

Date: February 11, 2008

Committee Meeting Date: February 21, 2008

Board Meeting Date: N/A

INFORMATION ITEM

BOARD MEMORANDUM

TO: Administration and Finance Committee
Santa Clara Valley Transportation Authority
Board of Directors

THROUGH: Michael T. Burns
General Manager

FROM: Joseph T. Smith
Chief Financial Officer

SUBJECT: Second Quarter FY 2008 Report of Public Liability/Property Damage Claims Activity

FOR INFORMATION ONLY

BACKGROUND:

The VTA Public Liability/Property Damage (PL/PD) Program is self-insured to \$3 million per occurrence. An excess insurance policy is in place to cover large losses. Claims are adjusted by a Third Party Administrator (TPA).

DISCUSSION:

In second quarter FY 2008, VTA received 156 new PL/PD claims (See Attachment A), which is a decrease of 19% when compared to second quarter FY 2007. Decreases occurred in both bus (26 less claims) and light rail (10 less claims) claims. The open claim inventory (571 claims) increased by 8% when compared to last year (See Attachment B). Open reserves for all claims decreased by \$704,910. Payments increased by \$3,129,543 when compared to same period as last year (See Attachment C). The increase in payments was attributable to two large settlements paid during second quarter FY 2008.

Second Quarter Comparison

Category	FY 2008	% Change	FY 2007
Bus Hub Miles	4,706,830	2%	4,631,226
Rail Miles	895,598	(4%)	928,531
New Claims	156	(19%)	192
Number of Open Claims	571	8%	528
Open Reserves	\$4,381,568	(14%)	\$5,086,478
Payments	\$3,220,755	3,431%	\$91,212

Top Cause of Claims By Frequency

BUS

The top cause of bus claims by frequency in second quarter FY 2008 (19 claims) was due to the sudden stopping motion of the bus which caused passengers to fall. In comparison, the top cause of bus claims for second quarter FY 2007 (23 claims) was due to other vehicles rear-ending the bus. This information has been provided to the Technical Training Department to assist them in refresher-training courses for Bus Operator education.

