

HULL -- Sum insured (See Appendix B), but in the event of damage to or actual or constructive total loss of the vessel, the insured value will be not in excess of \$ _____ *, which latter amount is the stated valuation of that vessel as determined by the Secretary of Transportation in accordance with section 1209(a), Title XII of the Merchant Marine Act, 1936, as amended. This insurance does not cover loss of disbursements provided herein below, as additional coverage, as a consequence of the actual or constructive total loss of said vessel. It is understood that, with respect to damage to or actual or constructive total loss of the vessel, this insurance shall not exceed the "sum insured" or the "stated valuation," whichever is the lesser amount.

** If this valuation is not inserted when the binder is issued, it will be published in the Federal Register pursuant to 46 CFR 309, as amended from time to time.*

DISBURSEMENTS -- (consumable and subsistence stores, slop chests, bar stock and bunker fuel) -- Insured for (See Appendix B) _____ dollars against the risks of loss as a consequence of the actual or constructive total loss of the vessel insured hereunder. This insurance is optional and is provided applicants for hull insurance as additional coverage. In the event of loss, payment of claim shall be limited to the actual value of the disbursements loss but not exceeding the amount so insured.

WAR RISK PROTECTION AND INDEMNITY INSURANCE -- Sum to be insured as specified for each vessel listed in Appendix B, but not exceeding \$750 per gross ton of the vessel.

SECOND SEAMEN'S WAR RISK INSURANCE (1955) -- Loss, if any, payable in accordance with and in the amount specified in the applicable provisions of the Second Seamen's War Risk Policy (1955), or as modified by shipping articles, collective bargaining agreements or other applicable employment agreements which are in effect as of the date of a casualty involving the subject vessel. Upon the attachment of this binder, the number of crew members and modified benefits payable as of that date shall be declared immediately to the Underwriting Agent. Any subsequent changes will be likewise declared.

To attach automatically upon and simultaneously with (a) the outbreak of war (whether there be a declaration of war or not) between any of the following countries: United States of America, United Kingdom, France, the Union of Soviet Socialist Republics, or the People's Republic of China; or (b) upon and simultaneously with the occurrence of any hostile detonation of any nuclear weapon of war including any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction of radioactive force or matter wheresoever or whensoever such detonation may occur and whether or not the vessel may be involved.

To terminate thirty (30) days after the outbreak of war (whether there be a declaration of war or not) between any of the aforesaid countries.

Terms and Conditions: Subject to form of policy prescribed by the Maritime Administrator, acting for the Secretary of Transportation. The category (one only) of eligibility under which application is made must be designated.

(a)

A vessel registered, enrolled or licensed under the laws of the United States; any tug or barge or other watercraft (documented under the laws of the United States, or undocumented) owned by a citizen of the United States, used in essential water transportation within the territorial waters of the United States; and U.S. citizen-owned watercraft in the fishing trade or industry, except when used exclusively in or for sport fishing.

(b)(1)

A foreign-flag vessel under Panamanian, Honduran, Bahamian, Republic of the Marshall Islands, or Liberian registry, 1,500 gross tons and over, self-propelled, and not over twenty years of age (unless authorized by the Maritime Administration), which is subject to an unqualified Contract of Commitment with the United States in form as required by the Maritime Administration, and which is owned by a U.S. corporation, or a foreign corporation in which a majority of the stock is owned and controlled by U.S. citizens, whether direct or through intervening corporations, foreign or domestic. Where such intervening corporations are foreign, the ultimate majority ownership and control of the stock of such corporations must be vested in a citizen or citizens of the United States as defined in section 1201(d), Merchant Marine Act, 1936, as amended.

