

HISTORICAL AND REVISION NOTES

<i>Revised Section</i>	<i>Source (U.S. Code)</i>	<i>Source (Statutes at Large)</i>
44307(a)	49 App.:1536(a), (b).	Aug. 23, 1958, Pub. L. 85-726, § 1306(a)-(d), 72 Stat. 803.
44307(b)	49 App.:1536(f).	Aug. 23, 1958, Pub. L. 85-726, 72 Stat. 731, § 1306(f); added Aug. 9, 1975, Pub. L. 94-90, § 1(a), 89 Stat. 439.
44307(c)	49 App.:1536(c).	
44307(d)	49 App.:1536(d).	

In subsection (a)(1), the first sentence is added for clarity. The last sentence is substituted for 49 App.:1536(a) (last sentence) to eliminate unnecessary words and for consistency in the revised title.

In subsection (a)(2), the words “The amounts appropriated and other amounts received in carrying out this chapter” are substituted for “Moneys appropriated by Congress to carry out the provisions of this subchapter and all moneys received from premiums, salvage, or other recoveries and all receipts in connection with this subchapter” to eliminate unnecessary words.

In subsection (b), the words “any part” are substituted for “all or any part” to eliminate unnecessary words. The words “held in the revolving fund” are omitted as surplus. The words “deposited in” are substituted for “credited to and form a part of” for consistency.

In subsection (d), the words “The Secretary of Transportation shall deposit annually an amount in the Treasury” are substituted for “Annual payments shall be made by the Secretary to the Treasury of the United States”, the words “The deposited amount shall equal an amount determined by multiplying” are substituted for “These payments shall be computed by applying to”, and the words “a percentage that is at least the current average rate payable on marketable obligations of the Government” are substituted for “a percentage” and “Such percentage shall not be less than the current average rate which the Treasury pays on its marketable obligations”, for clarity.

§ 44308. Administrative

(a) **COMMERCIAL PRACTICES.**—The Secretary of Transportation may carry out this chapter consistent with commercial practices of the aviation insurance business.

(b) **ISSUANCE OF POLICIES AND DISPOSITION OF CLAIMS.**—(1) The Secretary may issue insurance policies to carry out this chapter. The Secretary may prescribe the forms, amounts insured under the policies, and premiums charged. Any such policy may authorize the binding arbitration of claims made thereunder in such manner as may be agreed to by the Secretary and any commercial insurer that may be responsible for any part of a loss to which such policy relates. The Secretary may change an amount of insurance or a premium for an existing policy only with the consent of the insured.

(2) For a claim under insurance authorized by this chapter, the Secretary may—

(A) settle and pay the claim made for or against the United States Government;

(B) pay the amount of a binding arbitration award made under paragraph (1); and

(C) pay the amount of a judgment entered against the Government.

(c) **UNDERWRITING AGENT.**—(1) The Secretary may, and when practical shall, employ an insurance carrier or group of insurance carriers to act as an underwriting agent. The Secretary may use the agent, or a claims adjuster who is independent of the underwriting agent, to adjust claims under this chapter, but claims may be paid only when approved by the Secretary.

(2) The Secretary may pay reasonable compensation to an underwriting agent for servicing insurance the agent writes for the Secretary. Compensation may include payment for reasonable expenses incurred by the agent but may not include a payment by the agent for stimulation or solicitation of insurance business.

(3) Except as provided by this subsection, the Secretary may not pay an insurance broker or other person acting in a similar capacity any consideration for arranging insurance when the Secretary directly insures any part of the risk.

(d) **BUDGET.**—The Secretary shall submit annually a budget program for carrying out this chapter as provided for wholly owned Government corporations under chapter 91 of title 31.

(e) **ACCOUNTS.**—The Secretary shall maintain a set of accounts for audit under chapter 35 of title 31. Notwithstanding chapter 35, the Comptroller General shall allow credit for expenditures under this chapter made consistent with commercial practices in the aviation insurance business when shown to be necessary because of the business activities authorized by this chapter.

