

# Port Risk Management and Insurance Guidebook

September 1998



U.S. Department of Transportation  
**Maritime Administration**

# **Port Risk Management and Insurance Guidebook**

---

**September 1998**

**Prepared by:**

**Office of Ports and Domestic Shipping  
Maritime Administration  
U.S. Department of Transportation**

**In cooperation with:**

**The American Association of Port Authorities**

## **LEGAL NOTICE**

This report was prepared as an account of government-sponsored work. Neither the United States, nor the Maritime Administration, nor any person acting on behalf of the Maritime Administration –

- (A) Makes any warranty or representation, expressed or implied, with respect to the accuracy, completeness or usefulness of the information contained in this report, or that the use of any information, apparatus, method, or process disclosed in this report may not infringe privately owned rights; or
- (B) Assumes any liabilities with respect to the use of any information, apparatus, method, or process disclosed in this report. As used in the above, "person acting on the behalf of the Maritime Administration" includes any employee or contractor of the Maritime Administration to the extent that such employee or contractor prepares, handles, or distributes, or provides access to any information pursuant to his employment or contract with the Maritime Administration; and
- (C) Represents that this document is intended to provide legal guidance or describes risks and liabilities with legal accuracy.

## FOREWORD

The overall objective of the *Guidebook* is to provide ports with the basic skills and information needed to establish and maintain appropriate and cost-effective insurance and risk management programs. It is designed to serve as a practical "how-to" manual and educational reference text. While it is written from a port's point of view and geared toward the basics of insurance and risk management, experienced port risk managers and other organizations in the industry should find it valuable also.

In 1997, Mr. John Pisani, Director of the Office of Ports and Domestic Shipping in the Maritime Administration (MARAD), discussed with the members of the American Association of Port Authorities' (AAPA) Finance Committee the need to update the original MARAD guidebook. A working group consisting of insurance, safety, and risk management specialists was organized and completed this revised document. A special appreciation and thanks go out to those contributors listed on the following page.

This document is contained in a three-ring binder as a way of facilitating future revisions. All future revised pages will be clearly marked "Revised" and dated. Anyone wishing to ascertain whether there have been any revisions should contact MARAD's Office of Ports and Domestic Shipping at 202/366-4357 for that information.

The report also may be downloaded from MARAD's homepage: <http://marad.dot.gov>. Follow the "What's New" link on the homepage to access it.

# GUIDEBOOK CONTRIBUTORS

## Project Leadership:

Norman S. Arikawa  
Chief Accountant  
Port of Los Angeles  
Project Co-Leader

David Solis  
Manager, Risk Management  
Port of Corpus Christi Authority  
Project Co-Leader

Susan F. Lee  
Port Specialist  
Maritime Administration  
Project Co-Leader

Katherine D. O'Neal  
Deputy Director  
Port of Palm Beach  
Chair, AAPA Finance Committee

Albert J. Francis II, Deputy Executive Director  
Director of Finance, Administration, & Risk Mgmt.  
Canaveral Port Authority  
Vice-Chair, AAPA Finance Committee

## Other Contributors:

Faye S. Carter  
Risk Manager  
Alabama State Docks Dept.

Rita Mae Chappelle, ARM  
Risk Manager  
Port of Seattle

Leonard C. Cross  
Manager, Risk Management  
Arthur Andersen (Boston)

Dan Donaldson  
Risk Manager  
Jacksonville Port Authority

Monica Dove  
Safety Engineer Associate I  
Port of Los Angeles

Cindi Heffernan, CPCU  
Assistant Vice President  
Sedgwick of Washington, Inc.  
(Seattle)

Gordon Heile  
Risk Management Services  
Hugh Wood, Inc.  
(Philadelphia)

J. Michael Mahaffey  
The Kleberg Law Firm  
(Corpus Christi)

Andrea Marzette  
Risk Manager  
Port of Portland

Thomas D. Morelli  
Program Manager, Port and  
Cargo Security  
Maritime Administration

