

## “BASIS OF INSURANCE

“(b) The premium charged for any insurance or reinsurance issued under any provision of this title shall be based, insofar as practicable, upon consideration of the risk involved. Premium.

## “PERIOD OF COVERAGE

“(c) No insurance or reinsurance may be provided by the Secretary under this title for an initial period of more than sixty days. Such insurance or reinsurance may be extended for additional periods each of which shall not exceed sixty days, but only if, before each such extension, the President makes the same determination with respect to such extension as he is required to make under paragraph (2) of subsection (a) of this section for the initial provision of such insurance or reinsurance.” Extension.

SEC. 3. Section 1303 of the Federal Aviation Act of 1958 is amended to read as follows: 49 USC 1533.

## “INSURABLE PERSONS, PROPERTY, OR INTERESTS

“SEC. 1303. The Secretary may provide the insurance and reinsurance, authorized by section 1302 with respect to the following persons, property, or interest: Ante, p. 1278.

“(1) American aircraft and those foreign-flag aircraft engaged in aircraft operations deemed by the President to be necessary to carry out the foreign policy of the United States.

“(2) Cargoes transported or to be transported on any aircraft referred to in paragraph (1), including shipments by express or registered mail; air cargoes owned by citizens or residents of the United States, its territories, or possessions; air cargoes imported to, or exported from the United States, its territories, or possessions and air cargoes sold or purchased by citizens or residents of the United States, its territories, or possessions, under contracts of sale or purchase by the terms of which the risk of loss or the obligation to provide insurance against such risks is assumed by or falls upon a citizen or resident of the United States, its territories, or possessions; air cargoes transported between any point in the United States and any point in a territory or possession of the United States, between any point in any such territory or possession and any point in any other such territory or possession, or between any point in any such territory or possession and any other point in the same territory or possession.

“(3) The personal effects and baggage of the captains, pilots, officers, members of the crews of any aircraft referred to in paragraph (1), and of other persons employed or transported on such aircraft.

“(4) Captains, pilots, officers, members of the crews of any aircraft referred to in paragraph (1), and other persons employed or transported thereon against loss of life, injury, or detention.

“(5) Statutory or contractual obligations or other liabilities of any aircraft referred to in paragraph (1) or of the owner or operator of such aircraft of the nature customarily covered by insurance.”

SEC. 4. (a) Subsection (b) of section 1305 of the Federal Aviation Act of 1958 (49 U.S.C. 1535) is amended by striking out “rates” each place it appears and inserting in lieu thereof “premiums”. Reinsurance premiums.