

**DEPARTMENT OF TRANSPORT
DEPARTEMENT VAN VERVOER**

No. 687

19 June 2009

**ROAD ACCIDENT FUND (RAF)**

The business of the Road Accident Fund is to provide cover to all users of South African roads for loss or damage resulting from bodily injury or death caused by the negligent driving of motor vehicles. The RAF provides two types of cover: personal insurance cover to victims and their families as well as indemnity cover to the wrongdoers in an accident.

**WITHDRAWAL OF NOTICE
PUBLISHED ON 21 JULY 2008**

The Road Accident Fund (RAF) hereby wishes to notify the public that it withdraws the notice published on 21 July 2008, wherein it conveyed, amongst other information, the introduction of a Direct Payment System ("DPS"), made up as follows:

1. **Payment of Compensation** - to be made directly to claimants.
2. **Payment of Legal and Other Fees** - to be made directly to attorneys.

BACKGROUND

- i. On 11 March 2007, the RAF published in the print media an invitation for the submission of comments on a system of payments being made directly to claimants and medical service suppliers.
- ii. On 27 July 2007, the RAF published a further notice in the Government Gazette (Notice Number 921 of 2007) and in the print media, containing a detailed implementation plan for the direct payment system and further inviting comments by the public on the proposal.
- iii. Comments were received and considered and a further notice was published in the media on 21 July 2008, informing the public that the direct payment system would be introduced with effect from 1 August 2008.

REASONS FOR WITHDRAWAL

- a) The Law Society of South Africa, the South African Association of Personal Injury Lawyers and LN Mbele obtained an interdict in the Western Cape High Court, Cape Town, against the RAF implementing a system to pay claimants directly, pending a review of the decision to implement such a system.
- b) The RAF has been advised by its legal representatives that the notice published on 21 July 2008 and the process leading thereto may contain flaws.
- c) As a result of this advice, the RAF has decided to unilaterally withdraw the notice of 21 July 2008.

FURTHER COMMUNICATION

Further communication with regards to the Direct Payment System will be provided in due course.

Dated: 4 June 2009

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