

Subpart E—War Risk Builder's Risk Insurance

§ 308.400 Authority.

The Secretary of Transportation has delegated authority to the Maritime Administrator to perform the functions vested in the Secretary of Transportation by 46 U.S.C. Chapter 539. The Maritime Administrator, pursuant to a finding by the Secretary under 46 U.S.C. 53902(a) has authorized the issuance of war risk insurance on American vessels under construction in shipyards in the United States.

§ 308.401 Eligibility for insurance.

A vessel is eligible for insurance if it is an American vessel, as defined in 46 U.S.C. 53901, being constructed in a shipyard within the United States.

§ 308.402 Insurance during vessel construction period.

(a) *Prelaunching period.* This period is from the date and time the first material destined for inclusion as part of the vessel becomes at risk at the shipyard of the builder to the date and time the vessel first becomes water-borne after launching.

(b) *Postlaunching period.* This period is from the date and time the vessel first becomes water-borne after launching to the date and time of delivery of the vessel by the builder.

(c) *Portions of periods.* A vessel may be insured for a portion of either period as cited in paragraph (a) or (b) of this section at the sole discretion of the Maritime Administrator.

§ 308.403 Insured amounts.

(a) *Prelaunching period.* The amount insured during this period will be the cost of material destined for inclusion as a part of the vessel at risk at the shipyard of the builder, plus the cost of labor, other direct charges, overhead, and profit not exceeding 10 percent, all as determined from the builder's records.

(b) *Postlaunching period.* The amount insured during this period will be:

(1) An amount not in excess of the difference in amount between the total amount of war risk insurance obtainable from companies authorized to do an insurance business in a State of the

United States and the contract price of the vessel plus the cost of the materials and equipment furnished by the owner and not included in such contract price, or

(2) An amount not in excess of the contract price of the vessel plus the cost of materials and equipment furnished by the owner and not included in the contract price: Provided, that no war risk insurance is obtainable from companies authorized to do an insurance business in a State of the United States.

(c) *Maximum liability.* The amount of any claim for damage to or the total or constructive total loss of the vessel adjusted, compromised, settled, adjudged or paid shall not exceed the amount insured: Provided, that the amount payable hereunder shall not exceed the maximum sum which the Maritime Administrator, as Underwriter, is authorized to pay under any applicable Acts of Congress: Provided, further, that where MARAD is an Excess Underwriter, the amount payable under this insurance for damage to or the total or constructive total loss of the vessel, after all sums due and payable under primary and excess insurance written by commercial Underwriters have been exhausted, shall be the balance, if any, of said claims.

§ 308.404 Application for insurance.

Application for insurance shall be made to "Maritime Administration, Attention: Chief, Division of Marine Insurance" at the address in § 308.2(d). The applications shall be signed by all parties to be named as assureds, unless they have filed with the Chief, Division of Marine Insurance, written designations of a broker or brokers to act for them, in which case the applications may be signed by such broker or brokers.

§ 308.405 Form of application.

Applications shall be submitted in duplicate and may be obtained from MARAD's underwriting agent or MARAD.

§ 308.406 Issuance of policies; terms and conditions.

Upon acceptance of an application, a policy in the form specified in § 308.409

§ 308.407

will be issued with endorsements MA-283(A) and MA-283(D), or MA-283(B) and MA-283(D), or MA-283(C), and MA-283(D), as appropriate.

§ 308.407 Premiums and payment.

For the prelaunching period premium will be charged on the average value at risk during each calendar month or the daily pro rata part thereof for periods of less than one calendar month. For the postlaunching period premium will be charged on the amount insured for the full period. Premiums shall be due and payable within thirty days after receipt by the Assured of notice of the amount thereof and if not paid within that period the insurance shall become null and void and of no effect from the beginning of the period for which the premium charge is made unless the Maritime Administrator agrees otherwise. Payment shall be made to MARAD at the address in §308.2(d), by check payable to the order of "Maritime Administration, Department of Transportation."

§ 308.408 Right of Maritime Administrator to change rate of premium.

The Maritime Administrator, acting for the Secretary of Transportation, shall have the right to change the rate of premium at any time, and unless the revised rate of premium is accepted in writing by the Assured within fifteen (15) days after receipt by the Assured of notice of the revised rate, the policy shall become null and void and of no effect as of midnight, Standard Time, at the location of the shipyard on the fifteenth (15th) day after receipt of said notice. Premium at the revised rate shall be payable for the fifteen (15) day period during which the insurance remained in force unless the Assured, within such period, dispatches notice to MARAD by fax, certified mail or courier of his refusal to accept such revised rate of premium, in which event premium at the revised rate shall be payable for that portion of the fifteen (15) day period prior to dispatch of such notice. Upon the dispatch of such notice of non-acceptance the insurance shall terminate.

46 CFR Ch. II (10-1-14 Edition)

§ 308.409 Standard form of War Risk Builder's Risk Insurance Policy, Form MA-283.

The standard form of War Risk Builder's Risk Insurance Policy, Form MA-283 may be obtained from MARAD's underwriting agent or MARAD.

§ 308.410 Reporting casualties and filing claims.

Casualties shall be reported promptly to, and all claims documents filed with MARAD, Attention: Chief, Division of Marine Insurance, at the address in §308.2(d).

Subpart F—War Risk Cargo Insurance

INTRODUCTION

§ 308.500 Authority.

The Secretary of Transportation has delegated authority to the Maritime Administrator to perform the functions vested in the Secretary by 46 U.S.C. Chapter 539, which authority includes the insurance set forth in this Subpart, as provided under 46 U.S.C. 53903(a)(3). For the purposes of this Subpart F—War Risk Cargo Insurance, the terms "cargo" and "cargoes" as used herein shall include loaded or empty containers located aboard American and foreign-flag vessels insured under 46 U.S.C. Chapter 539. Cargo war risk insurance will be written under either an open policy or a facultative policy in accordance with the provisions of this subpart.

§ 308.501 Cargoes on which coverage is available.

The Maritime Administrator will be prepared to provide marine insurance against loss or damage by the risks of war under approved clauses on shipments of cargoes coming within one or more of the following categories:

- (a) Shipped or to be shipped on any American vessel, as defined in 46 U.S.C. 53901;
- (b) Shipped or to be shipped on any foreign flag vessels owned by citizens of the United States;
- (c) Owned by citizens or residents of the United States, its Territories or possessions;