



Submitting COVID-19 related crew claims – top tips for efficient reimbursement

Aspects of this article have been updated to take into account changes to the Gard Rules which have broadened the cover available in some instances. The updated version of the article can be found [here](#). During the pandemic, our Members have faced many challenges, and we see claims that are somewhat different than those we have seen before. It is not always easy for our Members to differentiate between operational expenses and recoverable insured costs, so we summarize here the key elements of cover and guidance on the best practices for preparing claims documentation.

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Written by Anette Stinessen

A bit of preparation means a quicker turnaround of a reimbursement claim – a welcome result for both insureds and Gard claims handlers. This article focuses on claims related to crew and does not discuss cover related to passengers or others who may be aboard in a capacity other than crew.

Elements of cover

Protection and Indemnity (P&I) insurance is named risk liability insurance and cover terms are found in the [P&I Rules](#) for ships entered in the Association. There is a similar but separate set of [Rules for Mobile Offshore Units](#) (MOUs). As a starting point, for P&I cover to respond, there needs to be an insured event and a contractual or legal liability which falls under our Rules. There are three bases for cost reimbursement in COVID-related crew claims in the Rules – Crew illness, quarantine and disinfection, and diversion to land ill crew. The scope of each of these three bases for cover are outlined below together with a suggested list of information and documents we will need to process the claim.

Costs related to COVID-19 crew illness

Liabilities with respect to crew illness are covered under [Rule 27 for Ships](#) and [Rule 19 for MOUs](#). These Rules provide cover for necessary evacuation, hospitalization, medical care, maintenance, and repatriation expenses for crewmembers infected with COVID-19, subject to the terms of the Employment Contract and/or the applicable law.

Liability can also arise if the crewmembers are infected ashore while in the service of the vessel, on their way to join the vessel or on their way home after leaving the vessel. Provided that these periods are included under the employment contract, then cover is available.

If a crewmember is displaying symptoms of the virus during periods covered under the employment contract, the reasonable costs of testing for COVID-19 is covered in the same manner as liabilities for other medical care and associated costs under Rule 27 and Rule 19. However, if the crewmember is not showing any signs or symptoms of the virus, and testing is conducted as a precautionary measure, e.g., as part of crew change protocols and/or local regulations/policies, then the costs of testing are considered operational and not covered.

Costs incurred for the disembarkation and repatriation for regular crew changes, and crew who have completed their contracts also fall within the category of operational costs and are not subject to P&I cover.

Typical costs which may fall within the scope of Rule 27 and MOU Rule 19, subject to liability:

- Medical costs for treatment of sick crewmembers
- COVID-19 tests for symptomatic COVID-19
- Disembarkation/evacuation and repatriation costs for sick crewmembers
- Contractual sick wages
- Disability/death compensation

Preparing documentation for COVID-19 illness claims

An Excel spreadsheet is an example of a convenient tool to use when providing an overview of the information and breakdown of the costs incurred,. This can be sent to your People claims handler together with the required supporting documentation.

The P&I cover applies per vessel, per insured event and several crewmembers can be infected in an outbreak on a vessel constituting one event. There can also be subsequent outbreaks on the

same vessel. One of our biggest challenges as claims handlers is to allocate costs when claims are received covering several months with no specification as to the dates of the outbreaks. If there has been more than one outbreak on one vessel, it is important to make sure that the costs and documentation is allocated to each outbreak, enabling us to properly register cases and correctly allocate costs. Although there will be some uncertainty around the time one outbreak ends and another begins, where illness occurs after a crew change or after disinfection of the vessel, this will generally be considered as a new outbreak. For crew related expenses, the expenses should be broken down per crew member.

