prior to actual requisition for title or use of the vessel shall be reduced by such proportion as the amount of construction subsidy paid with respect to the vessel bears to the entire construction cost and capital improvements thereof (excluding the cost of national defense features), and for any period of insurance after actual requisition for use, the valuation determined by the court shall be the amount which would have been payable under 46 U.S.C. 59303 in the case of requisition for title: And provided further, that in the event of an election by the insured to reject the stated valuation fixed by the Maritime Administrator and to sue in the courts, the amount of the judgment will be payable without regard to any limitations provided by statute, although the excess of any amounts advanced on account of just compensation that is over the amount of the court judgment shall be required to be refunded by the insured. In the event of such court determination, premiums under the policy shall be adjusted on the basis of the valuation as finally determined and of the rate provided for in said policy. The “stated valuation” of the vessel insured refers to the vessel as described in §309.5 of this chapter.

(b) Insurance risks. Insurance risks covered by the terms of the standard form of war risk hull insurance policy (§308.107), except damage to or actual or constructive total loss of the vessel insured as set forth in paragraph (a) of this section and loss of disbursements (limited to consumable and subsistence stores, slop chests, bar stock and bunker fuel lost as a consequence of the actual or constructive total loss of the vessel insured) as set forth in paragraph (c) of this section and identified as disbursements, shall be insured for an amount not in excess of the “sum insured” as referred to in said policy.

(c) Disbursements. Disbursements shall be insured as authorized under 46 U.S.C. 59303(a)(4) and shall be limited to consumable and subsistence stores, slop chests, bar stock and bunker fuel. Disbursements insurance shall be optional and is insurance additional to the war risk hull insurance provided under this subpart, and payment of claim shall be limited to the actual value of the disbursements lost as a consequence of the actual or constructive total loss of the vessel insured.

§ 308.102 Issuance of interim binder; terms and conditions.

Upon acceptance of an application, an interim binder in form as set forth in §308.3 will be issued and there shall be deemed to be incorporated therein by reference all the terms, conditions, and warranties contained in the application for war risk protection and indemnity insurance (set forth in §308.3) and the standard war risk protection