Peter F. O'Connor, CPCU  
Vice President  
Hugh Wood, Inc.  
(Philadelphia)

Reginald Patrick  
Risk Manager  
Port of Houston Authority

Manuel R. Ramirez  
Safety Engineer Associate II  
Port of Los Angeles

Seth Shapiro, CPCU, ARM, AIS  
Senior Vice President  
Sedgwick of Washington, Inc.  
(Seattle)

Edward J. Sheppard  
Partner  
Thompson Coburn  
(Washington)

Edward K. Stephens  
Emergency Preparedness  
Coordinator  
Port of Los Angeles

Charles I. Thompson  
Safety Officer  
Virginia International Terminals,  
Inc. (Norfolk)  
AAPA Safety Committee,  
Appointee to MACOSH

Melissa Thompson  
Assistant Risk Manager  
Canaveral Port Authority

Samuel E. Williams, Jr.  
Risk Manager  
Port of Los Angeles

Robert A. Wolz, ARM  
Senior Vice President  
Sedgwick of Washington, Inc.  
(Seattle)

# TABLE OF CONTENTS

<b>CHAPTER 1: THE RISK MANAGEMENT PROCESS .....</b>	<b>1--1</b>
<b>The Risk Management Decision Process .....</b>	<b>1--2</b>
Identification and Measurement of Loss Exposures .....	1--2
Identification of Loss Exposures .....	1--2
Areas of Potential Loss .....	1--2
Measurement of Loss Exposures .....	1--3
Developing Risk Management Techniques for Loss Exposures .....	1--4
Identifying and Examining Alternative Techniques .....	1--4
Risk Control Alternatives .....	1--4
Exposure Avoidance .....	1--4
Loss Prevention .....	1--4
Loss Reduction .....	1--4
Segregation or Separation of Exposures .....	1--4
Pooling .....	1--5
Non-insurance (Contractual) Transfer .....	1--5
Risk Financing Alternatives .....	1--5
Retention .....	1--5
Contractual Risk Transfer .....	1--5
Insurance Required of Others (Risk Transferees) .....	1--5
<b>Selecting the Most Appropriate Risk Management Alternatives .....</b>	<b>1--6</b>
<b>Implementation of Selected Alternatives .....</b>	<b>1--7</b>
<b>Monitoring and Improving the Selected Alternatives .....</b>	<b>1--7</b>
<b>The Role of the Risk Manager .....</b>	<b>1--8</b>
<b>Management's Role in Risk Management .....</b>	<b>1--8</b>
<b>Continuing Education .....</b>	<b>1--8</b>
<b>CHAPTER 2: RISK MANAGEMENT ADMINISTRATION .....</b>	<b>2--1</b>
<b>Risk Management Policy Statement .....</b>	<b>2--1</b>
Preparing the Risk Management Policy Statement .....	2--3
<b>Risk Management Manuals .....</b>	<b>2--4</b>
Definition .....	2--4
Purpose .....	2--5
Distribution .....	2--5
Contents .....	2--5

