ATTACHMENT J-3

PROCESSING SEAFARER'S PERSONAL INJURY/ILLNESS CLAIMS (Supplement A)

The Ship Manager shall collect the necessary information regarding all illnesses or injuries to officers and crew members (hereinafter "seafarer's") which occur when they are in the service of the Ready Reserve Force (RRF) vessels owned by the Maritime Administration (MARAD), United States Department of Transportation (DOT) (Section 1), process payment of traditional benefits to such seafarer's (Section 2), assist MARAD in the processing of administrative claims filed by such seafarer's (Section 3), and assist the United States in defending claims which proceed to litigation (Section 4).

1. DOCUMENTATION - INCIDENTS OF ILLNESS/INJURY TO CREW MEMBERS

If a member of the crew of any MARAD-owned vessel for which you are the Ship Manager becomes ill or is injured while in service to the vessel, the Ship Manager, shall ensure that a complete and accurate record is made of the cause and details of the illness/injury, however trivial, in the ship's logs.

1.1 MEDICAL LOG

The Ship Manager shall maintain a Medical Log aboard each vessel, with illness or injury complaints recorded therein, along with the date of occurrence. Recorded entries should describe the symptoms of the reported illness and/or explain the events causing the injury. A description of any medical treatment rendered aboard ship shall be recorded. If it is necessary to relieve the seafarer of his/her duties in order to have him/her seek medical attention ashore, this shall also be noted.

If a second Medical Log is required on any voyage, the cover of each shall be noted Part 1, Part 2, etc., as appropriate, and the pages shall be consecutively numbered from log to log. For example, if the last page of Part 1 is 78, the first page of Part 2 will be 79.

The Medical Log shall be signed daily by the Master and by the Medical Person-in-Charge (MPIC). The Master shall confirm with the ill or injured seafarer's departmental supervisor that the Departmental Log contains information to substantiate the reported illness or injury.

1.2 OFFICIAL LOG

The U.S. Coast Guard (USCG) supplies an Official Logbook for recording entries required by Section 11301, Title 46, U.S.C. The Master shall make, or cause to be made in the Log, the entries required by 46 U.S.C. '11301, including, among others:

(1) each legal conviction of a seaman of the vessel and the punishment inflicted.
(2) each offense committed by a seaman of the vessel for which it is intended to prosecute or to enforce under a forfeiture, together with statements about reading the entry and the reply made to the charge as required by section 11502 of this title.
(3) each offense for which punishment is inflicted on board and the punishment inflicted.
(4) a statement of the conduct, character, and qualifications of each seaman of the vessel or a statement that the master declines to give an opinion about that conduct, character, and qualifications.
(5) each illness of or injury to a seaman of the vessel, the nature of the illness or injury, and the medical treatment.
(6) each death on board, with the cause of death, and if a seaman, the information required by section 10702 of this title.
(7) the name of each seaman who ceases to be a crewmember (except by death), with the place, time, manner, and the cause why the seaman ceased to be a crewmember.
(8) the wages due to a seaman who dies during the voyage and the gross amount of all deductions to be made from the wages.
(9) the sale of the property of a seaman who dies during the voyage, including a statement of each article sold and the amount received for the property.
(10) when a marine casualty occurs, a statement about the casualty and the circumstances under which it occurred, made immediately after the casualty when practicable to do so.

1.3 PERSONAL INJURY REPORT PACKAGE

The Ship Manager's shall require the Master (in Phase O) or the Chief Engineer (in Phase M) to provide the information required by Personal Injury Report Package either on the forms provided on Ship Manager developed forms approved by MAR-782. The information shall provide:

(a) Details of the circumstances surrounding the incident;

(b) In the case of injury, the conditions at the time of the accident and whether they contributed to the accident. The Ship Manager shall perform a detailed inspection of the site as soon as an accident is reported, photograph the site if possible, and preserve any evidence;

(c) In the case of injury, whether the injured seafarer in any way contributed to the accident or whether there was any obvious negligence on the part of a third party;

(d) Names and statements of any witness(es) to any accident;

(e) Particulars of any medical treatment received aboard and/or ashore.

A copy of each of the forms, along with other material incorporated in the Personal Injury Report Package is provided as Exhibit 1. Form MA-1001, titled SERIOUS ILLNESS/INJURY REPORT PACKAGE (Exhibit 2), provides a list of the forms to be included. A discussion of the documentation to be developed by the Ship Manager and/or its designated representative(s), with respect to any crew member, and, in particular, with respect to any ill/injured crew member, is provided below. Specific reference is made to forms included in the Personal Injury Report Package.

1.3.1 On date of seafarer's engagement

1.3.1.1 DETERMINATION OF FITNESS FOR SEA DUTY

The Ship Manager shall ensure the seafarer has, within the last six (6) months, been examined by a licensed physician and found to be physically qualified and fit to perform the duties of his/her assignment. Upon reporting aboard ship, the seafarer shall provide or otherwise make available for the Master's examination one (1) copy of each of the following:

(i) the union shipping slip, if the seafarer is a member of a seafarers' union;

(ii) a Merchant Mariner Physical Examination, documented on Form CG-719K (http://www.uscg.mil/stcw/download-docs/cg719k.pdf) (Exhibit 18), indicating the seafarer is competent and fit for sea duty from a medical clinic sponsored by the Ship Manager or from the union of which the seafarer is a member or from the seafarer's personal physician; and USCG NVIC 02-98 (http://www.uscg.mil/hq/g-m/nvic/2_98/n2-98.pdf), Physical Examination Guidelines for Merchant Mariner's Documents and Licenses. The examination must have been within six (6) months prior to the seafarer's date of engagement, and

(iii) a certification from a medical clinic that the seafarer has received all required immunizations/inoculations or is medically eligible to receive such immunizations. (See Section C.5.5.1 of the Contract for required immuniations/inoculations, which allows submission of this certification by FOS crew members after reporting aboard ship.)

In the event the vessel is to be engaged upon a foreign voyage, the Master, or his/her designated representative, shall ascertain that the seafarer has in his/her possession and has reported aboard the vessel with (i) at least two (2) pairs of any required prescription eye glasses (in addition to contact lenses, if worn), (ii) records and prescriptions of any prescription medications as well as an adequate supply of same to cover the projected assignment period, and (iii) immunization and medical records.

If the Ship Manager has reason to believe that the seafarer has falsified any information regarding his/her current physical condition or medical history, or that the seafarer is otherwise unfit to assume the duties of his/her assignment, the Ship Manager may require the seafarer to undergo examination by a licensed physician to ascertain the seafarer's fitness to perform the duties associated with the shipboard rating to which assigned. Charges for services provided by any physician/clinic/hospital in connection with such examination are to be paid by the Ship Manager as an expense to be reimbursed by MARAD.

Any determination made by a physician with respect to the seafarer's fitness for sea duty in no way abrogates any right of appeal the seafarer may have through collective bargaining agreements or to seek redress through other forums.

