



POLOKWANE LOCAL MUNICIPALITY
CLAIMS & LOSS CONTROL COMMITTEE POLICY

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POLOKWANE LOCAL MUNICIPALITY

CLAIMS & LOSS CONTROL COMMITTEE POLICY

To provide for a written description of the Claims & Loss Control Committee (the “Committee”) procedures established for Polokwane Local Municipality. This document is an overview of the individual procedures which support the Claims & Loss Control Committee and contains guidelines for Good Practice for claims and loss management within Polokwane Municipality.

WHEREAS the municipality does from time to time receive claims from the public relating to possible damages caused in incidents occurring in the service delivery activities of the municipality;

AND WHEREAS from time to time the municipality has to deal with losses occurring within the organisation pertaining to its employees, official equipment, vehicles and municipal property as a whole as well as private property of employees;

AND WHEREAS it is the purpose of the Claims & Loss Control Committee to evaluate and settle property loss/damage and/or liability claims in amounts less than the excess amount for which the Municipality is liable in terms of its insurance policy;

NOW BE IT ENACTED by the Council of the Polokwane Local Municipality, as follows:

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CHAPTER 1

COMMITTEE COMPOSITION

1.1 CUSTODIAN OF THE COMMITTEE

- (a) The Committee shall fall under the custodianship of the Chief Financial Officer of the Municipality.
- (b) Members of the Committee shall be appointed, in writing, by the Municipal Manager or his/her authorised representative.
- (c) The office of the CFO shall appoint a secretary for the Committee, the duty of whom it shall be to distribute Agendas for meetings of the Committee as well as record and minute meetings of the Committee.
- (d) This Policy as well as the appointment of members of the Committee shall be reviewed annually by the Municipal Manager or his/her authorised representative.
- (e) The CFO may delegate any of his/her duties under this policy to a senior official within the Financial Services SBU.

1.2 MEMBERS AND REPRESENTATION

- (a) The Committee membership shall comprise of the following standard members:
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Chairperson	Deputy CFO/CFO and Manager Assets Finance Officials Manager Asset Accountant Insurance or any delegated person by the CFO.
Legal Services	Asst. Manager Legislation & Law Enforcement or Delegate
OHS	Asst. OHS Officer or Delegate
Risk Management	Manager/Ass Manager Risk Management

- (b) Strategic Business Units shall be represented by the relevant Manager of that SBU in meetings of the Committee whenever a claim or loss arising from the activities of such a SBU is tabled before the Committee.
- (c) SBU Managers may delegate a representative to attend meetings of the Committee on his/her behalf but only with the consent of the Chairperson of the Committee and further provided that such a representative shall be fully

conversed and familiar with all relevant facts pertaining to the claim or loss he/she shall be presenting before the Committee on behalf of the SBU.

- (d) The DCFO may delegate manager asset and any other manager within the BTO to chair the loss control committee for the discussions of claims tabled before the committee.

1.3 ROLES AND RESPONSIBILITIES

- (a) Chairperson: A representative from the Office of the Chief Financial Officer (generally the Deputy CFO and any other delegated manager from the BTO) will chair the Claims & Loss Control Committee.
- (b) The Chairperson shall ensure the meeting agenda is completed and that assignments and commitments have been achieved and further that all records are sent to the Records Section for safekeeping.
- (c) All records required and generated by the procedures and working of the Committee shall be maintained and located in the Records Section of the Municipality.
- (d) The Chairperson shall also be the technical mentor and coach of the Committee by providing guidance in terms of regulatory requirements, technical resources and references etc.
- (e) Members: Complete the functions and tasks necessary to fulfil the goals and objectives of the Committee.

1.4 QUORUM RULES

- (a) A minimum 75% (4) of the membership is required to be present in order to hold a meeting and take a vote.
- (b) Resolutions and process directions are passed by a majority vote.

1.5 MEETING SCHEDULES

The Committee will meet as claims arise but at least quarterly or whenever there are claims that should be discussed by the committee.

