

APPENDIX B: EXHIBITS

EXHIBIT A: BEST'S RATINGS, FINANCIAL PERFORMANCE RATINGS, AND FINANCIAL SIZE CATEGORIES

Best's Ratings

<u>Secure Best's Rating</u>	
A++ and A+	Superior
A and A-	Excellent
B++ and B+	Very Good
<u>Vulnerable Best's Ratings</u>	
B and B-	Fair
C++ and C+	Marginal
C and C-	Weak
D	Poor

Best's Financial Performance Ratings (FPR)

<u>Secure FPR Ratings</u>	
FPR 9	Very Strong
FPR 8 and 7	Strong
FPR 6 and 5	Good
<u>Vulnerable FPR Ratings</u>	
FPR 4	Fair
FPR 3	Marginal
FPR 2	Weak
FPR 1	Poor

Financial Size Category (FSC)

<u>Rating</u>	<u>Capital+Surplus+Reserves</u> <u>(\$Millions)</u>
FSC I	less than 1
FSC II	1 to 2
FSC III	2 to 5
FSC IV	5 to 10
FSC V	10 to 25
FSC VI	25 to 50
FSC VII	50 to 100
FSC VIII	100 to 250
FSC IX	250 to 500
FSC X	500 to 750
FSC XI	750 to 1,000
FSC XII	1,000 to 1,250
FSC XIII	1,250 to 1,500
FSC XIV	1,500 to 2,000
FSC XV	greater than 2,000

EXHIBIT B: RISK MANAGEMENT ANNUAL REPORT

Sample Outline*

- I Introduction and Summary

- II Insurance and Risk Funding
 - A. Summary of Coverages and Premiums

 - B. Summary of Risk Financing Program
 - 1. Gross costs
 - 2. Net costs
 - 3. Maximum / Minimum Possibilities
 - 4. Additional Options

- III Crisis Management

- IV Losses and Recoveries

- V Loss Control Activities

- VI Achievements of Special Interest

*This sample format is intended only as a general guide which can be modified to accommodate the unique nature of your organization.

EXHIBIT C: EXPECTED LOSS CALCULATION – PAYROLL BASIS

ABC Corporation Workers' Compensation

Period	Type	Incurred Losses	Development Factor	Adjust to Current Law	Ultimate Losses	Ultimate Combined Losses
95-96	Medical	47,942	X 1.031*	X 1.000	49,428	
	Indemnity	480,213	X 1.531	X 1.002	736,677	786,105
94-95	Medical	74,319	X 1.074*	X 1.000	79,818	
	Indemnity	717,114	X 1.259	X 1.005	907,360	987,178
93-94	Medical	44,077	X 1.132*	X 1.000	49,895	
	Indemnity	552,644	X 1.183	X 0.990	647,240	697,135
92-93	Medical	26,581	X 1.166*	X 1.000	30,994	
	Indemnity	538,901	X 1.148	X 1.017	629,176	660,170
91-92	Medical	25,809	X 1.229*	X 1.000	31,719	
	Indemnity	628,581	X 1.127	X 1.074	760,833	792,552
90-91	Medical	24,903	X 1.299*	X 1.000	32,349	
	Indemnity	646,325	X 1.113	X 1.212	871,864	904,213

*Paid medical claims adjusted for inflation only.

EXHIBIT D: EXPECTED LOSS CALCULATION – PAYROLL BASIS SUMMARY

**ABC Corporation
Workers' Compensation**

Period	Payroll	Inflation Factor	Adjusted Payroll	Combined Ultimate Losses	Loss Rate Per \$1,000 Payroll
95-96	29,401,134	X 1.029	30,253,767	786,105	25.984
94-95	25,664,265	X 1.057	27,127,128	987,178	36.391
93-94	23,231,901	X 1.081	25,113,685	697,135	27.759
92-93	20,980,234	X 1.103	23,141,198	660,170	28.528
91-92	21,454,615	X 1.128	24,200,805	792,552	32.749
90-91	22,942,315	X 1.165	26,727,796	904,213	33.830
				Best	25.984
				Worst	36.391
				Average	30.873
				Wt. Average	30.716

1997 Payroll Estimate \$32,000,000

	<u>Estimated Losses</u>
Best	831,488
Worst	1,164,512
Average	987,936
Wt. Average	982,912

EXHIBIT E: LOSS DEVELOPMENT FACTORS (AS OF 1997)

Liability, Auto, and Workers' Compensation Incurred to Ultimate

Age in Months	General Liability Including Products	Auto	Workers' Compensation
12	N/A	N/A	1.612
18	3.966	1.154	1.437
24	3.169	1.114	1.261
30	2.625	1.064	1.216
36	2.082	1.045	1.171
42	1.841	1.027	1.151
48	1.600	1.019	1.131
54	1.495	1.012	1.120
60	1.390	1.009	1.109
66	1.340	1.006	1.102
72	1.290	1.005	1.095
78	1.259	1.004	1.089
84	1.228	1.000	1.083
90	1.206	1.000	1.079
96	1.183	1.000	1.075
108	1.160	1.000	1.050
120	1.136	1.000	N/A
132	1.114	1.000	N/A

EXHIBIT F: CUMULATIVE PAYOUT PROFILES (AS OF 1997)

Year	General Liability Including Products	Auto Liability	Workers' Compensation
1	8%	32%	22%
2	18%	63%	47%
3	30%	79%	62%
4	42%	89%	71%
5	54%	94%	77%
6	63%	96%	81%
7	70%	97%	84%
8	75%	98%	86%
9	79%	98%	87%
10	82%	99%	89%
>10	100%	100%	100%