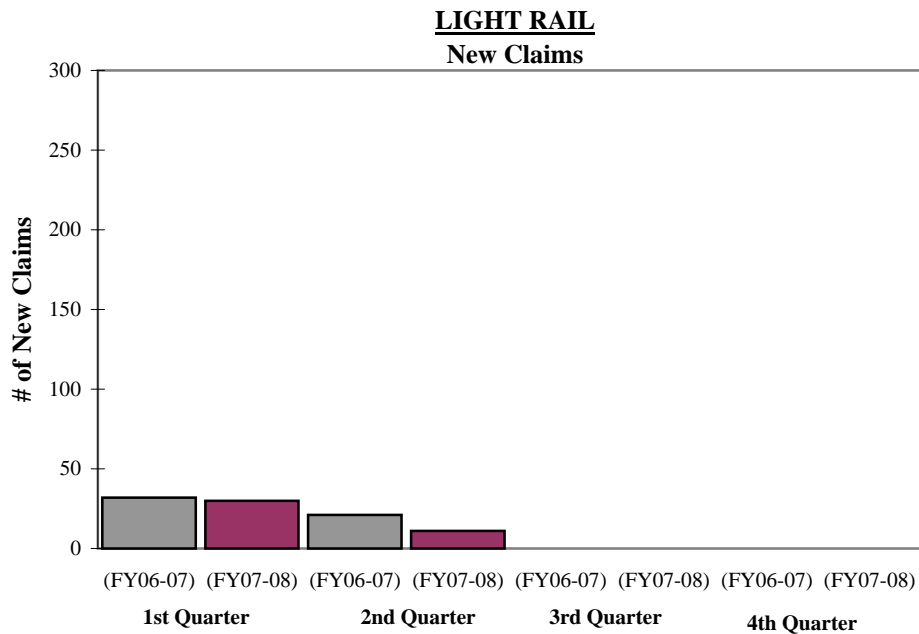
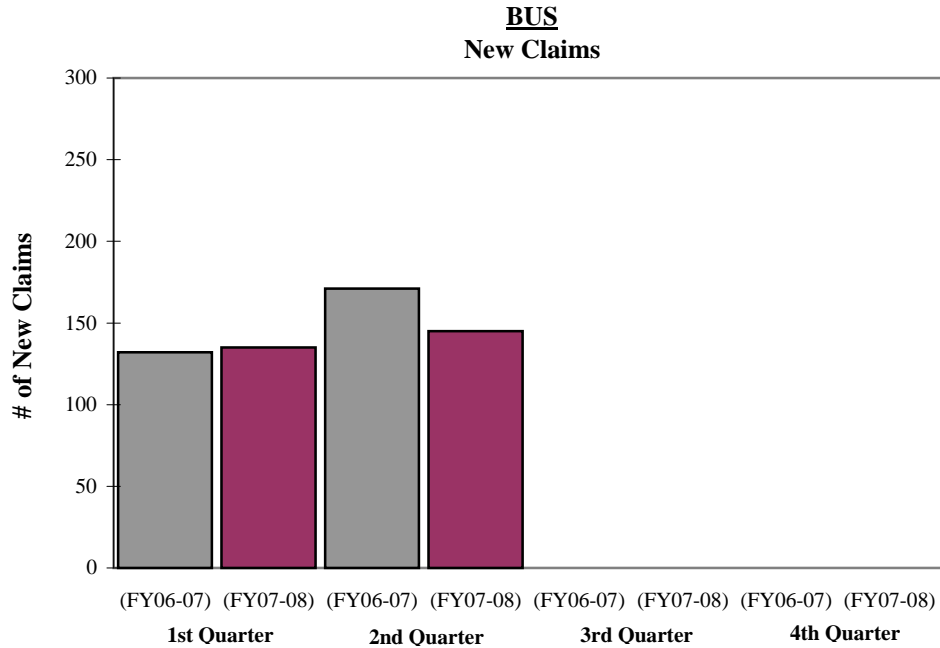
RAIL

The top cause of rail claims by frequency in second quarter FY 2008 (2 claims) and FY 2007 (10 claims) was due to vehicles turning left in front of the light rail vehicle. There were no identifiable trends involving left turn accidents during second quarter FY 2008.

