

Circular From WOE**Date: 3 April 2020**

The Impacts of Covid-19 and the Operation of Club Cover

The Club has produced a set of FAQs to help guide Members on the most common questions currently being asked about the impacts of Covid-19 and the operation of Club cover. Please note that this is a dynamic list and will be amended and added to as the situation evolves. Members with any other questions are asked to contact the Managers in the usual way.

Q1. Where a crewmember falls ill or dies with Covid-19 is this covered under the vessel's P&I entry?

There is cover for expenses and liabilities incurred by Members for a crew member who is ill or dies due to Covid-19 during his/her period of employment. This would be treated in the same way as any other crew illness or death claims. There are no exclusions from cover for Covid-19 related crew illnesses or deaths.

Given the current situation worldwide with the Covid-19 outbreaks, Members may experience delays and difficulties in obtaining treatment ashore for a crewmember who becomes ill with Covid-19 or similar symptoms. Please contact the Managers and/or local correspondents for assistance.

Q2. In the event it is necessary for the vessel to divert to obtain medical treatment ashore for a crewmember who has contracted Covid-19, what costs are recoverable under the vessel's P&I cover?

Where a diversion is necessary to obtain appropriate treatment for a crew member, whatever the illness, Members may seek reimbursement of the net costs from the Club under Rule 2 section 5.

We recommend that Members contact the Managers to obtain up to date information regarding the restrictions, if any, existing in the intended port of refuge. These are changing rapidly due to the developing situation and could affect the ability to disembark the crewmember and obtain the appropriate treatment ashore.

Q3. In the event a crew member is returning to his homeland and contracts Covid-19 on his journey does this fall within the Member's P&I cover?

It is likely that Members will be responsible for the crewmember's health and safety during his return journey to his homeland, under the crew employment contract. Therefore, any claim for expenses and liabilities that arise from this crewmember's illness are recoverable from the Club. In the event the crewmember becomes ill sometime after returning home, there may be instances where Members are still held responsible for this crewmember. In the event the Member is considered liable then Club cover would respond accordingly.

Q4. If the vessel is subjected to a quarantine order as a result of an outbreak of Covid-19 on board, what costs and expenses are covered under the vessel's P&I cover?

Under Rule 2 section 15 any additional expenses incurred as a result of the outbreak of Covid-19 on board would be covered under this Rule. This would include the net expenses and running costs of the vessel during any quarantine period, the costs of carrying out a deep clean of the vessel and other expenses provided they are incurred as a direct consequence of the outbreak on board the insured vessel.

Q5. If the vessel is subjected to a quarantine order as a result of the nationality of the crew or previous port of call, what costs and expenses are covered under the vessel's P&I cover?

In the event there is no outbreak of an infectious disease on board, then such costs would not be covered under Rule 2 section 15.

Q6. Are the costs of keeping crew in quarantine ashore, either prior to joining a vessel or after disembarkation, recoverable under the vessel's P&I cover?

These would be operational/precautionary expenses, in the event the quarantine was imposed on the crewmembers arriving from a certain country/area. They are not incurred as a direct consequence of an outbreak on board the entered vessel and are most likely due to government restrictions on travel regarding the country of origin or destination.

Q7. In the event it is necessary to extend the contract of various crewmembers as they are unable to be repatriated at the end of the contract due to various travel restrictions imposed to combat... In the event it is necessary to extend the contract of various crewmembers as they are unable to be repatriated at the end of the contract due to various travel restrictions imposed to combat the spread of Covid-19, would such additional wages be covered?

Reimbursement of such additional wages would not be recoverable under a vessel's P&I cover unless the crew were prevented from leaving the vessel due to an outbreak of Covid-19 on board. In the event, the crewmember had to extend the contract of service due to travel restrictions there would be no cover for such expenses.

Q8. In the event there is an 'overlap' of crewmembers on board as those that are signing off are unable to be repatriated at the end of the contract due to various travel restrictions imposed to...

In the event there is an 'overlap' of crewmembers on board as those that are signing off are unable to be repatriated at the end of the contract due to various travel restrictions imposed to combat the spread of Covid-19, would such 'duplicate' wages be covered?

As with question 7 above, additional wages for duplicate crewmembers who had joined the vessel and where those they were replacing were unable to leave and had to extend their length of service on board, would not be covered under the vessel's P&I cover unless the inability to leave the vessel was due to an outbreak of Covid-19 on board.

Q9. In the event a port is closed or temporarily closed due to a quarantine order, would the carrier

be liable for cargo claims arising from this delay?

The Hague Visby Rules in Article IV (h) lists 'quarantine' restrictions as an excepted peril. The carrier should therefore not be liable for any claim for the loss/damage to cargo since they should have the benefit of the Hague Visby Rules Article IV (h) defence. If the port is working slowly and there is congestion as a result of delays due to quarantine orders, the carrier should again be able to take advantage of Article IV (h).

Q10. Is P&I cover for cargo claims arising after a deviation to alternative ports excluded under Rule 2 section 16 (d) and will additional cover be required?

In the event the vessel is unable to discharge at the intended port as the port is closed due to an outbreak of Covid-19 ashore, and the vessel deviates to a different port, any cargo claim may not be excluded from Club cover as the carrier maybe able to say this is a reasonable deviation, particularly for perishable cargo, and should have the benefit of the protection of Article IV Rule 4 of the Hague Visby Rules. However, if the vessel is going to deviate Members should check with the Managers for further advice on this and the interplay between their obligations under the bill of lading and any applicable charterparty.

Q11. How might Covid-19 otherwise impact on Members' legal obligations under contracts of carriage and charter parties?

The Club has produced a comprehensive guide for Members on potential issues and a copy of which can be found [here](#).

Source of Information: The West of England P&I Club