(b)(2)

A foreign-flag vessel under Panamanian, Honduran, Bahamian, Republic of the Marshall Islands, or Liberian registry, 1,500 gross tons and over, self-propelled, and not over twenty years of age (unless authorized by the Maritime Administration), which is subject to an unqualified Contract of Commitment with the United States in form as required by the Maritime Administration, and which is owned by a foreign corporation which is not directly or beneficially owned by U.S. citizens or corporations, but which vessel is under a long-term charter or other long-term contract covering the use of the vessel on terms deemed by the Maritime Administration to subject the vessel to U.S. control in the event of emergency. The charterer of such a vessel must be either a U.S. corporation or a foreign corporation in which a majority of the stock is owned and controlled by U.S. citizens, whether direct or through intervening corporations, foreign or domestic. Where such intervening corporations are foreign, the ultimate majority ownership and control of the stock of such corporations must be vested in a citizen or citizens of the United States as defined in section 1201 (d), Merchant Marine Act, 1936, as amended.

(c)

All other vessels will be insured at the sole discretion of the Maritime Administrator, but only when engaged in a service which has been determined by the Maritime Administrator to be in the interest of the national defense or the national economy of the United States.

It is warranted, as to a vessel in any of the above categories, that at all times during the binder period or any period of insurance attaching thereunder, the vessel will comply with Department of Commerce/Transportation Orders T-1 and T-2 (44 CFR Parts 401,402, and 403) or any modification thereof so long as they remain in force.

Warranted, as to a vessel in any eligible category, that at all times during the binder period or any period of insurance attaching thereunder, the vessel, by action of its owner or master, will comply with the requirements of the vessel position reporting system as prescribed in 46 CFR 308.2(c). The applicant warrants as to a vessel in any eligible category of the application that, without prior approval of the Maritime Administration, the vessel will not, at any time during the binder period or any period of insurance attaching hereunder, be chartered for a period of longer than six (6) months, or for a voyage or voyages the duration of which will probably exceed six (6) months, to any person not a citizen of the United States, nor be chartered to such a non-citizen under a demise or bareboat form of charter, nor be chartered to such a non-citizen for the carriage of cargoes of any kind to or from any of the countries listed in 46 CFR 221.7 or any modification thereof so long as it remains in force, or for use in the fisheries.

The applicant further warrants with respect to a vessel in category (a) that at and from the date of issuance of the interim binder and for and during the term of any insurance attaching thereunder, such vessel will remain eligible within its category.

The applicant further warrants with respect to a vessel in category (b)(1) or (b)(2) that the vessel will maintain its eligibility within its applicable category at all times from and after the issuance of the interim binder, and will be made available to the U.S. Government upon request in the event of national emergency pursuant to the terms of the Contract of Commitment submitted herewith; and agrees, in this connection, that during the period of the binder and any insurance attaching thereunder, any charter or other contract covering the use of the vessel during such period shall be subject to termination or suspension without notice in the event the United States requires the use of the vessel under the voluntary Contract of Commitment submitted herewith.

The applicant further warrants with respect to a vessel in category (c), that at all times such vessel will remain in the approved service which the Maritime Administrator has found to be in the interest of the national economy or the national defense of the United States.

In addition to the aforesaid warranties, the applicant submits certain statements, certificates and/or agreements which are made part of the insurance application, for vessels in the following categories:

Category (b)(1) Applications: (a) An executed Contract of Commitment, in form as prescribed in Section 308.5, under which applicant commits itself to make the vessel available to the U.S. Government upon request in the event of national emergency on the same terms and conditions as vessels owned by citizens of the United

States are available for requisition, for title, or for use, in accordance with the provisions of section 902(a), Merchant Marine Act, 1936, as amended. In the event this insurance application is determined to be ineligible under the terms of the Maritime Administration's regulations, it is understood that the applicant will be so advised and the executed Contract of Commitment (which is submitted in consideration of the issuance of such insurance) shall be returned to applicant by the Maritime Administration. (b) A Certificate of Ownership and Control by U.S. Citizens, Appendix C to this application, executed by the vessel owner establishing that the vessel is owned by a U.S. corporation, or that a majority of the stock of the owning corporation is owned and controlled by U.S. citizens, as defined in section 1201 (d), Merchant Marine Act, 1936, as amended, whether direct or through intervening corporations, foreign or domestic. (c) Where such intervening corporations are foreign, an additional Certificate of Ownership, in the form of Appendix C, shall be executed and appended hereto, by each such corporation establishing that the ultimate majority ownership and control of the stock of such corporation is vested in a citizen or citizens of the United States as defined in section 1201 (d), Merchant Marine Act, 1936, as amended. (d) If prior official action or approval of the Contract of Commitment with the United States is required by the government of the country of vessel's registry as a prerequisite to the execution of such a contract, applicant attaches a certified copy of such official action or approval. If a vessel in category (b)(1) attains twenty years of age on or prior to the effective date of this insurance, applicant agrees that the subject insurance shall not attach without Maritime Administration approval.

