
Industry Expertise

Coronavirus (COVID-19) FAQs

Standard Club has produced this FAQ information sheet to assist members and brokers and provide guidance on club cover.

Members are advised to contact their usual club contact should they wish to discuss any element of the FAQs or other queries or issues arising from COVID-19.



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Q: If a crewmember falls ill with, or dies from, COVID-19, is this covered under the vessel's P&I cover?

A: Yes, such expenses and liabilities incurred by members in relation to a crewmember who is ill or dies due to COVID-19 during his/her period of employment will be treated in the same way as any other crew illness or death claim. There are no exclusions from cover for COVID-19 related crew illnesses or deaths.

Q: If a crewmember contracts COVID-19 when leaving from or returning to his/her country of origin, is this covered by the club?

A: Members are likely to be responsible for the crewmember's health and safety during their outward and return journeys from/to their homeland subject to the terms of the crew employment contract. Where such responsibility exists, any claim for expenses and liabilities that arise from this crewmember's illness during or arising from that period are recoverable from the club.

In the event a crewmember becomes ill shortly after the journey home has been completed, there may be instances where members are still held responsible for the crewmember. This will depend on the relevant jurisdiction and the facts of the case, for example, when COVID-19 may have been contracted (if at all) and the terms of the employment contract. In such instances where members are considered legally liable, then club cover would respond accordingly.

Q: Is repatriation of crew covered where the crewmember is not ill or infected (precautionary repatriation)?

A: Where there has been no outbreak on board, this is an operational expense and is not covered unless the crew contract provides that the members are obliged to repatriate the crewmember in such precautionary circumstances and the managers have previously approved the contract.

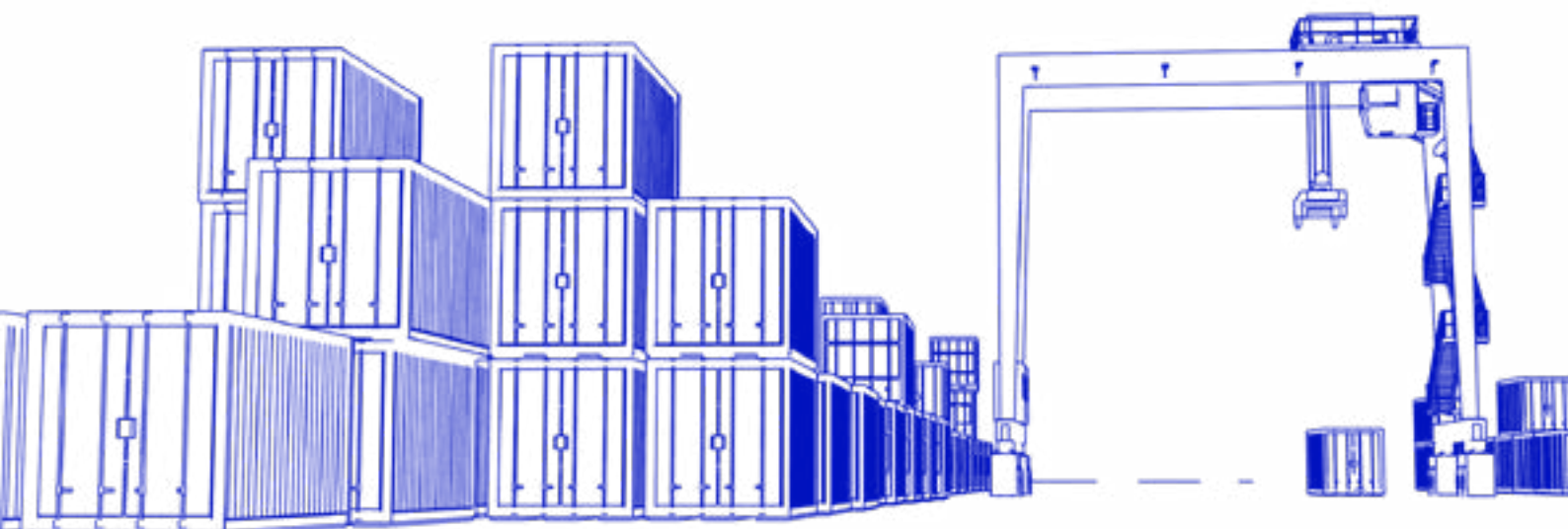
Q: What costs are recoverable under the vessel's P&I cover where a vessel is required to divert to obtain medical treatment ashore for a crewmember who has contracted COVID-19?

