**Application for Certificates of Financial Security under Regulation 2.5.2, Standard A2.5.2 and Regulation 4.2, Standard A4.2.1 paragraph 1 (b) of the Maritime Labour Convention 2006 (as amended) (“MLC Certificates”) pursuant to the Maritime Labour Convention Extension Clause 2016 (“MLC Extension Clause 2016”)**

**Vessel Name(s): IMO number(s):**

*[Please provide the names and IMO numbers for all vessels requiring certificates]*

**Period of Validity of Certificates:** *(please tick)*

Choose **one** of the following Options:

**Option A**

We request you to issue Certificates for the period 18 January 2017 to noon GMT on 20 February 2018

**Option B**

We request you to issue Certificates for the period 18 January 2017 to noon GMT on 20 February 2017

**Option C**

We request you to issue Certificates for the period noon GMT on 20 February 2017 to noon GMT on 20 February 2018

***Explanation****:*

*Option A should be used by members who have renewed or intend to renew their entry for the above vessel(s) with the Association for the 2017/2018 policy year.*

*Option B should be used by members who do not intend to renew the entry with the Association for the 2017/2018 policy year.*

*Option C should be used by members who intend to enter the above vessel(s) as a new entry with the Association for the 2017/2018 policy year.*

**Undertakings**

1. We hereby undertake and agree that in consideration of the Association agreeing to issue the above Certificates at our request
2. We and all Members, Joint Members and all Co-assureds will be bound by the terms of the MLC Extension Clause 2016 which is deemed incorporated herein;[[1]](#footnote-1)
3. where any payment by the Association under any such certificate is in respect of war risks, we will indemnify the Association to the extent that such payment is recoverable under the Member’s P&I war risks policy, or would have been recoverable if the Member had maintained and complied with the terms and conditions of a standard P&I war risks insurance policy,
4. to assign to the Association all the rights of the Member(s) under any social security scheme, or other insurance or national fund or other similar arrangement where such scheme, insurance, national fund or arrangement applies in respect of all or any liabilities arising under the MLC Certificates;
5. 30 days from a notice to the Flag State of the termination thereof we shall take all necessary steps to remove the Certificates and any copies thereof from the Vessel(s) and return them to the Association.
6. If we request Certificates under Options A and/or C prior to entry in the Association of the above vessel(s) being concluded for the 2017/2018 policy year*, w*e further undertake that, in consideration of the Association providing upon our request the above Certificates for a period including the 2017/2018 policy year in order to ensure that such Vessels are able to trade without delay and without the risk of penalties or fines for failing to satisfy MLC certification requirements
7. it is our intention to enter the above vessel(s) in the Association or in another Association in the International Group of P&I Associations for the 2017/2018 policy year; and
8. if we do not effect such entry we will indemnify the Association and hold it harmless in respect of any and all liabilities, losses, damages, risks, costs or expenses which it may suffer or incur under MLC or implementing domestic legislation as a direct or indirect consequence of issuing the Certificates.

The above undertakings shall be governed by and construed in accordance with English law and any claim, dispute, legal action or proceeding arising out of or in connection with this letter of undertaking shall be subject to the exclusive jurisdiction of the High Court of Justice in London

Dated:

Signed:

Signed by Member on behalf of the Member, Joint Members and all Co-assureds

(if not signed by Member must be signed by an authorised signatory of the Member)

**MARITIME LABOUR CONVENTION EXTENSION CLAUSE 2016**

# Subject only to the other provisions of this MLC Extension (“the Extension”), the Association shall discharge and pay on the Member’s behalf under the 2006 Maritime Labour Convention as amended (MLC 2006) or domestic legislation by a State Party implementing MLC 2006:

## Liabilities in respect of outstanding wages and repatriation of a seafarer together with costs and expenses incidental thereto in accordance with Regulation 2.5, Standard A2.5 and Guideline B2.5; and

## Liabilities in respect of compensating a seafarer for death or long-term disability in accordance with Regulation 4.2, Standard A4.2.1 and Guideline B4.2.

# The Member shall reimburse the Association in full:

# any claim paid under paragraph 1(a) save to the extent that such claim is in respect of liabilities, costs or expenses recoverable under Rule 2 Section 3; and

# any claim paid under paragraph 1(b) save to the extent that such claim is in respect of liabilities, costs or expenses recoverable under Rule 2 Section 1.

# There shall be no payment under paragraph 1(a) or paragraph 1(b) if and to the extent that the liability, cost or expense is recoverable under any social security scheme or fund, separate insurance or any other similar arrangement.

# The Association shall not discharge or pay any liabilities, costs or expenses under paragraph 1(a) or paragraph 1(b), irrespective of whether a contributory cause of the same being incurred was any neglect on the part of the Member or the Member’s servants or agents, where such liabilities, costs or expenses were directly or indirectly caused by or contributed to by or arise from:

## Any chemical, biological, bio-chemical or electromagnetic weapon

## The use or operation, as a means for inflicting harm, of any computer, computer system, computer software programme, malicious code, computer virus or process or any other electronic system.

## The Extension may be cancelled in respect of War Risks by the Association on 30 days’ notice to the Member (such cancellation becoming effective on the expiry of 30 days from midnight of the day on which notice of cancellation is issued).

## Whether or not such notice of cancellation has been given the Extension hereunder shall terminate automatically in respect of the War Risks:

### Upon the outbreak of war (whether there be a declaration of war or not) between any of the following:

United Kingdom, United States of America, France, the Russian Federation, the People’s Republic of China;

### In respect of any ship, in connection with which cover is granted hereunder, in the event of such ship being requisitioned either for title or use.

## The Extension excludes loss, damage, liability or expense arising from:

### The outbreak of war (whether there be a declaration of war or not) between any of the following: the UK, the USA, France, The Russian Federation, the People’s Republic of China;

### Requisition for title or use.

# The Extension shall be subject to Rules 15 and 19.

# Without prejudice to paragraph 5, cover under the Extension shall cease 30 days after notice of termination in accordance with either Regulation 2.5, Standard A2.5.2.11 or Regulation 4.2, Standard A4.2.1.12.

# Any dispute arising out of or in connection with the Extension shall be resolved in accordance with Rule 57.

# For the purpose of the Extension:

# “Member” means any insured party who is liable for the payment of calls, contributions, premium or other sums due under the terms of entry

“Seafarer” shall have the same meaning as in MLC 2006.

“War Risks” means the risks set out in Rule 14.

1. A copy of the MLC Extension Clause 2016 is to be found on the Association’s website [↑](#footnote-ref-1)