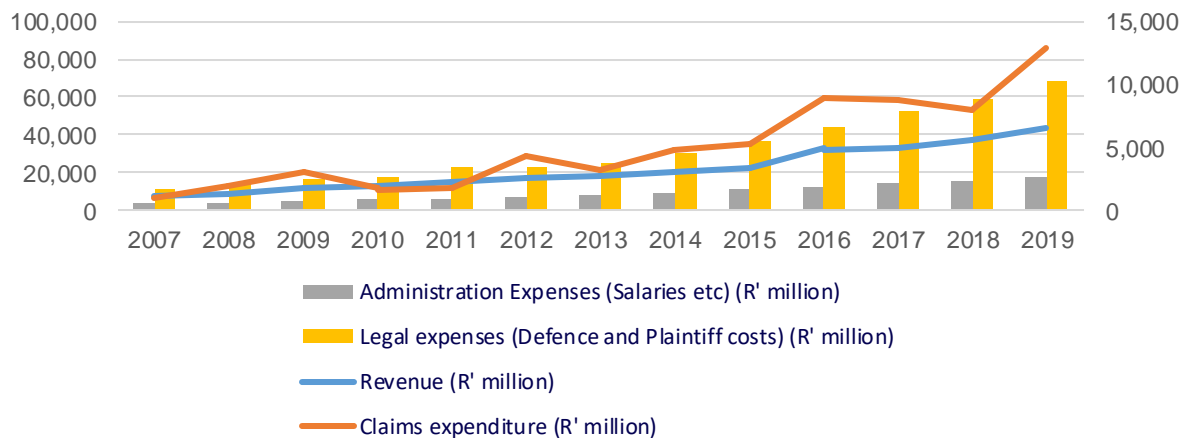
CASE FOR CHANGE: Key Strategic Choices



CASE FOR CHANGE... Day Zero Scenario

2. Fuel Levy increases in line with inflation (CPI). (2019 Projections)

Financial Year	2019	2020	2021	2022	2023
Net Fuel Levy	41,890,191	44,425,477	46,974,911	50,117,686	53,347,816
Adhoc Funding Injection	-	-	-	-	-
Fuel Levy increase (cents)	30	5	12	13	13
Total Levy in cents per litre	193	198	210	223	236
Total Revenue received	41,890,191	44,425,477	46,974,911	50,117,686	53,347,816
Closing Balance-(R'000)	908,002	1,675,240	1,698,257	1,698,948	1,698,968
Shortfall(RNYP balance)-(R'000)	11,231,582	17,406,588	25,758,544	36,939,907	51,432,626
Deficit for the year-(R'000)	-55,075,509	-67,615,062	-69,478,853	-81,877,757	-96,225,902
Accumulated surplus(deficit)-(R'000)	-261,884,671	-329,559,844	-399,102,413	-481,047,710	-577,345,205
Claims liability Provision-(R'000)	260,683,040	322,376,590	384,097,267	455,495,736	537,954,292



RAF CLAIMS LIABILITY PROJECTIONS

- During the development of the 2020-25 RAF Strategic Plan in 2019, the claims liability was projected to increase to over R51 billion in 2023.
- These projections were based on a scenario of RAF maintaining its Operating model, and not making significant changes to the strategy.

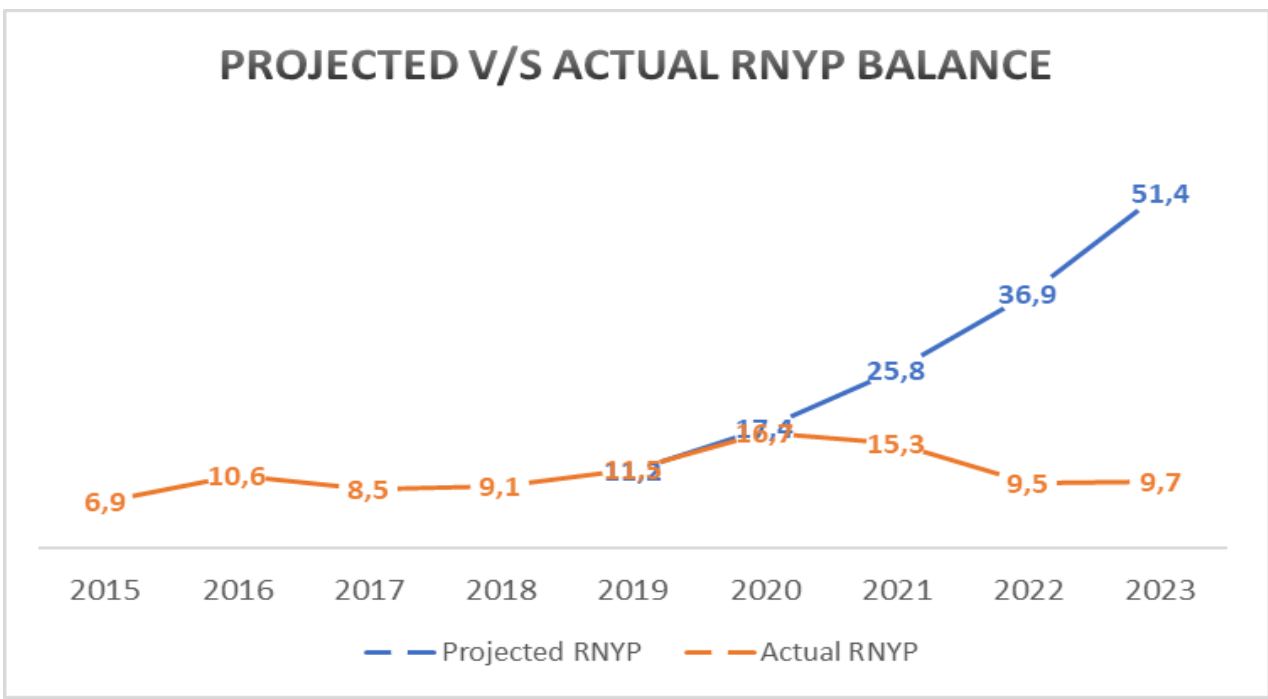
THE ESCALATING ADMINISTRATIVE COSTS

- Whilst the revenue increased from a R7bn in 2007 to R43bn in 2019 (an average of 16,7% per annum), the claims expenditure increased from R6,9bn in 2007 to R86bn in 2019 (an average of 33,9% per annum).
- The administration expenses increased at an average of 14,9% per annum compared to the legal costs that increased at an average of 16,5%.
- Of the R 43 billion annual revenue received, only 26 billion was paid out to claimants. R17 billion was spent on administrative costs, with the bigger chunk of just over R10 billion spent on legal costs.

