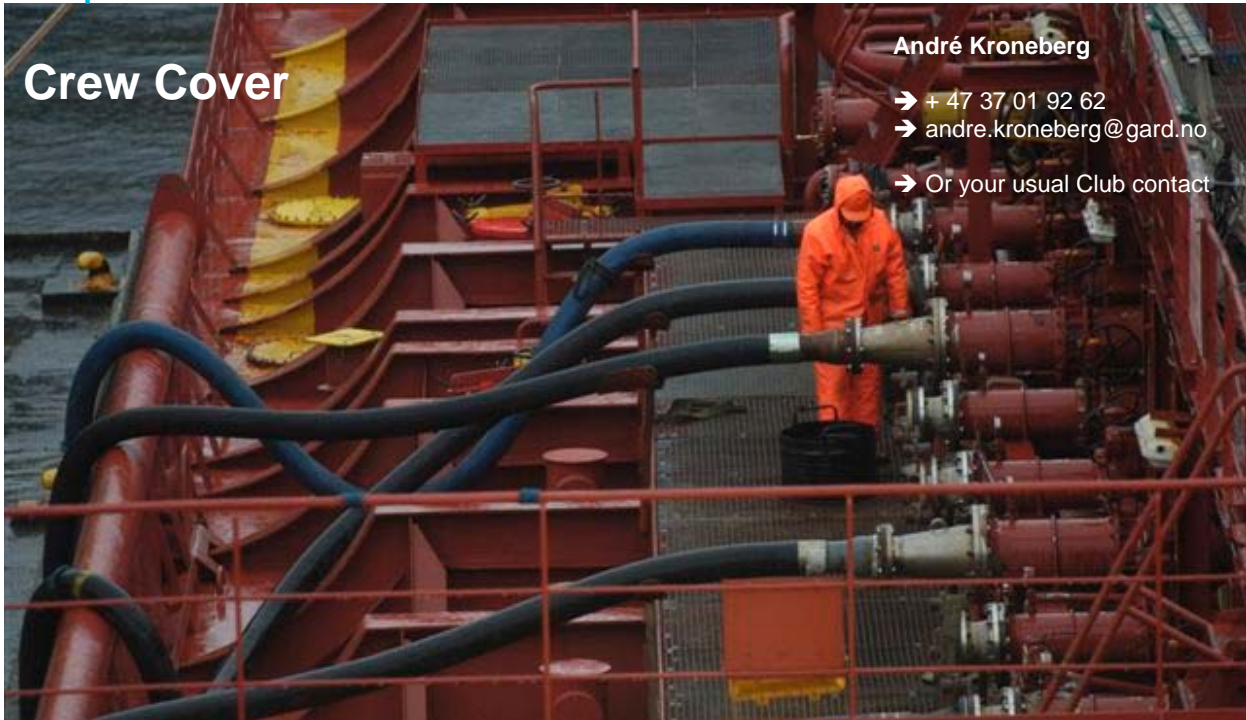


Gard products

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Crew Cover

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The Crew Cover (CRC) responds to a Crew Management company's legal or contractual liability for crew members under contract and arising out of operations customarily carried out at the risk and responsibility of a shipowner.

Risks covered

Crew Managers acting as principals prefer to take out separate crew risk insurance for their crew in order to handle any claims directly with their insurer. In addition, Crew Managers are occasionally not permitted to be co-insured under the owners' P&I insurance, and therefore need to take out separate crew risk insurance. Gard's Crew Cover is developed for these situations.

The CRC responds to the traditional crew liabilities, including costs and expenses arising under a crew employment contract and/or Collective Bargaining Agreements.

The cover can also include separate P&I risks such as liability for other people carried on board, diversion costs, life salvage, fines, and disinfection and quarantine expenses, provided that the Crew Manager is contractually or legally liable in such cases.

Limit

- Standard maximum limit is USD 10 m each event.

Who can be covered?

- Crew Managers with a legal, contractual liability for the crew.

Practical examples where the cover will respond

1) Injury to a crew member

A Filipino engineer slips and falls down a flight of stairs and sustains a serious back injury while on board the vessel. A substitute is sent to replace the repatriated engineer, who has to undergo surgery and receive follow up physiotherapy and rehabilitation training. He is declared fit for duty 80 days after the repatriation. According to the contract of employment the crew manager is liable to provide and pay repatriation, sick wages, and medical treatment until he recovers and is considered fit for shipboard duty.

The Filipino engineer is entitled to compensation according to his contract of employment. As the POEA contract represents the minimum standard to be applied to Filipino crew, the crew manager is liable to pay sick wages (basic wages only) for up to 120 days from the day the engineer is signed off the vessel. The Crew Cover would respond to the crew manager's payment of repatriation, sick wages and medical treatment, as well as the cost of replacing the injured engineer.

2) Negligence of a Crew member

A shipowner uses a crew management company to man a fleet of container vessels. At a port in Europe, a crew member goes on shore leave and heads into the nearby city. Due to his own negligence, the crew member does not return to the ship in time for departure and misses the voyage to the next port in Asia.

If, based on statutory obligation, the crew manager is liable to repatriate the crew member or arrange transportation to the vessel's next port, the Crew Cover will respond to the expenses incurred. Cover is also afforded for expenses incurred in sending a replacement. Normally, the costs involved may be deducted from any outstanding wages due to the crew member.

3) Death of a crew member

A Filipino seafarer dies on board as a result of heart disease. The body is disembarked when the vessel arrives at the next scheduled port. An autopsy is carried out to determine the cause of death, after which the body is prepared for repatriation. The seafarer leaves behind a widow and two young children. The crew management company, who is the seafarer's employer, pays death compensation to the beneficiaries in accordance with the terms of the applicable Collective Bargaining Agreement (CBA).

The Crew Cover would respond to the crew manager's payment of death benefits to the family, repatriation costs, hospital/medical costs, replacement costs, funeral costs, and other costs related to the deceased seafarer as agreed to in the CBA.

4) Diversion due to illness of a crew member

On a voyage from Europe to North America a Greek crew member suffers a severe stroke. The vessel immediately diverts to Bermuda, where the crew member is airlifted by helicopter to the nearest hospital. Two months later his condition improves and he is repatriated accompanied by two escorts back to Greece, where he receives further medical treatment and rehabilitation.

In addition to the traditional liabilities, costs and expenses arising under contract in respect of crew, the Crew Cover also responds to the extra costs of fuel, insurance, wages, stores, provisions and port charges attributable to a diversion, incurred solely for the purpose of securing treatment for a sick person on board.