



Summary Report for the Head Office of the Asbestos Relief Trust 2006-2007

Introduction

The Asbestos Relief Trust (ART) Head Office is the centre where all claim information and documentation are consolidated. The head office also bears the responsibility to conduct the final assessment on each claim based on the administrative and medically qualifying criteria as stipulated by the Trust Deed, approve the claim for payment and pay the claimant.

The team consists of six staff members, i.e. the senior office administrator and five administration assistants of which two are responsible for claims, one for payments to claimants, one for payments to service providers and one who looks after the administration of the accounting and operating processes.

Function of the ART Head Office

The following are the core functions performed by the head office:

- Issuing medical letters, which allows the potential claimant to attend a free medical examination, for administratively qualifying claims;
- Processing claim forms from all ART Regional Offices and accredited Claims Handlers for medically qualifying claims, i.e. claimants with compensable asbestos diseases;
- Resolving queries on claimant files;
- Expediting payment for qualifying claims;
- Expediting payment for administration and operating expenses of the Trust;
- Ensuring that all processes are in line with the Trust Deed.

Currently the two claim administration assistants deal with three accredited claims handlers and four ART regional offices. The claim payments administration assistant deals with the verification and finalisation of claims for payment.


The payment administration assistant processes payment to all service providers and assists with ad hoc queries and the generation of award calculation sheets. The more senior of the administration assistants mainly deals with service providers for all offices and the administration of most operating functions.

Included in the head office function is keeping a tight control on the Trust's expenses and the processing and payment of all the ART regional offices' expenses. All doctors' accounts and claims handling invoices are also expedited by head office.

Activities During the Past Financial Year

The Trust issued 2954 new medical letters in the past financial year. These included a small number of medical letters that had to be reissued to claimants who did not attend their medical examinations in 2005.

The Trust paid a total of 514 ART claims and head office also processed 173 KRT claims during this period.



The ART started processing claims for the Kgalagadi Relief Trust from June 2006 and had, as at end February 2007 paid a total of R6,4million with another R2,8million of claims approved and pending payment.

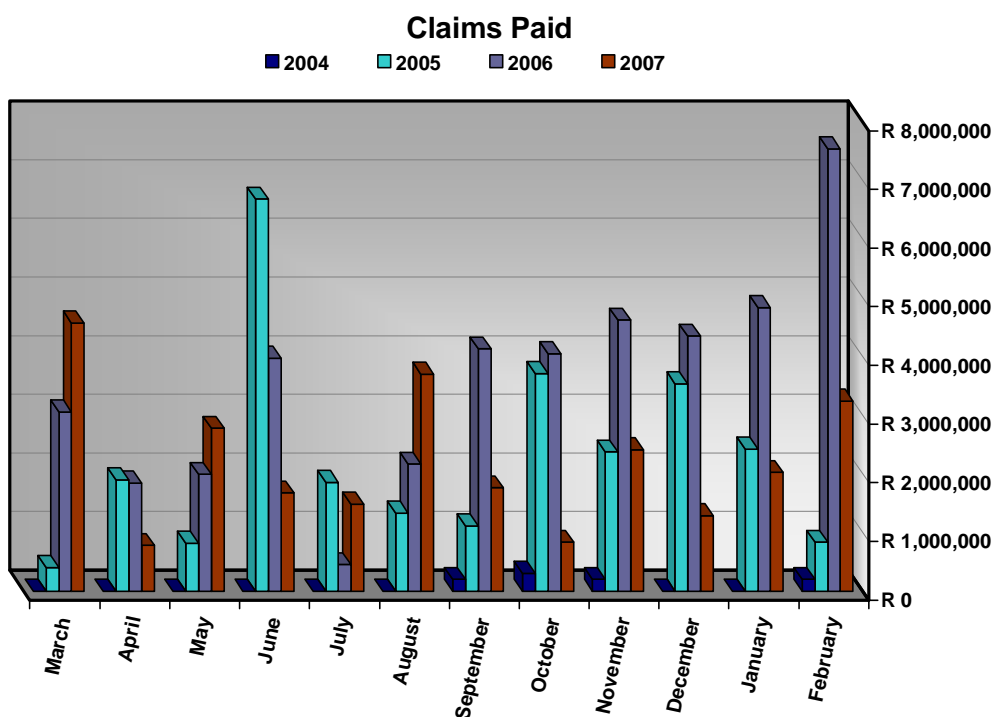
To prevent the unauthorised issue of medical letters to claimants the medical allocation process was centralised at the ART head office and all medical letters now have a unique reference number which allows for better tracking of the application for compensation. All medical letter requests also have to be accompanied by a copy of the potential claimant's ID document and record of service to enable the Trust to verify service history and ensure the accurate capture of the claimant's personal details.