EXHIBIT G: BUSINESS/COMMERCIAL AUTO POLICY

EXHIBIT H: SAMPLE AUTO LIABILITY – ADDITIONAL INSURED ENDORSEMENT

City of Los Angeles
Los Angeles Harbor Department – Risk Management Section

AUTO LIABILITY – ADDITIONAL INSURED ENDORSEMENT

In consideration of the premium charged and notwithstanding any inconsistent statement in the policy to which this endorsement is attached or any endorsement now or hereafter attached thereto, it is agreed as follows:

1. **ADDITIONAL INSURED.** The City of Los Angeles Harbor Department, its officers, agents and employees are included as additional insureds with regard to liability and defense of claims arising from the operations and uses performed by or on behalf of the named insured regardless of whether liability is attributable to the named insured or a combination of the named insured and the additional insured.
2. **CONTRIBUTION NOT REQUIRED.** Any other insurance maintained by the City of Los Angeles Harbor Department shall be excess of this insurance and shall not contribute with it.
3. **SEVERABILITY OF INTEREST.** This insurance applies separately to each insured against whom claim is made or suit is brought except with respect to the company's limits of liability. The inclusion of any person or organization as an insured shall not affect any right which such person or organization would have as a claimant if not so included.
4. **CANCELLATION NOTICE.** With respect to the interest of the additional insured, the insurance shall not be cancelled, changed in coverage, reduced in limits or non-renewed except after thirty (30) days prior written notice by certified mail return receipt requested has been given to both the City Attorney of Los Angeles and the Board of Harbor Commissioners addressed as follows:

City Attorney	Board of Harbor Commissioners
Harbor Division	425 South Palos Verdes Street
425 South Palos Verdes Street	San Pedro, Ca 90731
San Pedro, Ca 90731	Attn: Risk Manager
5. **APPLICABILITY.** This insurance pertains to the operations and/or tenancy of the named insured under all written agreements and permits in force with the City of Los Angeles Harbor Department unless checked below in which case only the following specific agreements and permits with the City of Los Angeles Harbor Department are covered:

Agreement/Permit
 Number(s) _____

Except as stated above, nothing herein shall be held to waive, alter or extend any of the limits, conditions, agreements or exclusions of the policy to which this endorsement is attached.

I _____ (print/type name), warrant that I have authority to bind the below-listed insurance company and by my signature hereon do so bind this company. Signature: _____ Authorized Representative (ORIGINAL SIGNATURE required on copy furnished to the Board of Harbor Commissioners.) Title: _____ Organization: _____ Address: _____ Telephone: _____ (_____) _____	Report claims pursuant to this insurance to: Name: _____ Address: _____ City _____ State _____ Zip _____ Telephone _____ (_____) _____
Includes: (check as applicable) <input type="checkbox"/> Owned automobiles <input type="checkbox"/> Hired automobiles <input type="checkbox"/> Non-owned automobiles <input type="checkbox"/> _____	

Type of Coverage	Limits of Liability	Policy Period
		<input type="checkbox"/> Deductible \$ _____ <input type="checkbox"/> Self-insured Retention \$ _____
		From _____ To _____ For _____ (Coverage) <input type="checkbox"/> Claim P <input type="checkbox"/> Occurrence

Other Conditions:

Named Insured and Address			
Insurance Company	Policy Number	Endorsement Number	Effective Date of Endorsement

Form 10 (10/96)

EXHIBIT I: MARINE TERMINAL DEFINITION DISCUSSION

To underscore the complexity of the legal system, a good example of the interplay between legal requirements that can lead to uncertainty to everyday activity is the legal treatment of a marine terminal. The law deals with the terminal at various times, and, occasionally, at the same time, as different legal entities. The uncertainty created by different liability concepts can be viewed as an administrative obstacle to implementing a risk management plan. For example, a marine terminal can be viewed as one of eight different legal entities, depending upon the facts:

1. A Surface Transportation Board (STB)¹ common carrier (assuming the terminal performs functions that subject it to the jurisdiction of the STB, such as a freight forwarder under §13102(8)² of the Interstate Transportation Act,³ in which case the terminal may obtain the protection of the inland contract of carriage even though the inland bill of lading contains no Himalaya clause);⁴
2. An agent for a STB common carrier (in which case the terminal has less protection);⁵

¹ The Interstate Commerce Commission (ICC) was replaced by the STB by the ICC Termination Act of 1995 (Pub. L. 104-88, 109 Stat. 803), effective January 1, 1996. Under 49 U.S.C. §§13501, 13521, and 13701 jurisdiction over water carriers operating in the noncontiguous domestic trade was transferred to the STB. The STB is part of the U.S. Department of Transportation.

² To be a freight forwarder the terminal must hold itself out to provide transportation for compensation and, in the ordinary course of business, (1) provide for assembling and consolidating or distributing of shipments; (2) assume responsibility for the transportation; and (3) use an ICC common carrier for part of the transportation. This is a recodification of former 49 U.S.C. §10102(9).

³ 49 U.S.C. §§10101-16106, which is a recodification of former 49 U.S.C. §§10101-11901 (the Interstate Commerce Act of 1887). Of relevance here is Part B - Motor Carriers, Water Carriers, Brokers, and Freight Forwarders, 49 U.S.C. §§13101-14914.

⁴ For example, terminals may stuff containers, sort cargo, and transport containers within the confines of their facilities, but to bring themselves within the jurisdiction of the STB, a terminal probably would have to provide transportation of the cargo using a STB common carrier. Relying upon ICC cases, one way to do this would be to establish a wholly owned subsidiary to conduct the actual transportation of cargo as a STB common carrier, and thereby fit within the protection of inland bills of lading (see Puerto Rico Maritime Shipping Auth. v. Valley Freight Sys., 856 F.2d 546 (3rd Cir. 1988)).