1.3.1.2 STATEMENT OF PHYSICAL CONDITION

The Ship Manager shall require the seafarer to complete the MARAD Form 1001B, titled SEAFARER'S STATEMENT OF PHYSICAL CONDITION (Exhibit 3) as soon as practicable after the seafarer joins the vessel to which assigned. This brief questionnaire requests the seafarer to identify any medical conditions and/or symptoms of illness with which he/she is or has been affected. By signing and dating this form the seafarer certifies that, to the best of his/her knowledge, he/she is physically and mentally fit for sea duty. This form shall be completed notwithstanding the existence of any available report of pre-employment physical examination. A copy of the form will be sent to the Ship Manager's crew personnel office and retained with appropriate safeguards. The original form is to be retained aboard the vessel for the duration of the seafarer's shipboard employment. Upon the termination of the seafarer's employment aboard the vessel, the completed form shall be forwarded to the Ship Manager's home office.

1.3.1.3 RELEASE OF UNION MEDICAL RECORDS

The Master shall require the seafarer to complete the RELEASE OF MEDICAL RECORDS Form (Exhibit 4) and shall forward that form to the Ship Manager's crew personnel office. The Ship Manager shall obtain the medical records authorized by the release if the seafarer is injured or becomes ill or if the Ship Manager has reason to believe the seafarer has falsified any information regarding his/her current physical condition or medical history, or that the seafarer is otherwise unfit to assume the duties of his/her assignment.

1.3.1.4 BACKGROUND INFORMATION REGARDING SEAFARER

On the date of hire, the seafarer shall provide information needed to complete the Form 1001A, titled SEAFARER DATA SHEET (Exhibit 5), from the top of the form to the section titled "Voyage Employment Information." This information includes the seafarer's name, Social Security Number, license number, physical description, date and place of birth, citizenship, residence address, place and date of last physical examination and the name of the physician who administered the exam. The form also has space for the seafarer to provide information regarding the name and address of next of kin. The seafarer should, at this time, complete Form MA-269: Designation or Change of Beneficiary for Second Seafarer's War Risk Insurance (Exhibit 6). The seafarer shall also execute the form titled RELEASE OF UNION MEDICAL RECORDS.

1.3.1.5 INFORMATION REGARDING SEAFARER'S ARTICLES OF ENGAGEMENT

The Ship Manager is requested to reference U.S. Coast Guard Navigation and Vessel Inspection Circular No. 1-86 addressing "Shipment and Discharge of Seamen" in preparing the USCG Form CG-705A titled PARTICULARS OF ENGAGEMENT AND DISCHARGE (Exhibit 7). At the time of the seafarer's engagement the Master shall complete the following sections of the form: (a) Voyage Employment Information, (b) Seafarer's Identification and Acceptance of Employment, and (c) Seafarer's Rate and Wage Information. The form shall be signed by both

Master and seafarer. Upon the seafarer's discharge from the vessel, the Master shall complete the section "Voyage Discharge and Release Information." Both Master and seafarer will sign and date the form. A copy of the form is to be retained aboard the vessel until such time as the voyage terminates or the articles expire, whichever occurs first. Upon the expiration of the voyage or articles of engagement the completed form shall be forwarded to the Ship Manager's home office.

1.3.1.6 PRIOR ILLNESS/INJURY REPORT

As soon as practicable following the seafarer's date of hire, the Ship Manager shall obtain a commercially available report regarding the seafarer's employment history. This report will list and describe illnesses and/or injuries sustained by the seafarer, as well as any incidents of disciplinary action reported to the MIB by the seafarer's past marine employers. If, by examination of any available documentation regarding the seafarer's past and current medical condition, the Ship Manager determines that the seafarer was found by a qualified physician to have sustained illness/injury that results in a finding of permanent or partial disability, rendering the seafarer unfit for shipboard duty, the seafarer shall be questioned regarding such finding and requested to provide proof of rehabilitation sufficient to substantiate a finding of "fit for duty." Absent such proof, the seafarer's employment shall be immediately terminated.

If the data in this report of prior illness/injury conflicts with the information provided in the SEAFARER'S STATEMENT OF PHYSICAL CONDITION or the medical records from the seafarer's pre-employment physical, the conflict will be investigated. If the investigation reveals that the seafarer failed to accurately and fully complete the SEAFARER'S STATEMENT OF PHYSICAL CONDITION, the seafarer's employment shall be immediately terminated and reported to MARAD for possible prosecution under the False Statements Act.

If the data in this report of prior illness/injury conflicts with the information provided in by the seafarer during in connection with a pre-employment physical, the conflict will be investigated. If the investigation reveals that the seafarer failed to fully and completely disclose the illness/injury during a pre-employment physical, the Ship Manager shall require an additional physical examination by a doctor if its choosing, the cost of which shall be deducted from the seafarer's wages. The seafarer's continued employment is contingent upon a Fit-for-Duty certification from this physician.

1.3.2 On date of seafarer's alleged illness/injury

In the event that a crew member incurs illness/injury, the vessel Master shall ensure shipboard personnel document (a) the circumstances giving rise to an alleged illness/injury, (b) any request for shoreside medical attention, (c) the diagnosis/findings and treatment provided, and (d) the seafarer's duty status following the alleged illness/injury. Information may be provided on MARAD forms, or, if approved by MARAD, similar forms developed by the Ship Manager. A discussion of MARAD-recommended forms to be completed, as applicable, is provided below.

1.3.2.1 INITIAL REPORT OF PERSONAL ILLNESS/INJURY

Immediately following any crew member's report of illness/injury for which he/she seeks medical attention, the seafarer shall be examined by the ship's MPIC, who shall make appropriate entries into the ship's Medical Log. If, in the estimation of the ship's medical officer, the requirement to provide prompt and appropriate medical attention means that the seafarer should be excused from duty for a period of at least twenty-four (24) hours or otherwise discharged from the vessel, the seafarer's supervisor shall be made responsible for the completion of the Form MA-1001C INITIAL REPORT OF PERSONAL ILLNESS/INJURY (Exhibit 8).

When a seafarer is found by licensed medical personnel to be medically Not Fit For Duty (NFFD) for a period of 24 hours or more (a "qualifying incident"), the ship's Master shall, at the earliest opportunity and by the most expeditious means, forward a copy of the completed form INITIAL REPORT OF PERSONAL ILLNESS/INJURY to the Ship Manager's home office. The Ship Manager shall, in turn, within five (5) working days of receipt, forward by mail a copy of the completed form to MAR-782.