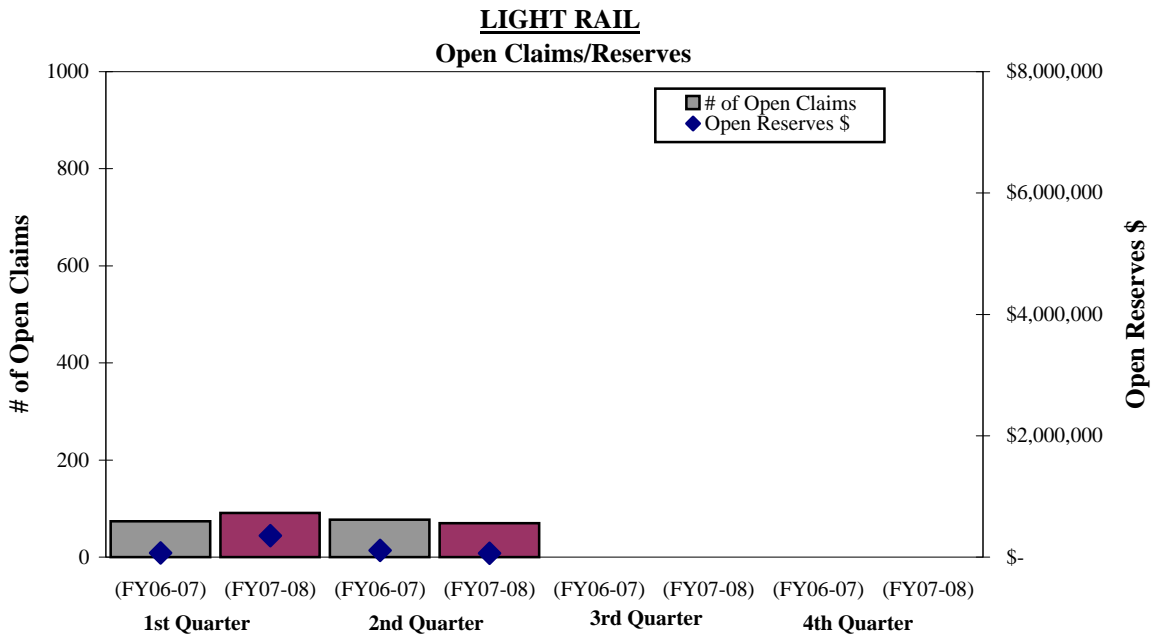
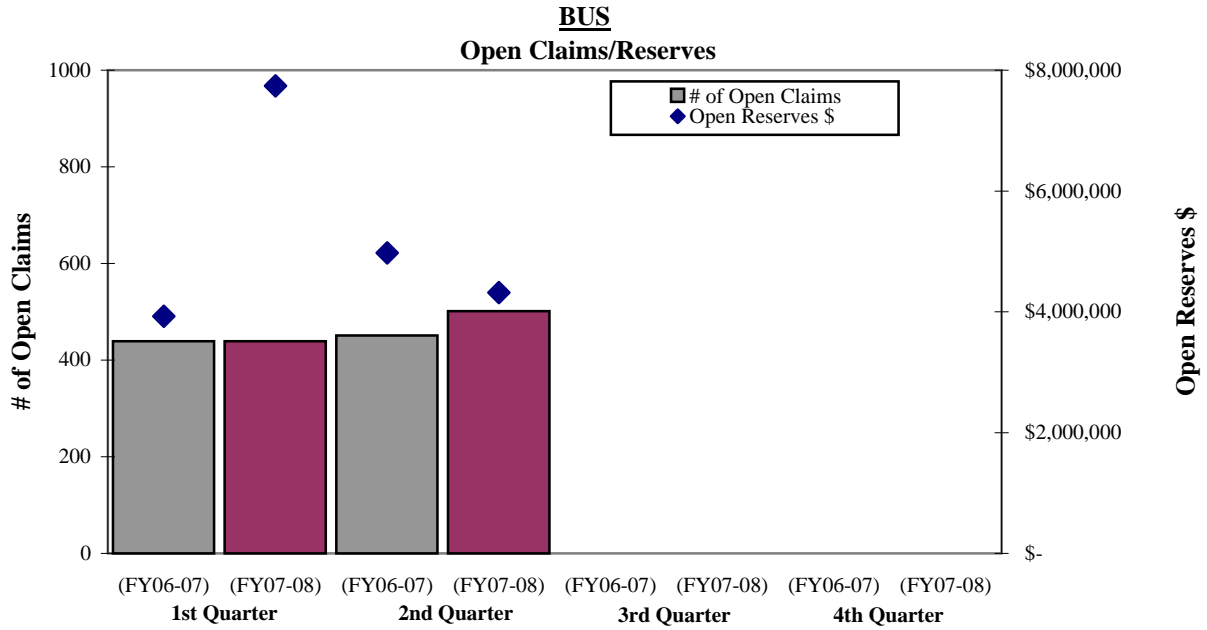
VTA staff performed a study and developed recommendations for mitigation of the causes of light rail accidents involving left hand turns. A pilot program to implement several of the mitigation measures at test locations is scheduled for 2008.

Prepared by: Nanci G. Eksterowicz, Risk Manager

**Enterprise Risk Management
Public Liability/Property Damage Claims Report
Comparison of 2nd Quarter FY 2008 Claims Activity
Fiscal Resources Division**



**Enterprise Risk Management
Public Liability/Property Damage Claims Report
Comparison of 2nd Quarter FY 2008 Claims Activity
Fiscal Resources Division**



**Enterprise Risk Management
Public Liability/Property Damage Claims Report
Comparison of 2nd Quarter FY 2007 and FY 2008 Payments
Fiscal Resources Division**

**Comparison of FY 2007-2008
2nd Quarter Payments**

