Sec. 1 What this order does.
This order requires that General
Agents, appointed under Service Agree-
ment “G.A.A., 3/19/51” shall not advance
or entrust any monies or slop chest
property of the United States to a mas-
ter, purser or any other member of the
ship’s personnel unless such person is
under a bond indemnifying the United
States against loss of such monies or
property caused solely or in part by the
dishonesty or lack of care of any such
person in the performance of the duties
of any petition covered by the bond.

Sec. 2 Amount of bond.
The amount of the bond must be gov-
erned by the amount of monies ad-
vanced or value of slop chest property
entrusted, and shall, at all times, not
be less than the value of slop chest
property entrusted plus advances of
monies for which a satisfactory ac-
counting has not been made.

Sec. 3 Premiums.
The bonds provided for shall be fur-
nished without cost to the National
Shipping Authority, but the cost of the
premiums of such bonds shall be in-
cluded in the overhead expense of the
General Agent.

Sec. 4 Posting of bond.
The General Agent shall retain an ex-
cuted copy of each such bond in its
principal office for examination by the
National Shipping Authority at any
time.

[Amdt. 1, 16 FR 9527, Sept. 19, 1951. Redesig-
nated at 45 FR 44587, July 1, 1980]

Sec. 5 Measures to protect ship’s pay-
rolls.
(a) General Agents are not required
to consider the amount of the payroll
delivered to the Master at the conclu-
sion of a voyage in determining the
amount of bond required for any one
person filling a bonded position here-
der. However, the person paying off
the crew should be either the Master,
or purser, or some other member of the
ship’s personnel acting for the Master
who has been bonded pursuant to this
order. If, however, the person paying
off is a shoreside employee of the Gen-
eral Agent, such employee shall be
bonded under the General Agents’ gen-
eral fidelity bond.
(b) The principal risk involved where
payrolls are delivered to a vessel at the
conclusion of a voyage is loss through
hold-up. Therefore, reasonable protec-
tion shall be taken by all General
Agents where payrolls are delivered to
a vessel or elsewhere. Because the cir-
cumstances of each case will vary, the
General Agents shall use their best
judgment in determining whether ar-
mored car service, armed guards or
similar types of protection should be
employed (in other words, the General
Agents should follow their usual prac-
tices). The cost of these services may
be included in vessel operating ex-
enses.
(c) General Agents are not required
to purchase hold-up insurance, since
subject to the terms, conditions and
limitations of Service Agreement
“G.A.A., 3/19/51” losses resulting from
this exposure are assumed by the Na-
tional Shipping Authority.

Sec. 6 Surety and form of bond.
Each bond provided by this order
shall be duly executed by an authorized
surety appearing on the current ap-
proved list of companies acceptable as
sureties on Federal bonds published by
the U.S. Treasury Department. The
form of bond required by the National
Shipping Authority to be used by the
General Agents shall be as follows:
Position Fidelity Schedule Bond

In consideration of the annual premium (hereafter called the “Surety”) hereby agreed to pay to the Agent (hereafter called the “Agent”) or the United States of America, (hereafter called the “United States”), represented by the Director, National Shipping Authority of the Maritime Administration, Department of Transportation (hereafter called the “Director”), as their interests may appear, the amount of any pecuniary loss of money or slop chest property caused, solely or in part, by reason of the dishonesty or lack of care of any person in the performance of the duties of any position, now or hereafter listed in the Schedule of Positions and Amounts forming part hereof (hereafter called the “Schedule”), on any and all vessels from time to time allocated to the Agent by the Director.

This bond is executed and accepted subject to the following agreements, limitations and conditions:

First. Liability under this bond begins with the day of , 19 in respect of each person then filling any position named in the Schedule on any and all vessels then allocated to the Agent by the Director. As to any position or positions bearing the same designation as that of any position or positions named in the Schedule on any vessel or vessels therefore allocated to the Agent by the Director, liability under this bond shall automatically begin as soon as such position or positions are filled, provided the Director or the Agent shall within ninety (90) days of the date such position or positions are filled notify the Surety in writing of the date such position or positions are filled. As between the Agent and the Director, it shall be the responsibility of the Director to give the notice to the Surety as provided herein. Without affecting its liability hereunder, the Surety agrees that neither the Agent nor the Director need furnish the names of vessels on which positions are bonded hereunder at any time during the effective period of this bond.

Second. If the Agent or the Director shall request the Surety to increase or decrease the amount of coverage applicable to any position named in the Schedule, the Surety shall make such change by written acceptance showing the increase or decrease in the amount of coverage and the effective date thereof, which effective date shall not be prior to the date of such request; provided, however, that if the Director shall within ninety (90) days after receipt of notice of a decrease resulting from a request by the Agent, advise the Surety that it does not consent to such decrease, such decrease shall become inoperative and coverage shall continue in the amount applicable prior to such decrease as if such decrease had never been made.