1.3.2.2 STATEMENT OF INDIVIDUAL REPORTING INJURY

Immediately after an accident, the Master shall require the injured seafarer, if able, to complete the Form MA-1001D STATEMENT OF INDIVIDUAL REPORTING INJURY (Exhibit 9). If a seafarer requests shore leave in order to seek medical attention due to alleged illness or injury, the Master shall require the injured seafarer to complete the Form MA-1001D STATEMENT OF INDIVIDUAL REPORTING INJURY, wherein the seafarer is requested to detail the circumstances of the accident causing injury, and to identify any person(s) who witnessed the accident or were known to be nearby the scene of the accident. If the seafarer is removed from the vessel prior to completing this form, the Master shall be responsible for obtaining a completed from the seafarer as soon as possible.

The completed form shall be incorporated in the Personal Injury Report Package and the Package, with all other forms, completed as applicable, shall be included in an envelope to be forwarded to the home office of the Ship Manager as soon as practicable after the occurrence of the illness/injury.

1.3.2.3 "MASTER'S REPORT OF REQUEST FOR MEDICAL ATTENTION" FORM AND "REPORT OF ATTENDING DENTIST/PHYSICIAN" FORM

If, in the opinion of the ship's MPIC, it is in the best interest of the crew member and/or the vessel that the ill/injured seafarer be attended by shoreside medical personnel, the Master shall complete Form MA-1001E MASTER'S REPORT OF REQUEST FOR MEDICAL ATTENTION (Exhibit 10), which, when completed and signed by the Master, shall serve as authorization for the seafarer to seek medical attention from qualified shore-based medical providers. If the severity of the seafarer's illness/injury does not preclude it, the seafarer shall also sign this form. By signing, the seafarer authorizes the Maritime Administration to obtain any record(s) of treatment relating to the medical complaint described in the form. The Master, by his/her signature as representative of the Ship Manager, obligates the Ship Manager to pay reasonable and customary charges billed by the dentist/physician/clinic/hospital providing

treatment. When and where practicable, the ill/injured seafarer, when leaving the vessel to seek medical attention, shall be accompanied by the ship's MPIC.

A copy of this form shall be retained aboard the vessel for the duration of the seafarer's employment aboard the vessel. If the ill/injured seafarer is accompanied by the ship's MPIC or by a representative of the ship's agent, the MPIC or ship's agent shall provide the original of the form MASTER'S REPORT OF REQUEST FOR MEDICAL ATTENTION, along with Form MA-1001F REPORT OF ATTENDING DENTIST/PHYSICIAN (Exhibit 11) to the attending dentist/physician/hospital/clinic. On this form the attending dentist or physician shall indicate his/her diagnosis, findings and treatment, along with the seafarer's current duty status, and then sign and date the form. The completed form shall be returned to the Master. If the seafarer is accompanied by the ship's MPIC or agent, the MPIC/agent may return the completed form to the Master; however, the ultimate authority rests with the seafarer to ensure that the Master is made aware of any finding/diagnosis and any recommendations regarding the seafarer's duty status. If the seafarer is unaccompanied and, following examination, does not return to the ship, the ship's MPIC shall be made responsible for obtaining the completed REPORT OF ATTENDING DENTIST/PHYSICIAN. The completed form shall be incorporated in the Personal Injury Report Package and the Package, with all other forms, completed as applicable, shall be included in an envelope to be forwarded to the home office of the Ship Manager as soon as practicable after the occurrence of the illness/injury.

Upon reviewing the completed REPORT OF ATTENDING DENTIST/PHYSICIAN, the Master shall make a determination as to the seafarer's duty status. In making such determination, the Master shall use the following guidelines:

> ***Fit For Duty (FFD):*** The seafarer is able to safely perform the duties of his or her rating aboard ship in the absence of medical care, without danger to his or her health, or the safety of the crew or vessel. A limited FFD cannot be given.
>
> ***Not Fit For Duty (NFFD):*** A NFFD status is issued when the seafarer is unable to safely perform the duties of his or her rating aboard the vessel without danger to his or her health, the safety of the crew, or the vessel, in the absence of medical care. This condition is distinguished from Permanently Not Fit For Duty (PNFFD).
>
> ***Permanently Not Fit For Duty (PNFFD):*** A PNFFD is issued where the seafarer is unable to perform the duties of his or her rating aboard a vessel because of medical, surgical or psychiatric condition for which at this time, there is no effective treatment. The seafarer is not expected to return to work aboard such a vessel because of the great danger to his or health, the safety of other crew members, and the vessel. This determination is not necessarily equivalent to a Permanent and Total Disability as defined by the Department of Health and Human Services (DHHS).

1.3.2.4 "REPORT OF INVESTIGATION OF SERIOUS ILLNESS/INJURY" FORM AND "STATEMENT OF WITNESS TO OR PERSON NEARBY SCENE OF REPORTED ACCIDENT" FORM AND "STATEMENT OF NON-WITNESS TO PERSONAL INJURY INCIDENT" FORM

If the Master, after reviewing the findings of the attending dentist/physician with respect to the seafarer's duty status, determines that the seafarer' will be NFFD for seventy-two (72) hours or more or medical condition warrants his/her discharge from the vessel in order to allow further medical evaluation/treatment, the incident shall be considered a "Serious Illness/Injury and the Master shall direct that an investigation be undertaken as to the circumstances of the illness/injury.

The investigating officer shall complete Form MA-1001G REPORT OF INVESTIGATION OF SERIOUS ILLNESS/INJURY (Exhibit 12). Such investigation shall be undertaken and report completed within seventy-two (72) hours of onset of the seafarer's alleged injury/illness. If the seafarer was removed from the vessel due to injury, the investigating officer shall undertake to obtain statements from any person(s) identified by the seafarer to be at or nearby the scene of the accident.

The investigating officer shall request that each person so identified complete Form MA-1001H titled STATEMENT OF WITNESS TO OR PERSON NEARBY SCENE OF REPORTED ACCIDENT (Exhibit 13). He/she shall also undertake to obtain from every crew member who it is determined was/may have been/should have been at or near the scene of the alleged injury, but who claims *not* to have been a witness to the incident, his/her signature to that effect on Form MA-1001I STATEMENT OF NON-WITNESS TO PERSONAL INJURY INCIDENT (Exhibit 14). The completed forms shall be incorporated in the Personal Injury Report Package and the Package, with all other forms, completed as applicable, shall be included in an envelope to be forwarded to the home office of the Ship Manager as soon as practicable after the occurrence of the illness/injury.

1.3.2.5 U.S. Coast Guard Forms 2692 and 2692B

In the case of an accident that results in serious illness/injury that incapacitates the seafarer for a period of seventy-two (72) hours or more, or results in the seafarer's death, USCG Form 2692 REPORT OF MARINE ACCIDENT, INJURY OR DEATH (Exhibit 15) should be completed, as well as USCG Form 2692B REPORT OF REQUIRED CHEMICAL DRUG & ALCOHOL TESTING FOLLOWING A SERIOUS MARINE INCIDENT (Exhibit 16). Accompanying this report should be the results of any drug/alcohol tests required by the USCG. The completed forms shall be incorporated in the Personal Injury Report Package and the Package, with all other forms, completed as applicable, shall be forwarded to the home office of the Ship Manager as soon as practicable after the occurrence of the illness/injury.