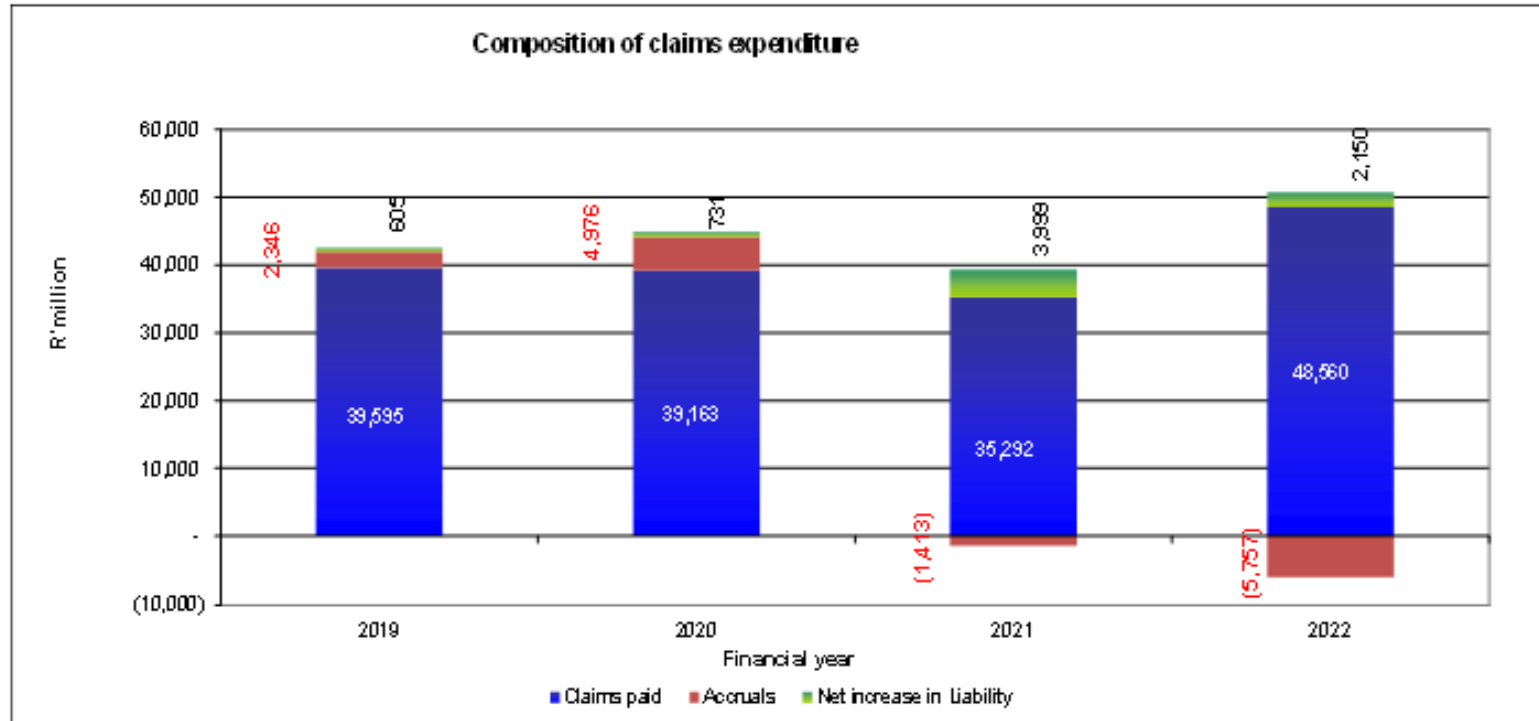
RAF CLAIMS LIABILITY(RNYP)....is the RAF able to meet its financial obligations??



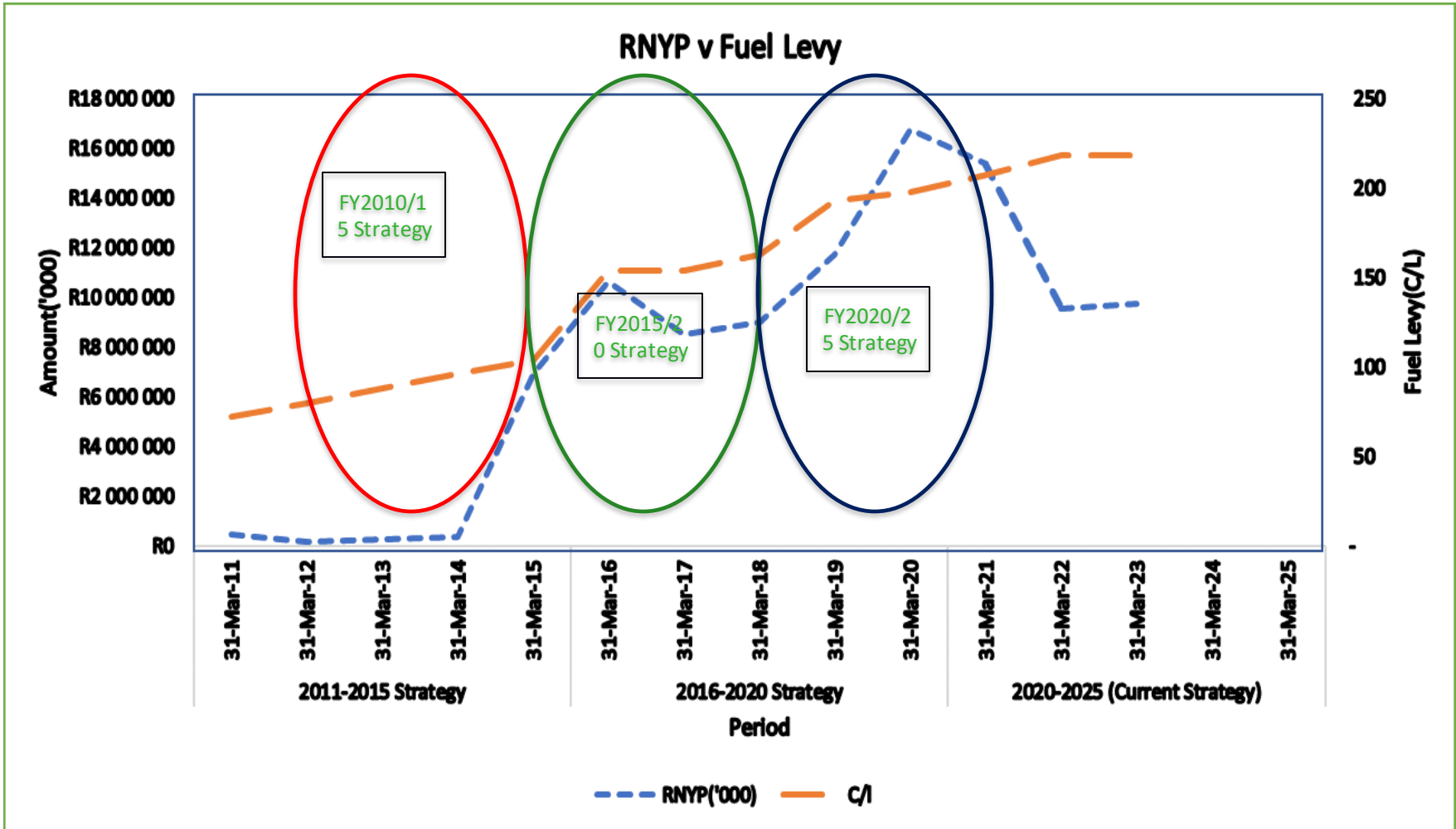
Financial Year	2015	2016	2017	2018	2019	2020	2021	2022	2023
Projected RNYP					11,2	17,4	25,8	36,9	51,4
Actual RNYP	6,9	10,6	8,5	9,1	11,5	16,7	15,3	9,5	9,7



Claims Expenditure Trends.....highest ever expenditure paid out to claimants.