In another setting, being associated with railroad terminal services can subject a terminal to STB jurisdiction. Again, looking to ICC cases, this is because of the public policy to encourage a national transportation policy, rather than partial state regulation, and thus grants STB jurisdiction over **intrastate** operations of **interstate** railroad carriers, Interstate Commerce Commission v. Texas, 479 U.S. 450, 452, 455-461 (1987). The Texas case involved a suit by a railroad that provided intrastate carriage of containers or trailers on flat-cars. The railroad argued that under the provisions of the Staggers Rail Act of 1980, 49 U.S.C. § 10505(b) (1982), and ICC regulations issued thereunder, the trucking portion of a continuous multimodal carriage was exempt from state regulation. In that case, although intrastate transportation by motor carriers generally is not subject to ICC regulation, railroads are not motor carriers even during the truck portion of a multimodal movement. Further, although the Texas case involved an intrastate shipment, the shipments were held to fall within the purview of ICC authority because the railroad was ultimately involved in interstate commerce. This same reasoning should apply to the STB regime.

Texas followed Union Stock Yard Co. v. United States, 308 U.S. 213, 216 (1939), where the Supreme Court held that a terminal engaged solely in the loading and unloading of livestock at stockyards was a common carrier subject to the Interstate Commerce Act pursuant to 49 U.S.C. §§10102 and 10105 (since recodified at 49 U.S.C. §13102). To avoid ICC jurisdiction the Union Stock Yard leased in perpetuity to an unrelated company all its railroad facilities except the tracks and chutes used in loading and unloading livestock. In a proceeding to remove its tariff filed with the ICC, Union Stock Yard argued that because it divested itself of all control and operation of the railroad, and held itself out to the public only as a terminal, it was exempt from ICC regulation. The Supreme Court reasoned that under the jurisdictional provisions and the definitions contained in the Interstate Commerce Act, the terminal was a "carrier engaged in the transportation of property wholly by a railroad." Again, these legal principles should apply to the STB.

Finally, a terminal that serves various rail carriers has been held to be a common carrier subject to ICC regulation because it engages in "a public or common calling," United States v. Brooklyn E. Dist. Terminal, 249 U.S. 296 (1919). Since the STB still applies the same statutory definition of a common carrier, this should continue to be good law.

⁵ If a terminal is found to act as an agent for a STB common carrier but it itself not considered a STB common carrier, the terminal will not be protected by a Himalaya clause because the inland bill of lading probably will have no Himalaya clause. The terminal may very well be relegated to the status of a Common Law bailee. In that case unless the terminal can persuade a court to apply the Lerakoli theory of

3. A warehouse (where, unless the element of storage is merely incident to a maritime contract, the terminal is subject to State statutory or Common Law or Article 7 of the Uniform Commercial Code (UCC), and is liable without limitation for loss of the goods (UCC §7-204);⁶
4. A Common Law bailee (where any liability limitation must be contractually agreed upon between the original bailee and bailor);
5. An agent of an ocean carrier (where the agent will be "protected" by any liability limitation which protects the carrier, most likely a Himalayan clause); the issue here usually concerns delivery terms;⁷
6. An agent of a cargo shipper (where the agent will be bound by any liability limitation provisions which the shipper has afforded to the carrier, most likely a Himalayan clause);
7. An agent of a cargo consignee (where the duties as to receipt of the goods will be determined by the terms negotiated by the consignee's principal); and

sub-bailee rather than the Herd theory of limiting the contract terms to "intended beneficiaries" and not extending the carrier's protection to the carrier's agents. Thus, unless the terminal has obtained an indemnity agreement from its principal, the terminal would find itself defenseless and liable without limitation. See Stein Hall & Co. v. S.S. CONCORDIA VIKING, 494 F.2d 287 (2d Cir. 1974); David Crystal, Inc. v. The Cunard S.S. Co., 339 F.2d 295 (2d Cir. 1964), cert. denied, 380 U.S. 976 (1965).

⁶ However, if the terminal's activities were incident to the maritime contract of carriage, the UCC will not apply and the terminal will be accorded the same law that applies to all other participants in the contract of carriage (i.e., limitation of liability. In Moore-McCormack Lines v. International Terminal Operating Co., 619 F. Supp. 1406, 1409 (S.D.N.Y. 1985) the Court set forth the standards to demonstrate that a terminal was not acting solely as a warehouse and its activities were "incident to the maritime contract of carriage" in that they were functions traditionally performed by or for an ocean carrier of goods -

To supply clerical personnel to record delivery and receipt of cargo; to sort and stack cargo; to make repairs to coo-
perage, rebag goods, etc.; to receive and tier outbound cargo; to break down cargo according to lot designations; to
load and unload trucks and harborcraft; and to perform cleaning and general housekeeping on the piers.

⁷ Delivery issues stem from involvement of negotiable bills of lading as opposed to non-negotiable ones. If the cargo was carried pursuant to a negotiable bill of lading, the cargo cannot be delivered by the terminal until the holder of a negotiable bill of lading has surrendered it, usually to the ocean carrier. The basic rule is that the terminal should not release the cargo unless and until the ocean carrier has given permission to do so. Failure to observe this crucial step could force the ocean carrier to pay the value of the cargo plus damages to the actual holder of a negotiable bill of lading, in accordance with the Pomerene Bills of Lading Act, 49 App. U.S.C. §§ 89-91. In violating this rule the terminal probably would be held to have breached its implied warranty of workmanlike service to the ocean carrier and could very likely be required to pay the ocean carrier for the damages it was forced to pay plus the ocean carrier's attorneys fees and costs, David Crystal, Inc. v. Cunard S.S. Co., 339 F.2d 295 (2d Cir. 1965), cert. denied, 380 U.S. 976 (1965) and Morse Electro Prod. Corp. v. S.S. GREAT PEACE, 437 F. Supp. 474 (D.N.J. 1977).

