

MARITIME LABOUR CONVENTION (MLC) 2006

Further to our Circular dated 12th August 2016. In order to assist our Assureds in complying with the amendments to the Maritime Labour Convention 2006 requirements which come into force on 18th January 2017, the following amendments apply to Edition 2 (November 2013) of the Lodestar Terms and Conditions, with effect from 18th January 2017:-

1. Seamen

- 1.1. Liability for compensation or damages for the injury, illness or death of a Seaman.
- 1.2. Hospital, medical and ancillary expenses necessarily incurred in relation to the injury, illness or death of a Seaman, including funeral arrangements and the repatriation of remains.
- 1.3. Liability for the repatriation of a Seaman.
- 1.4. Expenses necessarily incurred as the result of any statutory obligation or order issued by any governmental agency or authority in relation to any Seaman who goes absent from the Insured Ship without leave if such expense cannot be recovered from the Seaman concerned.
- 1.5. Expenses necessarily incurred in sending aboard a substitute Seaman by reason of the injury, illness, death or absence without leave of a Seaman.
- 1.6. Liability to any Seaman for wages or compensation for the loss of his employment following the actual, constructive or compromised total loss of the Insured Ship.
- 1.7. *Payment by the Insurer of maintenance and repatriation expenses for and/or outstanding wages due to a Seaman pursuant to any enactment or provision implementing Regulation 2.5, Standard A2.5.2 of MLC 2006.*



1.8. *Payment by the Insurer to a Seaman or his representative of contractual claims for compensation for death or long term disability pursuant to any enactment or provision implementing Regulation 4.2, Standard A4.2 paragraph 1(b) of MLC 2006.*

1A *Provisos*

(a) *Sub clauses 1.7 and 1.8 take effect only as financial security in favour of a Seaman and are not an extension of the cover available to the Assured under the other provisions of this clause.*

(b) *The Insurer shall not make any payment under sub-clauses 1.7 and/or 1.8:*

- i. if any such payment would be recoverable by the Seaman under a social security scheme, fund, separate insurance or similar arrangement;*
- ii. where the exclusions from cover in clauses 24, 25 or 26 (war risks, nuclear and cyber risks, sanctions) apply.*

(c) *There is no cover for any Liability or expense incurred only because of the terms of a Crew Contract unless the Insurer has previously approved those terms in Writing.*

(d) *There is no cover under sub- clause 1.3 for Liability or expense which arises because of:*

- i. The sale or laying up of the Insured Ship; or*
- ii. The termination of a Crew Contract in accordance with its terms, or by mutual consent;*
or
- iii. Breach of a Crew Contract by, or other default of the Assured.*

(e) *Cover under sub-clause 1.6 is limited to a maximum period of 60 days.*

34. Payment First

34.1. *The Insurer may make payments in respect of Liability or expense covered under sub- clauses 1.1 directly to a Seaman or on his behalf to a third party.*

34.2. *The Assured shall be liable to reimburse the Insurer in full for any payment made to a Seaman or his representative under sub-clauses 1.7 or 1.8 unless and to the extent that cover would otherwise have been available to the Assured under the other provisions of Clause 1.*

- 34.3. Unless the Insurer decides otherwise, it is a condition precedent to any recovery by the Assured under any other clause of this insurance that the Assured shall have discharged the Liability or paid the costs or expense claimed out of funds belonging to the Assured unconditionally and not by way of loan or otherwise.

These amendments will appear in Edition 3 of the Lodestar Terms and Conditions in due course.

With effect from 18th January 2017 vessels that are subject to MLC will be required to display certificates confirming that insurance or other financial security is in place for liabilities in respect of:

- Outstanding wages and repatriation of seafarers together with incidental costs and expenses in accordance with MLC Regulation 2.5, Standard A2.5.2 and Guideline B2.5, and
- Compensation for death or long term disability in accordance with Regulation 4.2., Standard A4.2. and Guideline B4.2.

Any Assured with vessels subject to MLC should contact Lodestar in order to obtain the necessary certification. Further details in respect of MLC may be found in the MLC database maintained by the International Labour Organisation.

Lodestar Marine Limited

9th November 2016