



**REPUBLIC OF
THE MARSHALL ISLANDS**
MARITIME ADMINISTRATOR

Marine Notice

No. 7-052-3

Rev. Feb/2019

TO: ALL SHIPOWNERS, OPERATORS, MASTERS AND OFFICERS OF MERCHANT SHIPS, AND RECOGNIZED ORGANIZATIONS

SUBJECT: Liability Insurance for Seafarer Abandonment, Death, and Long-Term Disability

References: (a) [MLC, 2006](#), *Maritime Labour Convention, 2006*, as amended
(b) **RMI Maritime Act (MI-107)**, §864
(c) **RMI Maritime Regulations (MI-108)**, §7.52.1
(d) **RMI Marine Notice [2-023-1](#)**, *Proof of Liability Insurance*

PURPOSE:

This Notice provides the Republic of the Marshall Islands (RMI) Maritime Administrator (the “Administrator”) requirements with respect to the 2014 amendments to the Maritime Labour Convention, 2006 (MLC, 2006).

It supersedes version Jan/2019. A clarification was added to §2.1 on vessels less than 500 gross tons and §2.7 was inserted to reference the proof of liability insurance requirements.

BACKGROUND:

On 11 June 2014, the International Labour Organization (ILO) adopted amendments to the MLC, 2006:

1. Standard A2.5 was amended to require a financial security system to be provided to assist seafarers in the event of abandonment.
2. Standard A4.2 was amended to provide minimum requirements for financial security for compensation of contractual claims in the event of death or long-term disability of seafarers.

An important objective of the amendments is to provide seafarers with direct access to compensation, sufficient coverage, and expedited financial assistance. Both sets of amendments entered into force 18 January 2017.

APPLICABILITY:

This Marine Notice applies to all RMI-flagged vessels except:

- a. Pleasure Yachts; and
- b. those without Convention on Standards of Training, Certification and Watchkeeping for Seafarers (STCW)-certified personnel working onboard in their recognized professional capacity under a seafarers' employment agreement (SEA). Vessels to which this applies are, for example, unmanned barges and non-self-propelled jackup rigs.

DEFINITIONS:

Abandonment - A seafarer shall be deemed to have been abandoned where, in violation of the requirements of the [MLC, 2006](#) or the terms of the SEA), the shipowner:

1. fails to cover the cost of the seafarer's repatriation; or
2. has left the seafarer without the necessary maintenance and support; or
3. has otherwise unilaterally severed their ties with the seafarer including failure to pay contractual wages for a period of at least two (2) months.

Contractual Claim means any claim which relates to death or long-term disability of a seafarer due to an occupational injury, illness, or hazard as set out in national law¹, the SEA or collective bargaining agreement (CBA).

Necessary Maintenance and Support shall include adequate food, accommodation, drinking water supplies, essential fuel for survival on board the ship and necessary medical care, and any other reasonable costs or charges arising from the Abandonment until the seafarer's arrival home.

Pleasure Yacht means a private yacht as defined in RMI Maritime Regulations (MI-108) §1.03.13.

REQUIREMENTS:

1.0 Financial Security

1.1 All RMI-flagged vessels to which this Notice applies must at all times maintain satisfactory third party liability insurance in accordance with §7.52.1 of RMI Maritime Regulations ([MI-108](#)).

1.2 Abandonment

¹ See RMI Maritime Act ([MI-107](#)), §837 and RMI Maritime Regulations (MI-108), §7.50 (Benefit of Compensation for Loss of Life), and RMI Maritime Act (MI-107), §836 (Wages, maintenance and cure).

The liability insurance required by RMI Maritime Regulations ([MI-108](#)), §7.52.1 with respect to abandonment must be sufficient to cover:

- .1 outstanding wages and other entitlements due from the shipowner to the seafarer under their employment agreement, a relevant CBA, and RMI Maritime Act and RMI Maritime Regulations, limited to four (4) months of any such outstanding entitlements;
- .2 all expenses reasonably incurred by the seafarer, including the cost of repatriation in accordance with RMI Maritime Regulations (MI-108), §7.52.5; and
- .3 the essential needs of the seafarer and any other reasonable costs, or charges arising from the abandonment.

1.3 Long-term Disability and Death

1.3.1 The liability insurance required by RMI Maritime Regulations (MI-108), §7.52.1 must assure compensation for Contractual Claims in the event of death or long-term disability of seafarers due to occupational injury, illness, or hazard.