STRATEGY IMPACT OVER A 15 YEAR HORIZON



PERFORMANCE INFORMATION SUMMARY

2019/20FY – 2022/23FY

2019/20FY- Base Year



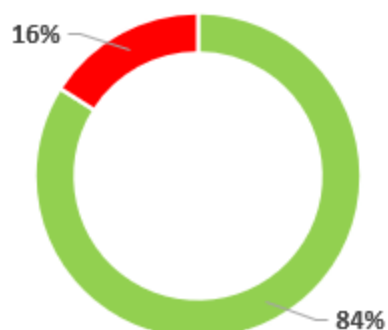
■ Achieved ■ Not Achieved

2020/21FY - Year 1



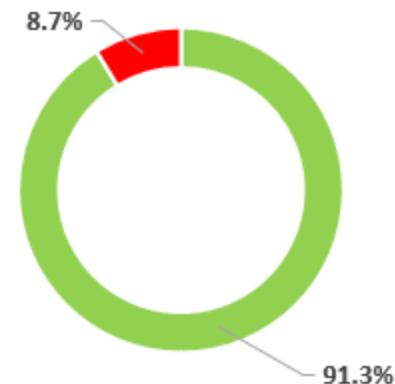
■ Achieved ■ Not Achieved

2021/22FY- Year 2



■ Achieved ■ Not Achieved

2022/23FY - Year 3



■ Achieved ■ Not Achieved

Performance improved from 57% during the 2019/20 base financial year to 91.3% in year three of the 2020-2025 Strategic planning period.

RAF Litigation Approach(including Legal costs and default judgements)

RAF Litigation Strategy(1997-2019)...as described by the Judiciary

*“The Fund’s **approach to litigation** constitutes a serious dereliction of its duties to road accident victims, the public and the courts.” Judge E Bertelsmann May 2015*

*“The Fund’s legal representatives were as complicit in operating this **scam** as were those of the plaintiff. Judge E Bertelsmann May 2015*

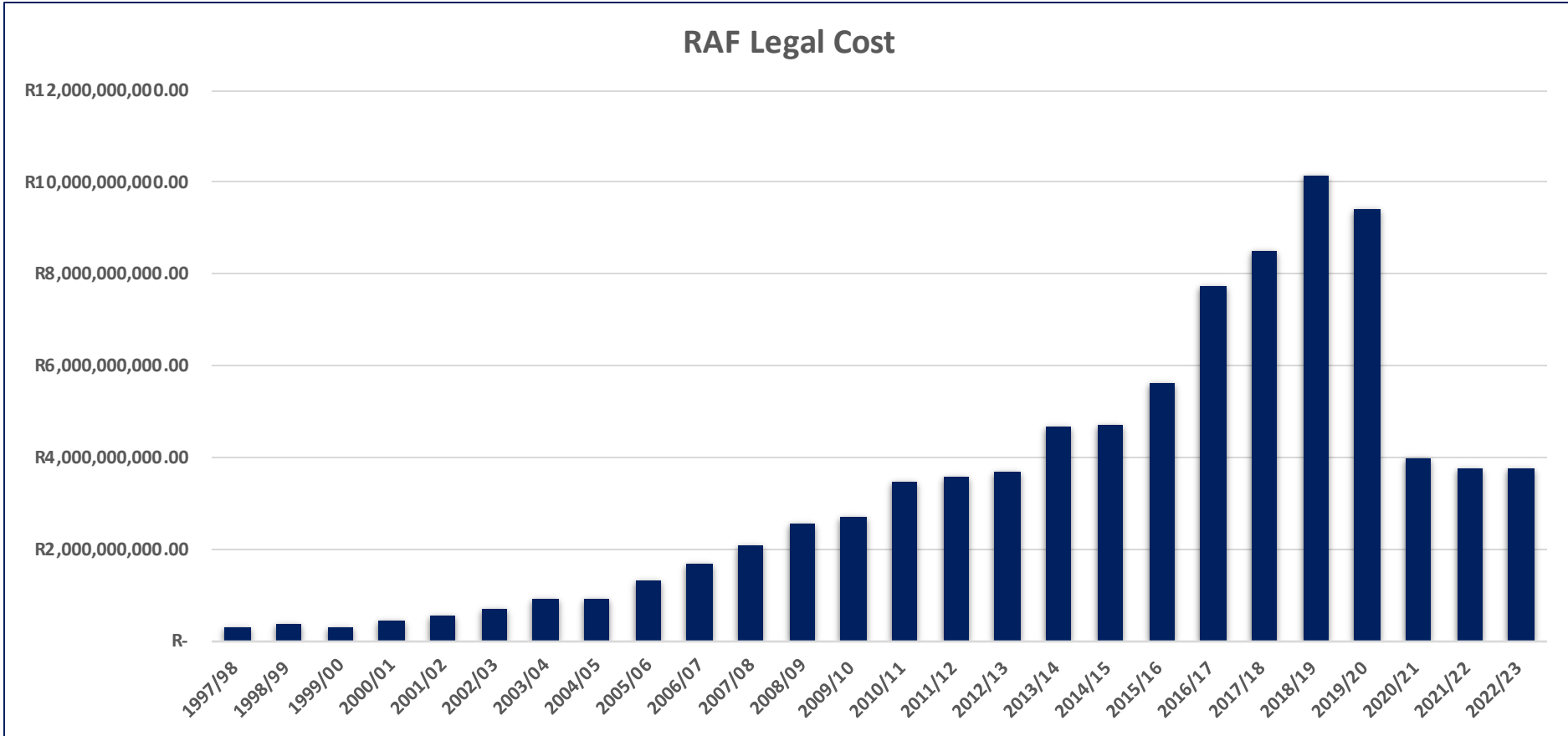
*The **sorry history** suggests that the Fund has turned a **deaf ear** to repeated judicial enjoiners to comply properly with its statutory obligations Judge E Bertelsmann May 2015*

“A depressing feature of all of the aforementioned judgments is that they instance examples of cases in which the Fund must have incurred substantial legal expenses in taking to trial, or on appeal, claims which it had no basis to responsibly contest.” Daniels v Road Accident Fund (8853/2010) [2011]

*“[58] The evidence, judged in historical context, suggests that the delays in conceding liability in principle are a means by the Fund to **manage cashflow issues**. The Fund admits as much. This is unacceptable. Daniels v Road Accident Fund (8853/2010) [2011]”*

