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The Maritime Labour Convention (MLC) was developed and agreed in 2006 under the auspices of the International Labour Organisation (ILO). It entered into force on 20 August 2013 and, at the time of writing, 57 States have ratified the Convention, virtually guaranteeing its universal application across the maritime sector. It was further amended following the ILO Special Tripartite Meeting held in Geneva in April 2014 and includes additional obligations and requirements on shipowners and insurers.

Responding to the requirements on shipowners introduced by the MLC 2006, the Clubs incorporated cover provisions in their rules for the 2013/14 policy year principally to cover repatriation in cases of an owner's insolvency. The amended rules became effective when the MLC entered into force last year, ensuring that owners were, and are, able to comply with the applicable financial security provisions in the Convention. The existing MLC provisions on financial security in respect of shipowners' liabilities, as described in the Convention, are evidenced by Club Certificates of Entry. Following the Group's intervention with Flag State Administrations, such certificates have been accepted by them since the Convention entered into force.

Amendments to MLC have been agreed upon in principle, subject to approval by the ILO governing body, in respect of liability and financial security for contractual claims for injury, death and abandonment to provide up to four months' back wages and outstanding entitlements for the same period.

Article XV of the MLC 2006, provides that a Special Tripartite Committee (comprising State Parties to the MLC, shipowner and seafarer representatives) may convene a meeting to keep the Convention under review, and introduce amendments to the Code of the Convention through its tacit amendment procedure.

The Special Tripartite Committee met at the ILO between 7 and 11 April 2014 to consider and discuss the Principles that were agreed in 2009 under the auspices of a joint ILO/IMO working group which included governments

and representatives of shipowners and seafarers. The Committee has agreed to give broad effect to the Principles with some minor amendments. The new provisions are still subject to final approval by the ILO governing body, which meets in May and June 2014. They will take effect from a future date to be agreed by the ILO governing body, but that is not likely to be before the end of 2015.

When the new provisions come into force, shipowners will be required to evidence their financial security in a form that has been agreed by the Special Tripartite Committee. This may include some of the features of the blue card which shipowners require in order to evidence cover for liability arising under the IMO liability conventions such as CLC, Bunker Convention and, from 23 April 2014, the 2002 Athens Protocol.

The International Group was fully engaged with industry shipowner organisations and national associations in preparation for the recent negotiations with the ILO. The Group attended the Special Tripartite Committee in an advisory capacity and provided guidance to the International Shipping Federation on matters regarding the provisions relating to financial security.

Any agreement to provide additional cover provisions required by shipowners for liabilities arising from the amendments to the MLC will be subject to the decision of Club boards.