<b>Structure and Staffing of the Risk Management Function.....</b>	<b>2--7</b>
Risk Management Responsibilities .....	2--8
Roles and Responsibilities of the Risk Manager .....	2--8
Directing the Risk Management Function .....	2--9
Identifying and Assessing Loss Exposures .....	2--10
Risk Control .....	2--10
Transferring or Financing Risks.....	2--10
<b>Risk Management Annual Report .....</b>	<b>2--11</b>
Summary and Highlights.....	2--11
Financial.....	2--11
Loss Prevention and Safety.....	2--11
Insurance .....	2--11
Claims and Other Services .....	2--11
Administration .....	2--11
<b>Selecting Brokers, Agents, and Consultants .....</b>	<b>2--12</b>
Broker Selection.....	2--13
Selection Techniques .....	2--13
Marketing.....	2--13
Direct Writing Insurers .....	2--13
Fees Versus Commissions.....	2--15
Commission Income.....	2--15
Access to Insurance Markets.....	2--16
Other Functions.....	2--16
Consultants.....	2--17
<b>Insurance Purchasing .....</b>	<b>2--18</b>
Competitive Bidding Based on Rigid Specifications .....	2--18
Competitive Bidding With Alternate Options Acceptable .....	2--20
Informal Bidding Without Specifications .....	2--20
Placement Through A Designated Agent Or Broker.....	2--20
Placement Through An Agents' Association .....	2--21
Periodic Bidding With Interim Negotiations of Renewals .....	2--21
Named Insured .....	2--22
Consolidation .....	2--22
Cancellation Provisions.....	2--22
Anniversary or Expiration Dates.....	2--22
Marketing the Port's Insurance Program.....	2--23
Timing.....	2--23
Market .....	2--24
Insurance Company Solvency Ratings.....	2--24
Time Needed For Marketing.....	2--26
Marketing Specifications .....	2--26
General Points .....	2--27
Agency Company Organization for Research & Development (ACORD) or Carrier Application Forms .....	2--27
Format .....	2--27
Exposure Analysis.....	2--27
Liability Underwriting Specifications .....	2--27
Property Underwriting Specifications .....	2--28

<b>Structure and Staffing of the Risk Management Function.....</b>	<b>2--7</b>
Risk Management Responsibilities .....	2--8
Roles and Responsibilities of the Risk Manager .....	2--8
Directing the Risk Management Function.....	2--9
Identifying and Assessing Loss Exposures .....	2--10
Risk Control .....	2--10
Transferring or Financing Risks.....	2--10
<b>Risk Management Annual Report.....</b>	<b>2--11</b>
Summary and Highlights.....	2--11
Financial.....	2--11
Loss Prevention and Safety.....	2--11
Insurance .....	2--11
Claims and Other Services .....	2--11
Administration .....	2--11
<b>Selecting Brokers, Agents, and Consultants .....</b>	<b>2--12</b>
Broker Selection.....	2--13
Selection Techniques .....	2--13
Marketing .....	2--13
Direct Writing Insurers .....	2--13
Fees Versus Commissions.....	2--15
Commission Income.....	2--15
Access to Insurance Markets.....	2--16
Other Functions.....	2--16
Consultants.....	2--17
<b>Insurance Purchasing .....</b>	<b>2--18</b>
Competitive Bidding Based on Rigid Specifications .....	2--18
Competitive Bidding With Alternate Options Acceptable .....	2--20
Informal Bidding Without Specifications .....	2--20
Placement Through A Designated Agent Or Broker.....	2--20
Placement Through An Agents' Association .....	2--21
Periodic Bidding With Interim Negotiations of Renewals .....	2--21
Named Insured .....	2--22
Consolidation .....	2--22
Cancellation Provisions.....	2--22
Anniversary or Expiration Dates.....	2--22
Marketing the Port's Insurance Program.....	2--23
Timing.....	2--23
Market.....	2--24
Insurance Company Solvency Ratings.....	2--24
Time Needed For Marketing.....	2--26
Marketing Specifications .....	2--26
General Points .....	2--27
Agency Company Organization for Research & Development (ACORD) or Carrier Application Forms .....	2--27
Format .....	2--27
Exposure Analysis.....	2--27
Liability Underwriting Specifications .....	2--27
Property Underwriting Specifications .....	2--28



Special Underwriting Data.....	2--28
Products Liability.....	2--28
Unusual Exposures.....	2--29
Severity Analysis.....	2--29
Special Perils.....	2--29
Miscellaneous.....	2--29
Marketing the Excess Layer.....	2--30
Other Considerations.....	2--30
<b>Information and Records.....</b>	<b>2--30</b>
Insurance Document Preservation.....	2--31
<b>Claims Administration.....</b>	<b>2--31</b>
Workers' Compensation.....	2--31
General Liability and Automobile Claims.....	2--32
Property Damage.....	2--32
<b>Risk Management Audits.....</b>	<b>2--33</b>
Benefits of a Risk Management Audit.....	2--33
The Risk Management Auditor.....	2--33
Scope of the Audit.....	2--33
Timing.....	2--34
Information Required.....	2--34
Audit Process.....	2--34