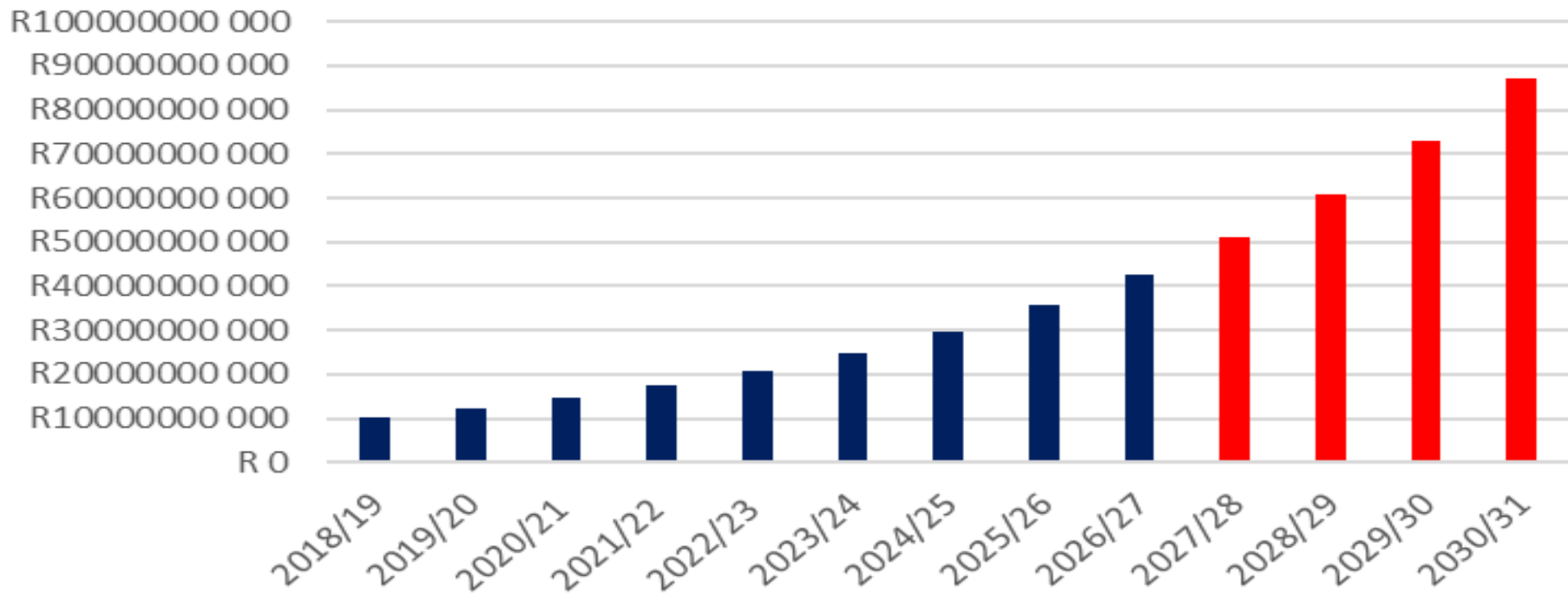
- There were no less than 27 adverse judgements against the RAF, some of which attracted punitive cost orders.

RAF LEGAL COSTS TREND 1997 - 2022



- The legal costs increased by 3465% from R 284 million in 1997/98 to R10,1 billion in 2018/19.
- The average increase in the period between 1997/98 and 2018/19 was 20%

Legal Costs (Projections)



Had the measures relating to the 2020/2025 strategy not been implemented:

- Legal costs would have grown to R50 billion by 2028, exceeding current yearly fuel levy receipts
- These costs were projected to be around R87 billion by FY2030/31

Number of Personal Claim Capital Settlement Payments by Financial Period

Period	Total Capital Settlement Transactions	Transactions w/ Court Order	Transactions w/ Acceptances	% settlements with Court Order	% settlements with Acceptances
2019/20 - Apr to Mar	40 630	15 549	25 081	38%	62%
2020/21 - Apr to Mar	31 850	13 453	18 397	42%	58%
2021/22 - Apr to Mar	38 648	10 678	27 970	28%	72%
2022/23 - Apr to Mar	38 456	6 445	32 011	17%	83%
2023/24 - Apr to 20 Aug	7 531	1 794	5 737	24%	76%

Value of Personal Claim Capital Settlement Payments by Financial Period

Period	Total Capital Settlement Transactions	Transactions w/ Court Order	Transactions w/ Acceptances	% settlements with Court Order	% settlements with Acceptances
2019/20 - Apr to Mar	R 26 122 586 466	R 15 119 455 041	R 11 003 131 425	58%	42%
2020/21 - Apr to Mar	R 29 148 542 259	R 15 837 851 026	R 13 310 691 233	54%	46%
2021/22 - Apr to Mar	R 38 833 196 416	R 14 232 939 729	R 24 600 256 687	37%	63%
2022/23 - Apr to Mar	R 36 648 278 187	R 10 728 249 107	R 25 920 029 080	29%	71%
2023/24 - Apr to 20 Aug	R 6 843 530 201	R 3 290 898 283	R 3 552 631 918	48%	52%

Number and Value of Default Judgements (as per the default judgement register)

Period	# of Default Judgements	Value of Default Judgements	Total Capital Settlement Transactions	% of total capital settlements
2021/22 - Apr to Mar	885	R 2 465 370 504	R 38 833 196 416	6%
2022/23 - Apr to Mar	778	R 2 281 249 964	R 36 648 278 187	6%
2022/23 - Apr to Jul	42	R 108 292 919	R 6 843 530 201	2%

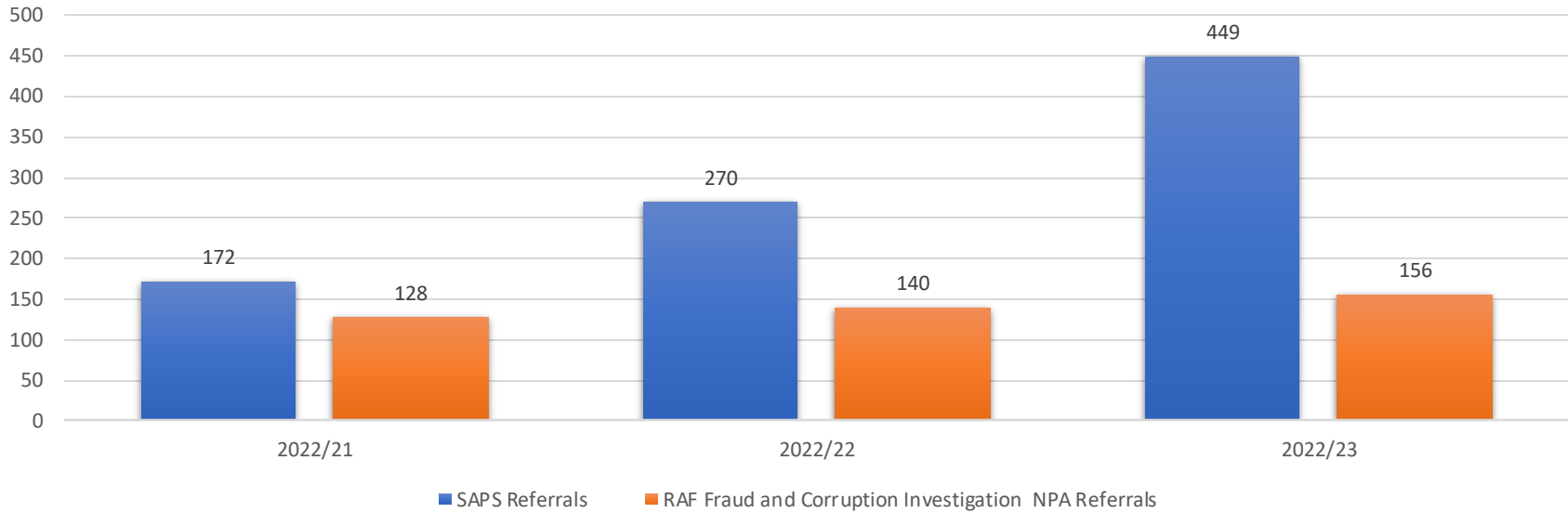
Default Judgements continued..

- Processes and Systems are in place to ensure due diligence prior to payment of court orders.
- There has been instances wherein court orders(mainly default court orders) were obtained fraudulently and in circumstances where the RAF was unaware of trial dates.
- A Recission & Appeals committee has been set up to address these specific court orders before payment is effected. A list of court orders successfully rescinded is available.
- Measures to continuously improve the RAF litigation approach are ongoing and include Increasing capacity of the state attorneys model and Intensifying the block settlement strategy to avoid trials.
- The default judgements were also subject of audit review by the AGSA in current audit.
- The introduction of the RAF contact centre will enable the claims officers to focus on their core role of investigation and settlement of claims.