A: As with any illness, where a diversion is necessary to obtain appropriate treatment for a sick crewmember, members may seek reimbursement of the net costs from the club in respect of port charges, fuel, insurance, wages, stores and provisions incurred for such purposes.

Members should notify the club and obtain up-to-date information regarding the restrictions at the intended port of refuge and the ability to disembark the crewmember and obtain the appropriate treatment ashore.

Q: When will the club's quarantine rule be triggered?

A: The club's Rules require an outbreak of infectious disease on board the ship for the quarantine rule to apply.



Q: What costs and expenses are covered under the club's Rules where a vessel is quarantined following an outbreak of COVID-19 on board?

A: Any additional (ie net) expenses incurred as a direct consequence of the outbreak of COVID-19 on board would be covered under Rule 3.12. This would include the net loss to the member (ie over and above such costs and expenses that would have been incurred but for the outbreak) in respect of (i) the expressly listed items, being 'fuel, insurance, wages, stores, provisions, cargo handling and port charges' incurred during the quarantine period, (ii) the costs of disinfecting / cleaning the vessel, and (iii) other additional expenses provided they are incurred as a direct consequence of the outbreak on board the insured vessel.

Q: If the crew are quarantined by the port authority and the member obtains replacement crew as a result, what is covered?

A: If the crew are quarantined by a port authority where there is no outbreak of COVID-19, the costs of replacement crew would not fall within club cover. These would be operational expenses.

However, if the crew have been quarantined as a direct consequence of an outbreak on the ship, the net loss to the member of the replacement crew in respect of wages, stores and provisions would be covered. However, there shall be no recovery if at the time the ship was chartered to or was under orders from the member or managers to proceed to a port it was known, or should in the board's view reasonably have been anticipated, that the crew (including the replacement crew) or ship would be quarantined.

Q: Where the member decides to extend the contracts of employment of the serving crew due to COVID-19 or travel restrictions, what is covered by the club?

A: Where crew contracts are validly and legally extended, members remain covered for the usual risks such as crew injury, illness or death and consequential repatriation.

Q: Where crewmembers arriving from a certain country/area are quarantined due to government restrictions, are the quarantine costs recoverable under P&I cover?

A: These would be operational/precautionary expenses unless they are a direct consequence of an outbreak on board the entered vessel.

Q: In a case where a port is closed due to COVID-19 would the member's cover be prejudiced if they deviate and discharge at an alternative port?

A: In such an event, and subject to the facts in reach case, any cargo claim arising as a result would ordinarily not be excluded from club cover as such a deviation would be considered reasonable, particularly in respect of perishable cargo, and the carrier should in any event have the benefit of the protection of Article IV Rule 4 of the Hague Visby Rules.

Moreover, the carrier may be entitled to deviate and discharge at an alternative port if the bill of lading incorporates a liberty clause (eg 'so near thereto as she may safely get') or the BIMCO clauses for 'infectious or contagious diseases' and the cargo can be safely delivered to the party entitled to take delivery at that alternative port.

However, if the vessel is going to deviate, members should check with the club in order to make sure that cover will remain in place unprejudiced.

Q: Where the vessel is off-hire due to quarantine of the ship or its crew, is the loss of hire covered by the club?

A: No, this is an operational expense and does not fall within club cover. Loss of hire is expressly excluded by club Rule 5.4.

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