On the other hand, if the cargo is shipped under a straight, or non-negotiable, bill of lading, and if United States law governs the shipment, the ocean carrier may only require the terminal to identify the consignee named on the bill of lading and obtain a receipt from the consignee. The terminal probably will want strict instructions from its principals in this regard.

8. An ocean carrier (*i.e.*, the terminal usually receives the protection of the ocean carrier's bill of lading because of the inclusion of a "Himalaya clause,"⁸ which specifically extends its protection to the terminal⁹ -- United States law is unclear¹⁰, but the weight of authority appears to back the Himalaya clause approach¹¹).

⁸ The term "Himalaya clause" stems from the court case Adler v. Dickson (THE HIMALAYA), 1 Q.B. 158, 183, 184 (1955), in 2A Benedict on Admiralty ¶169 (1995). The HIMALAYA involved a personal injury suit brought by Mrs. Adler, a widow, shopkeeper, and first-class passenger on the S.S. HIMALAYA. When she had returned to the vessel from a shore visit in Trieste, Italy, and was climbing the vessel's gangway, the gangway suddenly moved. The sudden motion threw Mrs. Adler sixteen feet from the gangway to the wharf. Mrs. Adler was prevented from suing the vessel or the vessel's owner by the almost unconscionable language in her passenger ticket. Instead, she sued the vessel's master and boatswain. The vessel owner argued that the defenses in its passenger ticket should be extended to its servants, the master and boatswain.

In what appears to be dicta, the Court maintained that all defenses in the contract of carriage would extend to all participants in its performance: "the master, the stevedores and any other persons who may be engaged in carrying out the services provided for by the contract." In other words, the participants are protected by the contract even though they are not parties to it; they could rely on the contract even though they might be guilty of negligence and are sued in tort. Although the contract protections were not made expressly for the benefit of stevedores and other participants in the contract, the Court suggested the protections were extended to them by "necessary implication."

An example of a simple Himalaya clause is:

All defenses of the carrier shall inure also to the benefit of the carrier's agents, servants and employees and of any independent contractors performing any of the carrier's obligations under its contract of carriage or acting as bailee.

Taken from Secrest Mach. Corp. v. S.S. TIBER, 450 F.2d 285, 286 (5th Cir. 1971).

⁹ The rule is best stated as follows: even though there was only one contract (*i.e.*, the contract evidenced by the bill of lading), the reason why the stevedores and others are protected is because they participated in the performance of it, and the exception or Himalaya clause was made for their benefit while they were performing that contract, even though the stevedores and others were not parties to the contract. So, while the clause was not made expressly for their benefit, it was to benefit them "by necessary implication," which has the legal effect of protecting them. Therefore, they have a sufficient interest in the contract, and specifically in the Himalaya clause, to entitle them to enforce it. Their interest lies in the fact that they participated in so far as the contract affected them and thus they can take those benefits of the contract which relate to their interest. It is therefore one of those "third party beneficiary" cases, which are by no means rare, where a third person is entitled to enforce a contract made between other parties but for the third party's benefit.

¹⁰ Some earlier United States law follows the same rule - A.M. Collins & Co. v. Panama R.R., 197 F.2d 893, 1952 AMC 2054 (5th Cir.), *cert. denied*, 344 U.S. 875, 1952 AMC 2086 (1952). Likewise, the Second Circuit, in Lerakoli, Inc. v. Pan American World Airways, 783 F.2d 33, 36 (2d Cir. 1986), *cert. denied*, 479 U.S. 827 (1986), used a sub-bailee theory rather than upon a formalistic "Himalaya" extension of contractual protections to participants in the contract of carriage (it is established Common Law doctrine that a sub-bailee may take advantage of a liability limitation contractually agreed upon between the original bailee and bailor). Lerakoli involved the loss of diamonds by Pan American World Airways from registered mail carried for the United States Postal Service (USPS). Plaintiff's recourse against the USPS was limited by Article 44(3) of the United States Postal Union Convention to "40 francs (\$15.76) per item," 27 U.S.T. 345, 396 (July 5, 1974). The plaintiff proceeded instead against Pan Am in an attempt to recover the entire value of the diamonds.

However, the Supreme Court of the United States specifically overruled the English approach in Robert C. Herd & Co. v. Krawill Machinery Corp., 359 U.S. 297, 305 (1959). In Herd, a stevedore, while attempting to load a nineteen-ton press onto a ship, dropped the press into the water. The bill of lading had been issued, and the stevedore attempted to take advantage of the \$500 per package limitation. The District Court refused to extend the package limitation to the stevedore, and the Fourth Circuit affirmed, specifically declining to follow the Fifth Circuit's decision in A.M. Collins & Co. v. Panama Railroad, and the Supreme Court likewise affirmed.

¹¹ Generali v. D'Amico, 766 F.2d 485, 487 (11th Cir. 1985); Rupp v. International Terminal Operating Co., 479 F.2d 674, 676-78, (2d Cir. 1973); Secrest Mach. Corp. v. S.S. TIBER, 450 F.2d 285, 286 (5th Cir. 1971); EM Chem. v. S.S. SLOMAN NAJADE, 670 F. Supp. 87 (S.D.N.Y. 1987).

