

**CIRCULATED TO ALL MEMBERS, BROKERS AND DIRECTORS
ATTENTION INSURANCE DEPARTMENT**

**11 JANUARY 2007
KMS/JD**

CREW CONTRACTS OF EMPLOYMENT

In view of many Members' understandable preference to have continuity of good quality crew, there appears to be an increase in crew members being employed under permanent, long term contracts which allow for continuous employment with the same employer. The Association is aware of the importance of retaining a well trained and loyal crew and understands that under the terms of such contracts, Members may offer crew the benefit of continued insurance cover whilst on leave.

The Association however would strongly recommend that these contracts of employment exclude any liabilities on Members to pay any benefits for injuries suffered by crew members whilst they are participating in any dangerous sports or other dangerous activities.

The Association would also recommend that all crew contracts, whether continuous or for a fixed period exclude benefits which would normally be due, in respect of any death, injury or illness which is caused by any wilful act, including but not limited to suicide, attempted suicide, infection by a sexually transmitted disease or any incident which occurs whilst a crew member is under the influence of alcohol or drugs.

The Association would also like to remind Members that all current and all future draft contracts of employment should be sent to the Club for approval to ensure Members' obligations under Rule 19 (1) (e) are fulfilled.

Rule 19 (1) relates to liabilities in respect of seamen. Rule 19 (1) (e) states that "where liabilities, costs and expenses of the type covered under this Rule are incurred under the terms of a crew agreement or other contract of service or employment and would not have been incurred but for those terms, such liabilities, costs or expenses shall be covered by the Association but only to the extent that those terms shall have been previously approved by the Managers in writing".

Crew contracts sent in for approval should be marked for the attention of the Personal Injury Department.

KM SACKFIELD
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As Managers on behalf of the North of England P&I Association Limited

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