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***Transit Risk Manager: Risk Management Software for
Bus Transit Systems***

*This TCRP digest describes a new software product developed under TCRP [Project G-3](#), "Tools for Transit Risk-Exposure Identification and Treatment for Bus Transit Systems. This software product, called **Transit Risk Manager**, is a PC-based, user-friendly, menu-driven, WindowsTM operated computer tool designed to help bus transit systems of all sizes identify exposure to loss, evaluate their loss control practices and make informed decisions about financing risk. The program provides the means to assess current risk management programs as well as risk financing alternatives. Ancillary tools such as insurance specifications, loss triangle templates, policy statements, and a self insurance plan are provided for export into word processors or spreadsheets. Richard O'Hare of The Risk Management Center, Inc., was the principal investigator for the development of the software. The research team also consisted of Multisystems, Inc., Concise Techniques, MacDorman & Associates, and Walther Consultancy.*

INTRODUCTION

The cost of risk for public bus transit systems is a significant drain on transit system budgets around the country. Risk-related costs are conservatively estimated at over \$650 million per year but are significantly higher when all ancillary costs are taken into account. In reality, the total cost is probably well over \$1 billion. Risk management programs have been shown to be highly productive methods of lowering overall risk and operating costs. Therefore, improvement of transit system risk management practices plays an important part in the overall effort to control transit system operating costs.

Identification of risk exposure is the cornerstone of the risk management process. All other elements of risk management rest upon the accuracy and completeness of this portion of the process. Historically, public bus transit systems (both fixed route and paratransit) have not developed a uniform or systematic approach to analyzing property and casualty risk exposures. It was determined that having a userfriendly methodology for identifying and prioritizing risk exposures would be beneficial.

Using this methodology would enable transit systems to make informed decisions about risk treatment alternatives.

Recognizing this need, research under TCRP Project G-3 was undertaken by The Risk Management Center, Inc., to design a PC-based, user-friendly, menu-driven software tool that bus transit and paratransit systems of all sizes could use to

1. Identify exposures to loss,
2. Assess risk within their systems,
3. Evaluate their loss control plans against best practices, and
4. Make informed decisions about financing risk.

TRANSIT RISK MANAGER

Transit Risk Manager is a WindowsTM-based, user-friendly tool designed to help administer a bus transit system's risk management program. It explores the organization's risk management practices and is comparable to a comprehensive risk management assessment. The program is composed of 10 separate modules, 9 of which

follow traditional insurance and risk management classifications. The first module is called the General Module and is used to gather basic information about the transit system. Subsequent modules assess the organization's risk management practices in a number of specific areas, taking into account the different legal and regulatory environments found in each state.

The following modules are contained in the software:

General,
Property,
Vehicle,
Employee Safety and Workers'
Compensation,
General Liability,
Crime,
Environmental,
Professional Liability,
Contractual, and
Claims Handling.

Resulting Products

Transit Risk Manager yields the following products for transit system managers and departments:

- Risk profile--useful to underwriters and insurance agents;
- Risk financing plans--recommended insurance or self-insurance options available to the transit system in question;
- Industry accepted "best practices"--recommended methods of effectively dealing with identified risks;
- Loss triangles--loss tracking tools used by risk managers, actuaries and insurance underwriters to predict future losses and determine funding for past and current claims;
- Documents such as risk management policy statement, self-

insurance plan document, safety policy statement--documents needed by virtually all transit systems to establish guidelines for their risk management programs;

- Prototype insurance specifications--useful for agencies when they conduct periodic requests for proposals for insurance coverages;
- Bibliography--risk management publications; and
- Glossary--standard insurance and risk management terms defined and cross-referenced to the bibliography.

System Requirements

To use *Transit Risk Manager*, the following system characteristics are required:

- An IBM-compatible personal computer with a 486 or higher microprocessor;
- Microsoft Windows 3.1®; (Note: The software has not been tested on Windows 95™.)
- A hard drive with at least 15 megabytes (MB) of free space;
- At least 4MB of random-access memory (RAM), 8MB preferred; and
- Optional: Microsoft Excel® and Word® are needed to take full advantage of ancillary resources offered by the software.

Advantages for the Bus Transit System

For bus transit systems, *Transit Risk Manager* validates current risk management practices, is an educational and resource tool, functions as a low cost "outside expert," offers credible, industry recognized recommendations, and provides sample documents such as prototype insurance specifications.

Development of *Transit Risk Manager*

Transit Risk Manager was developed with substantial assistance from bus transit system managers. First, a project panel that included managers from bus systems of various sizes was responsible for project oversight, including review of the software design concept, the content of many elements contained in the software, and field testing of the software at various stages of development. Second, advanced versions of the software were further field tested at a number of additional bus systems of various sizes. At each stage of field testing, feedback obtained from bus system managers was used to refine and improve the software to better meet the needs of potential users. Feedback from the field testing and early distribution of the final software product has been very positive.

POTENTIAL USERS OF *TRANSIT RISK MANAGER*

Given the decentralization of the risk management function in many bus transit systems, the following staff professionals could benefit from using *Transit Risk Manager*:

General Manager,
Risk Manager,
Operations Manager,
Safety Personnel,
Maintenance Manager,
Claims Staff,
Purchasing Agent,
Personnel Director,
Financial Manager,
Contracts Administrator, and
Construction Manager.

These **Digests** are issued in the interest of providing an early awareness of the research results emanating from projects in the TCRP. By making these results known as they are developed, it is hoped that the potential users of the research findings will be encouraged toward their early implementation. Persons wanting to pursue the project subject matter in greater depth may do so through contact with the Cooperative Research Programs Staff, Transportation Research Board, 2101 Constitution Ave., N.W., Washington, DC 20418.

The software is particularly useful to small- and medium-sized bus transit systems that do not have dedicated risk management staff.

HOW TO OBTAIN *TRANSIT RISK MANAGER*

A copy of the *Transit Risk Manager* software and user's guide can be obtained free of charge by contacting the American Public Transit Association (APTA) at the following address:

American Public Transit
Association
c/o TCRP Dissemination
1201 New York Avenue, N.W.
Washington, DC 20005
Fax: (202) 898-4019
e-mail: tcrp@apta.com

Please include name and mailing address on the request. It is not necessary to be a member of APTA to obtain a copy.

OTHER TCRP PROJECT G-3 PRODUCTS AVAILABLE

In addition to the *Transit Risk Manager* software summarized in this Research Results Digest, guidelines for the consistent collection, categorization, and dissemination of bus transit loss data were also produced under TCRP Project G-3. These guidelines are presented in *TCRP Research Results Digest No. 11*, "Guidelines for the Consistent Collection, Categorization, and Dissemination of Bus Transit Loss Data." A copy of this Research Results Digest can be obtained free of charge by contacting the American Public Transit Association (APTA) at the address listed previously.