**National Assembly**

**Question No 1908**

**Mrs L F Tito (EFF) to ask the Minister of Transport:**

What measures has her department put in place to ensure that the correct Road Accident Fund claimants are being paid in time to avoid being taken to court for such matters? NW2162E

**REPLY**

The sixth administration of the ANC led government identified the turnaround of the RAF as one of its priorities. At the core of this turnaround is claimant centricity and expeditious finalisation of claims. There was a backlog of more than 300 000 claims (including supplier claims).

The target is to settle claims within 120 days as per the legislative mandate. This is against a background where claims took an average of 5 years to settle.

The RAF embarked on a project to settle old claims that were older than 3 years. An audit then indicated that 93% of all these claims were not compliant with the minimum requirements; i.e., the forms were not filled with “all particulars” as envisaged in Section 24 (4) of the RAF Act.

The claims were deemed to be valid in terms of Section 24(5) of the RAF Act which deems claims valid “in law in all respects” as the RAF did not object within 60 days of receiving the claim.

The former Minister of Transport, Minister Mbalula gazetted the Minimum requirements and the RAF has amended the RAF Form 1 to include all these changes.

A pre–assessment process has been implemented at various regional offices and most of these non–complaint claims are rejected immediately on lodgement in line with Section 24(4) of the RAF Act.

All RAF claims are now paid within 180 days after settlement in line with the court order granted by the North Gauteng High Court.

The challenge continues to be in represented claims, where attorneys receive monies and do not pay over to the claimants and Section 19(c) of the RAF Act which makes direct claims unlawful if RAF initiates the claim on behalf of the claimant.

**Organisational structure review and process re-engineering**

A new Operating Model was introduced with re-engineered claims processes focusing on simplifying the processing of valid claims to improve processing turnaround times.

In order to ensure that the correct claimants are paid timeously, the RAF moved from outsourcing of actuarial services to calculate the quatum of the claims, and accident investigators as it was costly and time consuming and appointed permanent employees for the investigation and assessment of claims to be managed in a shorter period and in a mre cost effective manner.

The claims administration units focus on matters capable of settlement by engaging with the claimants and/or their representatives to settle these matters before they are taken to court.

Furthermore, the RAF has also strengthened and improved controls linked to payments, with various validations, including the utilisation of the Home Affairs National Identification System (HANIS), are undertaken to verify and confirm the identity and mortality of claimants and dependants. Bank information is externally validated to ensure payments are made into the correct bank account. The RAF also checks tax compliance and any contingency fee agreement's validity before payment.