

Road traffic accidents burden in KSA

Ehab Al Atassi
Neha Taneja, FIAI
Rahaf Al Hodaif



According to the World Health Organisation (WHO), “the category of road traffic accidents (RTAs) is one of the major contributors to mortality and morbidity, resulting in approximately 1.35 million deaths and leaving 20 million to 50 million people with nonfatal injuries globally each year. More than half of all road traffic deaths and injuries involve vulnerable road users, such as pedestrians, cyclists, motorcyclists and their passengers. Road traffic injuries are the leading cause of death for children and young adults aged 5 to 29. In addition to human suffering, RTAs can also result in significant financial burdens on victims, their families and the government, both through treatment costs and loss of productivity of those involved. Road traffic injuries have serious impacts on national economies, costing countries 3% of their annual gross domestic product (GDP).”¹

As per WHO, in 2016 the Kingdom of Saudi Arabia (KSA) ranked 23rd in RTA deaths in the world,² and first in the Middle East and Levant region, with at least one traffic accident occurring every minute, causing up to 7,000 deaths and 39,000 injuries annually.³ In KSA, of the deaths reported in the Ministry of Health hospitals, 81% are due to RTA and 20% of their beds are occupied by traffic accident victims.⁴ While recent RTA-related statistics suggest a decline in RTAs, injuries and deaths rates, these rates are still significantly higher when compared to other countries. Whilst the RTA rate is high in KSA, the authorities have put in place several measures such as implementation of automated traffic management system (SAHER) to improve the level of traffic safety and increase in penalties for traffic law violations that have led to a reduction in that rate, as seen in the table in Figure 1.

FIGURE 1: KEY RTA STATISTICS OF THE KINGDOM PER 1,000 POPULATION⁵

RTA STATISTICS	ACCIDENTS RATE	INJURIES RATE	DEATH RATE	AMBULANCE RATE
CY 2017	14.15	1.02	0.23	3.00
CY 2018	10.55	0.90	0.18	3.10
Change (2018/2017)	-25%	-11%	-21%	3%

¹ WHO. Road Traffic Injuries. Retrieved 6 April 2021 from https://www.who.int/health-topics/road-safety#tab=tab_1.

² WHO. Road safety status report from https://www.who.int/violence_injury_prevention/road_safety_status/2018/en/.

³ Touahmia, M. (February 2018). Identification of Risk Factors Influencing Road Traffic Accidents. Engineering, Technology & Applied Science Research. Retrieved 6 April 2021 from <http://www.etasr.com/index.php/ETASR/article/view/1615>.

Current process and gaps

Saudi Red Crescent Authority (SRCA) oversees the transport of RTA-injured people from accident sites to hospitals for treatment in KSA. However, not everyone in the Kingdom uses its services. Hospitals in KSA are governed by a royal decree to accept all life-, limb- and organ-threatening cases irrespective of their insurance coverage and nationalities.

We have identified several gaps in the current process of dealing with RTA injuries in the Kingdom. They include:

- A significant proportion of the population does not have any protection against RTA injuries and ends up paying out of pocket due to gaps in the implementation of mandated motor third-party liability coverage.
- The system appears to be fragmented with inadequate alignment amongst several stakeholders (such as the Ministry of Health, the Ministry of Finance and the General Organisation of Social Insurance, Motor Insurers, Health Insurers) resulting in redundancies in the system.
- There is no mechanism for the healthcare providers to make claims for hospitalisation due to RTA injuries from the motor insurers, resulting in most of the RTA injury burden being borne by the Ministry of Health and/or the Ministry of Finance.
- There is a lack of nationwide, centralised post-crash response in the country.
- There is no standard practice of golden hour of trauma (the first 60 minutes after traumatic injury that determines patient's outcome).
- There are few certified trauma centers in the Kingdom.
- The lack of rehabilitation facilities results in higher-than-expected lengths of stay for RTA-related hospitalisation injuries, impacting the acute care supply in the Kingdom.

⁴ Ansari, S. et al. (January 2000). Causes and effects of road traffic accidents in Saudi Arabia. National Library of Medicine. Retrieved 6 April 2021 from <https://pubmed.ncbi.nlm.nih.gov/10787024/>.

