

(c) AMOUNT OF CLAIM.—If a vessel is actually or constructively totally lost and the insured under a policy referred to in subsection (a) has not rejected the stated valuation determined by the Secretary, the amount of a claim adjusted, compromised, settled, adjudged, or paid may not exceed the stated valuation. However, if the insured has rejected the valuation, the insured—

(1) shall be paid, as a tentative advance only, 75 percent of the stated valuation; and

(2) may bring a civil action against the United States in a court having jurisdiction of the claim to recover a valuation equal to the just compensation the court determines would have been payable if the ownership of the vessel had been requisitioned under chapter 563 of this title at the time the insurance attached under the policy.

(d) ADJUSTING PREMIUMS.—If a court makes a determination as provided under subsection (c)(2), premiums paid under the policy shall be adjusted based on the court’s determination and the rates provided for in the policy.

(Pub. L. 109–304, § 8(c), Oct. 6, 2006, 120 Stat. 1629.)

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HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
53907	46 App.:1287.	June 29, 1936, ch. 858, title XII, § 1207, as added Sept. 7, 1950, ch. 906, 64 Stat. 775.

In subsection (a), the words “insurance under this chapter” are substituted for “marine, war risk, and liability insurance” for consistency in this chapter. The words “in whole or in part” are omitted as unnecessary. The words “obtain reinsurance from” are substituted for “reinsure with, or cede or retrocede to” for clarity and to eliminate unnecessary words.

§ 53908. Additional insurance privately obtained

With the approval of the Secretary of Transportation, a person having an insurable interest in a vessel may obtain insurance on the vessel with other underwriting agents in addition to the insurance with the Secretary. The Secretary is not entitled to the benefit of the additional insurance.

(Pub. L. 109–304, § 8(c), Oct. 6, 2006, 120 Stat. 1630.)

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
53906	46 App.:1289(a)(2).	June 29, 1936, ch. 858, title XII, § 1209(a)(2), as added Sept. 7, 1950, ch. 906, 64 Stat. 775; Aug. 3, 1956, ch. 929, § 1, 70 Stat. 984; Pub. L. 88–478, § 1, Aug. 22, 1964, 78 Stat. 587.

In subsection (c), the words “*Provided*, That in the event of an election by the insured to reject the stated valuation fixed by the Secretary and to sue in the courts, the amount of the judgment will be payable without regard to the limitations contained in section 1242–1 of this Appendix, although the excess of any amounts advanced on account of just compensation over the amount of the court judgment will be required to be refunded” are omitted as obsolete because the section referred to, which was from the Department of Commerce and Related Agencies Appropriation Act, 1959 (Pub. L. 85–469, 72 Stat. 231), has been omitted from the United States Code as obsolete.

§ 53907. Reinsurance

(a) IN GENERAL.—To the extent the Secretary of Transportation is authorized to provide insurance under this chapter, the Secretary may provide reinsurance to a company authorized to do insurance business in a State of the United States. The Secretary may obtain reinsurance from such a company for any insurance provided by the Secretary under this chapter.

(b) RATES.—The Secretary may not provide reinsurance at rates less than, nor obtain reinsurance at rates more than, the rates established by the Secretary on the same or similar risks or the rates charged by the insurance company for the insurance reinsured, whichever is more advantageous to the Secretary. However, the Secretary may provide an allowance to the insurance company for the costs of services and facilities the company provides, in an amount the Secretary considers reasonable according to good business practice. The allowance to the company may not include any amount for soliciting or stimulating insurance business.

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
53908	46 App.:1293.	June 29, 1936, ch. 858, title XII, § 1213, as added Sept. 7, 1950, ch. 906, 64 Stat. 777; Pub. L. 97–31, § 12(141), Aug. 6, 1981, 95 Stat. 166.

§ 53909. War risk insurance revolving fund

(a) IN GENERAL.—There is a war risk insurance revolving fund in the Treasury.

(b) DEPOSITS.—There shall be deposited in the fund amounts appropriated to carry out this chapter and amounts received in carrying out this chapter.

(c) PAYMENTS.—There shall be paid from the fund amounts for return premiums, losses, settlements, judgments, and all liabilities incurred by the United States Government under this chapter.

(d) INVESTMENT.—The Secretary of Transportation may request the Secretary of the Treasury to invest such portion of the fund as is not, in the judgment of the Secretary of Transportation, required to meet the current needs of the fund. These investments shall be made by the Secretary of the Treasury in public debt securities of the Government, with maturities suitable to the needs of the fund, and bearing interest rates determined by the Secretary of the Treasury, taking into consideration current market yields on outstanding marketable obligations of the Government of comparable maturity. Interest and benefits from the securities shall be deposited in the fund.

(Pub. L. 109–304, § 8(c), Oct. 6, 2006, 120 Stat. 1630; Pub. L. 109–364, div. C, title XXXV, § 3510(a)(1), Oct. 17, 2006, 120 Stat. 2520; Pub. L. 110–181, div. C, title XXXV, § 3526(g), Jan. 28, 2008, 122 Stat. 602.)