

## NOTICE 921 OF 2007



**PROPOSAL BY ROAD ACCIDENT FUND TO IMPLEMENT DIRECT PAYMENT SYSTEM**

On 11 March 2007, the Road Accident Fund ("the RAF") invited members of the public and all stakeholders to submit comments on a proposal to introduce a direct payment system ("DPS") to suppliers of medical and related services and injured persons. The RAF has received and considered submissions and comments from various representative bodies of the organized legal profession, individual firms of attorneys and members of the public regarding DPS. After careful consideration of the submissions and as part of its commitment to improve service delivery and reduce fraud and corruption, the RAF proposes that it introduces a system to pay claimants directly.

The proposed implementation plan for DPS is as follows:

**1. IMPLEMENTATION DATES OF DPS**

The DPS will be introduced in planned and structured phases as follows:

RECIPIENT OF PAYMENT	DATE OF IMPLEMENTATION OF DPS
<i>1. Payments to Suppliers in terms of Section 17(5) of Act 56 of 1996 ("Act")</i>	
<b>State and Private Hospitals</b>	<b>27 August 2007</b>
<b>Emergency medical service providers</b>	<b>10 September 2007</b>
<b>All other Section 17(5) suppliers</b>	<b>25 September 2007</b>
<i>2. Payments to claimants resulting from personal Injury or death</i>	
<b>Compensation due by RAF in excess of R1 million</b>	<b>5 November 2007</b>
<b>Compensation due by RAF R1 million and below</b>	<b>3 December 2007</b>

**2. PAYMENT OF COMPENSATION (CAPITAL)**

On finalization of a claim either by way of settlement, a court order or arbitration award, the capital amount (compensation) due by the RAF will be paid directly to the claimant. This will apply to all claims that have been lodged with the RAF and to all claims that in future will be lodged with the RAF.

**3. PAYMENT OF COSTS**

- 3.1 In respect of claims lodged with the RAF **PRIOR** to the implementation dates of DPS as stated above, and where claimants' are represented by attorneys, the RAF will pay taxed or agreed party and party costs or cost contributions to the claimants' attorney of record in terms of a Power of Attorney furnished to the RAF.
- 3.2 In respect of claims lodged with the RAF **AFTER** the implementation dates of DPS as stated above, the RAF will pay to the claimant:
- 3.2.1 a costs contribution in instances where a claim is settled on the basis that the RAF will pay such and this agreed amount will be paid to the claimant simultaneously with the payment of the capital amount;
- 3.2.2 the claimants' taxed or agreed party and party costs where a claim is finalised on the basis that the RAF will pay such, and this amount will be paid to the claimant after the bill of costs has been taxed or settled.

**4. BANKING DETAILS**

- 4.1 The RAF requires all claimants who have lodged claims as at the date of this notice to provide the RAF with full particulars of their bank account. All claimants who lodge claims with the RAF after the date of this notice are required to provide the RAF with their banking details at the time of lodgement of the claim. Such information is to be submitted on a standardised form which from **23 July 2007**, can be accessed through the RAF website ([www/raf.co.za](http://www/raf.co.za)) and also obtained from all RAF offices at the addresses provided hereunder:

BRANCH	PHYSICAL ADDRESS	POSTAL ADDRESS	BRANCH	PHYSICAL ADDRESS	POSTAL ADDRESS
<b>Head Office</b>	38 Ida Street Menlo Park Pretoria, 0081	Private Bag X 2003 Menlyn, 0063	<b>Durban</b>	12th Floor The Embassy Building 199 Smith Street, Durban, 4000	Private Bag X 54371 Durban 4000
<b>Pretoria</b>	Sanlam Centre 252 Andries Street, Pretoria, 0002	PO Box 2743 Pretoria 0001	<b>Cape Town</b>	2 <sup>nd</sup> Floor LG Building, 1 Thibault Square Long Street, Cape Town, 8001	Private Bag X 28 Roggebaai 8012
<b>Johannesburg</b>	Marble Towers 29 <sup>th</sup> Floor, 212 Jeppe Street Johannesburg, 2000	Private Bag x 02 Johannesburg 2000	<b>East London</b>	Metropolitan Building 4 <sup>th</sup> Floor c/o Drury Lane & Caxton Street East London 5201	Private Bag X 9000 East London 5200

The original completed form must **preferably** be submitted to **the RAF's HEAD OFFICE by hand or registered mail**, alternatively **by hand or registered mail** to one of the RAF's regional offices at the addresses provided above.

Information regarding banking details of claimants will be treated as confidential by the RAF.

- 4.2 In the event of the banking details of a claimant changing at any time before the finalization of the claim, claimants' will be required to notify the RAF in writing on the standardized form of the new banking details. The original completed form must **preferably** be submitted to **the RAF's HEAD OFFICE by hand or registered mail**, alternatively **by hand or registered mail** to one of the RAF's regional offices at the addresses provided above.
- 4.3 Prior to the RAF making any payment to claimants, the RAF will require claimants to verify their banking details.
- 4.4 Those claimants who at the time of lodging a claim with the RAF do not have bank accounts will be assisted by the RAF to open an account.

In terms of Sections 5 and 6 of the Promotion of Administrative Justice Act 3 of 2000, any person may request reasons and institute proceedings for the judicial review of the RAF's action in implementing the Direct Payment System (DPS).

The public is invited to make written representations on the proposal to implement the system to pay victims of road traffic accidents and suppliers of medical services directly. **The closing date for submissions is 28 August 2007.** Your attention is drawn to the fact that any comments received after the closing date may be disregarded. Your comments should be submitted to Nashrika Sewepersadh (telephone number 012 429 5000), the Business Development Senior Manager of the RAF and details for submission are:

**By Hand or post:** 38 Ida Street  
Menlo Park  
Pretoria,

Private Bag X 2003  
Menlyn, 0063

**By Fax:** 012 429 5828 **By e-mail:** [directpayments@raf.co.za](mailto:directpayments@raf.co.za)