⁵ See the website of the General Authority for Statistics in Saudi Arabia, available at <https://www.stats.gov.sa/>.

Global benchmarks for RTA compensation schemes

There are several countries that have implemented special schemes to combat road traffic accidents and their consequences. These countries have robust systems to tackle RTA injuries with relatively lower RTA injury hospitalisation and death rates than the countries that do not have any such schemes.

Examples of these schemes include:

- Transport Accident Commission (TAC), Victoria, Australia
- Road Accident Fund (RAF), South Africa
- Motor Traffic Guarantee Fund, Netherlands
- Motor Insurance Bureau (MIB), United Kingdom

FIGURE 2: RTA COMPENSATION SCHEME TYPES

Fault scheme	No-fault scheme
Claims are accepted if someone else caused the accident	Claims are accepted irrespective of who caused the accident

TAC, VICTORIA, AUSTRALIA

Australia does not have a single nationwide scheme to deal with RTAs. Each state or territory has its own traffic accident commission that may be a fault scheme, no-fault scheme, a combination of fault and no-fault scheme and/or common law rights to sue the person who caused the accident.

TAC is a “no-fault” scheme established in January 1987 to promote road safety. It covers treatment for injuries or death because of traffic accidents in Victoria and/or involving Victorian vehicles. It operates as a third-party insurer and manages claims for injuries due to RTAs.

The benefits under the scheme include medical expenses, return-to-work support, common law compensation and impairment benefit, income support for employed and self-employed and death benefit.

The scheme is funded by an annual compulsory transport accident charge paid by the registered motorists in Victoria as a part of the vehicle registration fee. The charge is based on type and use of vehicle, postcode of the registered vehicle and any eligible discounts.

TAC promotes road safety through various initiatives such as education programmes, campaigns, community partnerships and local government engagements.

RAF, SOUTH AFRICA

The Road Accident Fund (RAF) is a nationwide “fault” scheme that compensates for RTA injuries and deaths to all road users within the borders of South Africa. The Department of Transport is set to replace RAF with a new and more claimant-friendly benefit scheme, called the Road Accident Benefit Scheme (RABS), in the future. It will be a “no-fault” scheme and will help create a new era of socioeconomic balance and remove the unintended negative consequences and financial burden on the families of the wrongdoer.

RAF commenced its operations in May 1997, assuming the rights, obligations, assets and liabilities of the Multilateral Motor Vehicle Accidents Fund, which was the prior compulsory motor accident vehicle insurance in the country. RAF assigns a percentage of responsibility for an accident, i.e., it pays an amount that represents the percentage that was not deemed as the claimant’s fault. It provides two types of cover, personal insurance cover to accident victims and their families and indemnity cover to wrongdoers for civil liability.

The benefits under the scheme include hospital medical expenses, loss of income, loss of support (for dependents of a deceased breadwinner), funeral expenses, collateral benefits and general damages for pain, suffering and disfigurement.

The scheme is funded by the RAF fuel levy, which is a levy on fuel sold (petrol and diesel) throughout the country.

The key objective of RAF’s Road Safety Strategy is to reduce the current high rate of road accidents by addressing road safety behaviour and promoting road safety principles and effective law enforcement. RAF also supports and funds nongovernmental organisations that are involved in road safety.

MOTOR TRAFFIC GUARANTEE FUND, NETHERLANDS

The Motor Vehicles Liability Insurance Act (Wet Aansprakelijkheidsverzekering Motorrijtuigen, or WAM) is applicable in the Netherlands in case of accidents involving motor vehicles. Owners or holders of motor vehicles are obliged to take out liability insurance under WAM. It is a “fault” scheme and dictates obligatory third-party liability auto insurance for all cars in the Netherlands. The law in the Netherlands grants a direct personal claim on the WAM insurer by the injured parties in accidents with motor vehicles. Such a direct claim to an insurer is quite unique to Dutch legislation. The Motor Traffic Guarantee Fund (Fund), a nonprofit foundation established in 1965, provides compensation to people in the Netherlands who have suffered damage from a motor vehicle for which they cannot contact an insurer. The Fund is a member of the Dutch Association of Insurers and fulfills its role as a compensation body, as referred to in the Motor Vehicle Liability Insurance Act (WAM), as well as acting

as a knowledge center in the field of EU's WAM and WAM directives. The Fund entered a partnership with Safe Traffic Netherlands (VVN) in 2016 with both organisations committed to road safety and a reduction of accidents, with and without the perpetrator.