## **CHAPTER 3: LOSS FREQUENCY, SEVERITY, & FORECASTING.....3--1**

## **CHAPTER 4: IDENTIFICATION OF LOSS EXPOSURES.....4--1**

<b>Importance of Identification Process.....</b>	<b>4--1</b>
Inspections.....	4--1
Internal Records.....	4--1
External Sources of Information.....	4--3
Outside Specialists.....	4--3
<b>Common Exposures and Risks.....</b>	<b>4--3</b>
Liability To Others.....	4--4
Public Officials Liability.....	4--4
Employment Practices Liability.....	4--4
Bailments.....	4--4
Motor Vehicle Liability.....	4--5
Product Liability.....	4--5
Contractual Liability.....	4--5
Aircraft Liability.....	4--6
Watercraft Liability.....	4--6
Pollution Liability.....	4--6
Professional Liability.....	4--6
Completed Operations Liability.....	4--7
Personal Injury Liability.....	4--7
Fiduciary Liability.....	4--7
Employee Benefits Liability.....	4--7
Joint Ventures.....	4--7

Wharfinger's Liability.....	4--7
Mutual Aid Liability.....	4--8
Charterers Liability.....	4--8
Liability to Employees.....	4--8
Workers' Compensation, Other Statutory Liabilities, and Employers' Liability.....	4--8
Terminal Operators Liability.....	4--9
Garage Operations.....	4--9
Damage to Owned or Leased Property.....	4--10
Piers, Wharves, and Docks.....	4--10
Electronic Data Equipment and Media.....	4--10
Storage Tanks.....	4--10
Boiler, Machinery, and Equipment Breakdown.....	4--10
Mobile Equipment and Vehicles.....	4--10
Fire Sprinkler Leakage.....	4--10
Bridges.....	4--11
Boats and Barges.....	4--11
Locks.....	4--11
Radio Masts and Antennas.....	4--11
Valuable Papers and Records.....	4--11
Accounts Receivable.....	4--11
Crime.....	4--12
Loss of Use of Property.....	4--12
Channel Blockage.....	4--12
Damage to Real and Personal Property.....	4--12
Facilities Leased or Rented to Others.....	4--12
Consequential Loss.....	4--12
Contingent Business Interruption Exposures.....	4--13
Transit Business Interruption.....	4--13
Loss of Information.....	4--13
Leasehold Interests.....	4--13
Strikes.....	4--13
<b>Managing Environmental Hazards.....</b>	<b>4--13</b>
Organizations and Agencies.....	4--14
Federal.....	4--14
Environmental Protection Agency (EPA).....	4--14
Occupational Safety and Health Administration (OSHA).....	4--14
U.S. Coast Guard (USCG).....	4--14
U.S. Army Corps of Engineers (USACE).....	4--14
Federal Emergency Management Agency (FEMA).....	4--15
National Oceanic and Atmospheric Administration (NOAA).....	4--15
National Institute of Occupational Safety and Health (NIOSH).....	4--15
Non-Federal.....	4--15
Air Quality Management District (AQMD).....	4--15
Board of Equalization (BOE), or its equivalent.....	4--15
American Industrial Hygiene Association (AIHA).....	4--15
National Fire Protection Association (NFPA).....	4--15
Technical Resources.....	4--15
Chemical Transportation Emergency Center (CHEMTREC).....	4--15
Chemical Evaluation Search and Retrieval System (CESARS).....	4--16
Chemical Information (CHEMINFO).....	4--16
Chemical Hazards Response Information System (CHRIS).....	4--16
Federal Health, Safety, Labor, and Environmental Statutes and Their Regulations.....	4--16
The Clean Air Act (CAA).....	4--16
The Clean Water Act (CWA).....	4--16

