



Handling of COVID-19 positive crew cases in China

China's zero-tolerance for COVID-19 and stringent border control continue to have serious consequences for crews and ships calling at the country's ports - particularly if crew members have tested positive for COVID-19.

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China's zero-tolerance policy towards COVID-19 has turned out to be highly stressful for many ships' crews, and challenging and costly for the ship operators. Ships arriving at Chinese ports are currently faced with strict epidemic control measures. We understand that measures to prevent the spread of COVID-19 also differ from one Chinese port to another. Port control measures can also be changed at short notice because of localised outbreaks and regional lockdowns. In addition, port congestions and delays due to shortage of essential shore personnel, such as pilots, terminal staff, and surveyors, are not uncommon. Moreover, in the unfortunate situation that one or more crew members onboard a ship have tested positive for COVID-19, obtaining proper medical assistance has often proved difficult, and the delays and associated costs incurred as a result are reported to be substantial. In some Chinese ports, ships with confirmed or suspected COVID-19 cases onboard have even been refused entry for cargo operations or shipyard repairs.

On a positive note, China's State Council recently published a notice (<u>No. 2021 [136]</u>) announcing its implementation of a set of joint COVID-19 prevention and control mechanisms applicable in all Chinese regions. The purpose is to maintain the shipping supply chain and the rights of crew members. Please see <u>Oasis Circular No.:2109</u> for details.

Recommendations

We strongly recommend that masters, well in advance of arriving at any Chinese port, seek guidance from local port authorities and ships' agents on any restrictions and other preventive measures currently in force.

Ship operators are encouraged to closely follow the development of the outbreak and the areas affected by COVID-19 at any given time in addition to continuing to promote vaccinations and compliance with proven health measures such as the use of masks, physical distancing and hand hygiene. They should also review their crew change management plans and implement all relevant recommendations set out in the revised IMO supported protocols for crew changes and travel and to supply their fleet with COVID-19 testing kits as extra assurance for port authorities.

For ships with COVID-19 positive crew cases in, or bound for, Chinese ports, we would like to emphasize the following:

- Maintain supporting evidence on how the ship's COVID-19 prevention plans have been executed and implemented onboard. It is important for ships with infected crew to follow the available IMO and industry COVID-19 guidelines, as well as local requirements in Chinese ports, to enhance crew's awareness and prevent spreading the virus. Evidence of all measures implemented, such as relevant training, body temperature/health condition monitoring etc., is important. If a crew change takes place at the last port of call, or within 14 days before arrival at Chinese ports, the joining crew should take PCR tests within three days prior to boarding and carry documents showing negative test results of COVID-19, from institutions designated or recognized by Chinese embassies and consulates.
- Verify in advance of arranging the ship's entry to a Chinese port, the local policies regarding handling of COVID-19 positive cases onboard. As soon as one or more COVID-19 positive crews are confirmed onboard the ship, it is critical to contact the ship's local agent, or one of Gard's local correspondents in China, for the latest epidemic prevention and control requirements in the Chinese port and take necessary actions to avoid delays and reduce any costs incurred. The local agent should be asked to provide an estimate of the extra costs that will be incurred. To avoid delays or excessive additional costs, Members may also consider skipping a port of call or repatriating the sick crew member at a different port.