(Pub. L. 103-272, § 1(e), July 5, 1994, 108 Stat. 1171; Pub. L. 104-316, title I, § 127(e), Oct. 19, 1996, 110 Stat. 3840; Pub. L. 105-137, § 4, Dec. 2, 1997, 111 Stat. 2640; Pub. L. 112-95, title VII, § 704, Feb. 14, 2012, 126 Stat. 118.)

HISTORICAL AND REVISION NOTES

<i>Revised Section</i>	<i>Source (U.S. Code)</i>	<i>Source (Statutes at Large)</i>
44308(a)	49 App.:1537(c) (1st sentence).	Aug. 23, 1958, Pub. L. 85-726, § 1307(a) (1st sentence), (c), (d), 72 Stat. 803, 804.
44308(b)(1) ..	49 App.:1537(a) (1st sentence words before 6th comma). 49 App.:1537(b).	Aug. 23, 1958, Pub. L. 85-726, § 1307(b), 72 Stat. 804; Nov. 9, 1977, Pub. L. 95-163, § 5(a), 91 Stat. 1280.
44308(b)(2) ..	49 App.:1537(a) (1st sentence words after 6th comma).	
44308(c)(1) ..	49 App.:1537(d) (1st, 3d sentences).	
44308(c)(2) ..	49 App.:1537(d) (2d, last sentences).	
44308(c)(3) ..	49 App.:1537(c) (last sentence).	
44308(d)	49 App.:1537(f) (1st sentence).	Aug. 23, 1958, Pub. L. 85-726, § 1307(f), 72 Stat. 804; Jan. 2, 1975, Pub. L. 93-604, § 702, 88 Stat. 1964.
44308(e)	49 App.:1537(f) (last sentence).	

In subsection (a), the words “may carry out this chapter” are substituted for “in administering this subchapter, may exercise his powers, perform his duties and functions, and make his expenditures” to eliminate unnecessary words.

In subsection (b)(1), the word “insurance” is added for clarity. The words “rules, and regulations” are omitted as unnecessary because of 49:322(a). The words “as he deems proper” and “subject to the following provisions of this subsection” are omitted as surplus. The words “and change” and “fix, adjust, and change” are omitted as being included in “prescribe”. The words “under the policies” are added for clarity. The word “charged” is substituted for “provided for in this subchapter” for consistency in this subchapter.

In subsection (b)(2), before clause (A), the words “the Secretary” are added because of the restatement. In clause (A), the words “adjust and . . . losses, compromise and” are omitted as included in “settle and pay the claim”. The word “made” is substituted for

“whether” for clarity. In clause (B), the word “entered” is substituted for “rendered” because it is more appropriate. The words “in any suit” are omitted as surplus. The words “or the amount of any settlement agreed upon” are omitted as being included in “settle and pay the claim”.

In subsection (c)(1), the words “and when practical shall” are substituted for “and whenever he finds it practical to do so shall” to eliminate unnecessary words. The word “his” is omitted as surplus. The words “The Secretary may use” are substituted for “may be utilized” for consistency. The words “The services of” are omitted as unnecessary.

In subsection (c)(2), the words “pay reasonable compensation” are substituted for “allow . . . fair and reasonable compensation” for consistency in the revised title. The words “an underwriting agent” are substituted for “such companies or groups of companies”, and the words “the agent writes” are substituted for “written by such companies or groups of companies as underwriting agent”, for clarity. The word “payment” is substituted for “allowance” for consistency.

In subsection (c)(3), the words “intermediary” and “fee or other” are omitted as surplus. The word “for” is substituted for “by virtue of his participation in” to eliminate unnecessary words.

In subsection (d), the word “prepare” is omitted as being included in “submit”. The words “for carrying out this chapter” are substituted for “in the performance of, and with respect to, the functions, powers, and duties vested in him by this subchapter” for consistency and to eliminate unnecessary words. The words “under chapter 91 of title 31” are substituted for “by the Government Corporation Control Act, as amended (59 Stat. 597; 31 U.S.C. 841)” in section 1307(f) of the Act of August 23, 1958 (Public Law 85-726, 72 Stat. 804) because of section 4(b) of the Act of September 13, 1982 (Public Law 97-258, 96 Stat. 1067).

