

British Marine

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To: All Assured and Brokers

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Update on the Maritime Labour Convention

As discussed in our Circular dated 3rd April 2013 the Maritime Labour Convention (MLC) came into force internationally on 20th August 2013. In April 2014, several amendments to the Act were agreed by the International Maritime Organisation (ILO). These amendments are due to come into force on the 18th January 2017.

These new amendments will require vessels which are flagged with a ratifying state or trade to a ratifying state, to display evidence that there is insurance or financial security in place to cover the following:

1. Cost and expense of repatriation of seafarers.
2. Up to four months arrears of wages or entitlements due under a seafarers contract of employment following abandonment. (MLC Regulation 2.5.2 as amended)

Claims for repatriation are generally covered by the British Marine terms and conditions and these have been amended to include repatriation due to the owner's insolvency. British Marine currently provides cover for crew wages following abandonment for a period of 60 days, by way of our MLC Abandonment Clause. From 18th January 2017 this coverage will be extended to four months as required by the new amendments.

Any payment in respect of a liability, costs or expense pursuant to point 2 shall be made on behalf of the Assured, and the Assured shall be liable to reimburse the Insurer, for all costs and expenses paid.

The Convention, FAQs and a list of ratifying nations can be found at www.ilo.org/mlc