Third. If the Surety knows or has reason to believe that any person filling any position named in the Schedule has caused any loss of money or property entrusted to him by reason of the dishonesty or lack of care in the performance of the duties of such position, the Surety may terminate the coverage of this bond as to such person by giving notice in writing to the Agent and the Director at least thirty (30) days prior to the completion, in a continental United States port, of the then current voyage of the vessel on which such person is filling a position, in which case the coverage of this bond as to such person shall terminate when the crew is paid off upon such completion of the voyage. The Agent may cancel the coverage of this bond (a) as an entirety or (b) as to any position named in the Schedule by giving the Surety fifteen (15) days’ written notice accompanied by written approval of the Director to such cancellation. The Director may cancel the coverage of this bond (a) as an entirety or (b) as to any position named in the Schedule upon fifteen (15) days’ written notice to the Surety. In the event of any such cancellation the Surety shall refund to the Agent any unearned premiums computed pro rata.

Fourth. After discovery and report to the Agent or the Director of any loss hereunder, the Agent or the Director shall give the Surety written notice thereof, and within ninety (90) days after such written notice to the Surety shall file with the Surety affirmative proof of loss itemized and sworn to on forms furnished by the Surety. Prior discovery and report to the Agent of such loss shall not affect the right of the Director to notify the Surety of such loss and to file proof of loss. As between the Agent and the Director, it shall be the responsibility of the Agent to give the notice to the Surety as provided herein. “Discovery and report” as used herein is defined in paragraph Tenth hereof.

Fifth. Any suit to recover on account of any loss hereunder shall be brought before the expiration of five years from the report to the Agent or the Director of the act causing such loss.

Sixth. The Agent will declare at the original effective date of this bond, and at each subsequent premium anniversary date, the total number of persons then filling each position named in the Schedule, and the annual premium will be computed for the ensuing year on the basis of the aggregate coverage represented by such declaration. Upon such premium anniversary date there will be a computation of additional premium or refund of premium in proportion to the change in the coverage each year.
Seventh. Settlement of any claim here-under shall be made by check payable to the Agent unless otherwise instructed by the Director, but no settlement of any claim here-under may be made for an amount less than the full amount of the loss for which the claim is made without the written consent of the Director thereto.

Eighth. The Surety shall not be entitled to any reimbursement, salvage or recovery,—except from insurance, reinsurance, collateral or indemnity taken by the Surety for its own benefit,—on account of any loss here-under until the Agent or the Director, as their interests may appear, is reimbursed in full.

Ninth. No modification or change of any nature of the provisions of this bond shall take effect unless the Director shall have given his written consent thereto, except that the Agent may increase the coverage hereunder in accordance with the provisions of paragraph First hereof without such consent of the Director.

Tenth. (a) Any action, approval or consent which by the provisions of this bond is required to be taken or signed by the Director shall be effective if taken or signed by the Director or by his authorized representative, and wherever and whenever herein any right, power, or authority is granted or given to the Director, such right, power, or authority may be exercised in all cases by his authorized representative, and the act or acts of such authorized representative, when taken shall constitute the act of the Director here-under.

(b) “Discovery and report” by the Agent as used herein shall be deemed to mean discovery by any person and the report of such discovery to an executive officer or head of a department or division concerned with such discovery and report of the Agent at the Agent’s principal place of business within the continental United States. “Discovery and report” by the Director shall be deemed to mean discovery by any person and the report of such discovery to an executive officer or head of a division or section concerned with such discovery and report at the Director’s headquarters.

(c) Notices, approvals and requests required by the provisions hereof shall be sent to the Surety addressed to it at its home office at.

(d) Notices, acceptances and requests required to be sent to the Agent shall be sent to The Agent, (Name and head office address).

(e) Notices and requests to be sent to the Director shall be addressed to the Director, National Shipping Authority of the Maritime Administration, Department of Transportation, at the Director’s headquarters.

Signed, sealed and dated this day of __________, 19__. 

[corporate seal] 

(Surety)

Attest or witness: __________ By __________

By __________

SCHEDULE OF POSITIONS AND AMOUNTS

The positions set forth hereinafter in this Schedule are all located on board the vessel or vessels allocated by the Director from time to time to the Agent named herein

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Description position</th>
<th>Number persons filling position</th>
<th>Amount coverage on each</th>
<th>Aggregate coverage</th>
<th>Premium</th>
</tr>
</thead>
</table>

[AGE-3, 16 FR 6751, July 12, 1951, as amended by Amdt. 1, 16 FR 9527, Sept. 19, 1951. Redesignated at 45 FR 44587, July 1, 1980]