

Phase 1: Business Interventions

- Appointment of new Board of Directors
- Addressing financial solvency of the Fund
- Turnaround strategy for RAF
- Financial strategy to address accumulated deficit

Phase 2: Legislative Intervention

- Amendment of RAF Act:
 - ✓ Promulgated the governance sections of the Act.
- Regulations:
 - ✓ Draft Regulations were published during May 2006.
Process to incorporate comments.

Phase 3: Shift - Comprehensive Social Security System

- The Shift from the current liability insurance system to a social security scheme allows for a focus shift from the causes of road accidents to the consequences of accident on the lives of all South Africans

Continued: Components of Comprehensive Social Security System

- Three Pillars represent the components of the Comprehensive Social Security System (CSSS). The first pillar provides:
 - ✓ Basic universal protection
 - ✓ The second pillar provides for compulsory contributory cover for individuals in a position to contribute to the protection of specific risks such as road accidents.
 - ✓ The third pillar provides discretionary protection based on preferences and willingness to pay.

Incorporation of the Fund into the CSSS

- Incorporation of the Aligns the benefits available to other victims of misfortune, releases the pressure on basic social security (pillar 1) and ensure that protection of lifestyles is provided for those preferring full personal protection(Pillar 3).
- Those who are able to protect their lifestyles will be able to cover their increased risk through personal insurance, representing discretionary protection, based on preference and willingness to pay.

Creation of the Road Accident Benefit Scheme

- Benefits of shifting to a no-fault system.
- Equitable:
 - ✓ The change to a no fault system allows for a focus on the poor and provides for greater equity in the provision of public support to all victims of misfortune.
- Reasons:
 - ✓ All those in need of healthcare treatment will be eligible for healthcare benefits irrespective of their negligence in the accident.
- Affordable:
 - ✓ Risk relating to lifestyle protection will form part of discretionary protection in the Comprehensive Social Security System.

Continued: Creation of the Road Accident Benefit Scheme

- **Sustainable:**
 - ✓ In ensuring that critical service delivery platform in emergency healthcare, rehabilitation and disability support are strengthened and the efficiency of the system will be enhanced, whilst a focus on road safety, injury prevention and treatment and incident management will improve the effectiveness of the system.
- **Road Accident Fund Commission:**
 - ✓ The Road Accident Fund Commission proposed that the system of compensation is incorporated into the social security system as a no-fault benefit scheme outside of the law of delict.

Continued: Creation of the Road Accident Benefit Scheme

- Mandate of the Road Accident Benefit Scheme:
 - ✓ Supports programmes that enhance the provision of healthcare and rehabilitation, incident management and employment opportunities for disabled.
- Abolish Common Law claims against another.
- Inclusion of non-earners for income support claims:
 - ✓ All those in need of healthcare treatment will be eligible for healthcare benefits irrespective of their negligence in the accident.
- No provision of life-enhancement or family bereavement benefits.

Mandate of the Road Accident Benefit Scheme

- The proposed mandate of the Road Accident Benefit Scheme is:
 - ✓ The provision of timely, appropriate and limited medical, funeral, income and support benefits to victims of road accidents; and the collection and analysis of relevant information.

Policy principles underlying the Road Accident Benefit

- To diminish the impact on person who suffers loss of damage as a result of bodily injury or death caused by a motor vehicle accident;
- To provide victims with support so that such victims are, if possible, reintegrated into social life and economic activity.
- To provide equal and appropriate support that is accessible to all.

Benefit framework

- Benefits will be provided on a no-fault basis, i.e. irrespective of the negligence of the driver.
- The shift to no-fault also removes the inefficiencies of the law of delict as a basis for compensation.

Implementation Plan

- **Governance:** The Road Accident Benefit Scheme will remain an independent institution under DOT within the comprehensive Security System.
- **Dispute Resolution:** To limit costs & delays in the delivery of benefits alternative dispute resolution mechanisms should be incorporated into the system.
- **Funding the Road Accident Benefit Scheme : Fuel levy**
- **Funding the Institutional Transition: Fiscus**
- **Managing the Institutional Transition: Oversight DoT**

Conclusion

- Important to note that what was presented today is work in progress and not a final policy position
- DoT will come back to the Select Committee to present final policy position

THANK YOU

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