Questions regarding USCG Forms 2692 and 2692B may be directed to the Marine Safety Division of the USCG, Office of Marine Safety, Security and Environmental Protection.

1.3.2.6 Evidence List

The Ship Manager shall document the investigation of an accident resulting in serious injury or death with still photographs and/or videotape. The investigating officer should, if possible, videotape and/or take photographs of the accident scene, and include, where available, any such

videotape, developed photographs, or undeveloped film, in the Personal Injury Report Package. Upon receipt, the photographs and/or videotape will be copied and the originals returned to the Ship Manager or its designated agent. Digital photographs shall be provided where available to MAR-782 and MAR-221. The Ship Manager shall identify the person who took the photos/video and the date(s) on which they were taken.
If unable to videotape or otherwise take photographs of the accident scene, the investigating officer should undertake to include descriptive drawings or diagrams of the accident scene along with specifics as to the numbers and identification of ship's drawings. Where the accident involved any ship's equipment, efforts should be made to preserve the equipment in the condition found at the time of the investigation, if, by doing so, the health and safety of the crew would not be endangered. If any repairs to the equipment were made subsequent to the alleged incident, a statement will be provided to this effect indicating the nature and extent of such repair.

Form MA-1001J, titled EVIDENCE LIST (Exhibit 17), is suggested for identifying any drawings/diagrams, videotape, and/or photographs included in the Personal Injury Report Package, as well as any piece(s) of ship's equipment identified to be involved in the accident, if applicable. The completed form shall be incorporated in the Personal Injury Report Package and the Package, with all other forms, completed as applicable, shall be included in an envelope to be forwarded to the home office of the Ship Manager as soon as practicable after the occurrence of the illness/injury.

2. EXPENSES INCURRED BY SHIP MANAGER ON BEHALF OF ILL/INJURED SEAFARER (TRADITIONAL SEAFARER'S BENEFITS)

When a seafarer becomes ill or is injured in the service of the vessel, a vessel owner is required to provide the affected seafarer certain traditional benefits, without regard to whether there is any other liability due negligence or unseaworthiness. (See Section 3 below.) These benefits are identified as (1) maintenance and cure, (2) unearned wages, (3) repatriation expenses and other miscellaneous benefits/expenses. Except in rare circumstances, repatriation-type expenses, unearned wages, maintenance and cure, are due every injured or ill seafarer, regardless of fault. (hereinafter referred to collectively as "the Traditional Seafarer's Benefits.") The principles of general maritime law govern the payment of these benefits, including the limited circumstances when such benefits are not payable.

Repatriation expenses, unearned wages and maintenance and cure shall be paid promptly by the Ship Manager and allocated to the individual claim as an expense to be reimbursed by MARAD. Failure to promptly pay such expenses may result in an assessment of punitive damages in litigation. The Ship Manager shall be required to reimburse the United States any such assessment of punitive damages unless the Ship Manager received written approval by MAR-782 not to pay these Traditional Seafarer's Benefits.

2.1 MAINTENANCE AND CURE

The Ship Manager shall pay maintenance (at the rate established in the CBA/MOA with the seafarer's union) and cure (hospital and medical expenses incurred by a U.S. civilian or military

hospital or other organization for the care and treatment), but shall not make such payments until in receipt of a copy of a report in which the attending physician attests that the ill/injured seafarer is Not Fit For Duty (NFFD). NFFD reports are requested on a bi-weekly basis so that payment can be made retroactively to the dates the seafarer is NFFD.

> THE SHIP MANAGER SHALL CONTINUE THE PAYMENT OF MAINTENANCE AND CURE UNTIL (1) THE SEAFARER IS FOUND FIT FOR DUTY BY THE ATTENDING PHYSICIAN, (2) THE SEAFARER IS CERTIFIED BY THE ATTENDING PHYSICIAN TO HAVE REACHED MAXIMUM MEDICAL IMPROVEMENT, OR (3) ADVISED OTHERWISE BY MARAD'S OFFICE OF CHIEF COUNSEL OR THE U.S. DEPARTMENT OF JUSTICE.

For claims in litigation, the Ship Manager shall inform MAR-221 if maintenance and cure payments cease under (1) or (2), above.

2.2 UNEARNED WAGES

If a seafarer's service aboard the vessel has been interrupted by illness or injury, the seafarer is entitled to receive those wages (exclusive of overtime wages) he/she would have received if his/her service had not been interrupted. Vacation accrual and fringe benefits are considered part of unearned wages. Unearned wages cease upon the date the voyage ends, the date the seafarer's articles expire, or the date the seafarer is found fit for duty, whichever occurs FIRST.

2.3 REPATRIATION AND OTHER BENEFITS/EXPENSES

2.3.1 Repatriation Expenses

The Ship Manager shall pay all costs involved in returning an ill/injured seafarer to that U.S. port expected to be the final voyage stop for the vessel. With the agreement of the seafarer, the seafarer may be returned to this or any other point in the United States, whichever choice results in the least cost to the Ship Manager. In the event that the nature or severity of the seafarer's illness and/or injury would make it difficult for the seafarer to insure his/her own physical well-being while in transit, the seafarer should be accompanied to his/her home of record by Ship Manager personnel or other appropriate medical personnel.

2.3.2 Burial Expense

Expenses incurred by the U.S. military services or other organizations in the nature of burial costs for the preparation and transportation of deceased merchant seafarers should be paid and allocated to the individual claim as an expense to be reimbursed by MARAD. Upon a seafarer's death, the Master shall immediately contact the Ship Manager, who shall in turn attempt to contact the deceased's next of kin indicated on the MARAD form titled SEAFARER DATA SHEET or Ship Manager's equivalent. All reasonable efforts shall be made to comply with the wishes of the next of kin or beneficiary regarding the disposition of the body of the deceased.

The following instructions are issued for the guidance of the Ship Manager in the payment of burial expenses for a seafarer:

(a) If the union agreement requires the return of a deceased seafarer to the United States or the port of engagement, the reasonable costs incurred are payable.
(b) If the union agreement is silent on the return of a deceased seafarer to the United States, but the next of kin desires the return, the reasonable costs incurred of preserving and returning the body to the United States are payable.
(c) If, after the body is returned to the United States, the Ship Manager is faced with paying additional burial expenses, such as for a suitable casket, shipping container, transportation, grave site, etc., such reasonable additional burial expenses as may be necessary to dispose of the body in keeping with the dignity of the United States Government, as vessel owner, are payable.
(d) All reasonable burial costs incurred are to be charged to voyage expense.

2.3.3 Excess Baggage

In an effort to minimize this particular reimbursable expense, the following procedures should be established:

(a) The Masters and Port Agents are to be advised that a crew member being repatriated may carry with him/her baggage up to the limits of the particular air ticket on which he/she is traveling. Except as otherwise provided in the collective bargaining agreement, any excess baggage carried with him/her will be at his/her expense.