**People Management(Including
Fraud/corruption, ER, Recruitment, Change
management)**

RAF Fraud and Corruption Matters

RAF Fraud and Corruption Investigation



Finicial Year	SAPS Referrals	NPA Referrals
2022/21	172	128
2022/22	270	140
2022/23	449	156

Fraud and Corruption

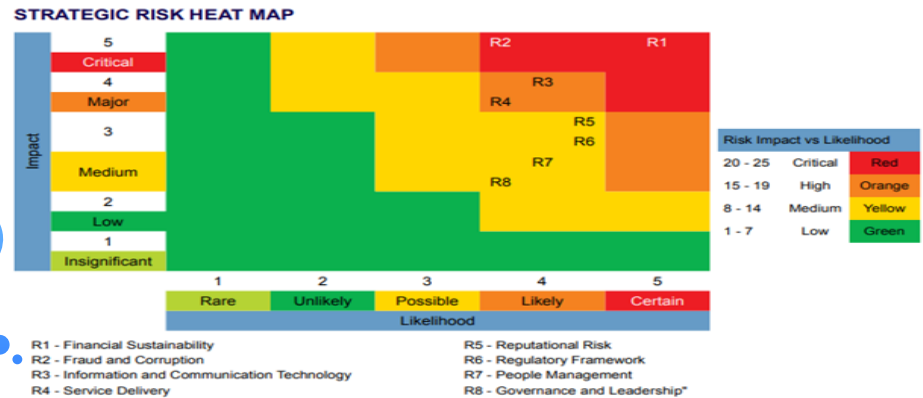


FIGURE 7: RAF Strategic Risk Heatmap

*Attorneys referred to the LPC is = 102

SUSPENSIONS AND DISMISSALS

Status	Numbers
Dismissed	49
Resigned	32
Suspension Lifted	11
In progress	50
Final Written Warning	5
Mutual Separation Agreement	5
Total	152

Nature of Charges
Gross Negligence
Dishonesty
Dereliction
Colluding / solicitation of a bribe with contractors/providers
Interfering with disciplinary processes
Absent Without Official Leave
Abuse of sick leave
Bringing the name of RAF into disrepute
External Remunerative work
Disrespect, insolence, gross insubordination
Financial Misconduct/Irregular payment
Misrepresentation of facts
Sexual Misconduct
Coming to work under the influence

CCMA and LABOUR COURT MATTERS

- There were 33 cases that were referred to the CCMA for further adjudication, during the period under review (August 2018 – August 2023)
- Of the CCMA referrals mentioned above, 22 were ruled in favour of the RAF, and 2 were ruled in favour of the employee with only 1 settlement recorded during the period.
- 8 CCMA matters are still pending.
- In terms of the Labour Court matters, 16 matter are in progress. Of the 16 matters 13 were referred by employees and 3 were referred by the RAF.
- This breakdown is captured in tabular form below

Ruled in favour of RAF	Ruled in favour of employee	Arbitration in progress	Settlement Agreement Reached	Labour Court Cases
22	2	8	1	16



LEGAL FEES INCURRED RELATING TO DISCIPLINARY MATTERS

Depending on the complexity of the dispute, the RAF may seek legal representation at the CCMA as well as in instances where disputes are referred to the Labour Court. The table below depicts the legal cost for disciplinary matters over the past 3 years.

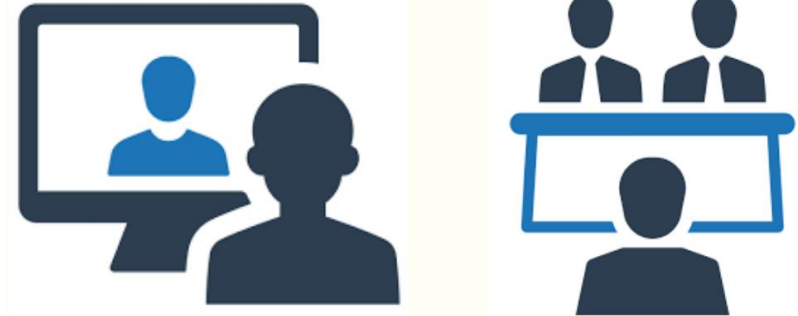
LEGAL FEES- DISCIPLINARY MATTERS	
FINANCIAL YEAR	TOTAL COST PER FY
2021-2022	R16 839 936.98
2022-2023	R27 275 015.01
2023-2024	R11 918 457.14
Grand Total	R56,033,409.13

PROMOTIONS WITHOUT INTERVIEWS

The RAF does not have a promotions Policy and as such, all positions are filled through an approved recruitment process in line with the Resourcing Policy, approved on the **6th March 2020**.

The recruitment process has the following phases:

- Screening
- Shortlisting
- Interviews
- Background checks
- Assessments for management positions.



SCREENING

The People Management representative screens all applications received in line with policy provision, Clause 7.5.2, which states **"All screening shall be undertaken with due regard to the Minimum Requirements specified in the advertisement/Job profile or relevant to the recruitment., as well as the RAF's policies that may be relevant to the recruitment"**

SHORTLISTING

The People Management representative, will after having identified candidates that meet the minimum requirements, as per the advertisement or Job Profile, in conjunction with the hiring manager and a shop steward (Union Representative) conduct a shortlisting for the Bargaining Unit, as per clause 6.1, which states **"Shortlisting shall be conducted from the pool of screened candidates"**

INTERVIEWS

The interview panel is constituted by a minimum of three (3) panel members, and this is guided by clause 7.7.1, which states **"A minimum of three (3) panel members shall conduct interviews, this includes the HCP, Hiring Manager and an additional panel member whose TASK grade is higher than that of the Vacant position."**

A total Eighty-eight internal applicants were appointed through the recruitment process in the last three (3) years as outlined in the Resourcing Policy.

TRANSFORMATION JOURNEY - EMPLOYEE ENGAGEMENTS

The transformation journey comprises transversal initiatives which include but are not limited to the following:

- Organisational Structure Review (OSR)
- Implementation of an Integrated Claims Management System
- Introduction of the New RAF Business Model
- Debt Restructuring
- Funding Model
- Reduction of Legal Costs
- Settlement of Claims Within 120 Days (compliant claims)



This area focuses on the change management initiatives related to the organisational structure review aimed at ensuring that **the employees understood and embraced the transformation journey.**

As part of the transformation journey, a series of Leader-led initiatives were introduced through various employee engagement platforms. **The Executive team, led by the Chief Executive Officer, conducted quarterly and annual engagements to take employees through the journey dating back to 2019.**

TRANSFORMATION JOURNEY - EMPLOYEE ENGAGEMENTS

Governance Structures to Drive Transformation

Various governance structures and platforms were utilised to drive the transformation journey, and this included the following:

- **Leadership Forum**, comprising Executives, Heads, Senior and Middle Management.
- **Consultative Forum for Transformation (CFT)**, which is constituted by management and employee representatives covering various levels in the organisation.
- **CEO Quarterly and Annual Engagements** have been ongoing wherein the Chief Executive Officer provides an update on the journey whilst also giving the employees an opportunity to share their thoughts, experiences and to ask questions on any aspects of the transformation journey.
- **The Change Agent Network (CAN)**, comprising of employee representatives across the regions of the Road Accident Fund, has been utilised as a vehicle to drive the changes across the organisation.
- **Central Bargaining Committee (CBC)**, comprising of Union representatives and Management.
- **Section 189 Consultative Committee**, comprising of Union representatives and non-Unionised employee representatives.

