

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

**1 APRIL 2001  
AF/CB**

## **PAYMENT OF CONTRACTUAL COMPENSATION TO CREW MEMBERS**

As Correspondents may be aware the IMO Council and the Governing Body of the ILO established a Joint Expert ad hoc Working Group to;

- (a) Assess and evaluate the extent of the potential problems relating to liability and compensation in connection with crew claims for death, personal injury and abandonment.
- (b) Consider the adequacy and effectiveness of international instruments dealing with these matters.
- (c) Formulate suitable recommendations to the IMO Legal Committee and the Governing Body of the ILO.

The Working Group, of which the International Group and the International Shipping Federation (ISF) are participants, has met on two occasions and is due to meet again between the 30th April and 4th May 2001.

In response to particular concerns which the ITF expressed in relation to the payment of contractual entitlements, the International Group reiterated its stated policy (which is supported by the ISF) that payments due to crew members under contracts of employment in the event of illness, personal injury or death;

(1) Should be made promptly and without deduction, as soon as the sums payable to such crew members have been ascertained.

For example in the event of the death of a crew member, any death benefit which may be due under the terms of the contract of employment, should be paid in full without delay. In the case of an injured crew member, it will of course often not be possible to ascertain the sum payable until the extent of the injury has been finally established.

(2) Should not be made subject to the crew member or his or her dependants executing a release foregoing any rights of action in tort, negligence etc. UNLESS the contract of employment or relevant domestic legislation provides that payment of a fixed sum shall be in full and final settlement of all claims howsoever arising.

This Circular is to remind Correspondents of the International Group's policy. With this in mind the Group recommends where relevant the use of the attached Model Receipt and Release Form.

## **CIRCULAR**

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Should Correspondents require any further information they are requested to contact Clubs.

A Circular in similar terms is being sent by all other Clubs in the International Group.

A FORSTER

SENIOR EXECUTIVE (CLAIMS) - North Insurance Management Limited

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