1.3.2 Contractual Claims shall be addressed and settled directly between the financial security provider and seafarer.

1.3.3 Contractual Claims shall be paid in full and without delay.

1.3.4 A seafarer shall not be pressured to accept a payment less than the contractual amount.

1.4 Validity of Financial Security and Notifications

1.4.1 Shipowners must notify their seafarers if the financial security is to be cancelled or terminated.

1.4.2 Financial security providers must notify the Administrator if any RMI shipowner's financial security is cancelled or terminated, or is to be cancelled or terminated, 30 days in advance of any such termination.

1.4.3 In accordance with [MLC, 2006](#) Standard A4.2.8.11, the financial security must not cease before the end of the period of its validity, unless the financial security provider has given prior notification of at least 30 days to the Administrator.

2.0 Certificates of Financial Security

2.1 As of **18 January 2017**, all RMI-flagged vessels that are required to be MLC, 2006 certified or have opted for voluntary certification under MLC, 2006 must carry on board certificates or other documentary evidence of financial security to show compliance with MLC, 2006:

- .1 [Standard A2.5.2](#): Shipowner liability in cases of abandonment; and

.2 [Standard A4.2.1](#): Treatment of Contractual Claims-death and long-term disability.

For vessels under 500 gross tons that are not required to be certified, refer to MI-108, §7.52.

- 2.2 The certificate or other documentary evidence of financial security required must include the following information and **be issued directly to the shipowner by the financial security provider (Protection and Indemnity (P&I) Club or other insurer)**:
- (a) name of the ship;
 - (b) port of registry of the ship;
 - (c) call sign of the ship;
 - (d) IMO number of the ship;
 - (e) name and address of the provider or providers of the financial security;
 - (f) contact details of the persons or entity responsible for handling seafarers' contractual claims;
 - (g) name of the shipowner on whose behalf financial security has been provided²;
 - (h) period of validity of the financial security; and
 - (i) an attestation from the financial security provider that the financial security meets the requirements of Standards A 2.5.2 and A4.2.1.
- 2.3 Mobile Offshore Units (MOUs) that self-insure in accordance with RMI Maritime Regulations ([MI-108](#)), §2.23 must document the nature, amount, and security of the liability reserve in lieu of an attestation from the financial security provider as required in §2.2(i) of this Notice.
- 2.4 In most circumstances two (2) certificates will be issued; one (1) to meet Standard A2.5. and one (1) to meet Standard A4.2. Where more than one (1) financial security provider supplies cover, the documents provided by each provider must be carried on board. MOU operators opting to self-insure may provide the required documentary evidence directly to the Administrator via a certified letter.
- 2.5 A copy of the certificates or documentary evidence must be posted in a conspicuous place on board the vessel where it is available to the seafarers.
- 2.6 A copy of the certificates or documentary evidence must be forwarded by the shipowner to the Administrator at: yesdoc@Register-iri.com.

² These persons or entity may be the registered owner or the ship operator; and shall be indicated accordingly in the Declaration of Maritime Labour Compliance (DMLC) Part II.

2.7 See RMI Marine Notice [2-023-1](#) for the requirements governing third party liability insurance.

3.0 Declaration of Maritime Labour Compliance (DMLC)

3.1 The DMLC Part I (RMI Form [MSD 400A](#)) and DMLC Part II (RMI Form [MSD 400B](#)) have been amended by the Administrator to incorporate the 2014 amendments to [MLC, 2006](#). While the DMLC Part I and Part II will need to be amended, the Administrator does not envision changes to existing DMLCs prior to 18 January 2017, provided that evidence of compliance with the new requirements (i.e., documents showing liability insurance coverage) is posted on board as required.

3.2 Shipowners of existing RMI-flagged vessels will need to request a new DMLC Part I from the Administrator and amend their DMLC Part II accordingly by the initial or first renewal inspection after **18 January 2017**. This may also be accomplished earlier on a voluntary basis.

3.3 The Administrator will issue the updated DMLC Part I to all newbuild vessels and those transferring into the RMI flag beginning 18 January 2017, as part of the certification procedure provided in RMI Marine Notice [2-011-33](#), *Maritime Labour Convention, 2006 Inspection and Certification Program*.

3.4 An Administrator Recognized Organization (RO), chosen by the ship operator for MLC, 2006 certification, must verify that the amendments to the DMLC Part II have been implemented following §3.2 of this Notice; and that the required certificates are current and posted on board.

4.0 Validity of Documentation

4.1 ML Certificates and DMLCs that were issued when the financial security amendments entered into force will remain valid, no later than the initial or first renewal inspection date following 18 January 2018, provided the Convention requirements continue to be met. After this time, this documentation must be issued or renewed to comply with the Convention as amended.