In subsection (e), the words “under chapter 35 of title 31” are substituted for “in accordance with the provisions of the Accounting and Auditing Act of 1950” in section 1307(f) of the Act of August 23, 1958 (Public Law 85-726, 72 Stat. 804) because of section 4(b) of the Act of September 13, 1982 (Public Law 97-258, 96 Stat. 1067). The words “Provided, That . . . the Secretary may exercise the powers conferred in said subchapter, perform the duties and functions” are omitted as surplus. The words “Notwithstanding chapter 35” are added for clarity. The words “Comptroller General” are substituted for “General Accounting Office” because of 31:702.

Editorial Notes

AMENDMENTS

2012—Subsec. (c)(1). Pub. L. 112-95 substituted “agent, or a claims adjuster who is independent of the underwriting agent,” for “agent” in second sentence.

1997—Subsec. (b)(1). Pub. L. 105-137, § 4(a), inserted after second sentence “Any such policy may authorize the binding arbitration of claims made thereunder in such manner as may be agreed to by the Secretary and any commercial insurer that may be responsible for any part of a loss to which such policy relates.”

Subsec. (b)(2). Pub. L. 105-137, § 4(b), struck out “and” at end of subpar. (A), added subpar. (B), and redesignated former subpar. (B) as (C).

1996—Subsec. (e). Pub. L. 104-316 substituted “for audit” for “. . . The Comptroller General shall audit those accounts”.

§ 44309. Civil actions

(a) LOSSES.—

(1) ACTIONS AGAINST UNITED STATES.—A person may bring a civil action in a district court of the United States or in the United States Court of Federal Claims against the United States Government when—

(A) a loss insured under this chapter is in dispute; or

(B)(i) the person is subrogated under a contract between the person and a party insured under this chapter (other than section 44305(b)) to the rights of the insured party against the United States Government; and

(ii) the person has paid to the insured party, with the approval of the Secretary of Transportation, an amount for a physical damage loss that the Secretary has determined is a loss covered by insurance issued under this chapter (other than section 44305(b)).

(2) LIMITATION.—A civil action involving the same matter (except the action authorized by this subsection) may not be brought against an agent, officer, or employee of the Government carrying out this chapter. A civil action shall not be instituted against the United States under this chapter unless the claimant first presents the claim to the Secretary of Transportation and such claim is finally denied by the Secretary in writing and notice of the denial of such claim is sent by certified or registered mail.

(3) PROCEDURE.—To the extent applicable, the procedure in an action brought under section 1346(a)(2) of title 28, United States Code, applies to an action under this subsection.

(b) VENUE AND JOINDER.—(1) A civil action under subsection (a) of this section may be brought in the judicial district for the District of Columbia or in the judicial district in which the plaintiff or the agent of the plaintiff resides if the plaintiff resides in the United States. If the plaintiff does not reside in the United States, the action may be brought in the judicial district for the District of Columbia or in the judicial district in which the Attorney General agrees to accept service.

(2) An interested person may be joined as a party to a civil action brought under subsection (a) of this section initially or on motion of either party to the action.

(c) TIME REQUIREMENTS.—(1) Except as provided under paragraph (2), an insurance claim made under this chapter against the United States shall be forever barred unless it is presented in writing to the Secretary of Transportation within two years after the date on which the loss event occurred. Any civil action arising out of the denial of such a claim shall be filed by not later than six months after the date of the mailing, by certified or registered mail, of notice of final denial of the claim by the Secretary.

(2)(A) For claims based on liability to persons with whom the insured has no privity of contract, an insurance claim made under the authority of this chapter against the United States shall be forever barred unless it is presented in writing to the Secretary of Transportation by not later than the earlier of—

(i) the date that is 60 days after the date on which final judgment is entered by a tribunal of competent jurisdiction; or

(ii) the date that is six years after the date on which the loss event occurred.

(B) Any civil action arising out of the denial of such claim shall be filed by not later than six months after the date of mailing, by certified or