MARINE GUIDANCE NOTE



# MGN 582 (F)

## INTERNATIONAL LABOUR ORGANIZATION WORK IN FISHING CONVENTION (ILO No.188) Financial Security

Notice to all fishing vessel owners, operators and managers; employers of fishermen; skippers, officers and fishermen on fishing vessels.

This notice should be read with the Merchant Shipping (Work in Fishing Convention) Regulations 2018.

#### Summary

- The fishing vessel owner must have insurance or another form of financial security to meet their liabilities to provide compensation in the event of death or long-term disability arising from occupational injury, illness or hazard, including liabilities under any fisherman's work agreement.
- The financial security must be for an amount which the fishing vessel owner considers adequate to meet their liabilities.
- If financial security is provided by a means other than insurance /P&I cover, the fishing vessel owner is recommended to check with a Maritime and Coastguard Agency (MCA) surveyor before making any business decisions that this is acceptable for the purposes of complying with the legislation.

#### 1. Introduction

1.1 Articles 38 and 39 of the Work in Fishing Convention (ILO 188) call for measures to be put in place to ensure that fishermen have access to medical care, and compensation in the event of injury due to occupational accident or disease. This is implemented in the UK by a requirement for fishing vessel owners and operators to have financial security provisions in place to make sure that they are able to meet these liabilities. The fishing vessel owner must be able to provide compensation in the event of death or long-term disability to fishermen arising from occupational injury, illness or hazard, including liabilities under any fisherman's work agreement (FWA).



1.2 These requirements are implemented for UK fishing vessels in the Merchant Shipping (Work in Fishing Convention) Regulations 2018 Part 7. This notice summarises the UK requirements and advises fishing vessel owners on how the regulations apply to them.

#### 2. Statutory liabilities

2.1. Employed Fishermen who become sick or injured while at work must be paid their normal basic wages until they have been repatriated in accordance with the repatriation provisions set out in their FWA. Share Fishermen should receive their agreed share for the voyage as referenced in their FWA. See MGN 583(F) for more details. Fishing Vessel Owners must make financial security provisions to provide for this.

2.2. Fishing vessel owners are liable for the costs of medical treatment of fishermen on board the vessel, and any medical treatment ashore. Details about liabilities relating to medical care can be found in MGN 586 (F) Medical Care.

2.3. In addition, the fishing vessel owner may be liable for compensation in the event of death or long-term disability as a result of occupational injury, illness or hazard.

#### 3. Financial security

3.1. In the majority of cases the financial security will take the form of an insurance or policy or mutual type cover to meet this liability. While the requirement does not preclude other forms of security, any alternative arrangements must meet the requirements in full. We recommend that any proposed alternative be discussed with a MCA surveyor to check that it will be acceptable for the purposes of compliance with the legislation well in advance of business decisions being taken.

3.2. Fishing vessel owners are advised to check the provisions of their chosen financial security carefully to make sure that they are compliant with the requirements. All fishermen working on the vessel must be covered, including both employed and share fishermen.

3.3. It is for the fishing vessel owner to assess what level of financial security is adequate to meet their liabilities. The fishing vessel owner's liability for wages until the fisherman is repatriated due to illness or injury, or in the event of incapacity due to occupational illness or injury, may be offset by any state benefits paid.

3.4. A FWA may not be terminated for the sole or main purpose of avoiding liability. However, this provision would not, for example, prevent termination of a contract where there was gross misconduct and the FWA provided for termination without notice in such circumstances.

#### 4. Single handed owner operators

4.1 Single handed owner operators do not need financial security cover for the areas covered by this notice.

#### 5. Exceptions

- 5.1. The fishing vessel owner's obligations in section 2 do not apply if:
  - the injury occurs otherwise than in the service of the vessel;
  - sickness or injury was due to the fisherman's wilful misconduct; or
  - the fisherman concealed an existing sickness or incapacity from the shipowner when they entered into the FWA.



#### More Information

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