



# WSTIP Policy Manual

<b>Document Name:</b>	IRM Benchmark Policy	<b>Date Adopted:</b>	02/25/2010
<b>Category:</b>	Operations	<b>Revision Date:</b>	
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## IRM Benchmark Policy

**Purpose**

To establish a methodology and timeline for the evaluation of the Pool's Integrated Risk Management (IRM) program.

**Authority**

Interlocal Agreement, Section 3e, Powers ("provide for risk management, loss control, and other services").

**Policy Statement**

1. Introduction. The Pool has implemented an Integrated Risk Management program to fund concerted and enhanced risk management services intended to reduce the losses of its members. This policy implements a methodology and timeline to measure the effectiveness of the IRM program by comparing certain pre-IRM losses with post-IRM losses and by correlating what will hopefully be reduced member losses with the level of IRM effort provided to each member.

This measurement program focuses only on losses incurred by members' fixed route mode as that mode has historically produced the greatest losses. Furthermore, this measurement program is further refined by evaluating only the three types of fixed route loss events which are set forth in the definition section of this policy.

2. Pre and post IRM **loss rate** comparisons
  - a. **Pre-IRM benchmark period losses** and **loss rates** shall be calculated and compared with **IRM evaluation period losses** and **loss rates**.
  - b. These calculations and comparisons shall include **losses** for **on board injury events**, **pedestrian events**, and **collision events**.
  - c. These calculations and comparisons shall be made for all members of the Pool collectively and for each member individually.
3. Member satisfaction survey. The Pool shall survey each member to ascertain the member's satisfaction with the services and resources devoted to it through the IRM program. The results of the survey shall be compared with the **IRM level of effort** provided to the member.
4. The IRM **loss rate** comparisons and the member satisfaction survey shall be given equal weight in the evaluation process.

5. Definitions (all definitions are in ***bold italics***)

- a. ***Collision event***—a ***loss*** sustained as a result of the collision of a fixed route vehicle with another vehicle.
- b. ***IRM evaluation period***—this evaluation period shall include ***losses*** from the three types of loss events as defined herein from July 1, 2009 to June 30, 2011. The evaluation shall be made as of July 31, 2011 and any and all expenses incurred from these loss events after July 31, 2011, shall be disregarded.
- c. ***IRM level of effort***—the salary and expenses of the Pool's risk management specialist and other expenses funded from the IRM budget devoted to a member.
- d. ***Loss***—the amount paid as a consequence from one or more types of loss events plus reserves but not reduced by any recovery from, by example, subrogation, loss of use, or salvage; *Provided, every loss shall be capped at \$10,000.*
- e. ***Loss rate***—all ***losses*** paid for type of loss event under consideration, divided by the fixed route miles traveled by the member in the period under consideration, with the resulting amount multiplied by 1000. This calculation will produce the ***loss rate*** per event type per 1000 miles of fixed route travel.
- f. ***On board injury event***—a ***loss*** sustained as a result of an on board injury in a fixed route vehicle. This type of event shall include injuries in boarding and alighting.
- g. ***Pedestrian event***—a ***loss*** sustained as the result of contact between a fixed route vehicle and a pedestrian.
- h. ***Pre-IRM benchmark period***—this benchmark period shall include ***losses*** from the three types of loss events as defined herein from July 1, 2007 to June 30, 2009. The evaluation shall be made as of July 31, 2009, and any and all expenses incurred from these loss events after July 31, 2009 shall be disregarded.

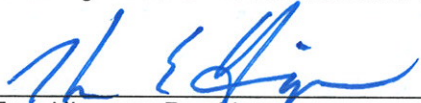
**Amendment**

The Executive Committee may amend this policy.

**Policy History**

None.

Passed this 25 day of February, 2010  
Executive Committee  
Washington State Transit Insurance Pool

  
\_\_\_\_\_  
Tom Hingon, President

ATTEST:

  
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