Comprehensive Environmental Response Compensation, and Liability Act of 1980 (CERCLA) .....	4--17
Superfund Amendments and Reauthorization Act of 1986 (SARA).....	4--17
The Noise Control Act of 1972.....	4--17
Resource Conservation and Recovery Act (RCRA) .....	4--17
Hazardous and Solid Waste Act Amendments of 1984 (HSWA) .....	4--17
Hazardous Waste Operations and Emergency Response (HAZWOPER).....	4--17
Toxic Substance Control Act of 1986 (TSCA) .....	4--17
Asbestos Hazard Emergency Response Act of 1986 (AHERA) .....	4--17
The Emergency Planning and Community Right-to-Know Act of 1986 (EPCRA) .....	4--17
Longshore & Harbor Workers' Compensation Act (USL&H).....	4--17
Jones Act.....	4--17
The Occupational Safety and Health Act of 1970.....	4--17

## **CHAPTER 5: TREATMENT OF RISKS.....5--1**

### **Risk Management.....5--1**

### **Loss Control.....5--1**

#### Safety Committees .....5--3

### **Non-Insurance Transfer of Risk .....5--4**

#### Contractual Transfer to Contractors, Suppliers, Etc.....5--5

##### Limited Form Hold-Harmless .....5--5

##### Intermediate Form Hold-Harmless.....5--6

##### Broad Form Hold-Harmless .....5--6

##### Transfer of Risk by Port Tariff Provisions.....5--6

##### Contractor Insurance Requirements .....5--8

#### Certificates of Insurance .....5--9

### **Loss Financing.....5--10**

#### Loss Development.....5--10

##### Claims Reserving .....5--10

##### Claims Payment Patterns.....5--10

#### Loss Financing Alternatives.....5--12

##### Guaranteed Cost Plans .....5--13

##### Loss Sensitive Rating Plans .....5--14

#### Retention Loss Financing Alternatives .....5--17

##### Self-Insurance Without Pre-Planned Funding.....5--17

##### Self-Insurance With Pre-Planned Funding.....5--17

##### Captive Insurance Company .....5--18

## **CHAPTER 6: INSURANCE COVERAGES.....6--1**

### **Property – Direct Damage.....6--1**

#### Named Perils .....6--1

#### All Risks.....6--1

#### Flood Insurance.....6--2

#### Builders Risk.....6--2

#### Valuation.....6--2

#### Actual Cash Value vs. Replacement Cost.....6--3

Coinsurance Clause.....	6--3
Agreed Amount Endorsement.....	6--4
Specific and Blanket Limits of Coverage.....	6--4
Loss Due to Application of Building Codes .....	6--4
Valuable Papers and Records .....	6--5
Equipment Floater.....	6--5
Property – Time Element .....	6--5
<b>Business Interruption Insurance.....</b>	<b>6--5</b>
Extra Expense .....	6--6
<b>Boiler &amp; Machinery Insurance .....</b>	<b>6--7</b>
Coverage Forms .....	6--7
Coverage .....	6--7
Method of Valuation .....	6--8
Indirect or Time Element Insurance.....	6--8
<b>Fidelity Insurance.....</b>	<b>6--8</b>
Public Employees Blanket Bond.....	6--9
Public Employees Blanket Position Bond.....	6--9
Faithful Performance Provisions .....	6--9
Employees Covered / Employees Excluded.....	6--9
<b>Money and Securities Insurance .....</b>	<b>6--10</b>
<b>Forgery Insurance.....</b>	<b>6--10</b>
<b>General Liability .....</b>	<b>6--10</b>
Commercial General Liability Form .....	6--10
Extensions and Modifications to Coverage.....	6--11
Incidental Medical Malpractice.....	6--11
Defense of Persons or Property.....	6--11
Employee vs. Employee Claim Exclusion .....	6--11
Non-owned Watercraft.....	6--11
<b>Owner Controlled Insurance Program (OCIP).....</b>	<b>6--11</b>
Reasons for an OCIP.....	6--12
How an OCIP Works .....	6--13
<b>Automobile Liability and Physical Damage Insurance.....</b>	<b>6--14</b>
Coverage .....	6--14
Medical Payments Coverage.....	6--15
Contractual Liability .....	6--15
Fellow Employee Exclusion.....	6--15
Employee Use of Vehicles .....	6--15
<b>Public Officials Liability.....</b>	<b>6--16</b>
Policy Forms .....	6--16
Employment Practices Liability .....	6--16
<b>Police Professional Liability .....</b>	<b>6--17</b>
Policy Forms .....	6--17
<b>Umbrella Liability .....</b>	<b>6--17</b>
Extension and Modifications to Coverage .....	6--17

