



Republic of the Philippines
Department of Transportation and Communications
MARITIME INDUSTRY AUTHORITY



MARINA CIRCULAR NO. 2016-01

TO : ALL DOMESTIC SHIPOWNERS/SHIP OPERATORS AND ALL CONCERNED

SUBJECT : REVISED RULES ON THE MANDATORY PASSENGER INSURANCE COVERAGE; EMERGENCY ASSISTANCE TO SURVIVORS OF MARITIME ACCIDENTS/INCIDENTS; AND OTHER RELEVANT CONCERNS

Pursuant to Presidential Decree No. 474, Executive Order No. 125, as amended, and Republic Act No. 9295 and its IRR and its subsequent amendments, the following rules are hereby adopted:

I. OBJECTIVES

These rules are prescribed:

1. To ensure that domestic shipowners and/or operators will be able to meet their financial responsibility to all passengers for any legal liability arising out of maritime-related accidents or incidents or for any breach of the contract of carriage;
2. To ensure that insurance coverage is secured to answer for legal liabilities and expenses for claims for compensation of manifested passengers and their heirs;
3. To ensure that all manifested ship passengers are duly provided with passenger insurance coverage in the amount of Two Hundred Thousand Pesos (Php 200,000.00) per passenger;
4. To provide guidelines for the compensation of the legal heirs or relatives of casualties of maritime accidents or incidents; and,
5. To provide guidelines for emergency assistance to survivors of maritime accidents or incidents such as, but not limited to medical, transportation, communication and other needed assistance.

II. COVERAGE

This Circular shall apply to all shipowners and/or operators engaged in domestic shipping for the transport of passengers.

III. DEFINITION OF TERMS

For the purpose of this Circular, the following terms are defined as:

1. ***"Adequate insurance coverage"*** refers to the valid insurance coverage at Two Hundred Thousand Pesos (Php 200,000.00) per manifested passenger, the proceeds of which are given to casualties of maritime accident or incident.
2. ***"Casualties"*** refer to manifested passengers who are covered in the Master Policy and whose deaths are as a result of the maritime accident/incident.
3. ***"Domestic Shipping"*** refers to the transport of passengers or cargoes, or both, by ships duly registered and licensed under Philippine laws to engage in trade and commerce between and among Philippine ports and within Philippine territorial or internal waters, for hire or compensation, with general or limited clientele, whether permanent, occasional or incidental, with or without fixed routes, done for contractual or commercial purposes.
4. ***"Emergency Assistance"*** refers to that part of the Master Policy, which will cover for actual and necessary expenses incurred in the treatment of injuries and welfare of survivors. These include, but are not limited to, medical, transportation, communication, food and other needed expenses which are incurred immediately after and as a direct consequence of the maritime accident/incident. The amount must not exceed Fifty Thousand Pesos (Php 50,000.00) which is made through a reimbursement scheme.
5. ***"Master Policy"*** refers to the adequate insurance coverage availed by shipowners and/or operators whereby premiums are paid under their account during the period of insurance and has been issued with respect to the compensation for casualties, and emergency assistance to survivors of maritime accidents/incidents.
6. ***"Maritime Accident or Incident"*** refers to an event which involves fire, explosion, grounding, collision/contact, capsizing/listing/tilting, sinking and similar occurrence resulting to the loss or abandonment of a ship and/or loss of life/lives;
7. ***"Passenger"*** refers to every person other than:
 - 7.1. the master and the members of the crew or other persons employed or engaged in any capacity on board a ship on the business of that ship;

- 7.2. a person on board and carried either because of the obligation laid upon the master to carry shipwrecked, distressed or other person by reason of force majeure;

It shall refer to persons embarking on, on board, or disembarking from a ship engaged in domestic shipping to include the following such as, but not limited to, those who are paying, non-paying, minor, infant, holding discounted or complimentary tickets and/or accommodated passengers, including those passengers who are accompanying cargoes, vehicles or animals.

8. **"Policyholder"** refers to shipowners and/or operators to whom the Master Policy has been issued with respect to the compensation for casualties and emergency assistance to survivors of maritime accident/incident.
9. **"Reimbursement Scheme"** refers to the manner of paying survivors of maritime accident/incident whereby the shipowners and/or operators advance sums of money for actual and necessary expenses incurred by survivors and collate all official receipts related therewith. The shipowners and operators will, in turn, claim from the insurance company based on the emergency assistance provision in the Master Policy.
10. **"Survivor"** refers to a manifested passenger of a ship involved in a maritime accident or incident which resulted in either the partial or total loss of the ship as defined under the Insurance Code of the Philippines or in loss of life/lives, who comes out alive from such maritime accident or incident.
11. **"Unmanifested Passengers"** refer to casualties who are not included in the Passenger Manifest and whose bodies are recovered in the ship. They shall be entitled to the same amount of compensation to manifested passengers, which amount must be Two Hundred Thousand Pesos (Php 200,000.00), but charged against the shipowners and/or operators' account.

