



Insurance FYI with Gene McKeever

As a Tall Ships America-endorsed insurance agent, I am often asked what is covered - and what is not - under the association's Hull and P&I insurance plan.

A common question: "What coverage is available for independent contractors injured while working aboard my vessel?" My answer is fairly straight forward.

Answer: The independent contractor is what's referred to as a "business invitee" and as such they are treated by your ocean marine ship's policy as if they were a guest aboard your vessel. This means that they can collect under your policy only if your negligence somehow caused their injury. It is very important that any independent contractor working aboard your vessel prove to you that they have workers compensation insurance before they start work.

A common follow-up is: "Why can't the ship just add the contractor as another crew?"

Answer: An independent is just that: independent. As such, a contractor is not under your direct control so he or she doesn't meet the qualification as crew for that reason alone.

The bottom line is that you, as operator of your ship, are asked all the time to prove you have insurance. Why would it be any different when you ask for a contractor to supply proof of insurance coverage?

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