

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.)

HISTORICAL AND REVISION NOTES

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.)

HISTORICAL AND REVISION NOTES

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 may provide insurance under this chapter at the request of the Secretary of Defense and other agencies the President may prescribe, without payment of an insurance premium if the Secretary of Defense or agency agrees to indemnify the Secretary of Transportation against loss covered by the insurance. The Secretary of Defense and agencies may make such an indemnity agreement.

(c) PRESIDENTIAL APPROVAL.—The signature of the President (or an official designated by the President) on the agreement shall be treated as the approval required by section 53902(a) of this title.

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

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
53905 .....	46 App.:1285.	June 29, 1936, ch. 858, title XII, §1205, as added Sept. 7, 1950, ch. 906, 64 Stat. 774; Pub. L. 105–261, div. A, title X, §1071(a), Oct. 17, 1998, 112 Stat. 2137.

**§ 53906. Hull insurance valuation**

(a) STATED VALUATION.—The valuation in a hull insurance policy for actual or constructive total loss of the insured vessel shall be a stated valuation determined by the Secretary of Transportation. The stated valuation—

- (1) shall exclude national defense features paid for by the United States Government; and
- (2) may not exceed the amount that would be 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.

(b) REJECTING STATED VALUATION.—Within 60 days after the insurance attaches under a policy referred to in subsection (a) or within 60 days after the Secretary determines the valuation, whichever is later, the insured may reject the valuation and pay, at the rate provided in the policy, premiums based on the asserted valuation the insured specifies at the time of rejection. However, the asserted valuation is not binding on the Government in any subsequent action on the policy.

(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