



**REPUBLIC OF
THE MARSHALL ISLANDS**
MARITIME ADMINISTRATOR

Marine Notice

No. 7-052-3

Rev. Feb/2017

**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) **ILO Resolution [GB.322/LILS/3](#)**, *Resolution on transitional measures relating to the entry into force of the amendments to the Maritime Labour Convention, 2006 concerning financial security requirements in respect to the abandonment of seafarers and for shipowners' liability*, adopted 10 October 2014
 - (c) **RMI Maritime Act ([MI-107](#))**, §864
 - (d) **RMI Maritime Regulations ([MI-108](#))**, §7.52.1

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).

This Notice supersedes the originally published Notice of Dec/2016. It has been amended to clarify that the financial security requirements addressed herein do not apply to certain vessel types, such as unmanned barges and non-self-propelled jackup rigs.

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

Beginning **18 January 2017**, the requirement to maintain at all times satisfactory third party liability insurance for the social protections afforded seafarers in accordance with §7.52.1 of RMI Maritime Regulations ([MI-108](#)) shall apply to all vessels, with the exception of: 1) Pleasure Yachts; and 2) vessels that do not have Convention on Standards of Training, Certification and Watchkeeping for Seafarers (STCW) certified personnel onboard performing duties in the capacity of their certification(s) under a seafarers employment agreement aboard that vessel (e.g., 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 seafarers’ employment agreement (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, with the exception of Pleasure Yachts, must maintain at all times satisfactory third party liability insurance in accordance with §7.52.1 of RMI Maritime Regulations ([MI-108](#)).

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).

1.2 *Abandonment*

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 are required to 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 certified (i.e., carry a Maritime Labour (ML) Certificate) 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.
- 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.
- 2.2.1 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.
- 2.3 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 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.

- 2.4 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.
- 2.5 A copy of the certificates or documentary evidence must be forwarded by the shipowner to the Administrator at: vesdoc@Register-iri.com.

3.0 Declaration of Maritime Labour Compliance (DMLC)

- 3.1 As of the issuance of this Notice, 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 evidencing 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. This must be done 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 vessels 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 As inspectable items, 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 accomplished in accordance with §3.2 of this Notice; and that the required certificates are current and posted on board.

4.0 Validity of Documentation

- 4.1 An ML Certificate and DMLC consisting of the DMLC Part I and DMLC Part II must be issued or renewed so as to comply with the requirements of the Convention, as amended, no later than the date of the initial or first renewal inspection following 18 January 2017. An existing ML Certificate and DMLC, while they are still valid in accordance with the Convention, shall be recognized until that time.