

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
53902	46 App.:1282.	June 29, 1936, ch. 858, title XII, §1202, as added Sept. 7, 1950, ch. 906, 64 Stat. 773; Pub. L. 101-115, §7(a), Oct. 13, 1989, 103 Stat. 694.

§ 53903. Insurable interests

(a) IN GENERAL.—The Secretary of Transportation may provide insurance and reinsurance under this chapter for—

(1) an American vessel, including a vessel under construction;

(2) a foreign vessel—

(A) owned by a citizen of the United States; or

(B) engaged in transportation in the waterborne commerce of the United States or in such other transportation by water or such other services as the Secretary considers to be in the interest of the national defense or national economy of the United States, when so engaged;

(3) cargo—

(A) shipped or to be shipped on a vessel insurable under this section, including by express or registered mail;

(B) owned by a citizen or resident of the United States;

(C) imported to or exported from the United States, or sold or purchased by a citizen or resident of the United States, under a contract of sale or purchase the terms of which provide that the risk of loss by war risks or the obligation to provide insurance against war risks is on a citizen or resident of the United States; or

(D) shipped between ports in the United States;

(4) disbursements, including advances to masters and general average disbursements, and freight and passage money of a vessel insurable under this section;

(5) personal effects of an individual on a vessel insurable under this section;

(6) loss of life, injury, or detention by an enemy of the United States after capture, with respect to an individual on a vessel insurable under this section; and

(7) statutory or contractual obligations or other liabilities of a vessel insurable under this section or of the owner or charterer of such a vessel, of a nature customarily covered by insurance.

(b) CONSIDERATIONS FOR FOREIGN VESSELS.—In determining whether to provide insurance or reinsurance for a foreign vessel, the Secretary shall consider the characteristics, employment, and general management of the vessel by the owner or charterer.

(c) NON-WAR RISKS.—Insurance of a risk under subsection (a)(5)–(7), insofar as it involves a liability related to an individual on the vessel, may include risks other than war risks to the extent the Secretary considers advisable.

(Pub. L. 109-304, §8(c), Oct. 6, 2006, 120 Stat. 1627.)

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Revised Section	Source (U.S. Code)	Source (Statutes at Large)
53903(a)	46 App.:1283(a) (1st sentence), (b) (1st sentence), (c)–(f).	June 29, 1936, ch. 858, title XII, §1203(a) (1st, 2d sentences), (b) (1st sentence), (c)–(f), as added Sept. 7, 1950, ch. 906, 64 Stat. 773, 774; Pub. L. 94-523, §§1-3, Oct. 17, 1976, 90 Stat. 2474.
53903(b)	46 App.:1283(a) (2d sentence).	
53903(c)	46 App.:1284.	June 29, 1936, ch. 858, title XII, §1204, as added Sept. 7, 1950, ch. 906, 64 Stat. 774.

In subsections (a)(2) and (b), the words “foreign vessel” are substituted for “foreign-flag vessels” because of the definition of “foreign vessel” in chapter 1 of the revised title.

In paragraph (3), references to the territories and possessions of the United States are omitted as unnecessary because of the definition of “United States” in chapter 1 of the revised title.

In paragraph (5), the words “individual on a vessel insurable under this section” are substituted for “masters, officers, and crews of such vessels, and of other persons transported on such vessels” to eliminate unnecessary words.

In paragraph (6), the words “individual on a vessel insurable under this section” are substituted for “Masters, officers, members of the crews of such vessels and other persons employed or transported thereon” to eliminate unnecessary words.

§ 53904. Liability insurance for persons involved in war or defense efforts

(a) IN GENERAL.—The Secretary of Transportation may provide insurance under this chapter against legal liability that a person may incur in providing services or facilities for a vessel if, in the opinion of the Secretary, the insurance—

(1) is required in prosecuting a war or for national defense; and

(2) cannot be obtained at reasonable rates or on reasonable terms and conditions from approved companies authorized to do insurance business in a State of the United States.

(b) LIMITATIONS.—Employer liability insurance and worker compensation insurance against legal liability to employees may not be provided under this section.

(Pub. L. 109-304, §8(c), Oct. 6, 2006, 120 Stat. 1628.)

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Revised Section	Source (U.S. Code)	Source (Statutes at Large)
53904	46 App.:1286.	June 29, 1936, ch. 858, title XII, §1206, as added Sept. 7, 1950, ch. 906, 64 Stat. 774; Aug. 3, 1956, ch. 929, §5, 70 Stat. 986.

In subsection (a), the words “a vessel” are substituted for “any American- or foreign-flag vessel, public or private” to eliminate unnecessary words.

§ 53905. Agency insurance

(a) IN GENERAL.—With the approval of the President, an agency of the United States Government may obtain insurance provided for by this chapter from the Secretary of Transportation, except as provided in sections 17302 and 17303 of title 40.

(b) PREMIUM WAIVERS.—With the approval of the President, the Secretary of Transportation