

RONALD BOBROFF & PARTNERS

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OUR REF :- MR BOBROFF/cn/rb.momentum
YOUR REF :-

20 August 1998

**Momentum Health
P O Box 786722
SANDTON**

FAX NO : 881-2958

ATTENTION: MR G KATZ

Dear Geoff

RE: MVA CLAIMS / MEDICAL AID REIMBURSEMENTS

It was interesting meeting with you and the two Sues this week and we appreciated the opportunity of presenting our ideas and the constructive and perceptive questions raised by you. As requested, we set out herein the main benefits as we see them flowing to your members from the arrangement discussed.

PROBLEM

1. Medical aid schemes disburse huge amounts of money in respect of medical expenses generated by motor vehicle accidents.
2. Members of schemes rarely have easy access to specialist personal injury attorneys.
3. Members seldom institute third party claims and even where this occurs, the fund's interests are frequently overlooked.

4. Attorneys (particularly those not specialised in personal injury work) frequently ignore or overlook undertakings given to medical aid schemes.
5. Schemes invariably have huge numbers of members and an administrative nightmare results from having to follow through MVA medical aid costs' recovery from scores of different attorney firms.

SOLUTION

On our appointment to the scheme under administration, We would:

1. Represent your interests in facilitating and following through on recovery by the scheme of monies disbursed in MVA matters. This would be done by us on a national basis and we will have in place a system of associate offices in all the main centres to suit the convenience of your members.
2. Provide your members with ready access to a reputable specialist firm of personal injury attorneys who in addition to looking to the fund's interests, would be available if required by the member to claim for all heads of damages suffered by the member or their family in the accident.
3. Facilitate a substantial increase in the incidence of MVA claims by members through their being informed in advance in your newsletters as well as through an information pack prepared by us of their rights.
4. Provide one enquiry reference point and even in those matters not being attended to by us, we could initiate regular enquiry from other attorneys so as to monitor progress and recovery on your behalf.

MECHANICS

The exact operation of the scheme is open for discussion and refinement but flowing from our meeting it seems that the following framework would be a good starting point.

1. With immediate effect, the scheme will notify their members of the value added service now available to them. We would prepare a short and punchy summary of the benefits to be gained by making an MVA claim; not the least of which would be maintenance or reduction of premiums through the significant recovery of medical costs from the Road Accident Fund.
2. All administrators would allocate a specific computer file in which a standardised process would be encoded. On receipt of any claim flowing from a motor vehicle accident, all the members' details would be captured, and an information brochure dispatched to the member

together with a note from the scheme informing the member that no benefit claims can be entertained by the scheme until the member has consulted an attorney and the scheme is furnished with a completed questionnaire by the attorney. We would design the questionnaire which in essence would call for a report by the attorney as to the prospects of the claim succeeding.

3. If the attorney recommends that proceedings be commenced, a standard form undertaking (to be drafted by us) would have to be completed by the member and the attorney and forwarded to the administrator **before** any benefit would be granted. It has been our experience that the public are apathetic and unaware of their rights. If there is no strong incentive persuading them to consider lodging an MVA claim, they will not do so, leaving the schemes to simply foot the medical costs.
- 4.1 We would offer your members a free fifteen minute consultation to consider whether a reasonable prospect exists of a worthwhile claim. Having regard to our extensive experience in personal injury claims, in most instances we would have a reasonable idea within the first fifteen minutes which claims stood little chance of success. If the member decides to proceed, we have a standardised costs arrangement programme in terms of which the client is responsible for our fees and disbursements on the conclusion of a matter. The charges are time-based but also have regard to the results in the sense that we have a discretion to charge within a range of costs and we would limit our fees to the lower end of the scale in appropriate circumstances..
- 4.2 We have available to us a large panel of medico-legal and other experts who are prepared to examine clients and furnish reports with their fees only becoming payable on the conclusion of a matter. In this way, members will receive the very best of service from leaders in all the professions concerned without any further upfront payment over and above the initial few hundred Rand deposit requested from those clients who are in a financial position to provide this.
- 4.3 It must be stressed that **no fees become payable by the scheme** as the claims would be funded through the recoveries from the Road Accident Fund.
5. On successful conclusion of a claim, we would ensure reimbursement to the fund in terms of the undertaking signed by the client **prior** to any monies being disbursed to the client.
6. **Limited Claims:** Persons who sustain injury whilst passengers in a vehicle where the sole cause of the accident is the driver of that vehicle have claims against the Road Accident Fund limited only to R25 000. In such a case the scheme would receive less than the R25 000 as the cost of the action would have to be deducted from the R25 000. Few claims fall into this category but it must be borne in mind.
7. We would, on request, be pleased to provide seminars to the administrative staff of schemes on the whole subject of MVA claims including the procedures, quantification and manner in which

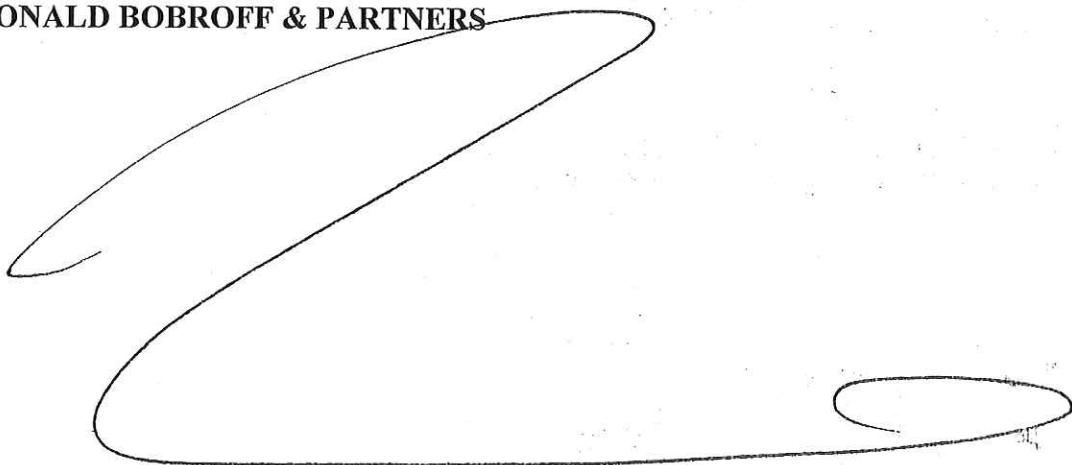
this type of matter is dealt with by us and the courts. This might prove helpful when your members make further enquiry from administrators.

8. A simple progress report format can be designed and we would furnish these to you via E-mail and any other communication needs could fruitfully be conducted through E-mail which is cheap and reliable.

The above is a framework only and the exact procedures would be determined in co-operation with yourselves. Our **mission statement** would be to facilitate a speedy, user-friendly service to the scheme and its members, with the object being a maximisation of monetary recovery to the mutual benefits of the scheme and its members. We submit that the arrangement would create a win-win value-added situation.

Yours sincerely

RONALD BOBROFF & PARTNERS

A large, hand-drawn oval surrounds the firm's name and the signature area below it.

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