(b) A reasonable amount of baggage in excess of the passage ticket will be returned free of charge to a port in the continental United States by the crew member's vessel. If the crew member's vessel is not in a position to receive the baggage, it may be returned on another Ship Manager vessel at the option of the Master of the latter ship. Under either procedure the baggage must be inventoried and receipt made for by the Master or his/her delegate. The seafarer will be responsible for all costs associated with the storage and transport of such baggage from the port of discharge.

2.4 PROCESSING PAYMENT OF TRADITIONAL SEAFARER'S BENEFITS

If the seafarer has not filed an administrative claim but has requested traditional seafarer's benefits, the Ship Manager shall estimate the amount of money necessary to satisfy the Traditional Seafarer's Benefits and request and receive a TO funded for the estimated amount.

Maintenance and Cure expenses associated with an injury or illness shall be processed through the appropriate Regional Finance Office, against a TO issued for such expenses.

3. ADMINISTRATIVE CLAIMS

3.1 A seafarer employed on board a MARAD-owned RRF vessel that becomes ill or injured while in the service of the vessel has legal recourse against MARAD pursuant to the Suits in Admiralty Act when the injury or illness arose from incidents of negligence or unseaworthiness.

3.2 CLARIFICATION ACT

Any claim presented for losses consequent to an incident of illness or injury is subject to the terms and conditions of the Clarification Act, 50 U.S.C. App '1291(a) and the regulations promulgated thereunder. The seafarer must meet the requirements of the Clarification Act by submitting a request for the administrative allowance of claim with all available documentation supporting the claim to the Ship Manager. Any administrative claim must be filed in accordance with the requirements set forth in 46 CFR 327. In addition, a seaman must submit an administrative claim to MARAD which complies with the requirements of 46 CFR 317 at least 61 days prior to the two-year statute of limitations as MARAD has sixty (60) days to consider the claim before a seaman can file suit in court. The Ship Manager shall inform any seafarer wishing to pursue a claim for compensatory damages of the requirements of 46 CF 327.

Specifically, 46 CFR Part 327 Sec. 4 provides that:

§ 327.4 Claim requirements.

(a) Form. The claim may be in any form and shall be:

(1) In writing,
(2) Designated as a claim,
(3) Disclose that the object sought is the administrative allowance of the claim;
(4) Comply with the requirements of this part, and
(5) Filed as provided in §327.5 of this part.

The claim need not be sworn or attested to by the claimant. However, the statements made in the claim are subject to the provisions of 18 U.S.C. 287 and 1001 and other penalty provisions for making false, fictitious, or fraudulent claims, statements or entries, or falsifying, concealing, or covering up a material fact in any matter within the jurisdiction of any department or agency of the United States. Any lawsuits filed contrary to the provisions of section 5 of the Suits in Admiralty Act, as amended by Public Law 877, 81st Congress (64 Stat. 1112; 46 app. U.S.C. 745), shall not be in compliance with the requirements of this part.

(b) Contents. Each claim shall include the following information:

(1) With respect to the seaman:

(i) Name;
(ii) Mailing address;
(iii) Date of birth;
(iv) Place of birth; and
(v) Merchant mariner license or document number and social security number

(2) With respect to the basis for the claim:

(i) Name of vessel on which the seaman was serving when the incident occurred that is the basis for this claim;
(ii) Place where the incident occurred;

(iii) Time of incident--year, month and day, and the precise time of day, to the minute, where possible;
(iv) Narrative of the facts and circumstances surrounding the incident; and
(v) The names of others who can supply factual information about the incident and its consequences.

(3) The dollar amount of the claim for:

(i) Past loss of earnings or earnings capacity;
(ii) Future loss of earnings or earnings capacity;
(iii) Medical expenses paid out of pocket;
(iv) Pain and suffering, and
(v) Any other loss arising out of the incident (describe).

(4) All medical and clinical records of physicians and hospitals related to a seaman's claim for injury, illness, or death shall be attached. If the claimant does not have a copy of each record, the claimant shall identify every physician and hospital having such records relating to the seaman and shall provide written authorization for MARAD to obtain all such records. The claim shall also include the number of days the seaman worked as a merchant mariner and the earnings received for the current calendar year, as well as the two preceding calendar years.

(5) If the claim does not involve a seaman's death, the following information shall be submitted with the claim:

(i) Date the seaman signed a re-employment register as a merchant mariner;
(ii) Copy of the medical fit-for-duty certificate issued to the seaman;
(iii) Date and details of next employment as a seaman; and
(iv) Date and details of next employment as other than a seaman.

(6) If the claim is for other than personal injury, illness or death, the claim shall provide all supporting information concerning the nature and dollar amount of the loss.

Further, 46 CFR Part 327.5 provides that:

§ 327.5 Filing of claims.

(a) Claims may be filed by or on behalf of seamen or their surviving dependents or beneficiaries, or by their legal representatives. Claims shall be filed either by personal delivery or by registered mail.

(b) Each claim shall be filed with the Ship Manager or General Agent of the vessel with respect to which such claim arose. The claimant shall send a copy directly to the Chief, Division of Marine Insurance, Maritime Administration, Department of Transportation, 400 Seventh Street SW, Washington, DC 20590.

3.2.1 Filing of claims

In the case of a claim due to the seafarer's death, the claim (along with all available supporting documentation) may be filed by the surviving dependent or beneficiary of the deceased seafarer, or by a legal representative designated by the dependent/beneficiary. Otherwise, a claim may be filed by either the seafarer himself/herself or by the seafarer's designated representative. Claims shall be filed either by personal delivery or by registered mail to the Ship Manager, with a copy to MARAD. The claimant shall send notice of the claim directly to:

Chief, Division of Marine Insurance
U.S. Maritime Administration
Office of Subsidy and Insurance
MAR-782, Room 8121
400 Seventh Street SW
Washington, DC 20590

3.3 PROCEDURAL GUIDELINES FOR SUBMISSION OF CLAIMS

The requirements of 46 CFR 327 set forth in Section 3.3 above are the minimum requirements of an administrative claim. However, in order to facilitate the processing of any administrative claim, the following procedural guidelines should be suggested to the claimant and/or his/her legal representative:

3.3.1 Identification of Claim

Any filing by which the seafarer seeks to obtain the administrative allowance of claim should:

(1) identify the claimant by providing his/her full legal name

(2) identify the claimant's attorney or other legal representative or otherwise identify the person to contact regarding the administrative claim, and the means by which that person may be contacted (mailing address, phone and facsimile number (if available))

(3) be designated as a claim, by means of the following wording, displayed prominently:

SEAMAN'S REQUEST FOR ADMINISTRATIVE ALLOWANCE OF CLAIM

(4) clearly identify, with respect to the incident giving rise to the claim:

(a) the seafarer (by full name);
(b) the seafarer's Social Security Number;
(c) the Ship Manager;
(d) the name of the vessel; and
(e) the date of incident

See Exhibit 19, for a sample suggested letter, from attorney Charles A. Adams to ABC Shipping Co. Inc., showing the recommended format for the claim letter is attached. Any additional information submitted subsequently in support of the claim should be accompanied by a cover letter, following the same format as provided above, and clearly identifying the nature of the attached document(s).