What information/documentation do you need to submit when presenting your claim for evaluation:

- **Name of the vessel**
- **Port/location of the vessel**
- **Date of the incident(s) (test date)**
- **Clear timeline in case of several outbreaks on one vessel, including dates of disinfection; and any crew changes**
- **Name(s) of the symptomatic/sick crewmember(s) or other person(s)**
- **Employment Contract(s) (for the symptomatic/sick crewmember(s))**
- **CBA, if any**
- **Medical reports/documented positive test results**
- **Medical invoices**
- **Invoices/proof of payment related to disembarkation/evacuation, repatriation and contractual sick wages**
- **Full bank details of the beneficiary**

Costs related to disinfection and quarantine

[Rule 48 for Ships](#) and [Rule 33A for MOUs](#) cover costs and expenses, other than the vessel running costs and expenses, incurred in connection with quarantine orders or disinfection of the vessel or crew on account of infectious diseases on board. A quarantine order is an order that is given by local or national authorities in the country where the vessel finds itself at the time, which mandates restrictions on either the movement of the vessel and/or crew. Costs and expenses are not recoverable if the Member knew or should have anticipated that the vessel would be quarantined.

Certain jurisdictions require the crew to self-quarantine before joining the vessel as a precautionary measure. In such cases, the extra costs are considered operational. However, if a crewmember is quarantined after disembarkation because the virus is present on board the vessel, costs and expenses relating to the quarantine period will be covered.

Cover is available for costs and expenses incurred in direct connection with complying with a quarantine order of the vessel on account of infectious disease onboard. Only *net* costs and expenses are recoverable, i.e. those costs and expenses over and above the vessel's usual running costs, and which would *not* have been incurred but for the outbreak of COVID-19 on board. For example, costs and expenses that are incurred in bringing the vessel to anchor in the quarantine area, in carrying out the required inspections or expert analysis, and in taking measures to eliminate the virus by fumigation or other forms of treatment would be covered.

If the COVID-19 virus is *present* on board and it becomes necessary to disinfect the vessel or crew, necessary and reasonable disinfection costs and expenses are covered. The common example is the costs of a specialized company engaged to carry out the disinfection.

Typical costs which may fall within the scope of Rule 48 and MOU Rule 33A subject to liability:

- Costs and expenses exceeding the ship's running costs incurred in direct connection with complying with a *quarantine order* of the vessel
- Reasonable and necessary costs for disinfection of the vessel

Preparing documentation for quarantine and/or disinfection costs

This is the type of information and documentation that should accompany your claim:

- Name of the vessel
- Port/location of the vessel
- Date of the incident(s)
- Clear timeline in case of more than one outbreak on one vessel, including dates of disinfection; and any crew changes
- Copy of the Quarantine order
- Contract between Member and the company carrying out the disinfection work (if there has been an actual outbreak on board)
- Invoices related to the disinfection
- Invoices related to the quarantine (if there is a formal quarantine order on the vessel following an outbreak on board)
- Invoices related to quarantine costs of crew (if there is a formal quarantine order on the crew following an outbreak on board)
- Full style bank details of the beneficiary

Diversion costs

[Rule 31 for Ships](#) and [Rule 21 for MOUs](#) provide that If a vessel must divert to secure treatment for an infected crewmember on board, the *extra* costs of fuel, insurance, wages, stores, provisions, and port charges attributable to the diversion would be covered provided they were incurred *solely* for the purpose of getting medical treatment.

If a vessel must divert to secure treatment for a crewmember on board suspected but not confirmed to be suffering from COVID-19, cover of the *extra* costs of fuel and other items set out in the Rule will depend on the specific facts and circumstances of each case, provided the *extra* costs were incurred *solely* for the purpose of getting medical treatment.

Preparing documentation for Diversion costs

- Invoices
- Completed Calculation of Diversion Form (See attached template in [Word](#) and [PDF](#))

Working together to turnaround re-imbursement claims

We hope by providing guidance, we may help our Members to prepare re-imbusement claims that will save time and speed the turnaround of these cases. We are here to serve you so never hesitate to seek clarification from your Gard claims handler.

For further information please also refer to our website www.gard.no where you can find our COVID-19 and the Gard Cover [FAQ](#).