It offers compensation to people who have suffered damage from a motor vehicle and cannot go to an insurer with that damage due to various factors about the motor vehicle, including being of unknown ownership, uninsured, stolen, insurer going bankrupt and/or exempt from the insurance obligation. The benefits under the scheme include material damage, personal injury and damage abroad (outside of the Netherlands).

The Guarantee Fund is financed by annually determined contributions from Dutch motor insurers.

MIB, UNITED KINGDOM

MIB is a "fault" scheme, founded in 1946 as a private limited company by guarantee to compensate victims of accidents caused by uninsured drivers or drivers who cannot be traced. It works alongside the police to remove uninsured vehicles from the UK roads. All drivers and passengers can claim compensation under MIB. One can also claim for loss of a no-claims bonus or any excess charged by an insurer in handling the claim. It essentially runs three schemes:

- The uninsured drivers' scheme: This scheme is activated when the driver who causes the accident is uninsured. The scheme covers the cost of repairing or replacing the vehicle, hire charges, property damage, personal injury, treatment and rehabilitation costs.
- The untraced drivers' scheme: This scheme is activated when the driver responsible for the vehicle accident flees and cannot be traced. Under this scheme, MIB pays a fixed amount of GBP 500 plus a value-added tax (VAT) in contribution towards the victim's legal fee.
- The green card scheme: This scheme is activated when the accident is caused by foreign drivers. Under this scheme, the MIB deals with victims who may not be getting any response from foreign insurers.

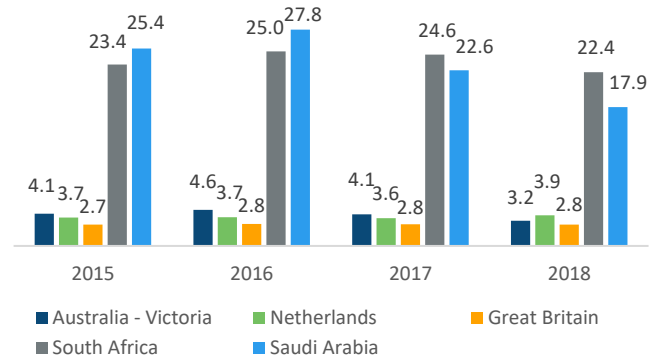
Every insurer underwriting compulsory motor insurance is obliged, by virtue of the Road Traffic Act 1988, to be a member of MIB and to contribute to its funding. It is financed by an annual deduction of about GBP 30 from the motor third party insurance premiums paid by vehicle owners.

Conclusion

Whilst driving is one of the most important means of transport in KSA, it is also one of the major causes of mortality and morbidity. However, the recent reduction in RTA, related injuries and fatality trends observed in the Kingdom suggest that it is working towards better road safety measure.

To help mind all the RTA gaps, KSA authorities may consider establishing a scheme that not only focuses on providing prompt medical care and financial assistance to those affected by RTAs but also promotes road safety awareness campaigns that can go a long way in helping achieve the Kingdom's aims of road traffic safety. Administration of such a scheme along with the existing motor third-party insurance would be necessary to avoid any redundancies and to ensure efficient use of the existing insurance whilst focusing on reducing burden on the government.

FIGURE 3: RTA FATALITIES PER 100,000 POPULATION



Sources:

- Victoria, Australia: <http://www.tac.vic.gov.au/road-safety/statistics/online-crash-database>.
- Netherlands: <https://www.cbs.nl/en-gb/news/2019/16/traffic-death-toll-up-by-11-percent-in-2018> and <https://www.swov.nl/en/facts-figures/factsheet/serious-road-injuries-netherlands>.
- United Kingdom: <https://www.gov.uk/government/statistics/reported-road-casualties-great-britain-provisional-estimates-year-ending-june-2019>.
- Saudi Arabia: <https://www.stats.gov.sa/>.

CONTACT

Ehab Al Atassi
Ehab.Atassi@milliman.com

Neha Taneja
Neha.Taneja@milliman.com

Rahaf Al Hodaif
Rahaf.Alhodaif@milliman.com