

Board for road accident fund appointed

The appointment of a permanent Board for the Road Accident Fund (RAF) has been announced by Minister of Transport Fikile Mbalula. "This board assumes office immediately and I have appointed Adv Galetlane Rasethaba as its Chairperson," Mbalula said during a media briefing in Centurion.



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The appointment follows an extended period where the RAF did not have a permanent board. The current RAF board was appointed as an interim board in July 2018.

"We are under no illusion about the challenges facing the fund. We are equally confident that this board will rise to the occasion and tackle the challenges with vigour. The challenges confronting the RAF are huge and require a collective effort to resolve," the Minister said

He said the RAF is currently sitting with an actuarial liability of R292bn.

"This means the entity does not have enough money to cover the claims as they are lodged. In the short term, RAF owes R17.2bn on claims that have been finalised, but has no money to settle these.

"This is despite the fact that the RAF is currently sitting with 189 000 open files of claims not yet finalised, and are at litigation stage with different lawyers. The RAF spends R10 billion a year on lawyers," he said.

In the 2018/19 financial year alone, 22,366 cases were allocated trial dates, but only 86 of these matters served before a judge.

This means that in 99.6% of all the cases on the court roll, the RAF settled out of court.

"In addition to the settlement, the institution also had to pay the legal costs of the complainants which amounted to R6.3bn. This is an area the incoming board will have to pay serious attention to," Mbalula said.

He said serious consideration will also be given to building internal capacity for the RAF.

"This may involve in-sourcing legal work and directly employing attorneys to process the caseload. We believe this course of action can save the entity R2.9bn per annum. This is a model the Legal Aid Board employed to bring down costs and improve efficiencies," the Minister said.

The new board consist of Khotso Mothobi; Moses Nyama; Dr Prieur du Plessis; Thembelihle Msibi; Hilmi Daniels; Dr Nomonde Mabuya; Dr Maria Peenze; Thulani Tshabalala and Lusani Mulaudzi.

Two additional members, who will both be women, will be announced in due course, bringing the total number of non-executive directors to 12, made up of six men and six women.

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