Category (b)(2) Applications: (a) A Contract of Commitment executed by both the owner and charterer in form as prescribed in Section 308.5, under which they commit themselves to make the vessel available to the U.S. Government upon request in the event of national emergency on the same terms and conditions as vessels owned by citizens of the United States are available for requisition, for title, or for use, in accordance with the provisions of section 902(a), Merchant Marine Act, 1936, as amended. In the event this insurance application is determined to be ineligible under the terms of the Maritime Administration's regulations, it is understood that the applicants will be so advised and the executed Contract of Commitment (which is submitted in consideration of the issuance of such insurance) shall be returned by the Maritime Administration. (b) A copy of the long-term charter or other long-term contract covering the use of the vessel and all addenda, certified to be full and complete copies (except as to rate of hire or freight). The charterer also agrees to furnish the Maritime Administration a certified copy of any subsequent amendments to such charter. (c) A Certificate of Ownership and Control by U.S. Citizens, Appendix C to this application, executed by the charterer establishing that it is a U.S. corporation, or a foreign corporation in which a majority of the stock is owned and controlled by U.S. citizens, whether direct or through intervening corporations, which may be either foreign or domestic. (d) Where such intervening corporations are foreign, an additional Certificate of Ownership, in the form of Appendix C, shall be executed and appended hereto, by each such corporation establishing that the ultimate majority ownership and control of the stock of such corporation is vested in a citizen or citizens of the United States as defined in section 1201 (d), Merchant Marine Act, 1936, as amended. (e) If prior official action or approval of the Contract of Commitment with the United States is required by the government of the country of vessel's registry as a prerequisite to the execution of such a contract, applicants attach a certified copy of such official action or approval. If a vessel in category (b)(2) attains twenty years of age on or prior to the effective date of this insurance, applicants agree that the Subject insurance shall not attach without Maritime Administration approval.

Category (c) Applications: A copy or the statement of vessel's service previously submitted by the applicant, which was the subject of a finding by the Maritime Administrator that such service is deemed to be in the interest of the national defense or the national economy of the United States.

Warranted free from any claim for loss, damage or expense covered under any commercial policy in effect for the benefit of the assured.

Warranted free from any claim for loss, damage or expense which is or could be covered by a commercial war risk policy containing the American Institute Hull War Risk and Strikes Clauses (including Automatic Termination and Cancellation Provisions) for attachment to American Institute Hull Clauses, December 1, 1977.

Applicant also attaches appropriate vessel data as required in 46 CFR 309.8.

The warranties and representations in this application, which are made in consideration of the issuance of the insurance (above) indicated, shall become a part of this application and be deemed incorporated in the binder and in any insurance policy issued thereunder, to the same extent as though set out in full in such documents.

Binding Fee (Not Returnable)

| Type of Insurance | U.S.-Flag Vessels | | | Foreign-Flag Vessels** | | |
|--------------------------|-------------------|------------------|-----------------------|------------------------|------------------|-----------------------|
| | Under 500 GRT | 500 GRT and Over | LASH or Similar Barge | Under 500 GRT | 500 GRT and Over | LASH or Similar Barge |
| Hull* | \$25 | \$100 | \$100 | \$50 | \$200 | \$200 |
| P&I | \$100 | | \$100 | \$200 | | \$200 |
| 2 nd Seamen's | \$75 | | N/A | \$150 | | N/A |

N/A = Not Applicable

* There is no separate fee for disbursements endorsement.

** Payable in U.S. funds.

Check payable to the order of "Maritime Adm.-Transportation," enclosed herewith.

