



The London P&I Club

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TO ALL MEMBERS AND ASSURED

Dear Sirs

Maritime Labour Convention 2006 As Amended (MLC) – Liability for Uninsured MLC Liabilities

As advised in the Association's Circulars [5:533](#) and [5:536](#) concerning the implementation of financial certification requirements in accordance with the amendments to the Maritime Labour Convention 2006 ("MLC"), the Boards of all International Group Clubs agreed that Clubs would provide the necessary certification.

The Circulars also made clear however that whilst some of the liabilities arising under the certificates – i.e. compensation for death or long-term disability in accordance with Regulation 4.2., Standard A4.2. and Guideline B4.2. - would be covered by standard P&I cover, the liabilities for outstanding wages and repatriation of seafarers together with incidental costs and expenses in accordance with MLC Regulation 2.5, Standard A2.5.2 and Guideline B2.5 would fall outside of cover. Should Clubs be required to meet those liabilities in the first instance under its certificate, Members will be obliged to reimburse them.

This position is reflected in the terms of the MLC Extension Clause 2016 against which the Association issues MLC Certificates. The MLC Application Form that Members are required to sign to obtain their Certificates explicitly binds all Co-Assureds to the terms of the MLC Extension Clause and now includes a warranty that the party signing the Application Form has the authority of all those parties to so bind them.

This Circular is therefore to remind Members of the need to obtain the authority of Co-Assureds on the policy to sign the Application Form on their behalf and to bind them to their obligations under the MLC Extension Clause; and to remind such Co-Assureds that they are jointly and severally liable to reimburse the Association for any MLC liabilities falling outside standard P&I cover. Thus, if the Member fails to meet the obligation the Association will look to other Members and Co-Assureds on the policy to make good the debt.

Yours faithfully
A BILBROUGH & CO LTD
(MANAGERS)

5:554

All Clubs in the International Group have issued a similar circular.