**National Assembly**

**Question Number: 753

Mr S J Masango (DA) to ask the Minister of Transport:**

(a) How many claims has the Road Accident Fund paid in the last three financial years where the amount paid exceeds the amount initially offered in settlement and (b) in each case, what were the (i) reasons for such increased settlements, (ii) initial amounts offered, (iii) amounts paid out and (iv) times which lapsed between (aa) the claim application date and (bb) the claim payment date?

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**REPLY**

(a) In order to approve efficiencies the Road Accident Fund (RAF) has implemented a process in terms of which the different components making up a claim can now be settled independently (part-settlement), e.g. a claim for past loss of earnings can now be settled whilst the claim for future loss of earnings may require further investigation, and, or assessment, resulting in a future settlement date of the aforementioned component of the claim. This process of part-settlement of the different components of the claim means that little value can be gained from comparing an initial offer (which may relate to only a specific component of the claim) with the final settlement amount (which may exclude the earlier settled component), because like-for-like amounts would not be compared. For this reason the RAF is unable to respond to the specific query.

(b) Due to the number of claims involved, the part-settlement process alluded to above, and the timing of the capturing of certain part-settlements on the RAF's claim system, it is impractical to respond to the remainder of the question, except for providing the below response to part (i) of the question as it relates to possible reasons (other than part-settlement) for the variance between an initial offered settlement and a final settlement amount.

(i) It is not uncommon for an initial offer amount on a component of the claim to be less than the eventual settlement amount. Some of the more common reasons for this include, but are not limited to, the following:

a. The RAF may have applied a percentage apportionment, based on the RAF's assessment of the claimant's contributory negligence, which apportionment served to reduce the amount of the initial offer. This apportionment may later have been reduced, or abandoned, following negotiation or receipt of new evidence:

b. Claimants are entitled to, and frequently do, amend their claims, either by increasing the amount already claimed under a specific component of the claim or by claiming a new amount under a new component. Such amendments are typically the result of the submission of new documentary evidence pertaining to a specific component of the claim; medico-legal reports; Serious Injury Assessment Reports; and, or. actuarial reports that are submitted after the initial offer, or that may be updated after the initial offer. The RAF assesses such additional submissions and may update the initial offer where indicated; and

c. The outcome of litigation, as regards the fault aspect (apportionment) and, or, the quantum of the claim could result in the apportionment being reduced or the quantum being increased, either of which may impact the final settlement amount.

It bears noting that in many instances the RAF settles claims for more than what was originally claimed.