by the Maritime Administrator in writing, the assured must file a closing report in duplicate on Form MA–313, prescribed in §308.533, of all shipments covered by the policy for which closing reports have not been previously filed. The assured shall mark this closing report “Final Closing Report on Cancellation of Policy”, and file a certificate on Form MA–313–B, prescribed in §308.535, executed by the assured in duplicate. Thereafter, when all unpaid premiums have been paid, the assured will become entitled to a refund of the collateral deposit, or cancellation of the surety bond in accordance with §§308.509 and 308.510. If the assured has lost or mislaid the original policy and is unable to produce it for cancellation, the assured shall execute a letter of indemnity and such other documents as may be required by the Maritime Administrator.

§ 308.512 Declaration of shipments under Open Cargo Policy.

(a) Closing report. (1) The assured shall file with the underwriting agent, not later than the twenty-fifth day of each month, a closing report for all inward shipments and a closing report for all outward shipments, and pay the premium and fees, for all shipments covered during the preceding calendar month, as required by Clause 19. Each closing report shall be filed in duplicate on Form MA–313, prescribed in §308.533, supported by a certificate executed by the assured on Form MA–313–A, prescribed in §308.534. If the assured has no shipments to report during any calendar month, the closing report, Form MA–313, shall, nevertheless, be filed with one or both of the following statements, depending upon their applicability, noted thereon certifying that:

(i) No inward shipment coming within the scope of this policy arrived at destination during the preceding calendar month, and

(ii) No outward shipment coming within the scope of this policy was made during the preceding calendar month, and

(iii) Whenever a sea passage is made with respect to cargo covered under the policy by a barge or sailing vessel the assured shall note that fact upon the closing report, unless the Maritime Administrator otherwise agrees.

(2) An assured reporting for one calendar month shall not include therein a report of a shipment due to be reported in the report for the next succeeding calendar month. Thus, the report of January closing shipments filed in February does not include February closings.

(b) Inward shipments. The closing report covering inward shipments shall include:

(1) All such shipments which have arrived at the port of destination during the preceding calendar month, and

(2) All such shipments with respect to which inability to so arrive by reason of loss, frustration, or other similar causes has come to the knowledge of the assured during the preceding calendar month.

(c) Outward shipments. The closing report covering outward shipments shall include all such shipments which attached under the policy during the preceding calendar month.

(d) Definition of inward and outward shipments. A shipment will be classified as an inward shipment or as an outward shipment by reference to the geographical location of the assured with respect to the movement of the shipment. The address of the assured as stated in the application filed by him for the policy shall be deemed to be the assured’s geographical location for the purpose of determining whether the shipment is inward or outward. To illustrate, if an assured has stated in his application that his address is in Hawaii, the assured’s shipments of goods from the United States to Hawaii would be classified as inward, and his shipments from Hawaii to the United States would be classified as outward. Any shipments that cannot be classified as inward or outward under this definition shall be treated as inward shipments for the purposes of the declaration.
(e) Supplemental closing report. If an assured files a closing report and there-
after discovers that one or more addi-
tional shipments should have been in-
cluded in the report, then, even though
the assured has executed the certifi-
cate on Form MA–313–A, prescribed in
§308.534, or Form MA–313–B, prescribed
in §308.535, in connection with the clos-
ing report, the assured must neverthe-
less amend the closing report by filing
a supplemental closing report sup-
ported by an appropriate certificate.
The supplemental closing report must
be accompanied by a statement in writ-
ing signed by the assured giving the
reasons for the omission of such ship-
ments from the original closing report.
If the Maritime Administrator finds
that the failure to file the complete
closing report was either inadvertent
or unintentional or arose by reason of
causes beyond the control of the as-
sured, the otherwise automatic termi-
nation of the policy by reason of a
breach of the warranty embodied in
Clause 20 shall be avoided pursuant to
the provisions of Clause 23.

§308.513 Payment of premiums and
fees.
The assured shall pay the premium,
when his closing report is filed, for all
shipments shown on his closing report
for the preceding month, at the rates
prescribed by the Maritime Adminis-
trator and in effect on the date of the
ocean bill of lading, or if an ocean bill
of lading was not issued, on the date of
the equivalent shipping document, or if
no ocean bill of lading or equivalent
shipping document was issued, or if
such documents were undated, on the date of
the goods were laden on the over-
seas vessel, as required by Clause 19.
All payments of premium or fees must
be made by check or money order pay-
able to the order of the “Maritime Ad-
ministration, Department of Transpor-
tation.”

§308.514 Return premium.
No premium will be returned to the
assured with respect to a shipment of
goods that attached under the policy
except where there was a declaration of
value at variance with Clause 8, or an
error in the application of a rate or in
the computation of a premium, or the
insured goods were short-shipped. An
application for the return of a premium
shall be made on Form MA–307, pre-
scribed in §308.527, filed in duplicate
with the Underwriting Agent who will
transmit it to the Maritime Adminis-
trator for payment.

§308.515 Payment in event of loss.
All claims for losses shall be filed by
the assured with the Underwriting
Agent who issued the policy. Such
claims must be supported by the cus-
tomary documents required in connec-
tion with war risk insurance claims,
together with appropriate declarations
as required by Clause 9, and such fur-
ther data as may now or hereafter be
required by the Maritime Adminis-
trator.

§308.516 Failure to comply with
Clause 21.
(a) If the assured willfully fails to
maintain a collateral deposit fund or a
surety bond in an amount sufficient to
meet the requirements of Clause 21, the
policy becomes void from the date the
fund or bond was first insufficient, but,
if the assured’s failure was inadvertent,
the policy may be reinstated when the
assured complies with Clause 21, and
shows to the satisfaction of the Mari-
time Administrator that his failure
was inadvertent and not willful. If the
failure was in fact inadvertent, the as-
sured shall file a declaration on Form
MA–314, prescribed in §308.536, executed
in duplicate, with the Underwriting
Agent within seven (7) days from the
time knowledge comes to the assured
of the insufficiency of the collateral
deposit fund or surety bond unless the
time for filing such declaration is ex-
tended by permission of the Maritime
Administrator. If the space provided in
the declaration, Form MA–314, for an
explanation of the circumstances
whereby the assured first had knowl-
edge that the collateral was not suffi-
cient, the assured shall attach to the
declaration a detailed statement and
include the same by reference in the
declaration.
(b) If any policy becomes void by rea-
son of the failure of the assured to de-
posit additional collateral or increase
the amount of its surety bond under