Rate of premium to be fixed by the Maritime Administrator, acting for the Secretary of Transportation.

Dated _____ 20____

Applicant(s) _____

By: _____
Authorized Signature

By: _____
Authorized Signature

Binder to be sent to:

Name _____

Address _____

Application on category (a) vessels to be submitted, with required attachments, to:

American War Risk Agency
14 Wall Street
New York, NY 10005

Applications on all other vessels to be submitted with required attachments, to:

Attn: Director, Office of Subsidy and Insurance
Maritime Administration
1200 New Jersey Ave, S.E.
Washington, DC 20590

Application for War Risk Insurance

Appendix A

| Vessel Name | Loss Under War Risk Hull and Disbursements Insurance, if any, payable to: |
|-------------|---|
| | or order |

| Vessel Name | Loss Under War Risk Protection and Indemnity Insurance, if any, payable to: |
|-------------|---|
| | or order |

Application for War Risk Insurance

Appendix B

| Vessel Name | Date Built | Category | Mortgagee & Address | Sum Insured (\$) | | |
|-------------|------------|----------|---------------------|------------------|---------------|------------------------|
| | | | | Hull | Disbursements | Protection & Indemnity |
| | | | | | | |
| | | | | | | |
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UNITED STATES OF AMERICA
Department of Transportation
MARITIME ADMINISTRATION

CERTIFICATE OF OWNERSHIP AND CONTROL BY UNITED STATES CITIZEN
APPLICANT FOR WAR RISK INSURANCE

I, _____, _____
(Name) (Title)

of _____, _____ am duly authorized to execute this
(Name of Corporation)

certificate of citizenship to comply with the requirements for obtaining War Risk Insurance to cover the
vessels described in Appendix B _____

That _____ is a _____
(Name of Corporation) (Country)

corporation owned and controlled by _____

(Give sequence of majority ownership and control of all owning or controlling corporations or other
owners, if any, and furnish the full information as to each, if above space is not adequate, continue on
back of this form.)

a corporation organized and existing under the laws of _____
(Country)

the majority (51% or more) of the stock of which corporation is owned and controlled by citizens of

(Country)

That of the stock interests shown above to be owned and controlled by _____
(Country)
citizens, none is held beneficially for a citizen of another country.

(Signature)

Company Seal

(Typed or printed name of signer)

Dated: _____

NOTE: The United States Criminal Code makes it a criminal offense for any person knowingly to make a
false statement or representation to, or to conceal a material fact from, any department or agency of the
United States as to any matter within its jurisdiction (18 U.S.C. 1001), or to file a false, fictitious or
fraudulent claim against the United States (18 U.S.C. 287).

UNITED STATES OF AMERICA
OPTIONAL WAR RISK DISBURSEMENTS
INSURANCE ENDORSEMENT

Attached to and forming part of Interim Binder No. WR-_____

This endorsement insures, as additional coverage, disbursements of the assured on board the vessel named in the standard form of War Risk Hull Insurance Interim Binder, limited to consumable and subsistence stores, slop chests, bar stock and bunker fuel in the total amount of (See Appendix B), against the risks of loss as a consequence of the actual or constructive total loss of the vessel insured, subject to the terms, conditions and warranties set forth in the interim binder to which this endorsement is attached.

It is understood this insurance, made available as authorized under section 1203(c), Title XII, of Merchant Marine Act, 1936, as amended, is additional to the coverage provided in the War Risk Hull Insurance provision of the standard Interim Binder of Insurance.

Further, it is understood and agreed that in the event of loss, payment of claim shall be limited to the actual value of the disbursements lost as a consequence of the actual or constructive total loss of any vessel listed in Appendix B, but said claim shall not exceed the amount of insurance provided in this endorsement.

**UNITED STATES OF AMERICA
By Maritime Administrator
Acting for the Secretary
of Transportation**

(Maritime Administrator)

Countersigned at New York, N.Y., this _____ day of _____, 20_____.

AMERICAN WAR RISK AGENCY

By _____
(Authorized underwriting agent)