



Marine Shipping Mutual
Insurance Company Limited

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**CIRCULATED TO ALL MEMBERS, BROKERS AND DIRECTORS
ATTENTION INSURANCE DEPARTMENT**

**APRIL 2009
APB**

GUIDE TO VESSEL LAY-UP

A vessel may be considered laid-up when it ceases trading and is put out of commission for a period of time. The vessel should be moored in a safe port location.

Vessel manning levels will be reduced with Flag State, classification society and local authorities' permission. Vessel manning will be in line with emergency requirements to deal with fire, flooding, mooring and security watch, as well as providing maintenance to prevent deterioration of the vessels machinery, equipment and structure.

CLASSIFICATION AND STATUTORY REQUIREMENTS

Members should check with their individual classification society for particular requirements but, in general terms, when a vessel is laid-up, as long as owners notify the classification society and submit a lay-up maintenance plan for their approval, class will be maintained, provided all outstanding surveys and other classification society requirements are complied with.

Flag State and classification societies will require any outstanding or overdue surveys to be satisfactorily completed at reactivation and may additionally require a survey of certain items prior to resumption of trading to confirm that the vessel has been successfully reactivated and that equipment is working satisfactorily.

ISM and ISPS Certification

Depending on the period of lay-up, Flag States or recognised organisations acting on behalf of Flag States may suspend or withdraw certificates required under International Safety Management (ISM) Code and International Ship and Port Security (ISPS) Code.

When the vessel is reactivated, appropriate surveys will be required before the certificates can be re-issued.

MSMI REQUIREMENTS

Notification

Members are reminded of the Company's requirements in respect of any entitlement to laid-up returns, and in particular, that vessels should be laid up in a safe port approved by the Managers.

In addition, the Managers must be advised in advance of any vessel preparing to leave a period of lay-up as the vessel may be required to undergo survey in accordance with the Company's survey requirements.

Laid-up returns

In order to qualify for laid-up returns, the lay-up must meet the following criteria:

- The lay-up location should be in a safe port approved by the Company's managers
- The lay-up should be for a period(s) of 30 consecutive days.
- The vessel should not be used for the storage of cargo or for lightering purposes.
- There should be no crew on board, or only the minimum number required for maintenance, safety and security.
- All statutory and classification society requirements should be complied with.

Safe port approval

As mentioned above, the lay-up location should be in a safe port approved by the Company's managers in order to qualify for laid-up returns.

The local requirements applicable to specific lay-up locations and mooring arrangements are normally determined by the relevant port authority and an appropriate survey. Members should be aware that a satisfactory survey of a location may need to be provided before the Company can give approval.

A suitable lay-up declaration from an IACS member classification society or a satisfactory survey report from an appropriate organisation or authority may be acceptable in lieu of such survey.

Tony Baker
Manager - North Insurance Management Limited
As Managers on behalf of the Marine Shipping Mutual Insurance Company Limited