



# Kgalagadi Relief Trust: Annual Report for the financial year ended 28 February 2021

## 1. Introduction

The main aim of the Kgalagadi Relief Trust (KRT) is to compensate claimants who have a designated asbestos related disease (ARD) because of exposure to asbestos (either environmentally or occupationally) from operations owned by or associated with Kuruman Cape Blue Asbestos (KCBA) and Danielskuil Cape Blue Asbestos (DCBA) from 1952-1981.

The KRT has outsourced day-to-day claims administration to the Asbestos Relief Trust (ART). The ART was set up in 2003 after an out-of-court voluntary settlement. There are significant benefits to the KRT using the ART's well established medical surveillance and claims management resources. The trusts collaborate on outreach and social projects as many of the prospective claimants worked in asbestos mines covered by both trusts.

As of the financial year ended February 2021 the ART and KRT had jointly received enquiries from ~18 500 prospective claimants, of whom 16 552 registered claims against one or both trusts. Many claimants were helped with the claim lodgement by trust agents or staff.

Approximately 35% of claimants who underwent a free medical examination were diagnosed with a compensable asbestos related disease. To the extent that their occupational or environmental exposure could be traced to a qualifying mine (i.e. KCBA or DCBA), the KRT has paid total benefits of R112 605 047 to 1 451 claimants (of whom 84% were occupationally exposed and 16% environmentally exposed to asbestos).

For the financial year ended 28 February 2021, a total of R4 512 491 was paid to 26 KRT claimants, compared to R4 850 011 paid to 25 claimants in the previous financial year. The benefits paid included an inflation-based increase of 5% to the compensation benefits, effective from 1 March 2020.

At the financial year end, total funds available for the payment of future claims, administration and social projects amounted to R52 783 811.

## 2. Claim Statistics for the Financial Year

### 2.1. Grant Applications Received

Nine new grant applications (claims)<sup>1</sup> were received by the trust in the financial year, compared to seven in the previous year. Of these, six were for occupational exposure and three for environmental exposure.

### 2.2. Claims Paid by Category

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<sup>1</sup>This figure excludes claims received from beneficiaries who previously applied and either did not qualify to receive a grant or, were compensated for asbestosis and subsequently developed a compensable asbestos related cancer and qualify to receive a second grant.

Of the 26 claimants paid in the financial year; 15 were ARD4 mesothelioma payments, compared to 19 for the previous year. Six of the ARD4 claims paid were for environmental exposure, while the 11 were due to occupational exposure. ARD4 claims accounted for 81% of the benefits paid in the financial year<sup>2</sup>.

<b>Compensation Category<sup>3</sup></b>	<b>Number of Claims Paid</b>	<b>R-amount paid</b>
ARD1	8	R132 248
ARD2	1	R37 679
ARD3	2	R670 080
ARD4	15	R3 672 484
	<b>26</b>	<b>R4 512 491</b>

### **2.3. Claims Evolution**

Of the 26 claimants compensated during the financial year, seven had previously lodged a claim with the KRT that had not been accepted as there was no indication of a qualifying medical condition at the time. Their medical certification changed on receipt of new information as follows:

<b>Previous Medical Certification</b>	<b>New Medical Certification</b>	<b>Number of Claims</b>	<b>R-amount paid</b>
No ARD	ARD2	1	R37 679
No ARD	ARD3	1	R335 040
No ARD	ARD4	5	R1 292 880
		<b>7</b>	<b>R1 665 599</b>

### **3. Social Projects**

In terms of the KRT Trust Deed, part of the investment income may be distributed to social projects at the discretion of the trustees. Given that the trust is nearing the end of its intended lifespan in 2026, the trustees are looking more favourably at social investment projects that will help trust claimants, their families and their communities.

Since the start of the trust in 2006 and as provided for in the Trust Deed, a total R9 738 996 had been invested in social projects.

During the financial year under review, the KRT spent R2 015 726 on social projects, some of which were supported in collaboration with the ART.

#### **3.1. Current Projects**

<sup>2</sup> The trustees have planned for an average 12-14 successful ARD4 (mesothelioma) claims a year for the remaining life of the trust until 2025.

<sup>3</sup> ARD1 = Asbestos dust disease (pneumoconiosis) with mild-moderate lung function impairment; ARD2 = Asbestos dust disease (pneumoconiosis) with severe lung function impairment; ARD3 = Asbestos related lung cancer; ARD4 = Mesothelioma.

Support for:

- **The Asbestos Interest Group (AIG)**, which does important outreach in the greater Kuruman area and claims handling work for the trust.
- **The Cancer Charity Workers (CCW)** in Kuruman.
- **The Kuruman Palliative Care Project**, where full time trust employees, Sister Phemelo Magabanyane and Sister Gomolemo Moetsi, continue to offer a compassionate and effective service to cancer sufferers.
- **Continuing Professional Education Workshops** in the greater Kuruman area aimed at improving the ARD diagnostic ability of medical health professionals.
- **Hunger Relief:** In response to the COVID-19 hardships, R1 million was made available in the form of approximately 3 000 food vouchers distributed to KRT families who are living with an ARD sufferer, or who have lost a loved-one due to asbestos exposure.

### 3.2. Planned Projects

The KRT (with the ART) also undertook high-level feasibility studies of six proposed social projects, of which three have been progressed to the detailed project planning phase.

- **Asbestos Virtual Library (AVL).** The trustees have identified a significant risk that important documentation relating to South Africa's asbestos legacy is likely to be lost unless it is stored electronically. The AVL will serve as a 1-stop shop portal to local asbestos-related content, for the benefit of claimants; and public health professionals, including policymakers, researchers and medical practitioners.
- **Medical Support for ARD2/3/4 Sufferers.** Given that trust compensation is a "one-time-benefit" and that many claimants continue to suffer the ill-effects of their conditions with only limited access to medical facilities, the KRT plans to fund regular health check-ups (consisting of a medical exam, chest x-ray and lung function test) and supportive or palliative treatment for ARD2/3/4 sufferers.
- **Genetic Testing for Germline BAP1 and CDKN2A Gene Mutations in Mesothelioma Sufferers and Close Blood Relatives.** The KRT plans to offer genetic testing to claimants who are newly diagnosed with mesothelioma (the "index" patients) to decide whether they or their relatives might carry the BAP1/ CDKN2A gene, which predisposes to mesothelioma after asbestos exposure. Geneticists have indicated that patients will find such information useful in understanding their or their relatives' condition.

## 4. Financial Results

Trust income on cash balances and on investments for the year amounted to R3 871 594. The 32% decline on investment income of the R5 688 497 in the previous year was attributable to the impact of the Covid-19 pandemic on financial markets.

Annual expenditure, including expenses related to claims management, decreased by 7.1% to R1 692 486 (R1 821 807 in the previous year).

## 5. Conclusion

During the current financial year, the ART, which provides administrative and accounting services to the KRT, scaled its operations. This was in response to the steady decline in claims registered by both the ART and the KRT. This decline can be attributed to:

- The success of the outreach campaign, which has attracted approximately 18 978 claim submissions against both trusts, 75% of which had registered before 2010;
- The final closure of the mines covered by the KRT Trust Deed in 1997; and
- The relatively advanced average age of the ex-mineworker's cohort served by the KRT, now estimated to be close to 80 years.

This restructuring has reduced operating costs to a pragmatic level but also increased demands on the remaining administration personnel, and on the trustees.

I am extremely grateful to the ART trustees and management staff, and to my fellow KRT trustees, for their continued support and diligence.

**Brian Gibson**  
**Chairman**