TRANSFORMATION JOURNEY - EMPLOYEE ENGAGEMENTS

Engagement	Dates	Purpose
Leadership Forum (St. Georgie's Hotel Centurion)	03 September 2019	RAF Transformation and new Strategic Direction
Staff Engagement (Eastern Cape)	11 February 2020	RAF Transformation and new Strategic Direction
CEO regional visit (Durban)	24 – 25 March 2021	General staff engagement to discuss RAF changes
Leadership Forum (Birchwood Hotel, Boksburg)	07 - 08 July 2022	Update on the broader RAF Transformation Journey including Q&A Sessions with employees
Cape Town (Cape Sun Hotel)	19 September 2022	Update on the broader RAF Transformation Journey including Q&A Sessions with employees Update on the broader RAF Transformation Journey including Q&A Sessions with employees

TRANSFORMATION JOURNEY - EMPLOYEE ENGAGEMENTS

Engagement	Dates	Purpose
Johannesburg, Head Office & Pretoria combined (Gallagher Estates, Midrand)	03 October 2022	Update on the broader RAF Transformation Journey including Q&A Sessions with employees
East London (Hemingways Hotel)	04 October 2022	Update on the broader RAF Transformation Journey including Q&A Sessions with employees
Durban Region (Royal Hotel)	17 October 2022	Update on the broader RAF Transformation Journey including Q&A Sessions with employees
Meeting with NUMSA Shop Stewards	11 August 2020	Meeting to discuss implementation of the new Organisational Structure
Implementation of the Organisational Structure	28 June 2022	Meeting to discuss implementation of the new Organisational Structure

TRANSFORMATION JOURNEY - EMPLOYEE ENGAGEMENTS

Engagement	Dates	Purpose
Follow-up meeting with Irvin Jim regarding the implementation of the Organisational Structure	02 September 2022	Meeting to discuss implementation of the new Organisational Structure
NUMSA Shop stewards meeting with the CEO	24 November 2022	Meeting to discuss implementation of the new Organisational Structure
RAF/NUMSA Meeting	01 June 2023	Meeting to discuss implementation of the new Organisational Structure



TRANSFORMATION JOURNEY - EMPLOYEE ENGAGEMENTS

Various project engagements with employees were conducted by different teams as part of the implementation of the key organisational initiatives. Below are **some** of the key engagements with employees at a project level in support of the broader transformation journey:

Key Organisational Initiatives	Objective
Minimum Requirements Directive (MRD) Project	To ensure the settlement of claims within the 120 days as per RAF 2020 – 2025 Strategic Plan.
Organisational Structure Review (OSR) Project	To create a fit-for-purpose organisational structure in line with the new RAF Business Model. These engagements also include employee sessions on various aspects of implementing the new organisational structure i.e., Section 189 and Employee Placement
New RAF Business Model Project	To introduce an efficient and effective way of delivering service to claimants in line with the fund’s constitutional mandate.
Implementation of an Integrated Claims Management System (Project Bokamoso)	To introduce a new claims management system to enable speedy processing of claims.
Litigation Management Improvement Project	To streamline key litigation management processes to reduce associated legal costs i.e., court orders, set-down notices and default judgements, amongst others.
Customer Relationship Management (CRM) ³⁶	To create a single view of claimants’ interactions across the RAF value chain to improve service.

Change Management Interventions

Over and above the governance structures which were set up to drive the transformation journey, the Change Management Team (CMT), conducted various organisational engagements with employees to create awareness about the transformation journey as well as to ensure a two-way communication process.

Transformation Surveys

Surveys were conducted during 2021 and 2022 to assess the employees' perceptions and experiences of the RAF transformation journey.

The following slides reflect a summary of the Transformation Survey conducted towards the end of 2021: (**Detailed Survey Report attached**)



Background – 2021 Transformation Survey

The survey was conducted during the months of August and September 2021 to assess the employees' perceptions and experiences of the RAF transformation journey. This survey follows extensive engagements conducted by the Change Management team on the RAF's transformation roadmap which was aimed at unpacking the key elements of our transformation journey.

It is important to note that the journey started towards the end 2019 when the Chief Executive Officer conducted roadshows (through the Leadership Forum, amongst others) to communicate the case for transformation. Two years later, we are in the “thick of things” implementing various initiatives to transform the organization. The outcome of this survey is being utilised to determine and implement targeted change management interventions to ensure that the Fund is well positioned to successfully implement transformation objectives for the benefit of all stakeholders.

About The Survey

The data was collected using the Survey Monkey tool and a total of six hundred and fifty five (655) employees across regions participated in the survey. This number constitutes approximately 21% of the organisation which is statistically significant in terms of the representative sample.

The survey questionnaire covered the following dimensions:

- Employees' understanding of the case for transformation,
- Effectiveness of management communication,
- People readiness, and
- Leadership/management support.

Questions

	Questions	Average Score
Q9	Leaders and managers within my department or region make themselves accessible for answering questions or sharing information during this time of transformation	61%
Q4	I feel comfortable and at ease about the level of visibility and the pace of change to realise the transformation objectives	62%
Q3	I think that communication about the transformation journey has been effective	62%
Q7	I feel I have the right level of support to keep up with the pace of changes within the organisation	65%
Q8	I have a full understanding of how various initiatives complement each other to address broader organisational challenges	65%
Q6	I feel empowered to make a contribution towards the achievement of our transformation objectives	72%
Q5	In terms of capability, motivation and confidence I think I am well equipped to bring about the required changes in the initiatives which I am part of	75%

The Road Accident Fund (RAF) Values Entrenchment Survey was conducted from May 2023 to July 2023, by an external provider Growth in Motion.

The objective of the Survey was to establish:

- To what extent the ICARE² values are entrenched and applied within the work culture of the Road Accident Fund;
- To what extent the ICARE² behavioural indicators are entrenched and applied during everyday interaction with stakeholders. (**Detailed Report Attached**)

A total of 1611 respondents participated in the survey, representing an overall response rate of 53%.



QUANTITATIVE PHASE: THE SURVEY QUESTIONNAIRE

To facilitate the interpretation of results:

- All questions were rated on a **six-point rating scale**.
- **Sixty-two questions**, compiled in collaboration with the RAF Project Team.
- All ratings converted to **percentages** to facilitate interpretation.
- The questionnaire covered five factors namely:
 - Rating of Employees Living the RAF ICARE² Values and Indicators.**
 - Rating of the RAF's Culture and of the RAF as Employer.**
 - Management Involvement in Communicating and Internalizing the ICARE² Values.**
 - Tangibles Relevant to Living the RAF ICARE² Values.**
 - Communication of the ICARE² Values.**

RAF TRANSFORMATION... Change management

- Culture Survey Results

FACTORS SCORING RATINGS	Mean
Communication of the ICARE ² Values	81
Rating of Employee Living the RAF ICARE ² Values and Indicators	76
Tangibles Relevant to Living the RAF ICARE ² Values	71
Rating of the RAF's Culture and of the RAF as Employer	70
Management Involvement in Communicating and Internalizing the ICARE ² Values	67
VALUES SCORING RATINGS	Mean
Excellence	78
Respect	77
Compassion	77
Empathy	77
Integrity	75
Accountability	75

FINDINGS & RECOMMENDATIONS: QUANTITATIVE SURVEY

Summary of Findings pertaining to the quantitative survey:

- The reliability results confirm a **high level of measurement integrity** of the survey questionnaire used.
- Overall, two factors were rated very positively and indicate strengths which can be utilised going forward:
 - Communication of ICARE² Values **(81%)**, and
 - Rating of Employees Living the ICARE² Values and Behavioral Indicators **(76%)**.
- In broad terms, the results indicate that **opportunities for further improvement exist in the following areas:**
 - ❑ Rating of the RAF Culture and of the RAF As Employer **(70%)**:
 - Employees indicated a need for more and additional consultation where changes will affect their role.
 - Perceptions indicate that employees would value continuous and open feedback.
 - ❑ Management Involvement In Communicating and Internalising The ICARE² Values **(67%)**:
 - Perceptions indicate that employees would value if categories of Senior Management were more visible and collaborative.
 - Employees expressed a need for recognition for acting according to the ICARE² Values.

