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The Importance of Notarization in the Settlement of Crew Fatality Cases

1. Significance of Notarization

The settlement of crew fatality cases typically involves multiple family beneficiaries, substantial compensation amounts and frequent cross-border elements. Key procedures include kinship verification, repatriation of remains, compensation settlement negotiation and claim recovery. All parties involved, including shipowners, P&I Clubs, foreign consulates and domestic foreign affairs authorities, impose strict requirements on document authenticity and procedural compliance.

As a legally endorsed document verification and validation procedure, notarization effectively verifies the identity of relevant parties and confirms the true intentions of all signatories, rendering official legal validity to relevant documents. Rather than a mere formality, notarization serves as a crucial risk-control measure in crew fatality cases. It ensures the smooth progress of cross-border procedures, prevents future re-claims and disputes, and fully safeguards the legitimate interests of shipowners and P&I Clubs.

2. Common Application Scenarios of Notarization

Scenario 1: Notarization of Settlement Agreements Involving Minor Beneficiaries

Application: Where the deceased crew's legal heirs include minor children, their legal guardians are required to sign the compensation settlement agreement and receive the minor's corresponding share of compensation on their behalf.

Necessity: Minors have no legal capacity to dispose of large-value compensation claims independently. Any settlement, waiver or confirmation of compensation signed by guardians may be deemed invalid or revocable on the grounds of potential prejudice to the minor's legitimate rights and interests. Notarization verifies the guardian's qualification, confirms voluntary consent and fairness of the agreement, and legally validates the guardian's authorization, eliminating potential legal challenges in the future.

Required Documents: Deceased's death certificate, minor's birth certificate, ID cards and household registration documents of all legal heirs, draft settlement agreement, ship company's business license, staff certification and company power of attorney.

Risks without notarization: Privately signed settlement agreements are legally unstable. Upon reaching adulthood, minors may file lawsuits to revoke the agreement and claim additional compensation. Maritime courts commonly uphold such claims, exposing shipowners and P&I Clubs to secondary compensation payments, litigation costs and attorney fees, resulting in substantial claim losses and operational risks.

Scenario 2: Notarization of Power of Attorney for Overseas Repatriation and Funeral Arrangements

Application: Where a crew member passes away overseas or on the high seas, and the family is unable to travel abroad personally, a power of attorney is required to appoint overseas agents, funeral institutions and local service providers to handle body preservation, quarantine, customs clearance, air/sea repatriation and overseas funeral procedures.

Necessity: Cross-border body repatriation is strictly regulated by overseas customs, immigration and quarantine authorities, which generally do not accept handwritten private powers of attorney. Only notarized and consular-certified documents are internationally recognized and officially accepted overseas. Such documents confirm voluntary authorization and clear scope of delegated duties, ensuring lawful and smooth cross-border procedures.

Required Documents: Family applicant's ID card and household registration, crew's identity documents, detailed power of attorney covering body handling, customs clearance, repatriation and fee settlement.

Risks without notarization: Overseas authorities will refuse all application procedures, resulting in prolonged detention of the crew's remains overseas. This generates substantial additional costs including preservation fees, warehouse storage charges and port demurrage, and may further delay vessel schedules.

Scenario 3: Notarization of Heir Verification, Compensation Allocation and Rights Waiver

Application: A deceased crew's legal heirs may include parents, spouse, children and siblings. Scattered household registration records often make it difficult to confirm legitimate beneficiaries. Multiple heirs usually share compensation rights and require clear allocation ratios; in some cases, certain heirs voluntarily waive compensation or maritime-related claims.

Necessity: Crew death compensation involves significant personal and property interests. Privately signed allocation agreements or handwritten waiver statements carry weak legal validity

and are highly susceptible to future disputes. Notarization officially verifies all legal heirs, confirms kinship status, and solidifies the voluntary and genuine intention of compensation allocation or rights waiver, providing conclusive legal basis for claim settlement.

Required Documents: Deceased's death certificate and identity documents; ID cards, household registration, marriage certificates and birth certificates of all heirs; kinship certificates issued by police stations or community authorities; settlement agreement, written allocation scheme or rights waiver declaration.

Risks without notarization: Unverified heir status and undocumented compensation allocation frequently lead to post-settlement disputes, including claims from omitted heirs, internal family conflicts, refusal to distribute funds and revoked waiver declarations. In litigation scenarios, shipowners and P&I Clubs will lack valid defensive evidence and face risks of repeated compensation payments and legal costs.

Practical Note: Shipowners are advised not to intervene directly in internal family compensation distribution. The recommended practice is to pay compensation to primary legal heirs directly and allow family members to negotiate internal allocation independently. The shipowner may assist with notarization procedures if required by the family.

Scenario 4: Notarization of Domestic Power of Attorney for Remains Collection and Post-mortem Handling

Application: Where family members reside in different regions and cannot attend in person to complete domestic procedures including remains reception, cremation, burial and compensation collection, a notarized power of attorney is required for appointed representatives.

Necessity: Civil affairs and funeral institutions strictly examine proxy procedures. Notarization validates the legitimacy of entrusted acts and clarifies the scope of delegated authority, ensuring smooth completion of domestic post-mortem procedures.

Required Documents: ID documents of both principal and agent, deceased's death certificate, kinship proof, and detailed power of attorney specifying entrusted matters.

3. Conclusion

Overseas crew fatality cases involve complicated procedures and are easily affected by domestic and international public holidays and lengthy foreign affairs approval processes, leading to longer handling cycles and higher uncertainty. As insurance brokers, we adopt a proactive approach by engaging early with domestic foreign affairs departments and overseas Chinese consulates. We fully prepare document lists in advance and reserve sufficient processing time to avoid procedure delays, remains detention and vessel schedule disruptions, ensuring optimal handling timelines.

With regard to settlement negotiations and agreement execution, we recommend shipowners engage professional lawyers appointed by the P&I Club. Lawyer participation does not intensify conflicts; instead, it standardizes settlement wording and calculates compensation amounts in strict accordance with maritime laws, insurance regulations and tort liability rules. This ensures the entire settlement process is lawful, reasonable and standardized, enabling more efficient Club review and approval.

Traditional social settlements emphasize human emotion and flexibility. Nevertheless, standardized notarization and legal review, though seemingly procedural and rigorous, do not represent distrust. On the contrary, they provide solid legal protection on the basis of humanitarian communication. By formalizing negotiated outcomes through legal procedures, we respect the family's willingness while eliminating potential future disputes and re-claim risks, achieving a balanced, reasonable and conclusive settlement for all parties.

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