IV. GENERAL PROVISIONS

1. Only a ship with insurance coverage for its passengers shall be allowed to operate in domestic shipping. No authority to operate shall be issued, amended or renewed unless proof of a valid passenger insurance coverage is submitted to the MARINA. The insurance coverage will provide for compensation to casualties and emergency assistance to survivors.
2. The insurance coverage, through a Master Policy, shall be obtained from any duly licensed/accredited insurance company. This insurance coverage will answer for the shipowner and/or operators' obligations to manifested passengers as prescribed herein, except for the compensation to unmanifested passengers to which is charged against the shipowners and/or operators' account.
3. Shipowners and/or operators in the domestic shipping shall be required to annually submit proof of insurance coverage for its passengers or the number of persons allowed on board the ship as per its Passenger Ship

- Safety Certificate (PSSC) including other passengers, such as but not limited to infants and *pahinantes*. The concerned shipowner or operator shall submit proof of a valid insurance coverage at least fifteen (15) days prior to the expiration of the existing insurance coverage.
4. The Master shall ensure that all passengers as defined herein are included in the passenger manifest which shall be duly accomplished and submitted to the concerned government agencies prior to every departure of the ship. The relevant and applicable provisions of MARINA Circular No. 180 and Rule IV of MARINA Circular No. 13 Series of 2009 which govern the counting and manifesting of all persons carried on board passenger ships and their subsequent amendments shall remain valid.
 5. The shipowner or operator, in coordination with the insurance companies, shall be responsible to compensate the passenger/s, casualties and survivors, appearing in the Passenger Manifest, onboard a ship involved in a maritime accident or incident. The MARINA, in coordination with the Insurance Commission, shall annually publish the list of licensed/accredited insurance companies for the guidance of all concerned.
 6. Section 14, Rule V of The 2014 Amendments to the Revised Rules and Regulations Implementing Republic Act (RA) No. 9295, which imposed the requirement for shipowners or operators to provide insurance coverage for each passenger in the amount of Two Hundred Thousand Pesos (Php 200,000.00) per passenger is herein reiterated.

V. SPECIFIC PROVISIONS

The domestic shipowners or operators shall be responsible in compensating passengers onboard a ship involved in a maritime accident or incident under the following circumstances:

1. Adequate and valid insurance coverage for passengers shall be equivalent to the ship's maximum authorized/allowed passenger capacity per its Passenger Ship Safety Certificate (PSSC).
2. The following compensation shall apply to passengers included in the passenger manifest onboard a ship involved in a maritime accident or incident:
 - a. If the maritime accident or incident resulted in the death of a passenger, the shipowners or operators shall provide compensation in accordance with the adequate insurance coverage which shall be paid within a maximum period of thirty (30) days from the filing of the notice of claim with required/prescribed/complete documentary requirements.
 - b. If the maritime accident or incident resulted in the death of a passenger and the shipowners and/or operators failed to provide adequate insurance coverage as required in these Rules, the shipowners or operators shall be

liable to compensate the passengers with the same amount of Two Hundred Thousand Pesos (Php 200,000.00), without prejudice to the imposition of fines and penalties under these Rules.

- c. Included in the Master Policy, an emergency assistance, on a reimbursable scheme, in an amount not exceeding Php 50,000 must be provided thereof by the shipowners and/or operators to cover for sums advanced by them for actual and necessary expenses incurred by the survivors immediately after and/or as a direct consequence of the maritime accident or incident such as, but not limited to, medical, transportation, communication, food and other necessary expenses, which are supported by official receipts.
 - d. The shipowners and/or operators are responsible for providing immediate emergency assistance to survivors. They shall also collate all official receipts from the survivors, which shall be the former's documentary basis for claiming the emergency assistance with the insurance company. The amount advanced by shipowners and/or operators as provision for immediate emergency assistance to survivors is reimbursed by the insurance company to the shipowners and/or operators within a maximum period of thirty (30) days from filing of the notice of claim.
 - e. All claims for manifested passengers shall be filed within three (3) years from the occurrence of the maritime accident or incident. Otherwise, the same shall be barred.
3. It is the obligation of the shipowner and/or operator to include all passengers in the passenger manifest. Shipowners or operators, out of their own account, shall compensate passengers who are not included in the passenger manifest onboard a ship involved in a maritime accident or incident:
- a. If the remains of the unmanifested passenger are recovered from the ship or within the vicinity where the maritime accident/incident has occurred, subject to the six (6) month recovery period of the remains reckoned from the time of accident/incident, the shipowners or operators shall provide compensation in the amount of Two Hundred Thousand Pesos (P200,000.00). Such compensation shall be paid within a maximum period of thirty (30) days from submission to the shipowner or operator of the following documents: 1) Death Certificate of the deceased unmanifested passenger; 2) National Statistics Office (NSO) certified copy of Birth Certificate or Marriage Contract or additional proof attesting to the relationship of the claimants to the unmanifested passenger; and 3) any other convincing proof/evidence that the unmanifested passenger is onboard the ship.
 - b. All claims shall be filed within one (1) year from the occurrence of the maritime accident or incident. Otherwise, the same shall be barred.
4. In cases where an accident or incident takes place while the ship is not covered by a valid insurance coverage for passengers, the shipowner or

operator shall be liable out of his/her own account to compensate passengers onboard a ship in accordance with Item V.2.b and Item V.3.a.