3.3.2 Contents

Each claim is to include the following information:

a. Regarding the seafarer:

(i) full name (including middle name(s));
(ii) his/her current residence address;
(iii) legal address, if different from the current residence;
(iv) date of birth;
(v) place of birth (country, if outside the United States; otherwise, city and state) or citizenship;
(vi) Social Security Number; and
(vii) merchant mariner license and/or document number.

b. Regarding the basis of the claim:

(i) geographic location of the vessel at the time of the alleged incident. If at sea, indicate such, along with the next intended port of call; if in port, identify the port by city and country;
(i) exact location of the alleged incident, whether aboard ship or ashore;
(ii) time of alleged incident--year, month and day, and the local time of day, where possible;
(iii) full and complete narrative of the facts and circumstances surrounding the alleged incident, describing how and why the alleged incident occurred; and
(iv) to the extent known, the names, ratings, addresses and phone number of witnesses and/or others who do have or may be expected to have knowledge of the incident, including, but not limited to, the Master, the seafarer's supervisor, and co-workers.

c. Regarding records of medical treatment:

(i) all records of physicians/hospitals/clinics related to a claim arising as the result of injury, illness or death; or, if such records are not in the claimant's immediate possession,
(ii) for each physician/hospital/clinic having records relating to treatment provided as the result of the alleged incident, the name, address and phone number of the physician/hospital/clinic, along with written authorization allowing MARAD and the Ship Manager to obtain copies of all such records.

d. Regarding the alleged damages, the total dollar amount of claim, itemized as follows:

(i) past loss of earnings or earnings capacity;
(ii) future loss of earnings or earnings capacity;
(iii) medical expenses paid out-of-pocket;
(iv) pain and suffering, and
(v) any other loss arising out of the incident (describe).

e. Regarding the seafarer's employment history:

(i) the number of days the seafarer worked as a merchant mariner for the current calendar year as well as the two preceding calendar years (if none, so state);
(ii) earnings received as a merchant mariner for the current calendar year as well as the two preceding calendar years (if none, so state); and
(iii) the seafarers' union (if any) of which the seafarer was a member at the time of incident.

f. Regarding the seafarer's employment status subsequent to the alleged incident:

(i) a copy of the medical fit-for-duty certificate issued to the seafarer, with the date the seafarer was determined to be fit for duty noted thereon; or, in lieu thereof, a copy of any statement by the treating physician that states that the seafarer has reached maximum medical improvement;
(ii) the date the seafarer signed a re-employment register as a merchant seafarer, if applicable;
(iii) date and details of next employment as a seafarer, if applicable; or
(iv) date and details of next employment as other than a seafarer, if applicable.

Exhibit 3 provides a form titled "Seafarer's Request for Administrative Allowance of Claim," as well as other material intended to provide the seafarer and/or his/her representative with a mechanism for assembling the documentation necessary to establish the existence of an administrative claim. Note, because 46 CFR Part 327 indicates that the claim may be in any form, there is no legal requirement mandating the completion and submission of the form. However, Ship Managers are encouraged to forward the packet of materials to the seafarer or his/her representative where either the seafarer or his/her representative has contacted the Ship Manager regarding a claim for personal injury arising out of the seafarer's service aboard a MARAD RRF vessel. Correspondence should indicate that, while there is <u>no legal requirement to utilize the form</u>, completion and submission of the form will facilitate the processing of any administrative claim arising out of incident of illness/injury occurring aboard a MARAD-owned RRF vessel.

For purposes of establishing the existence of an administrative claim, the Ship Manager must, at a minimum, have on file all items listed in (a) through (c) above (information (a) regarding the seafarer [full name, Social Security Number, date and place of birth, legal and residence addresses, and merchant mariner license or document number]; (b) regarding the basis of the claim [date, time, and place of incident, along with a full narrative of how and why the incident occurred, with the names and ratings of any witnesses thereto]; and (c) regarding records of medical treatment [completed medical records release forms along with, where available, copies of all medical records relating to treatment received in connection with illness or injury sustained as a result of the incident.] In processing any administrative claim, the Ship Manager may require the additional items of information specified in Sections 5.2d through 5.2f above (information (d) regarding the alleged damages, (e) regarding the seafarer's employment history; and (f) regarding the seafarer's employment status subsequent to the alleged incident) as required by 46 CFR Part 327 and/or other supporting documentation as appropriate.

If the claim is for other than personal injury, illness or death, the claim shall state the nature and dollar amount of the loss and shall provide all supporting documentation to substantiate the occurrence of the alleged incident.

3.4 PROCESSING CLAIMS

Upon receipt of an administrative claim, the Ship Manager shall maintain a record indicating the date of receipt of any each administrative claim and each document received in support thereof. The first page of the claim and each discrete supporting document received in support of the claim shall be stamped "RECEIVED" with the date of receipt noted thereon.

3.4.1 Task Order Request

Upon receipt of any notice indicating that the seafarer seeks the administrative allowance of claim, the Ship Manager shall complete the Form MA-1004 ESTIMATED RESERVE AGAINST CLAIM (Exhibit 20) (discussed below) and shall request from the Contracting Officer's Technical Representative (COTR) a task order (TO) for funding traditional seaman's benefits/expenses (see Section 2, above) and the estimated reserve against claim (as calculated on Form MA-1004). The TO request shall be accompanied by the worksheet ESTIMATED RESERVE AGAINST CLAIM and other documentation (medical billing statements, voyage pay vouchers, etc.) as considered necessary to account for expenditures incurred by the Ship Manager on behalf of the ill/injured seafarer.

A copy of the request for TO shall be mailed to the COTR (address to be announced at time of contract award).

3.4.2 Response to Claim Submission

Upon receipt of any letter and/or documentation which establishes the existence of a valid administrative claim (see above) or serves to furnish information required to process the claim, the Ship Manager should indicate on the cover page of each discrete item the date the item was received in its offices. The Ship Manager is requested to forward an acknowledgment of the initial receipt of the claim/documentation to the seafarer and his/her legal representative (if applicable) within ten (10) working days of the indicated date of receipt. If the claim is submitted to the Director, Office of Subsidy and Insurance, MARAD will forward an acknowledgment of receipt, with advice that subsequent communication regarding the claim should be with the Ship Manager. In order to initiate processing of the claim, MARAD will furnish to the Ship Manager a copy of this acknowledgment and any document(s) submitted by or on behalf of the claimant.