**EXHIBIT J: CANAVERAL PORT AUTHORITY'S HURRICANE CONTINGENCY
PLAN**

PORT CANAVERAL, FLORIDA

HURRICANE CONTINGENCY PLAN

APRIL 1, 2001

CANAVERAL PORT AUTHORITY

HURRICANE CONTINGENCY PLAN

I. Purpose

This document provides guidance to the Canaveral Port Authority, its tenants and its customers in hurricane preparations. To keep the Port area in a state of readiness should a hurricane strike and maintain a listing of available resources and equipment, which could be used in an emergency for rescue or recovery. Also, to promote a smooth effective evacuation of the Port and establish and maintain open communications among federal, state, public and private sectors in the Port Canaveral area; before, during and after a hurricane.

II. Discussion

Various forms of natural disasters may present a serious threat to life and property in the Port Canaveral area. These may include floods, tornadoes, and hurricanes. By far, hurricanes pose the greatest threat to this area and have in the past inflicted heavy losses to people and property along the Florida coastline. This plan is especially cognizant of the vulnerability to vessels and marine facilities, which may lie in the path of the hurricane. Proper liaison and planning among maritime interests can mitigate the threats presented by an impending hurricane.

III. Action

This Hurricane Contingency Plan shall be effective upon receipt. The Canaveral Port Authority Operations Department shall be responsible for maintaining and annually reviewing this plan. Recommendations for improving this plan may be submitted to the Canaveral Port Authority, Attn. Assistant Director of Operations and Emergency Services Coordinator.

Dwight Fender
Director of Operations
Canaveral Port Authority

INTRODUCTION

A. Description of a Hurricane

Hurricanes are tropical cyclones in which winds exceed speeds of 73 miles per hour, and blow in a large spiral around a relatively calm center - the eye of the hurricane. The circulation is counterclockwise in the Northern Hemisphere. Stated very simply, hurricanes are giant whirlwinds in which air moves in a large tightening spiral around a center of extreme low pressure (usually, the lower the pressure, the more intense the storm and the higher the storm tides), reaching maximum velocity in a circular band extending outward 20 to 30 miles from the rim of the eye, where winds may gust to more than 200 miles per hour. The entire storm dominates the ocean surface and lower atmosphere over tens thousands of square miles.

The winds cause a barrage of debris; they sever communication lines and the broken power lines that whip are extremely dangerous torches. Hurricane winds also drive enormous surf before them, and help the storm tides with the work of flooding.

Storm tides are a hurricane's worst killer. As the storm approaches and moves across the coastline, it brings huge surges, raising tidal sea levels 10 to 20 feet or more above normal. The rise may come rapidly and produce flash flooding of coastal lowlands, or may come in the form of giant waves. Hurricane storm tides do other types of damage. Flooding pollutes water supplies, cripples communications, shorts out power lines, causes sewers to back-up and overflow, undermines structures, and drastically revises shipping channels and shorelines.

Torrential rains associated with hurricanes often cause widespread flooding, even after the storm has moved inland and has begun to die.

B. Types of Hurricanes

All hurricanes are dangerous, but some are more so than others. The way storm surge, wind, and other factors combine determines the hurricane's destructive power. To make comparisons easier and to make the predicted hazards of approaching hurricanes clearer to emergency forces, NOAA's hurricane forecasters use a disaster potential scale, which assigns storms to five categories. Category 1 is a minimum hurricane; category 5 is the worst case. The criteria for each category are shown below:

Saffir/Simpson Hurricane Scale

Category	Winds (MPH)	Surge (FT)
1	74-95	4 - 5
2	96-110	6 - 8
3	111-130	9 - 12
4	131-155	13 - 18
5	>155	> 18

C. Hurricane Conditions

Condition #5: June 1st to November 30th - Hurricane Season

This is an awareness condition automatically set at this time of the year.

Condition #4: 72 hours prior to strike - Hurricane Watch

A planning condition indicating there is a hurricane in the Atlantic.

Condition #3: 48 hours prior to strike - Hurricane Watch

A readiness condition indicating that a hurricane may strike the area that is forecasted.

Condition #2: 24 hours prior to strike - Hurricane Warning

An alert condition indicating that a hurricane will probably strike the area forecasted.

Condition #1: 12 hours prior to strike - Hurricane Warning

A period of maximum advisories indicates a hurricane will strike in the area forecasted.

All Clear: An advisory by NOAA that the hurricane has passed and is no further a threat.

PORT PREPAREDNESS

A. Discussion

Primary responsibility for disaster preparedness response rests with State and local governments. However, Federal assistance may be provided when State and local governments are unable to cope with the affects of a disaster. Additionally, the Coast Guard has statutory responsibility to save lives, protect property, and assist other government agencies.

B. Responsibilities

Brevard County

Brevard County supports a 24-hour manned Emergency Communications Center, which is equipped with the equipment necessary to receive warnings from appropriate sources. The Emergency Communications Center will act as the County Warning Point for all occurrences of national, state, and local emergencies, and will serve as the principal Communications and Coordination Center for Brevard County until such time the Brevard County Emergency Operations Center is activated and a deliberative body is convened. Brevard County Office of Emergency Management acting as the County Warning Point and principal coordinating agency will keep the State Division of Emergency Management informed of situations through the National Warning System (ESATCOM) located at the County Emergency Communications Center/Warning Point (Control), at 1746 Cedar Street, Rockledge.

The following Warning Systems are available to the County for the dissemination of warning information:

1. Radio Networks
2. Horns, Air or Mechanical
3. Bells
4. Lights
5. Emergency Broadcast System
6. Or any other method available

The selection of any or all-available warning systems depends on the emergency needs for the dissemination of warning information.

U.S. Coast Guard

Responsibilities of the Marine Safety Office include the following:

1. Providing advance warning to commercial shipping interests.
2. Ensuring major pier areas are clear of explosives, dangerous substances, and polluting materials, and that adequate control of these materials is maintained during and after the storm.
3. Monitoring port areas for hazards, pollution, debris, etc., after passage of the storm/hurricane.