1.6 AGENDAS MINUTES AND RECORDING OF MEETINGS

- (a) The secretary of the Committee shall be responsible for compilation and distribution of Agendas for Committee meetings at least 3 days prior to a meeting.

- (b) Agendas shall contain all relevant information as stipulated in this policy regarding a specific claim and/or loss including a written report from the relevant SBU Manager to whose SBU the claim or loss relates.
- (c) The secretary shall capture all resolutions of the meeting during the meeting and then record same in written Minutes of the meeting to be distributed to all attendees of a specific Committee Meeting.
- (d) The secretary shall ensure that an attendance register is signed at all meetings of the Committee and record any apologies accordingly.

CHAPTER 2

PROCEDURE

2.1 PURPOSE OF THE COMMITTEE

- (a) The purpose of the Committee is to consider and settle or repudiate claims for damages caused to the property of members of public arising against the Municipality from time to time as well as consider and settle internal loss control issues as they arise.
- (b) The Committee shall have the authority to deal with claims as described in sub-clause 2.1(a) on the merit of each individual claim, for claims which falls within the excess amount of the Municipality's liability under its public liability insurance policy.
- (c) The Committee shall focus on the following goals and functions in order to meet the purpose identified:
 - (i) Review, consider and discuss all claims and losses received;
 - (ii) Settle, repudiate or refer back for further information all claims tabled before the Committee which falls within its mandate;
 - (iii) Attend meetings arranged for purposes of discussion and finalisation
 - (iv) Seek advice from any Third Party in considering and finalising claims before the Committee as the Committee may deem necessary.
 - (v) Make recommendation to the SBU that are mostly affected by claims on remedial actions to deal with claims.

CHAPTER 3

RECEIPT OF CLAIMS TO SERVE BEFORE THE COMMITTEE

3.1 SUBMISSION OF CLAIMS

- (a) Claims against the Municipality have to be submitted at the office of the Manager of the SBU allegedly responsible for the damage which gave rise to the claim.

- (b) Potential claimants have to contact the office of the relevant SBU Manager where the necessary claim form can be obtained and again submitted with the required information and documentation required as indicated on the form.
- (c) Claimants shall claim from their own insurance companies first before recourse is sought against the Municipality. No claimant shall refuse to claim for damages against their own insurance company. In all instances the claimant shall disclose the name and telephone number of their insurance company.
- (d) Claims for consideration by the Committee have to be lodged with the Municipality within 3 months of the date of the incident causing the alleged damage. Claims lodged outside the cut-off period of 3 months shall not be considered by the Municipality.
- (e) All claims lodged with the municipality shall contain the following information and be accompanied by the following relevant documentation: -
 - (i) Departmental report for claims less than the excess amount
 - (ii) Sworn affidavit by the claimant on the circumstances how, date, time and place where the incident allegedly causing the damage occurred;
 - (iii) SAPS MR Number showing the incident has been reported with SAPS where necessary.
 - (iv) 3x quotations for repairing of the damage allegedly caused.
 - (v) Colour photographs of the scene of the incident as well as the damaged property (where damage is caused to mag-wheels and tyres the municipality reserves the right to inspect such mag-wheels and tyres);
 - (vi) A certified copy of the claimants ID.
 - (vii) A copy of the damaged motor vehicle's registration/licensing documents (where applicable);
 - (viii) A copy of the claimant's municipal services accounts for the month directly preceding the incident; (Where necessary)

3.2 CLAIMS ASSESSMENT

- (a) Although all claims received shall be reviewed by the Committee, the Municipality is not obliged to honour any claim.
- (b) Claims received shall be considered on merit of each individual claim. Negligence on the part of the claimant shall result in discounting of the claim in the discretion of the committee.
- (c) In all instances where alleged damage is caused to a claimant's property, the Municipality shall only consider payment of the claimant's excess payable under his/her own insurance policy where the Committee is of the opinion that the claim has merit and warrants remuneration.

