

Metro News Pressroom

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FOR IMMEDIATE RELEASE

Fewer Metro Worker Compensation Claims Filed; a 25-percent Reduction over Last Year

Metro has taken a sizeable bite out of Workers' Compensation claims, a major step toward directing more dollars toward purchasing additional buses.

Despite reforms to the Workers' Compensation system in California, most private businesses, state and public entities are still experiencing double-digit increases in Workers' Compensation costs. Not Metro.

Escalating Workers' Compensation costs across the nation discourage the start-up of new businesses, force some into bankruptcy, and prevent many from expanding operations and adding more workers.

To help rein in Workers' Compensation costs, Metro retained DuPont Safety Resources in 2001 to train managers, supervisors and staff on how to create a safer environment for employees and the public. Approximately 94% of Metro employees have received training.

DuPont has changed the safety culture of dozens of other companies including General Motors, Unilever, Georgia-Pacific, Esso, Allied Signal and New York City Transit.

Metro's Risk Management fraud detection unit and Metro Operations has also been key in reversing the upward trend in Workers' Compensation costs.

"Metro continues to aggressively pursue fraudulent claims, return injured workers back to work faster, and continues to improve employee behavior and the work environment with respect to safety," said Metro Board Chair Frank Roberts.

The Metro's 4th quarter of fiscal year 2004 has approximately 25 percent fewer claims reported than the same quarter of fiscal year 2003. Despite fewer claims, however, reducing costs remains a challenge because of increasing medical costs and additional state mandated Workers' Compensation disability increases. In 2003, Metro's workers' compensation expense was almost \$51 million. For 2004, the expense is estimated to be approximately \$48 million, a five percent decline.

Another indication that Metro's Safety program is working is the number of bus accidents that occur each month. Last year, Metro averaged 3.9 bus accidents per 100,000 miles traveled. This year, bus accidents are down to 3.7 per 100,000 miles. Fewer accidents mean fewer claims filed by workers injured on the job.

"Compared with other employers across the state who continue to see large annual increases in workers' compensation premium cost, Metro's experience has been substantially better due to fewer claims," said Metro's Executive Officer for Risk Management Greg Kildare. "Our ultimate goal is zero claims. No employee injury is acceptable."

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