The Coast Guard can be contacted by telephone or radio at the following:

1. Coast Guard Station, Port Canaveral - 853-7601
2. Coast Guard MSO, Port Canaveral - 868-4251
3. Coast Guard MSO, Jacksonville - (904) 791-2648
4. Radio marine channel 16 or working channel 22

Vessels in Port

The vessel's master or person in charge, jointly with its owners and agent, shall conform with the following procedures:

1. On receiving notification that hurricane condition #3 (48 hours prior to strike) is in effect, the master or person in charge shall commence to evaluate the situation and formulate his decision to depart.
2. When the vessel elects to depart port, it should depart as soon as possible, in no case less than 24 hours prior to the predicted hurricane strike time (Condition #2). Masters are cautioned that pilot services are normally suspended when wind forces reach 35-40 knots and of the limited number of tugs in port use. It is therefore important that close contact is maintained between the vessel, pilot, tugs, and port officials.
3. Disabled vessels which request to remain in port shall make their request in writing and hand deliver said request to the Captain of the Port and Port Director no less than 48 hours prior to the predicted strike time (Condition #3).

The written request shall include the following information:

- (a) Name, call sign, and official number of vessel.
 - (b) Nationality of vessel.
 - (c) Name of Master.
 - (d) Name, address, and phone number of agent.
 - (e) Name, mailing address, and phone number of the charterer or operator.
 - (f) Name, mailing address, and phone number of the owner.
 - (g) Gross tonnage.
 - (h) Amount of ballast the vessel may hold.
 - (i) Amount of bunkers, lube oil, and diesel oil on board.
 - (j) Amount and type of dangerous cargo on board (enclose copy of the dangerous cargo manifest).
 - (k) Estimated draft with vessel ballasted.
 - (l) Name of berth and location (Capt. of Port only).
 - (m) Depth of water in the vessel's berth at low tide (Capt. of Port only).
 - (n) Availability of vessel's main propulsion.
 - (o) Describe how vessel will be secured to the berth. Submit a diagram showing the mooring arrangements with the size mooring lines or wire.
 - (p) Condition of vessel's anchors, and number of anchors.
 - (q) Number of officers and crew that will be on board and their positions.
4. The Port Director and Captain of the Port, on receiving this request, will evaluate the situation and so notify the vessel of the determination. Vessels which are allowed to remain in port shall meet the following requirements:
- (a) The vessel shall be moored with sufficient mooring lines and wire to resist the effects of hurricane force winds.
 - (b) Sufficient officers and crew shall be on board to tend mooring lines and the vessel's main propulsion unit and other machinery.
 - (c) The vessel shall be ballasted in accordance with the approved notification methods and techniques.
 - (d) All side ports, hatches, portholes, and other openings shall be closed and secured.
 - (e) Bilge pumps shall be in good operating condition and ready for immediate use.
 - (f) All firefighting equipment shall be rigged on the onshore and offshore sides.
 - (g) At least one pilot ladder shall be rigged on the onshore and offshore sides.
 - (h) A gangway or other suitable means of access between the vessel and the pier shall be rigged.

- (i) At least one fire warp of sufficient strength to tow the vessel shall be rigged at the bow and at the stern on the offshore side of the vessel, no more than six feet from the water's edge.
- (j) Spare mooring lines and/or wires shall be readily available on deck, forward and aft.
- (k) No less than twelve (12) hours before strike time, a continuous radio watch shall be maintained on Channel 16 VHF.
- (l) No less than eight (8) hours before strike time, all galley fires shall be extinguished.

It shall be the Master's responsibility to assure that all of the above conditions are maintained until the Port Director notifies him that normal operations are in effect.

Vessels Re-Entering Port

1. No vessel shall re-enter Port Canaveral until the port has been declared open and safe.
2. Upon notification that the hurricane has passed and is no longer a threat to the Port Canaveral area, the Director of Operations, the pilots, and a representative from the Captain of the Port will establish that the Port is safe for re-entry.
3. The Captain of the Port will make the announcement allowing re-entry on Marine Channel 16.

When an evacuation is called the locks and bridge will remain manned through the evening of the evacuation.

Locks

- Vessels evacuating to the inland waterway should move through the locks as early as possible.
- Masters should not expect the locks to operate after eight (8) hours prior to storm strike.
- During the period of hurricane alerts, the locks will be manned 24 hours daily after an emergency is declared.
- The locks may be contacted on Marine Channel 16 or by phone (407) 783-5421.

Bridge (401)

Under Maritime Law and DOT Regulations, the drawbridge on SR401 will not impede vessel traffic for vehicular traffic. However, SR401 is the southern evacuation route for KSC and Canaveral Air Station as well as the north side of Port Canaveral. Masters and owners should not expect the bridge to remain open so as to trap vehicular traffic on the Barrier Island during a storm.

The Drawbridges at SR 3 and SR 401 will operate hourly on the hour, and begin closing eight (8) hours before gale force winds are present.

NOTE: THE BRIDGES WILL NOT OPEN UNLESS THERE ARE BOATS QUEUED TO PASS THROUGH.

The bridge may be contacted by phone (407) 783-3759.