FINDINGS AND RECOMMENDATIONS: QUANTITATIVE SURVEY...Continue

Two specific factors had the biggest causal influence on employees' overall evaluation in terms of Living the RAF ICARE² Values and Behavioural Indicators, i.e.

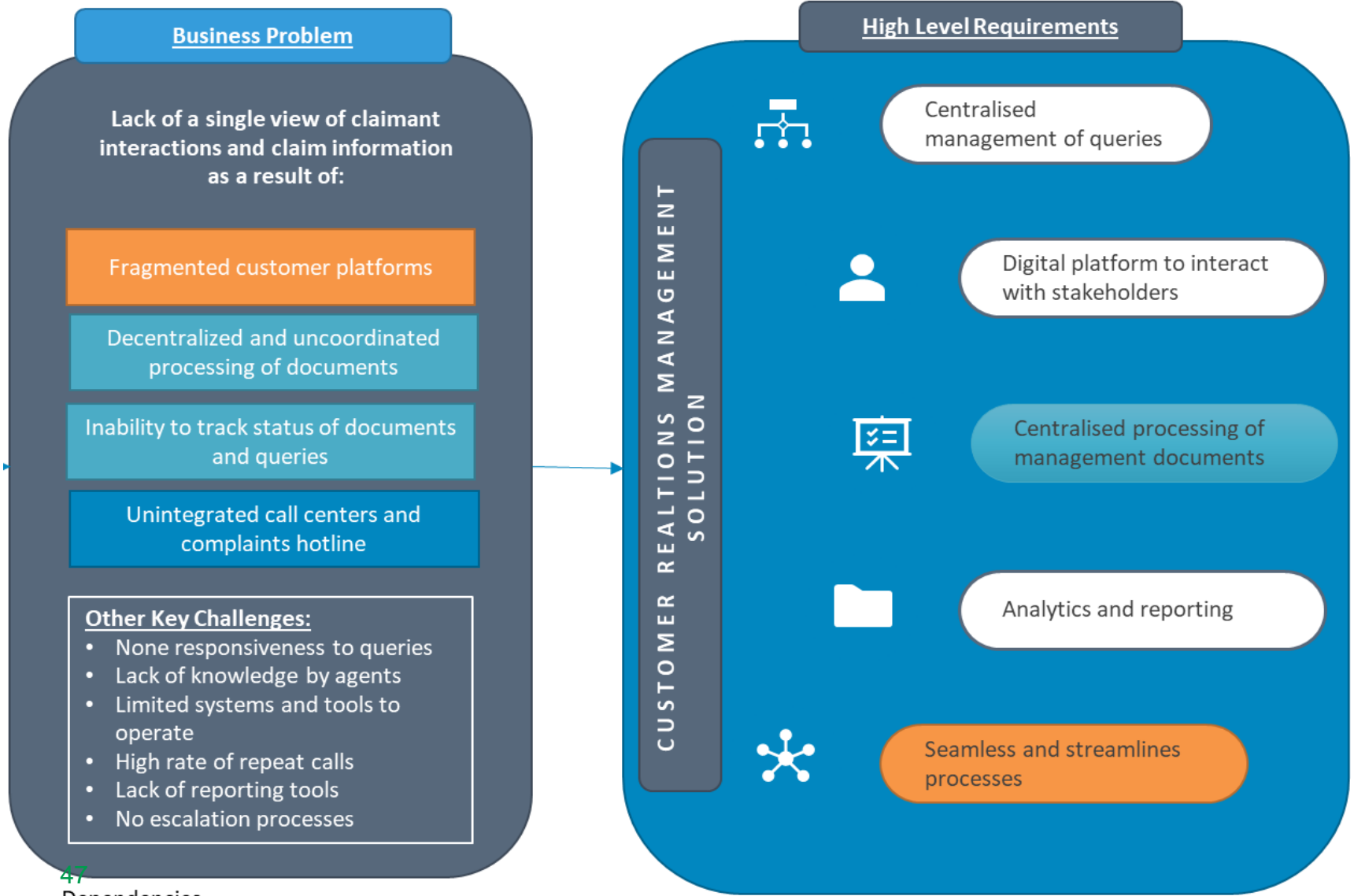
- Management Involvement in Communicating and Internalising the ICARE² Values **(67%)**, and
- Tangibles Relevant to Living the RAF ICARE² Values **(71%)**.

Interventions aimed at improving the rating of these factors will contribute optimally towards employees' overall perceptions related to Compliance with the ICARE² Behavioural Indicators.

