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§ 308.551 War risk insurance clearing agency agreement for cargo, Form MA–321.

The standard form of clearing agency agreement, Form MA–321, shall be executed by the Maritime Administrator and domestic insurance companies, or groups of domestic insurance companies authorized to do a marine insurance business in any State of the United States, appointing such companies or groups of companies as clearing agents, which form may be obtained from the American War Risk Agency or MARAD.

§ 308.552 Effective date.

This subpart shall be effective as and when the Maritime Administrator finds that war risk cargo insurance adequate for the needs of the waterborne commerce of the United States cannot be obtained on reasonable terms and conditions from companies authorized to do an insurance business in a State of the United States.

Subpart G—Records Retention

§ 308.600 Records retention requirement.

The records specified in §§ 308.8, 308.517, and 308.548 of this part shall be retained until a release is granted by the MARAD, at which time MARAD will take custody of the records.

PART 309—VALUES FOR WAR RISK INSURANCE

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STORES AND SUPPLIES

309.201 Purpose.
309.202 Definitions.
309.203 Value at time of loss.
309.204 Proof of loss.

AUTHORITY: Secs. 204, 1209, Merchant Marine Act, 1936, as amended (46 U.S.C. 1114, 1289); Reorganization Plans No. 21 of 1950 (64 Stat. 1273), No. 7 of 1961 (75 Stat. 840) as amended by Pub. L. 91–469 (84 Stat. 1036); Department of Commerce Organization Order 10–8 (38 FR 19707, July 23, 1973); Maritime Administrative Order 440–3 (December 6, 1973).

SOURCE: 39 FR 30487, Aug. 23, 1974, unless otherwise noted.

§ 309.1 Procedure.

The Ship Valuation Committee, Maritime Administration, shall publish bianually in the notice section of the FEDERAL REGISTER a general notice which shall set forth the stated valuations of individual vessels upon which interim binders for war risk hull insurance have been issued. Such values shall be effective with respect to a six-month period commencing on January 1 and ending on June 30, or a six-month period commencing on July 1 and ending on December 31 of each calendar year; *Provided, however,* That if there is a substantial change in market values during the effective period of a state valuation, the Maritime Administration reserves the right to revise such valuations at any time during such period.

§ 309.2 Definitions.

(a) *Ship Valuation Committee* means the Ship Valuation Committee referred to in Maritime Administrative Order 440–3.

(b) *The date a vessel is built* is the date the vessel is delivered by the shipbuilder.

(c) *The deadweight tonnage* of a vessel means her deadweight capacity established in accordance with normal Summer Freeboard as assigned pursuant to the International Load Line Convention, 1966, and shall be her capacity (in tons of 2,240 pounds) for cargo, fuel, fresh water, spare parts, and stores, but exclusive of permanent ballast.

(d) *The speed of a vessel* means the speed determined in accordance with the formulae provided in part 246 of this chapter.

(e) *A passenger vessel* is a vessel which carries more than twelve passengers.

§ 309.3 Stated valuation.

A stated valuation represents just compensation for the vessel to which it applies computed by the Ship Valuation Committee in accordance with

sections 902(a) and 1209(a)(2) of the Merchant Marine Act, 1936, as amended (46 U.S.C. 1242(a), 1289(a)(2)). The stated valuation of a vessel does not include vessel stores and supplies, which consist of (a) consumable stores, (b) subsistence stores, (c) slop chest, (d) bar stock, and (e) fuel, as defined in Maritime Administration Inventory Book Forms MA–4736, A through K, which will be valued separately.

§ 309.4 Maximum amount insured.

A stated valuation is the maximum amount for which the Maritime Administration will provide war risk hull insurance for damage to or actual or constructive total loss of the vessel to which such valuation applies and for which claims for damage to or actual or constructive total loss of such insured vessel may be adjusted, compromised, settled, adjudged, or paid by the Maritime Administration with respect to insurance attaching during the effective period of such valuation under the standard forms of war risk hull insurance interim binder or policy prescribed by §§ 308.106 and 308.107 of this chapter.

§ 309.5 Condition of vessel.

If the true condition of a vessel is not known, the Ship Valuation Committee, in determining the stated valuation of the vessel, may assume that it is in a condition that would entitle it to the highest classification of the American Bureau of Shipping, or the equivalent if the vessel is a foreign-flag vessel, with all required certificates, including but not limited to, marine inspection certificates of the United States Coast Guard, the United States Public Health Service, and the Federal Communications Commission, with all outstanding requirements and recommendations necessary for retention of class accomplished, without regard to any grace period; and, so far as due diligence can make her so, the vessel is tight, staunch, strong, and well and sufficiently tacked, appareled, furnished, and equipped, and in every respect seaworthy and in good running condition and repair, with clean swept holds and in all respects fit for service. The stated valuation of a vessel in substandard condition is subject to downward adjustment as provided in § 309.6(a).

§ 309.6 Adjustments for condition, equipment, and other considerations.

(a) *Adjustment for a vessel in substandard condition.* If the Maritime Administration determines that a vessel is in substandard condition from that assumed by the Committee as provided in § 309.5, there shall be subtracted from the stated valuation of such vessel an amount estimated by the Maritime Administration as the cost of putting the vessel in the condition assumed by the Committee when determining its stated valuation.

(b) *Special equipment.* If the depreciated reproduction cost less construction subsidy, if any, of any special equipment of material utility in the handling of cargo or utilization of a vessel, not otherwise taken into account in determining the stated valuation of such vessel, is in excess of $50,000, an amount estimated by the Maritime Administration as the fair and reasonable value of such equipment shall be added to the stated valuation of such vessel.

(c) *Government installations.* A stated valuation determined pursuant to this part shall not include any allowance for any special installations or equipment to the extent that their cost was borne by the United States.

§ 309.7 Modifications.

The Maritime Administration reserves the right to exempt any vessel from the scope of this part, or to amend, modify, or terminate the provisions hereof.

§ 309.8 Vessel data forms.

(a) *To accompany application for insurance.* Each application for war risk insurance, submitted in accordance with § 308.3 of this chapter, shall be accompanied by a completed Form MA–828, Vessel Data. Copies of this form may be obtained from either the American War Risk Agency, 14 Wall Street, New York, N.Y. 10005, or the Director, Office of Marine Insurance (MAR–540) Maritime Administration 400 Seventh Street SW., Washington, DC 20590.