<b>Marine Insurance</b> .....	<b>6--18</b>
Coverage Forms .....	6--18
Commercial General Liability .....	6--18
Protection and Indemnity .....	6--18
Wharfingers Liability .....	6--18
Stevedores Liability .....	6--19
Warehouseman’s Legal Liability .....	6--19
Pilots Liability .....	6--19
Towers Liability or “Tugboat” Insurance .....	6--19
Hull Insurance .....	6--19
Railroad Liability .....	6--20
<b>Environmental Liability</b> .....	<b>6--20</b>
<b>Workers’ Compensation</b> .....	<b>6--21</b>
Policy Form and Coverage .....	6--21
Extensions of Coverage.....	6--22
Voluntary Compensation Endorsement.....	6--22
In Rem Endorsement.....	6--22
Workers’ Compensation Acts .....	6--22
U.S. Longshore and Harbor Workers’ Compensation Act.....	6--22
Jones Act.....	6--23
Federal Employers’ Liability Act.....	6--23
<b>Miscellaneous Insurance Coverages</b> .....	<b>6--23</b>
Management Information Systems (MIS).....	6--23
Non-Owned Aircraft .....	6--24
Special Events Liability .....	6--24
<b>CHAPTER 7: EMERGENCY MANAGEMENT PLANNING</b> .....	<b>7--1</b>
Introduction.....	7--1
Plan Development.....	7--1
Plan Content .....	7--1
<b>CHAPTER 8: PORT SECURITY PLANNING</b> .....	<b>8--1</b>
Port Security Applications of Systemic Risk Analysis .....	8--1
Risk Assessment.....	8--1
Risk Management .....	8--1
Security Issues .....	8--1
Risks/Threats.....	8--2
Port Security Pre-Planning .....	8--2

<b>Development of A Port Security Plan</b> .....	8--2
Assessment.....	8--2
Field Interviews.....	8--3
Physical Survey.....	8--3
Internal Review.....	8--3
<b>Summation</b> .....	8--3

**APPENDIX A: RESOURCES ..... A--1**

<b>Glossary of Insurance Terms and Coverages</b> .....	A--1
--	------

<b>Risk Management Organizations</b> .....	A--9
--	------

<b>List of Public Port Risk Managers (by region)</b> .....	A--11
--	-------

North Atlantic.....	A--11
South Atlantic.....	A--12
Gulf.....	A--13
North Pacific.....	A--14
South Pacific.....	A--15
Great Lakes & Saint Lawrence Seaway.....	A--16

<b>Reference Books and Periodicals</b> .....	A--17
--	-------

Books.....	A--17
Periodicals.....	A--19
Specialized Reference Materials.....	A--20
Emergency Management.....	A--20
Port Security.....	A--20
Miscellaneous.....	A--22