Port Tenants

1. Coastal Fuels Marketing, Inc. will:
 - (a) Move its barges and tug to the FP&L plant in Cocoa.
 - (b) Bring storage tanks to the recommended level.
 - (c) Secure hose, booms, and trailers in the Port Canaveral area.
2. Warehousemen:
 - (a) Remove all missile hazards and secure loading docks. Secure all pallets.
 - (b) Advise ships and agents of the time that cargo operations will cease.
 - (c) Secure any hazardous materials indoors off the ground.
3. Marinas:
 - (a) Assist owners in securing all hauled vessels.
 - (b) Insure that masts, outriggers, and antennas will not foul power lines.
 - (c) Direct owners to secure all missile hazards.
 - (d) All docked vessels whose owners do not make arrangements to remove their vessels from Port waters will be held liable for any damage their vessels cause.
 - (e) The Canaveral Port Authority strongly recommends the removal of all floating docks. This operation should commence 24 hours prior to hurricane strike (Condition #2). Dock owners who elect not to remove their floating docks will be liable for any damages caused by these docks.

Pilots

1. Pilots will not take vessels in or out of port when wind forces reach 35-40 knots.
2. Additionally, pilots should not be expected to operate after 8 hours prior to storm strike.

Pilots may be contacted on Marine Channel 12 and by phone (407) 783-4645.

Tug Companies

Tug companies should have hurricane recovery plans, which provide for the earliest possible resumption of service after the storm has passed.

1. Port Everglades Towing (Port Canaveral Towing) contact on Marine Channel 12 and by phone (407) 784-4358.
2. Petchem (military contract) contact on Marine Channel 12 and by phone (407) 853-3248.

Owners should expect to pay for tug assistance.

Brevard County Sheriff's Department

The Brevard Sheriff's patrols will increase beginning 24 hours prior to storm strike (Condition #2). They will announce evacuation orders and other civil defense announcements until ordered to evacuate themselves. They will enforce anti-looting laws and block off areas that are unsafe for re-entry.

Military

Military vessels shall be governed by their own respective plans. It is expected that all military vessels will evacuate the port.

Fire Department (CCVFD)

The Cape Canaveral Volunteer Fire Department (CCVFD) is the designated fire department for the Canaveral Port Authority. The CCVFD will normally patrol its areas of responsibility (until it must evacuate) announcing evacuation orders and civil defense announcements with the Sheriff's Department. They will return first and insure that the land side area is safe for re-entry. The fire station is at 190 Jackson Ave., Cape Canaveral. In an emergency dial 911, and for non-emergency, the number is (407) 783-4777.

Individual Action List

The following is a list of the many things to consider before, during and after a hurricane. Some of the safety rules will make things easier for you're during a hurricane. All are important and could help save your life and the lives of others.

1. If the local authorities recommend evacuation, you should leave. Their advice is based on knowledge of the strength of the storm and its potential for death and destruction.
2. If you live on the coastline or offshore islands, plan to leave.
3. If you live in a mobile home, plan to leave.
4. If you live near a river or in a flood plain, plan to leave.

In any case, the ultimate decision to stay or leave will be yours. Study the following list and carefully consider the factors involved - especially the items pertaining to storm surge.

1. At Beginning of Hurricane Season (June)
 - (a) Learn the storm surge history and elevation of your area.
 - (b) Learn safe routes inland.
 - (c) Learn the location of official storm shelters.
 - (d) Determine where to move your boat in an emergency.
 - (e) Trim back dead wood from trees.
 - (f) Check for loose rain gutters and down spouts.
 - (g) If shutters do not protect windows, stock boards or cover glass.
2. When a Hurricane Watch is issued for Your Area

- (a) Check often for official bulletins on radio, TV, or NOAA weather radio.
- (b) Fuel car.
- (c) Check mobile home tie-downs.
- (d) Move small craft to safe shelter.
- (e) Stock up on canned provisions.
- (f) Check supplies of special medicines and drugs.
- (g) Check batteries for radios and flashlights.
- (h) Secure lawn furniture and other loose material outdoors.
- (i) Tape, board, or shutter windows to prevent shattering.
- (j) Wedge sliding glass doors to prevent their lifting from their tracks.

3. When a Hurricane Warning is issued for Your Area

- (a) Stay turned to radio, TV, or NOAA for official bulletins.
- (b) Board up garage and porch doors.
- (c) Plan to leave.
- (d) Move valuables to upper floors.
- (e) Bring in pets.
- (f) Fill containers (bathtub) with several days' supply of drinking water.
- (g) Turn up refrigerator to maximum cold and do not open unless necessary.
- (h) Use telephone only for emergencies.
- (i) Stay indoors on the downwind side of the house, away from windows.
- (j) Beware of the eye of the hurricane.
- (k) Leave mobile homes.
- (l) Leave areas that might be affected by storm surge or stream flooding.
- (m) Leave early - in daylight, if possible.
- (n) Shut off water and electricity at main stations.
- (o) Take small valuable and papers, but travel light.
- (p) Leave food and water for pets.
- (q) Lock up house.
- (r) Drive carefully to nearest designated shelter using recommended evacuation routes.

4. After All Clear is Given

- (a) Drive carefully, watch for dangling electrical wires, undermined roads, and flooded low spots.
- (b) Do not sightsee.

- (c) Report broken or damaged water, sewer, and electrical lines.
- (d) Use caution re-entering home, check for gas leaks, and check food and water for spoilage.

EVACUATION

A. Evacuation by Land

It is expected that all personnel will evacuate the port area if a hurricane threatens to strike. Land evacuation should commence 24 hours prior to strike time (Condition #2). All non-essential personnel should begin leaving to avoid the congestion and long lines of traffic along the evacuation route. It is also possible the SR-528, the Bennett Causeway (the Bee Line) will be impassable very quickly if the winds are high enough. The Brevard County traffic circulation plan indicates it will take at least 4.6 hours to evacuate the Port area.

Evacuation Route: (Port Canaveral)

North of SR-520 and south of SR-528 exit to the north and cross at SR-528 Causeway. Those requiring public sheltering should proceed to Brevard Community College, Cocoa.