3.4.2.1 RESPONSE WHEN CLAIM IS NOT FILED IN ACCORDANCE WITH 46 CFR PART 327

If a seafarer's representative submits only a letter advising of his/her representation of a seafarer who alleges an incident of personal injury while employed on a MARAD-owned vessel, the Ship Manager shall respond with a letter substantially similar to the letter in Exhibit 21. The response

should include the suggested form "Seafarer's Request for Administrative Allowance of Claim" and supplemental materials in Exhibit 19. All Ship Managers, in their dealings with claimants and their attorneys or other representatives, should immediately make known the Government ownership of the vessel, as well as their status as Ship Manager. The purpose of such notification is to avoid confusion among claimants and their attorneys due to erroneous identification of the owner of the vessel.

3.4.2.2 RESPONSE WHEN CLAIM IS NOT FILED IN ACCORDANCE WITH 46 CFR PART 327

When a claim is submitted which makes reference to Title 46 CFR Part 327, and has provided some, but not all, of the documentation required by the regulations, the Ship Manager should respond by mailing a letter to the seafarer' or the seafarer's representative acknowledging receipt of the claim/documentation and advising of the requirement for additional documentation. The additional documentation items that are needed should be specified. A sample response requesting the additional documents is included as Exhibit 22.

Alternatively, the Ship Manager may elect to contact the seafarer or his/her representative via regular mail or facsimile by the use of a document that provides a list of all requested items of documentation, and indicates by a check mark or other like symbol those that have been received or those than remain to be obtained. A sample facsimile form that can be used for this purpose is included as Exhibit 23.

3.4.3 Calculation of Estimated Reserve Against Claim

Exhibit 20 presents a worksheet entitled ESTIMATED RESERVE AGAINST CLAIM (Form MA-1004), which presents a series of standardized calculations for deriving a recommended dollar reserve against a claim for compensatory damages. A sample ESTIMATED RESERVE AGAINST CLAIM worksheet, completed for a hypothetical case, the dates for which are given on the diagram labeled "Employment History of Injured Ready Reserve Vessel Seafarer" is provided for your guidance.

To derive the recommended reserve, several items of information must be known: specifically, dates that span the period from the date of the incident to the date the seafarer returns to shipboard employment (or other gainful employment). These dates include:

Date of incident
Date initially found Not Fit For Duty (NFFD)
Date of discharge
Voyage termination date (if seafarer employed on foreign voyage)
Date found Fit For Duty (or date found to have reached Maximum Medical Improvement)

Additionally, the seafarer's actual monthly wage or daily wage rate for the period he/she was employed aboard the vessel must be known, along with the amount of unearned wages paid (if any). The number of days of vacation earned for every thirty (30) days shipboard employment (usually specified by union contract) must also be known in order to calculate the dollar value of

lost vacation days. These formulae present a suggested methodology for calculation of the estimated unearned wage benefits as well as compensatory damages. It is suggested that this methodology be used in preparing a TO Request (discussed below). The completed ESTIMATED RESERVE AGAINST CLAIM worksheet should be submitted with the TO Request as a means of documenting the funding amount requested. The Ship Manager is required to submit the worksheet ESTIMATED RESERVE AGAINST CLAIM as soon as practicable after a claim is presented, notwithstanding that one or more of the dates (generally, the date found Fit For Duty or date found to have reached maximum medical improvement) needed to complete the calculations may not be known. In that event, the Ship Manager is requested to provide an estimate of the date(s) in question and complete the calculations based on the assumed date(s). If, during the course of the administrative processing of the claim, any of the above dates are updated or otherwise amended, the Ship Manager is required to submit an updated worksheet based on the amended date(s).

The Ship Manager shall forward one (1) copy of each newly completed or revised ESTIMATED RESERVE AGAINST CLAIM on MARAD Form MA-26 through the COTR to MAR-782, MAR 600.5 and MAR-611.

3.4.4 Estimated Reserve Against Claims $20,000 or less

If the compensatory damage amount is estimated at $20,000 or less, the Ship Manager shall notify the COTR, and request and receive a TO funded for the estimated amount. If the claim is settled at the estimated amount, or less, the Ship Manager is authorized to settle the claim and invoice the Government for the amount of settlement.

The Ship Manager shall obtain all documentation required to process the claim and maintain such documentation on file to be made available to MARAD upon request.

3.4.4.1 SHIP MANAGER'S SETTLEMENT AUTHORITY

Under this contract, the Ship Manager's authority to negotiate a compromise settlement of an administrative claim is limited to offering the claimant up to twenty thousand dollars (US$20,000.00). The $20,000 settlement authority is for compensatory damages and does not include maintenance and cure, repatriation expense, unearned wages or other miscellaneous expenditures previously paid the seafarer. If the maximum offer of $20,000 for compensatory damages is rejected by the claimant or his/her representative, the Ship Manager shall refer the claim to the Director, Office of Subsidy and Insurance.

The Ship Manager is authorized to enter into negotiations with either the injured seafarer or his/her representative in order to obtain a compromise settlement where the computed reserve does not exceed $20,000. If a compromise settlement is agreed to, the Ship Manager shall obtain a signed, notarized release, whereby the seafarer discharges MARAD, and, in turn, the Ship Manager, from liability for all damages, in exchange for the payment of monetary damages, in a specified amount.

NOTE: If a personal injury claim remains unsettled after two (2) years from the date of incident, the Ship Manager shall consult with MAR-782 before any further action may be taken with respect to the claim.

3.4.4.2 EVALUATION OF CLAIM

When evaluating claims valued at $20,000 or less, the Ship Manager shall, in addition to documentation required to be submitted by the seafarer or his/her representative, review available shipboard records and Personal Injury Report Package forms prepared by shipboard personnel, as well as other documentation identified below, to determine the circumstances from which the illness/injury arose:

1. Report of any pre-sign-on physical examination considered necessary to establish seafarer's fitness for sea duty.

2. Any available Illness/Injury Report. Information obtained from the Report shall be examined to establish a record of prior like illness/injury (if any) and to determine if any other claims are outstanding.

3. Copies of the seafarer's pay vouchers incorporating the period from the date of sign-on through the date of sign-off to establish amount of seafarer's lost wages and benefits.

4. A copy of the crew list for the voyage and, if different, a copy of the crew list on the date of incident to establish the names and ratings of crew members who could have been expected to have witnessed the seafarer's injury.

5. The latest available address (business and home) and telephone number of each person to have completed and signed a STATEMENT OF WITNESS TO OR PERSON NEARBY SCENE OF REPORTED ACCIDENT.

6. Duty status slips from any treating physician/hospital/clinic advising that, as a result of the alleged illness/injury, the seafarer is not fit for shipboard duty and indicating probable period of disability.

7. Duty status slip from any treating physician/hospital/clinic advising that the seafarer is fit for full shipboard duty or otherwise has reached maximum medical improvement.