- Appoint a local correspondent/lawyer at an early stage. In addition to obtaining the information and estimates recommended above, it is also helpful to appoint Gard's local correspondent or a local lawyer to obtain a better assessment of the situation in Chinese ports and to scrutinize the reasonableness of the expenses incurred. They could, for example, attend meetings with local authorities on matters such as the quarantine requirements for shore-based personnel required to interact with the ship, monitor the agent's negotiations with relevant third parties in relation to berthing, cargo operations, disinfection, pilotage, and departure plan, as well as advise on and negotiate the costs at a reasonable rate.
- Appoint agents on behalf of the Member to deal with the COVID-19 situation. Members may consider co-appointing an agent with the charterer, or appointing a protective agent on their own behalf, to defend their interests in dealing with the vessel's entry and departure. It is best to do this early on, as a change of local agent is usually not possible once initial contact has been made by an agent with local authorities regarding the case. Gard's local correspondents can assist in making recommendations.
- Request that any money paid shall be an advance payment which shall be subject to Members' future approval following a review of supporting documents. Some expense items, allegedly charged by third parties are sometimes not supported by invoices or receipts before the ship's departure. Members are recommended to reach an agreement with the agents that any money paid to them is not a final settlement but rather an advance payment or cash deposit which shall be subject to further supporting documents, including but not limited to final bills, valid tax invoices, and proof of payment. Some of Gard's Members have experienced excessive fees relating to:
 - *Terminal fees:* For ships engaged in international voyages, a fee for non-operational time at berth is calculated on an hourly basis. Unless cargo operations are confirmed, and if practical possible, it may be better for ships not to go alongside, to avoid the excessive non-operational berth costs and other port specific fees, such as for security, loss of earnings etc.
 - *Disinfection fees:* Regardless of whether the infected crew will leave the ship or not while in a Chinese port, disinfection of the ship is usually required by the local customs. Since there are no standard charges for COVID-19 disinfection, it is not uncommon for disinfection companies to charge high rates. Members are advised, where possible, to ask for a quotation, including a specific disinfection plan and the associated costs. We also recommend that masters log the disinfection company's activities when carried out onboard.
 - *Quarantine-related fees:* Agents and pilots attending the ship, along with stevedores engaged in cargo operation, may be classified as close contacts of the infected crew and be regarded as "high-risk personnel" subject to compulsory quarantine. The cost of personal protective equipment, accommodation, meals, and even loss of income during the quarantine period may be claimed by third party companies.
- Seek help from other officials. Depending on the specific circumstances, Members and masters may sometimes find it helpful to call the government-run 24-hour public service hotline for assistance (dial 12345, prefixed by country code and area code if calling from outside of the port city), or to ask the embassy or consulate of the infected crew/Member to coordinate and assist with the problems encountered. It is also worth noting that the Chinese Ministry of Transport recently announced the establishment of a <u>special working group</u> that can be contacted for assistance when encountering crew change problems in Chinese ports (Phone: +86 10 65299809 / Email: <u>cyhb@msa.gov.cn</u>). However, at the time of writing, the group's scope is to assist crew changes for Chinese seafarers only.

P&I cover for crew related COVID-19 claims

During the pandemic, we see claims that are somewhat different and more complex than those we have seen before. It is not always easy for our Members to differentiate between operational expenses and recoverable insured costs. In our <u>insight article of 14 December 2021</u>, we summarise the key elements of cover and guidance on the best practices for preparing claims documentation.

In relation to COVID-19 positive crew cases in China, some Members report that the Chinese authorities do not issue medical reports that document positive COVID-19 test results, but rather communicate test results via WeChat or telephone. In order for Members to be able to document positive test results, we recommend that screen shots of test results received via WeChat are taken, and if received by telephone, that an official record is kept of this. In addition, a request for the test results in writing should be made to the Chinese authorities.

We also suggest that Members consider negotiating and including a COVID-19 clause in their charterparties. Local port restrictions, not only in Chinese ports, may change at short notice, and a ship with COVID-19 positive crews onboard may be refused port entry, quarantined, or delayed in another manner while incurring significant costs. It is recommended that shipowners and charterers agree on a suitable COVID-19 clause to ensures a fair allocation of future COVID-19 risks between the parties.

Information sources

Gard's <u>COVID-19 hot-topic page</u> contains a compilation of links to relevant websites, guidelines, and other Gard material that may assist ship operators, masters and crews to stay alert and prepare and respond to the COVID-19 outbreak. The International Group of P&I Clubs (IG) has an interactive tool that can assist ships with chartering, operations and help prepare staff for what to expect when arriving in port. The tool gets data from all thirteen IG Clubs, the IMO, WHO, and other sources. Access to the interactive tool is available via IG's website: <u>https://www.igpandi.org/covid-19</u>.

We are grateful to <u>Wang Jing & Co.</u> and <u>Oasis P&I</u> for providing useful information and advice on the COVID-19 situation in Chinese ports.