

# Isle of Man Ship Registry Maritime Labour Notice

## Shipowners' Liability

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### **Financial security**

#### **Definitions**

Basic pay or wages - means the pay, however composed, for normal hours of work. This does not include payments for overtime worked, bonuses, allowances, paid leave or any other additional remuneration.

Consolidated wage - is the wage or salary which includes the basic pay and other pay-related benefits. A consolidated wage may include compensation for all overtime worked and all other pay-related benefits, or it may include only certain benefits in a partial consolidation.

Full wages - means the consolidated wages at the rate stated in the SEA for seafarers on a consolidated wage and for seafarers on a non-consolidated wage means the pay, however composed for the normal hours of work plus any guaranteed overtime, allowances and paid leave at the rate stated in the SEA.

#### **General requirement**

Shipowners should ensure that seafarers are protected from the financial consequences of sickness, injury or death occurring while employed under a seafarers' employment agreement (SEA).

Shipowners are liable to bear the costs for seafarers working on their ships in respect of sickness and injury of the seafarers occurring between the time they commence travelling to a ship and the date upon which they are deemed duly repatriated, or arising from their employment between those dates.

#### **Protection given**

1. The cost of all medical care and treatment (this includes the cost of medicines and therapeutic appliances), and board and lodgings whilst away from home, until the seafarer has recovered or the incapacity has been declared of a permanent character should be provided for a minimum period of 16 weeks from the day of the injury or commencement of sickness.
2. Shipowners should cease to be liable to bear the above medical, boarding costs and burial costs of a sick or injured seafarer from the time when that liability is assumed by public authorities.
3. The shipowner is liable to pay the seafarer full wages at the rate stated on the SEA while the sick or injured seafarer remains incapacitated while on board and until repatriated.



4. Following repatriation, the shipowner should continue to pay the basic or consolidated wages at the rate the basic or consolidated wages are payable in accordance with the SEA to a sick or injured seafarer until either the seafarer's recovery, or for a minimum of 16 weeks from the date of the injury or commencement of sickness, or as provided for in collective agreements.

The amount paid by the shipowner may be reduced by an amount equal to any sums which the seafarer receives under laws or arrangements in the country to which they are repatriated that give the seafarer financial support following injury or sickness.

5. The shipowner is not liable for:

- a) injury or sickness due to wilful misconduct of the seafarer;
- b) sickness or infirmity intentionally concealed when the engagement was entered into.

6. Shipowners should provide financial security that assures compensation in the event of the death or long term disability of seafarers due to an occupational injury, illness or hazard. (Note that whilst the IOM Ship Registry doesn't specify actual amounts of compensation, the accepted normal industry standards based on Protection & Indemnity (P&I) and Collective Bargaining Agreements (CBA) is expected). See MLN 7.0 for more information.

7. Shipowners are liable to pay the costs of burial expenses in the case of death occurring on board or ashore during the period of engagement.

8. Measures should be taken to safeguard the property left on board by sick, injured or deceased seafarers and to return it to them or their next of kin.

9. The seafarer's right to seek any other legal remedies is not affected by this guidance note or related Isle of Man regulations.

*Please note - The Isle of Man Ship Registry cannot give legal advice. Where this document provides guidance on the law it should not be regarded as definitive. The way the law applies to any particular case can vary according to circumstances - for example, from vessel to vessel. You should consider seeking independent legal advice if you are unsure of your own legal position.*

