

Commonwealth of Dominica



Office of the Maritime Administrator

**To: All Shipowners, Operators, Masters and Officers of Merchant Ships,
and Recognized Organizations**

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

PURPOSE

This Circular provides the Commonwealth of Dominica Maritime Administration (the DMA) requirements with respect to the 2014 amendments to the Maritime Labour Convention, 2006 “MLC, 2006”.

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 enter into force 18 January 2017.

APPLICABILITY

The Circular applies to all Dominica-flagged vessels, except Pleasure Yachts, beginning 18 January 2017 as provided below.

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Inquiries concerning the subject of this Marine Safety Circular should be directed to the Deputy Maritime Administrator Commonwealth of Dominica, 32 Washington Street, Fairhaven, MA 02719 USA
technical@dominica-registry.com

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 law, 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 Dominica Maritime Administration’s Publication 200 Vessel Registration and Mortgage Recordation “CDP-200”.

REQUIREMENTS

Financial Security

All Dominica-flagged vessels, with the exception of Pleasure Yachts, must maintain at all times satisfactory third party liability insurance in accordance with section 7.1.8.

Abandonment

The liability insurance required by CDP-200, 7.1.8 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 collective bargaining agreement and DMA Maritime Act and DMA 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; and
- .3 the essential needs of the seafarer and any other reasonable costs or charges arising from the abandonment.

Long-term Disability and Death

The liability insurance required by CDP-200, section 7.1.8 must assure compensation for Contractual Claims in the event of death or long-term disability of seafarers due to occupational injury, illness, or hazard.

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

Contractual Claims shall be paid in full and without delay.

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

Validity of Financial Security and Notifications

Shipowners are required to notify their seafarers if the financial security is to be cancelled or terminated.

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

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.

Certificates of Financial Security

By 18 January 2017 all Dominica-flagged vessels that are required to be certified (i.e., carry a Maritime Labour 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.

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):

- .1 name of the ship;
- .2 port of registry of the ship;
- .3 call sign of the ship;
- .4 IMO number of the ship;
- .5 name and address of the provider or providers of the financial security;
- .6 contact details of the persons or entity responsible for handling seafarers’ contractual claims;
- .7 name of the shipowner on whose behalf financial security has been provided;
- .8 period of validity of the financial security; and
- .9 an attestation from the financial security provider that the financial security meets the requirements of Standards A2.5.2 and A4.2.1.

Mobile Offshore Units “MOUs” that self-insure must document the nature, amount, and security of the liability reserve in lieu of an attestation from the financial security provider as required above.

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 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 DMA via a certified letter.

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.

A copy of the certificates or documentary evidence must be forwarded by the shipowner to the Administrator at: registration@dominica-registry.com

Declaration of Maritime Labour Compliance (DMLC)

As of the issuance of this Circular, the DMLC Part I (DMA Form CDVR-3075) and DMLC Part II (DMA Form CDVR-3077) have been amended by the Administration to incorporate the 2014 amendments to MLC, 2006. While the DMLC Part I and Part II will need to be amended, the Administration 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.

Shipowners of existing Dominica-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.

The Administrator will issue the updated DMLC Part I to all newbuild vessels and vessels transferring into the Dominica flag beginning 18 January 2017, as part of the certification procedure.

As inspectable items, a 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 the above; and that the required certificates are current and posted onboard.

Validity of Documentation

A MLC 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 first renewal inspection following 18 January 2017. An existing MLC Certificate and DMLC, while they are still valid in accordance with the Convention, shall be recognized until that time.

Any questions can be directed to:
Technical Department
Tel: + 1 508 992 7170
E-mail: technical@dominica-registry.com