

Maritime Employers Liability

A Quick Reference for Agents Placing
Accounts with Vessel Exposure



Maritime Employers Liability (MEL) fills a coverage gap that standard marine placements frequently miss.

This guide helps agents identify when MEL is needed, recognize the employee situations most likely to create uninsured exposure, and know when to involve an underwriter before placing coverage.



What is MEL?

MEL covers an employer's liability to employees who qualify as seamen under the Jones Act. When an employee meets the legal definition of crew, the Jones Act applies rather than workers' comp or Longshore. The Jones Act allows injured seamen to sue their employer for negligence, and MEL is the policy that responds to those claims.

What MEL Covers: Jones Act negligence claims, maintenance and cure obligations, and unseaworthiness claims.

What MEL does not replace: Workers' comp for shore-based employees, Longshore for maritime workers who are not seamen, P&I for third-party liability.

Who needs it: Any employer with employees who work on vessels and who qualify or may qualify as seamen under the Jones Act.



What MEL Does Not Cover

Understanding what MEL excludes is as important as knowing what it covers.

MEL is not a compensation policy. It does not respond to any benefits available under Workers' Compensation, the Longshore and Harbor Workers' Compensation Act, the Outer Continental Shelf Lands Act, or any other state or federal workers' compensation system.

MEL is also not a replacement for a P&I policy. A P&I policy provides coverage beyond just crew coverage, including third-party bodily injury and property damage liability, not found in an MEL policy. MEL is specifically designed for the employees who fall in between: not full crew, not purely shore-based.



The Two Groups MEL Covers

MEL typically covers two distinct employee situations:

Employees on someone else's vessels. When an employer sends workers aboard a vessel they do not own or operate, they retain liability to those employees. Most vessel and rig owners require proof of MEL coverage under contract before allowing another employer's workers aboard.

Employees temporarily aboard the employer's own vessels. A marine construction company may have a full-time captain covered under their P&I policy, but also employ land-based workers who spend part of their time on board. Those land-based employees are the target of MEL coverage.



> When an Employee Qualifies as a Seaman

Crew status is determined by a two-part legal test established in *Chandris, Inc. v. Latsis*:

1. **Substantial connection to a vessel or fleet of vessels:** the employee spends a meaningful amount of time working on or from a vessel.
2. **Contribution to vessel function:** the employee's work supports the operation or mission of the vessel.

Both elements must be present, but crew status does not require full-time vessel work.

An employee whose primary job is shore-based can still qualify if vessel work is a regular, predictable part of their duties. Job title does not determine this — in *Southwest Marine, Inc. v. Gizoni* (1991), the Supreme Court held that a ship repairman, a job specifically named in the LHWCA, could still qualify as a Jones Act seaman based on his actual connection to the vessel. LHWCA coverage and Jones Act exposure can exist for the same employee at the same time.

> Red Flags That Indicate MEL Review Is Needed

- Any employee who boards vessels regularly, even if vessel work is not their primary role
- Employees with dual responsibilities spanning both vessel and shore operations
- Contractors or temporary workers performing vessel-related duties on a recurring basis
- Seasonal workforces where crew size changes significantly throughout the year
- Operations that have expanded, added new vessel use, or changed workforce structure since the last renewal
- Prior claims where coverage was disputed or denied due to seaman status questions
- Any account where nobody has explicitly asked whether MEL is in place

> Questions to Ask Before Placing Coverage

If the answer to any of these is yes (or uncertain) bring in underwriting guidance before placing coverage.

Does the client operate or charter any vessels? If yes, MEL should be on the table regardless of how the workforce is described.

Do any employees work on or from vessels as a regular part of their job? Regular means predictable, not constant. Occasional vessel work can still qualify if it is an expected part of someone's duties.

Are there employees whose duties change by season, project, or location? Variable duties create variable classification. Coverage needs to account for the full range of actual operations.

Does the client use contractors or temporary workers for vessel-related work? Independent contractor status does not eliminate Jones Act exposure. Evaluate the actual relationship to the vessel.

Has the workforce or the scope of vessel operations changed since the last renewal? New projects, new hires, and new vessel use patterns create new MEL exposure even on established accounts.

Submit a risk for review: Submit@LIGMarine.com

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