B. Marine Evacuation

Evasion at sea is the recommended course of action for seaworthy vessels when winds of hurricane force (60 kt or 74 mph) are expected in the Port Canaveral area. Port Canaveral is very susceptible to the effects of storm surge and is NOT considered a safe "haven" during hurricane conditions.

All small craft that can be hauled out or trailered should do so. Masts and rigging should be lowered to present the least wind resistance. Craft on stands or trailers should be tied down (similar to mobile homes).

Small craft that cannot be hauled out should move into the inland waterway and seek safe anchorage away from the area susceptible to storm surge.

Masters, owners, and agents are responsible and WILL insure their vessels are moving out of Port Canaveral not later than Condition #2 (24 hours prior to strike).

Vessels evacuating should NOT anchor in any intercoastal waterway channel (such as the Barge Canal).

CANAVERAL PORT AUTHORITY HURRICANE PREPAREDNESS TASKS

The Canaveral Port Authority will perform the following tasks to prepare for a hurricane:

A. Condition #5

1. Send letter to port tenants on Hurricane Preparedness.
2. Inspect port for flying debris hazards (and monthly).
3. Check supply of batteries and flashlights.

B. Condition #3

1. Notify the Locks and Bridge of when evacuation is called for small boats.

C. Condition #2

1. Monitor Marine Channel 16 and NOAA weather channel.
2. Secure ramps and gangways at Cruise Terminals 2, 3, 4, 5, and 10 (crane required).
3. Secure Oil - Water Separator (Cape Canaveral Marine Services).
4. Top off diesel and gasoline storage tanks.
5. Install plywood window covers on CPA building.
6. Call trucking company and order a tractor and lowboy trailer for moving front-end loaders.

D. Condition #1

1. Remove/secure CPA trash cans and portable signs at CT 2,3,4,5, 8 and 10.
2. Gas up all vehicles and move to TICO Airport.
3. Check portable generator and load into E.S.C. truck.
4. Load gasoline tank onto flatbed truck and hook diesel tank on the back.
5. Load front-end loaders on rental lowboy trailer.
6. Take flatbed and front-end loaders to TICO Airport, 355 Golden Knights Blvd. in Titusville.
7. Check disabled vessels for mooring lines in accordance with approved pre-submitted plans (Director of Operations).
8. Secure all gates and lock the (Duty Guard).
9. Remove IBC System and current archives.
10. When total evacuation is announced CCVFD will move all trucks and equipment to Cocoa Expo Center. Command Post will be set up there until they are able to return to Cape Canaveral.

POST HURRICANE ACTIONS

The Cape Canaveral Volunteer Fire Department will be the first to re-enter the Port after the hurricane to insure the land side area is safe. State and County law enforcement personnel will have roadblocks to prevent anyone from entering the area until all damage surveys are complete. When the Fire Department gives the clearance for essential personnel to enter the Port, only those with a placard issued by the Brevard County Sheriff's Department will be allowed to enter. (To apply for this placard, contact the Canaveral Port Authority, Operations Department.)

1. All interests should survey for damage. The Port Authority should be notified of conditions which pose an actual or potential threat to life, property, or environment. Some disruptions to communications should be anticipated. Coast Guard will conduct surveys of Port areas.
2. Coast Guard COTP Safety teams, Port Authority personnel, and authorized waterfront facility representatives will conduct assessments of damage to port areas. Safety teams will also perform oil spill and hazardous materials response during this time and follow up with investigations as time permits.
3. COTP and members of the Hurricane Executive Steering Committee will assemble during post hurricane Condition Four to discuss damage to port and vessels. An assessment of the Port should be completed as soon as possible after passage of the hurricane and a plan developed to bring the port back to normal operating condition.

DEFINITIONS

1. Essential Personnel – (2) key personnel that will make sure that it is safe for others to return to the port (i.e. safety hazards).
2. Authorized Waterfront Personnel – (2) key personnel that are responsible for checking the bulkheads and docks for any potential hazards.
3. Executive Steering Committee – members include: the Port Director, Director of Operations, U.S. Coast Guard, Fire Chief, and the Brevard County Sheriff.
4. CPA Personnel – personnel employed with the Canaveral Port Authority.
5. Port Area – area surrounding the port on the north and south sides.
6. Harbor Master – Director of Operations or designee.
7. Storm Categories – disaster potential scale utilized by Forecasters.
8. Gale Force Winds – winds 39 MPH or 34 knots.
9. Return to the Port after hurricane evacuation – residents will return before port tenants.

APPENDIX B: EXHIBITS	B--1
EXHIBIT A: BEST’S RATINGS, FINANCIAL PERFORMANCE RATINGS, AND FINANCIAL SIZE CATEGORIES	B--1
EXHIBIT B: RISK MANAGEMENT ANNUAL REPORT.....	B--2
EXHIBIT C: EXPECTED LOSS CALCULATION – PAYROLL BASIS	B--3
EXHIBIT D: EXPECTED LOSS CALCULATION – PAYROLL BASIS SUMMARY	B--4
EXHIBIT E: LOSS DEVELOPMENT FACTORS (AS OF 1997).....	B--5
EXHIBIT F: CUMULATIVE PAYOUT PROFILES (AS OF 1997)	B--6
EXHIBIT G: BUSINESS/COMMERCIAL AUTO POLICY	B--7
EXHIBIT H: SAMPLE AUTO LIABILITY – ADDITIONAL INSURED ENDORSEMENT	B--9
EXHIBIT I: MARINE TERMINAL DEFINITION DISCUSSION	B--10
EXHIBIT J: CANAVERAL PORT AUTHORITY’S HURRICANE CONTINGENCY PLAN	B--13