

COMSCINST 7330.4D	COG CODE N8	DATE 19 NOV 1990
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DEPARTMENT OF THE NAVY
COMMANDER MILITARY SEALIFT COMMAND
WASHINGTON NAVY YARD BLDG 210
901 M STREET SE
WASHINGTON DC 20398-5540

COMSCINST 7330.4D
N8
19 November 1990

COMSC INSTRUCTION 7330.4D

Subj: RESERVE FOR SETTLEMENT OF CLAIMS ACCOUNT 2600

1. Purpose. To set forth the content of the Reserve for Settlement of Claims account, establish responsibility for maintenance of an inventory of claims, and provide for furnishing the Comptroller with the estimated and actual settlement values of claims for purposes of maintenance of a Reserve for Settlement of Claims account.
2. Cancellation. COMSCINST 7330.4C.
3. Reserve for Settlement of Claims Content. The Reserve for Settlement of Claims account is intended to provide for payment of claims resulting from the contractual obligations of MSC. Examples of such claims are:
 - a. General Average - contribution of proportionate share of total loss incurred in preserving the common marine venture; such contribution being based on Government's share in the total venture.
 - b. Salvage - Cost incurred in salvage of MSC ships or cargo in situations of peril or maritime casualty.
 - c. Stevedore Damage - Damages to vessels resulting from loading and discharging operations.
 - d. Redelivery - Involving time-chartered vessels.
 - e. Unsafe Berth - Costs incurred as a result of damage to vessels ordered by MSC to unsafe berths.
 - f. Personal Injury - Costs incurred as a result of personal injury.

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g. Liquidated Damage - Costs incurred from other types of incidents (not included in a thru f above) which have been stipulated in charters or contracts as being for the account of MSC.

h. Miscellaneous - Claims not listed above involving damage or loss to others.

4. Items Not Provided For. The following types of costs, while referred to as claims because they have become the object of dispute or study as to contractual liability, shall not be provided for in the Reserve for Settlement of Claims account:

a. Crew overtime

b. Crew repatriation

c. Escalation

d. Unearned freight for cargo not delivered

e. Stevedore detention

f. Charter hire

g. Demurrage

h. Port charges and expenses

i. Maintenance and repair - government-owned ships (including contract-operated tankers)

5. Action. Counsel will maintain an inventory of claims as listed in paragraph 3 above and will furnish the Comptroller with the total estimated settlement value of such claims as of 31 March, 30 June, 30 September, and 31 December. Additionally, upon settlement of any claims of \$100,000 or more, Counsel will notify the Comptroller of the actual settlement amount. The Comptroller will review and adjust the Reserve for Settlement of Claims account as appropriate.

Distribution:

COMSCINST 5000.19

List I (Case A, B)

List II (Case A, B)