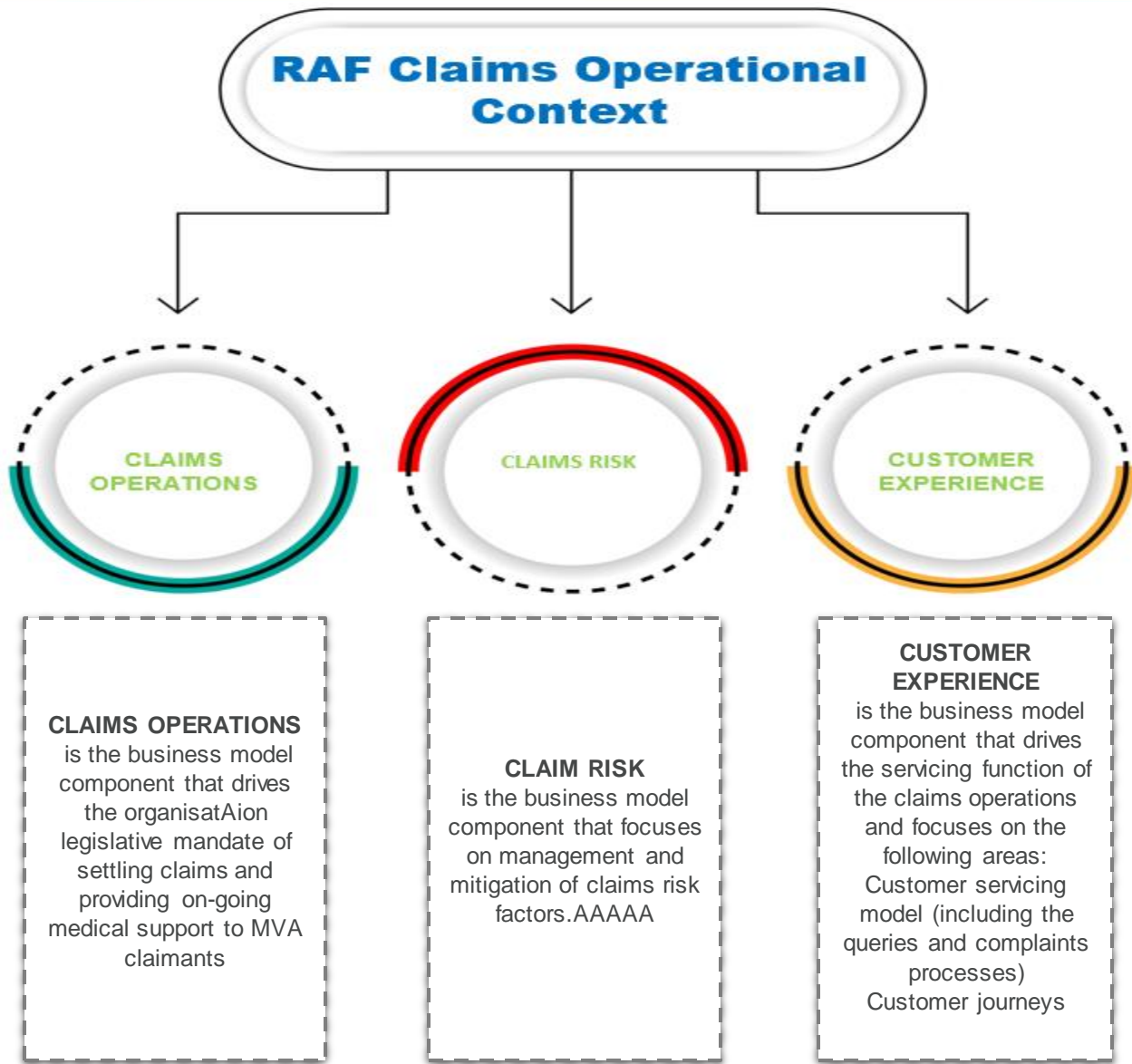


Processes and Systems(Including SCM, Contact Centre & Digitisation)

CRM Business Case Overview/ Rationale (RAF Contact Centre)



Alignment of CRM Project to the RAF Business Operating Model



CRM Solution Scope, Delivery Approach and Project Scope

The CRM solution intends to centralize and optimise all enquiries handling and acting as a central point for all key information and documentation related to claims, medical management, and legal administration

Solution Scope:

- Provide expertise and workforce
- Provide technology, tools, systems and processes to operate
- Provide capabilities to source, record and maintain data
- Provide capabilities and systems to record caller statistics
- Provide for call management and escalation
- Prompt communication and enrich customer digital interaction
- Protect and secure data
- Management SLA flagging
- Provide for management of workflow processes and work routing processes
- Provide for feedback, post interaction with stakeholders
- Provide centralized and reliable dashboard for reporting
- Provide for data analytics and productivity/performance management
- Detecting and addressing behavioral and process related inefficiencies
- Enable quality assurance and control

Delivery and Approach:

- Contact centre will be operated as an outsourced function
- CRM Partner will identify location to host Contact Centre
- CRM Partner will host the solution offsite with necessary staff compliments.
- Model will be transferred back to the RAF at the end of the contract.

CRM Project Scope:

- Project planning, monitoring and control of implementation
- Discovery (As-Is Analysis)
- Process Re-engineering (To-Be Analysis)
- Specifications / Requirements
- Back-office Integration
- Data preparation and migration
- Change Management
- Training
- User Acceptance Testing
- Go Live Rollout

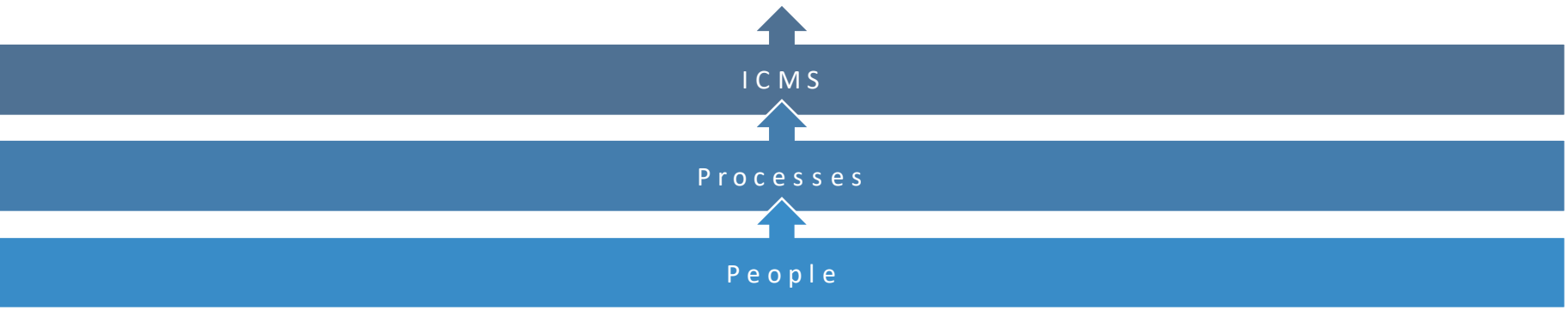
The objective of the project is to implement a central point for all key claimant information and documentation with the objective of creating a single view of all Claimant interactions and claim information across all RAF touch points (physical and digital)

CRM solution Capabilities:

Capabilities that CRM should enable:



- Complaints/ compliments management
- Escalations
- Court Orders management
- Summons management
- Process Set Down Notices
- Claims lodgment
- Query management
- Medical appointments
- Medical authorizations
- Medical undertaking
- Case management
- Payment query management
- Invoice management
- Pre-Claims information
- RAF Forms Management (RAF3)
- Case Management (trigger)
- Marketing campaigns
- Social media



CRM Solution Benefits



INTERGRATION

An integrated query/complaint resolution/case management system (DCE) for the RAF with the ability to monitor and follow up the status of each case



ACCESIBILITY

Improved accessibility to the services provided by the RAF to wider range of customers



OMNICHANNEL

An Omnichannel platform to orchestrate a seamless and significantly improves customer experience and turn-around time.



DIGITAL ACCESS

Digital online access for customer access for improved customer-centric user experience and forms part of the omni-channel platforms



MARKETING

Targeted e-mail and telephone marketing campaigns

Interactive Voice Recording and provision of services in all eleven (11) official South African languages

CRM Solution Project Costs

Item	Description	Total
1	Once-Off Cost	R38 569 363,73
2	Month Recurring Cost 13 Months	R134 490 759,90
	Total Excl VAT	R173 060 123,63
	15% VAT	R25 959 018,54
	Total Incl VAT	R199 019 142,18

DIGITAL TRANSFORMATION....Project Bokamoso



A **core Integrated Claims Management** solution that meets all the needs for a new integrated solution that will provide efficiency and effectiveness for the end to end claims process.

Our **Intelligent Digital Platform** that complements the Integrated Claims Management solution by providing the spectrum of insights and reporting

An innovative **Legal Claims Resolution system** that complements the Integrated Claims Management solution that addresses the significant litigation cost challenges faced by the RAF




- Guidewire InsuranceSuite™
- Guidewire Claim Center
- Guidewire Predictive Analytics
- CustomerEngage
- VendorEngage



Powered by Microsoft

Intelligent Digital Platform (IDP)



Data and analytics platform that brings together the leading-edge functionalities and PwC's domain expertise to enable fit for purpose, actionable reporting and insights



Legal Claims Resolution Platform (LCRP)

The Road Accident Fund's tailored claims resolution and settlement tool.

Thank You