The RAFT ("Review and Fast Track") process was started in August 2006 largely in response to the need to facilitate the resolution of a substantial number of outstanding queries which was delaying the resolution of claims. By February 2007 the Trust was able to resolve some 254 claims with queries which claims were quantified at R10,2million.. The E-RAFT process (review of all environmental claims lodged with the Trust by a specially appointed environmental panel) was launched early this year and a number of the claims that did not qualify has been dealt with. The remaining claims will be dealt with in due course.

The head office and medical office embarked on a massive data cleanup project in mid November 2006. The need for the data cleanup project mainly resulted from discrepancies between names and ID documents from the large number of claimants that went for medical examinations in 2005. This process is still ongoing and 95% of the data issues identified are currently being dealt with. Verification of the remaining 5% is still in progress.

Claims Paid or Approved and Pending for Payment

The Trust paid a total of 514 ART claims amounting to a total of R26,524,114 between March 2006 and February 2007. A total of 173 KRT claims were also processed for payment bringing the total amount of claimant payments processed by head office for the past financial year to 683. Up to 28 February 2007 the Trust had paid a total of 1463 claimants totaling R97,375,332.



Financial Year	Total Paid/Pending	No. of Claimants Paid
February 2004	R 900,000	9
February 2005	R 26,962,496.00	275
February 2006	R 42,988,721.77	665
February 2007	R 26,524,114.36	514
Pending	R 9,836,847.00	210
Total	R 107,212,179.13	1673



Asbestos Relief Trust Management Information System (ARTMis)

The teething problems experienced from the initial implementation of ARTMis has mainly been dealt with. Taking the administration of the Kgalagadi Relief Trust on board has however presented various new challenges to ARTMis.

Though all information are now consolidated into one information system the following issues has arisen:

- The fact that some of the administration functions and processes have been changed to limit potential fraud;
- Other information needs that have been identified and implemented have caused a burden on staff having to keep additional information in the form of spreadsheets;
- New medical information and/or file reviews performed by the medical office that need to be recorded.

The new ARTMis revamp project will be completed within the current financial year. The new ARTMis will ensure more accurate reporting for both Trusts as well as enhancing the efficiency of processing claims and queries.

Current and New Challenges

The administration assistant who dealt with the final preparation of claims for payments to claimants left the employment of the Trust during the second half of 2006. This position was only filled again in March this year. The impact of this caused an additional burden on the existing staff members who had to share these duties in the interim.

Due to the high volume of medical examinations that were performed towards the end of 2005 a bottleneck was created on the administration of these claims at head office. A number of these claims were forwarded to the Trust without sufficient documentation which has put a tremendous strain on staff having to follow up and respond to queries. These also include deceased estates which are incomplete due to outstanding information relating to work history and other issues.

Files approved during the RAFT process has also taken long to finalise due to the difficulty of tracing the claimants.

The Trust has a large amount of pipeline claims which are incomplete due to outstanding documentation or other relevant information.

Head office is also facing challenges with issues relating to the interpretation of the Trust Deed which has caused unnecessary and time consuming correspondence. This issue should be largely dealt with by a workshop to be held in the near future for parties involved in the claims process to review and understand the interpretation of the stipulations of the Trust Deed.

The Way Forward

The ART Head Office is in the process of streamlining a number of administration processes to bring these in line with auditing and management standards. The following forms part of the beginning of this process:

- A new numbered medical letter was implemented as from March 2007 to prevent unauthorized medical letters being issued.
- A new look for the award calculation sheet was introduced as from March 2007.
- A medical letter request form was implemented as from 1 July 2007 which ensures that we have all potential claimants contact and address details.

- The above implementation was necessary as from 1 July 2007 to enable the head office to issue the following letters directly to claimants:
 1. Medical screening confirmation letter;
 2. Acknowledgement of receipt of claim form;
 3. Notification that a claim has been approved;
 4. Confirmation of payment.

Various systems and procedures are in the process of being reviewed with the ultimate aim of reducing the turnaround times for processing claims and giving more effective feedback to claimants, claims handlers and the ART regional offices.

Post Financial Year End Comments

A milestone for the ART was hitting the R100 million claims paid mark in April 2007.

As at 31 July 2007 the Trust has compensated a total of 1652 claimants since it's inception – with the total compensation amounting to R108,062,454!



Conclusion

During my time with the Trust this past year I have come to realise that what should in theory be a straight forward and uncomplicated process, in practice has proven to be a major challenge to implement and execute. The ART Head Office however, has been blessed with an exceptional team of dedicated staff members who have all been willing to go the extra mile without any expectations and who have faced these challenges without a complaint.

I would like to thank those service providers who have made the effort to assist us with overcoming some of the challenges we've encountered over the past year – your understanding and support has made a significant difference.

Lynette Byrne
Senior Office Administrator, ART Head Office