5. Failure to provide adequate and valid insurance coverage to any of the passengers, as defined herein, shall be construed as non-compliance with this Circular and shall subject the shipowner or operator to penalties as provided herein.

VI. SANCTIONS AND PENALTIES

The penalties and sanctions shall be imposed, after due notice and hearing, as follows:

No.	Violation	Size of Ship/Number of Violation	Sanctions and Penalty
1	Failure to maintain valid or to secure insurance coverage for passengers	Below 15 GT	P 25,000.00 + suspension of CPC until compliance
		15 GT – 99.99 GT	P 50,000.00 + suspension of CPC until compliance
		100 GT and above	P 100,000.00 + suspension of CPC for one (1) year
2	Failure to observe the prescribed period for indemnification	Below 15 GT	P 5,000.00 + 15 day suspension of CPC or until compliance
		15 GT – 99.99 GT	P 7,500.00 + 30 day suspension of CPC or until compliance
		100 GT and above	P 10,000.00 + 90 day suspension of CPC
3	Failure to provide appropriate assistance to survivor(s) of a maritime accident	Below 15 GT	P 5,000.00 + 15 day suspension of CPC + P 5,000.00 per survivor
		15 GT – 99.99 GT	P 7,500.00 + 30 day suspension of CPC +

		100 GT and above	P 7,500.00 per survivor P 10,00.00 + 90 day suspension of CPC + P 10,000.00 per survivor
4	Absence of or failure to submit complete manifest for a particular voyage of a ship	a) SHIP'S OFFICER • Master/Boat Captain of Ships below 15 GT 1st Violation	P 10,000.00/ violation + 15 day suspension of Master's License issued by MARINA
5	Failure to reflect all passengers in the Passenger Manifest for a particular voyage	2nd Violation	P 15,000.00/ violation + 30 day suspension of Master's License issued by MARINA
6	Inconsistencies in passenger manifesting on board	3rd Violation • Master/Boat Captain of Ships 15 GT and above 1st Violation 2nd Violation 3rd Violation	P 50,000.00/ violation + revocation of SIRB P 25,000.00/ violation + 15 day suspension of SIRB P 35,000.00/ violation + 30 day suspension of SIRB P 50,000.00/ violation + revocation of SIRB
		b) SHIPOWNERS/ OPERATORS 1st Violation	P 50,000.00 + 30 day suspension of CPC + P 100,000.00 per passenger in excess of its maximum authorized capacity

		2nd Violation	P 100,000.00 + 60 day suspension of CPC + P 100,000.00 per passenger in excess of its maximum authorized capacity
		3rd Violation	P 150,000.00 + cancellation of CPC + P 100,000.00 per passenger in excess of its maximum authorized capacity
7	If found to have violated the Order of Suspension of CPC	Regardless of size	Perpetual disqualification from operating ships

The sanctions and penalties provided are without prejudice to the filing of appropriate civil and criminal charges against the shipowner or operator and their officers and crew.

VII. TRANSITORY PROVISION

All domestic shipowners or operators under this Circular shall be required to submit the Revised Master Policy duly issued by the Insurance Commission upon the renewal of their passenger insurance coverage or before the expiration of their Certificate of Public Convenience (CPC), whichever comes earlier.

VIII. REPEALING CLAUSE

MARINA Memorandum Circular Nos. 2009-18 and 2009-21 are hereby repealed. All MARINA Circulars, rules and regulations and issuances which are inconsistent herewith, are hereby ordered cancelled, revoked, superseded or repealed accordingly.

IX. SEPARABILITY CLAUSE

Should any provision or part of this Circular be declared by competent authority to be invalid and unconstitutional, the remaining provisions or parts hereof shall remain in full force and effect and shall continue to be valid and effective.

X. EFFECTIVITY

This Circular shall take effect fifteen (15) days after its publication in a newspaper of general circulation.

Manila, Philippines, 29 April 2016.

BY AUTHORITY OF THE BOARD:



MAXIMO Q. MEJIA SR., PhD
Administrator

SECRETARY'S CERTIFICATE

This is to certify that MARINA Circular No. 2016-01 has been approved during the 240th Regular Meeting of the Maritime Industry Authority (MARINA) Board of Directors held on 29 April 2016.



ATTY. VIRGILIO B. CALAG
Assistant Board Secretary

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