<b>Miscellaneous</b> .....	A--23
----------------------------	-------

Other Organizations.....	A--23
--------------------------	-------

**APPENDIX B: EXHIBITS ..... B--1**

<b>Exhibit A: Best's Ratings, Financial Performance Ratings, and Financial Size Categories</b> .....	B--1
--	------

<b>Exhibit B: Risk Management Annual Report</b> .....	B--2
---	------

<b>Exhibit C: Expected Loss Calculation – Payroll Basis</b> .....	B--3
---	------

<b>Exhibit D: Expected Loss Calculation – Payroll Basis Summary</b> .....	B--4
---	------

<b>Exhibit E: Loss Development Factors (as of 1997)</b> .....	B--5
---	------

<b>Exhibit F: Cumulative Payout Profiles (as of 1997)</b> .....	B--6
---	------

<b>Exhibit G: Business/Commercial Auto Policy</b> .....	B--7
---	------

<b>Exhibit H: Sample Auto Liability – Additional Insured Endorsement</b> .....	B--9
--	------

<b>Exhibit I: Marine Terminal Definition Discussion</b> .....	B--10
---	-------

<b>APPENDIX C: EXPOSURE IDENTIFICATION QUESTIONNAIRE.....</b>	<b>C--1</b>
<b>General Information .....</b>	<b>C--1</b>
<b>Basic Insurance/Risk Management System and Procedures.....</b>	<b>C--7</b>
<b>Automobile Physical Damage and Liability Exposures .....</b>	<b>C--13</b>
<b>Premises-Operations Liability Exposures.....</b>	<b>C--16</b>
Premises Hazards .....	C--16
Elevators.....	C--17
Operational Hazards.....	C--17
Environmental Impairment .....	C--21
Advertising.....	C--23
Employee Benefit Plan Exposures .....	C--24
Personnel Practices/Relations .....	C--25
<b>Completed Operations Liability Exposures.....</b>	<b>C--26</b>
<b>Contractual Liability Exposures.....</b>	<b>C--29</b>
<b>Professional/Errors and Omissions .....</b>	<b>C--31</b>
Liability Exposures .....	C--31
<b>Personnel and Workers' Compensation Exposures.....</b>	<b>C--32</b>
<b>Owned/Leased Aircraft Liability and Physical Damage Exposures.....</b>	<b>C--37</b>
<b>Owned/Leased Watercraft Liability and Physical Damage Exposures.....</b>	<b>C--39</b>
<b>Real and Personal Property Exposures.....</b>	<b>C--41</b>
General Information.....	C--41
Personal Property of Others .....	C--43
Machinery, Equipment, Tools, Dies, etc.....	C--43
Stock (Raw, in Process, and Finished).....	C--45
Plate Glass and Signs .....	C--46
Fine Arts.....	C--46
Valuable Papers.....	C--47
Accounts Receivable.....	C--47
Miscellaneous Personal Property .....	C--48
Mobile (i.e., Contractor's) Equipment .....	C--48
Data Processing.....	C--49
<b>Enclosures .....</b>	<b>C--51</b>

## LIST OF FIGURES

Figure 1	Loss Exposure Matrix .....	1-4
Figure 2	Loss Exposure Tools Matrix .....	1-7
Figure 3	Sample Risk Management Policy Statement .....	2-3

Figure 4	Broker Selection Techniques .....	2-14
Figure 5	Insurance Company Ratings.....	2-25
Figure 6	Sample Safety and Loss Control Policy.....	5-2
Figure 7	Loss Development Factors.....	5-11
Figure 8	Claims Payout Profile As a Percentage of Ultimate Incurred Losses .....	5-12
Figure 9	Illustration of Workers' Compensation – Loss Development, Payout Profile, & Investment Value of Unpaid Reserves.....	5-13
Figure 10	Retrospective Rating Plan – Premium Calculation .....	5-16
Figure 11	Captive Insurance Company.....	5-20
Figure 12	Comparison Between OCIP and Individual Program .....	6-12