Maritime Administration, DOT

§ 308.403 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 waterborne after launching.

(b) Postlaunching period. This period is from the date and time the vessel first becomes waterborne 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 payable hereunder.