- (d) Claims received shall within a period of 5 working days from date of receipt of such a claim, be submitted to the office of the Accountant Insurance by the relevant SBU Manager receiving the claim. Claims thus submitted shall contain all relevant information requested on the claim form and shall be accompanied by a written report of the relevant SBU Manager regarding the merit of the claim from the SBU's perspective.
- (e) On receipt of a claim from the SBU Manager, the Accountant Insurance shall acknowledge receipt of the claim and arrange for the claim to be lodged with the Records Section so that a file number can be allocated to the claim.
- (f) Complete claims shall be forwarded to the Secretary of the Claims and Loss Control Committee who in turns shall compile an Agenda for the Committee and secure a date for the next meeting to consider claims.
- (g) Claims have to be finalised within 30 working days following the date of receipt of a complete claim.

3.3 PAYMENT OF CLAIMS

- (a) Claims deserving of payment in accordance with the Committee's resolution shall be limited to payment of the lowest quotation amount or the claimant's excess payment under his/her policy, whichever is the lesser amount.
- (b) Where the Committee resolves to honour a claim against the Municipality, the payment shall be made ex gratia and in full and final settlement of the claimants claim.

3.4 NO OR PARTIAL PAYMENT OF CLAIMS

- (a) If the claim is denied, the Committee states and minutes explicitly to the claimant the reasons on which denial of the claim is based.
- (b) If the amount offered is different from the amount claimed, the Committee explains the reason for this to the claimant.
- (c) When the municipality is not responsible (by virtue of common law of delict principles) for meeting all or any part of the claim, the Committee notifies the claimant of this fact and explains why.

CHAPTER 4

LOSS CONTROL

4.1 RECEIPT OF LOSS CONTROL MATTERS FOR CONSIDERATION

- (a) Incidents of internal loss control to be considered by the Committee shall be submitted to the office of the appointed Secretary of the Claims and Loss Control Committee for inclusion in the Agenda of the Committee.

- (b) Incidents so submitted shall consist of a comprehensive written report by the relevant SBU Manager, which report shall contain information on the nature of the loss, how it occurred, what remedial steps have been taken to prevent future occurrences, disciplinary action taken if any, value of the loss and how the damage caused will be compensated. The said report shall also contain a recommendation to the Committee on how the incident has to be dealt with.
- (c) When a loss control issue serves before the Committee, the relevant SBU Manager shall avail himself/herself to ensure attendance of such a meeting of the Committee.
- (d) Resolutions taken on loss control issues shall be final and binding and executed accordingly by the SBU Manager.

CHAPTER 5

CLAIMS REGISTER

- (a) A claims register shall be opened and kept on all claims received and considered by the Committee. This register shall contain the date of the claim, the claimants name and ID number as well as the amount of the claim and whether the claim was paid out or not.
- (b) Claims are documented in order to be able to address questions that may arise concerning the handling and payment of a claim.

CHAPTER 6

COMPLAINTS AND DISPUTES

6.1 FILING OF COMPLAINTS AND DISPUTES

- (a) When a claimant files a complaint against the findings of the Committee, the Committee: -
 - (i) acknowledges receipt of the complaint within a reasonable period of time;
 - (ii) provides the claimant with explanations on how his/her complaint will be handled and the procedures to be followed
 - (iii) processes the complaint promptly and fairly
 - (iv) provides a final response in writing within a reasonable period of time.

6.2 PROCEDURE FOR DEALING WITH COMPLAINTS AND DISPUTES

- (a) Once a complaint has been received and acknowledged, the letter of complaint together with the resolution of the Committee taken with regard to the claim on which a complaint has been received has to be tabled before the earliest next sitting of the Committee for consideration.

- (b) Complaints and disputes so received shall be duly considered by the Committee, whereafter the Committee shall resolve on the matter and a final response on the complaint be forwarded to the claimant in writing.

6.3 DISPUTES

- (a) If the claimant is dissatisfied with the final response from the Committee, the claimant shall be informed to forward his/her dispute in writing to the CFO and Manager Legal Services, who will then assess the matter and decide on a way forward regarding that dispute and inform the claimant accordingly in writing.

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