8. Any medical reports from a physician/hospital/clinic to which the seafarer is sent for medical attention concerning the alleged illness/injury made available to the Ship Manager. These should contain the name, address and telephone number of the facility and/or attending physician and a narrative of findings/diagnosis and treatment provided, along with billing statements for treatment provided.

   If requested or approved by MARAD, any report of an independent medical examination of the seafarer required to establish the seafarer's fitness for sea duty following an alleged

incident of illness/injury. Upon receipt of MARAD approval, the expenses incurred for the development of such report should be paid promptly by the Ship Manager and allocated to the individual claim as an expense to be reimbursed by MARAD. Any material developed as a result of the independent medical examination is the property of MARAD.

If requested or approved by MARAD, copies of any private investigative reports and, if available, videotapes of the seafarer's physical activity subsequent to the incident undertaken to establish the nature and extent of the seafarer's continued disability, if any. Upon receipt of MARAD approval, the expenses incurred for the development of such report should be paid promptly by the Ship Manager and allocated to the individual claim as an expense to be reimbursed by MARAD. Any material developed as a result of the investigation is the property of MARAD.

9. An evaluation of the merit of the claim and estimated settlement value. In the case of claim due to an alleged injury, the evaluation should address:

   (a) the circumstances surrounding the incident;
   (b) the conditions at the time of the accident and whether they contributed to the accident;
   (c) whether the injured party in any way contributed to the accident or whether there was any obvious negligence on the part of a third party.

10. A copy of the vessel's medical log, deck log, and official log entry or entries for the date(s) of the seafarer's illness/injury and, if relevant, his/her departure from the vessel.

If the Ship Manager concludes, from its examination of available documentation, that an administrative claim is valid, a non-litigated compromise is to be proposed within the authorized limit in order to compensate the seafarer for losses sustained as a result of the illness/injury. Amounts offered as part of a negotiated settlement are to be based, in part, on calculations used to derive a recommended reserve against claim, as well as the physical consequences of the incident. Among the issues reviewed should be: (a) whether a complete administrative claim has been submitted by the claimant; (b) whether the incident was due, in whole or in part, by any instance of negligence or unseaworthiness; (c) the seriousness of the injury; (d) the duration of medical care; (e) the duration of any rehabilitation; and (f) the physician's prognosis for a full recovery. An evaluation of these issues results in the determination that the seafarer has suffered an injury described as:

permanently totally disabling--meaning that the seafarer is totally unable to work and the seafarer cannot be expected to return to any form of gainful employment;
permanently partially disabling--meaning that the seafarer never recovers from his/her injury and will never return to shipboard employment but will be able to pursue some other form of gainful employment;

temporarily totally disabling--meaning that the seafarer is totally unable to work but the incapacitating injury is temporary and the seafarer can return to gainful shipboard employment when healed;

temporarily partially disabling--meaning that the seafarer can do some work but cannot work at full capacity in his/her usual shipboard occupation until the injury is completely healed;

If, after review of available documentation, the Ship Manager concludes that the claim is valid, the Ship Manager may independently enter into negotiations for a compromise settlement of claim where the proposed settlement sum is less than or equal to $20,000. When any such settlement offer is accepted, the Ship Manager shall forward in triplicate, a commercially-available standard seafarers' release form titled "RELEASE OF ALL CLAIMS" (Exhibit 24) (see below) to the claimant. The claimant shall sign and date each of the three releases. Upon receipt of the signed and dated releases, the Ship Manager shall forward one copy MAR-782.

3.4.4.3 RELEASE OF ALL CLAIMS

If the claimant accepts a monetary offer made by the Ship Manager within the limits of the settlement authority herein granted or otherwise, with the permission of MARAD, the Ship Manager may obtain from MARAD a commercially-available standard seafarers' release form titled RELEASE OF ALL CLAIMS, otherwise known as a "RED LETTER RELEASE," to be prepared by the Ship Manager and then forwarded to the seafarer or his/her representative. Such form -- known as form S 618 “Seaman’s Release” -- may also be obtained from:

Blumberg Law Products
Julius Blumberg, Inc., Publisher
New York, New York 10013

The release shall be completed, as applicable, by the Ship Manager. The Ship Manager shall indicate on the form the amount of the agreed settlement and other language, as appropriate. The Ship Manager shall specify in the release the amount of money offered as compensatory damages and state that the claimant is releasing the United States of America, the United States Department of Transportation, the Maritime Administration, the Ship Manager and the vessel from all liability for the alleged illness/injury suffered by the seafarer while employed aboard the vessel between the date of the seafarer’s sign-on and the date of the seafarer’s sign-off, and particularly on the date of the alleged illness injury.

Upon its completion by the Ship Manager, as appropriate, the release is be forwarded to the claimant or the claimant’s representative for signature by the claimant. The claimant’s signature shall be witnessed by three individuals and then notarized by a duly authorized notary public.
For all settlements effected by the Ship Manager, the Ship Manager shall forward a copy of the signed and dated release to MAR-782.

3.4.5 Estimated Reserve Against Claims Greater than $20,000

If, as the result of calculations presented on the worksheet ESTIMATED RESERVE AGAINST CLAIM the estimated reserve is greater than $20,000, responsibility for the administrative resolution of the claim shall be transferred to MARAD.

As soon as possible thereafter, the Ship Manager shall forward to MAR-782 (1) a copy of any documentation in support of the claim submitted by the claimant or his/her representative, (2) the Personal Injury Report Package, with all forms completed, as applicable, (3) the documents listed 3.4.4.2 Evaluation of Claim not already included in the above documents, and (4) any other information developed by the Ship Manager with respect to the claim. Any documentation subsequently received by the Ship Manager regarding the claim shall be forwarded to MARAD.

Likewise, for all settlements effected by MARAD, MARAD shall forward to the Ship Manager a copy of the signed and dated release.

4. CLAIMS WHICH PROCEED TO LITIGATION

In the case where the administrative claim cannot be successfully resolved and a civil action is brought by or on behalf of the affected seafarer, the Ship Manager will assist MARAD's Office of Chief Counsel in providing documentation including, but not limited to, all items specified in Sections 3.3.2 above, as well as any other information, as required.

☞ **CAUTION: The Ship Manager shall not negotiate a settlement if the claim is involved in litigation. MARAD itself has no authority to do so. This authority belongs solely to the U.S. Department of Justice. Ship Managers are not to pursue a compromise resolution of any civil action brought by the claimant but shall furnish immediate notice of all suits to MAR-221.**

5. SHIP MANAGER'S QUARTERLY REPORT

Ship Managers shall submit, within thirty (30) days following the close of the calendar quarter, a report of all "qualifying" incidents of personal injury sustained aboard those MARAD vessels for which they act as Ship Manager. A "qualifying" incident is defined as one involving illness and/or injury where the ill/injured seafarer was found Not Fit For Duty for a period of at least 24 continuous hours.

Each quarterly report shall include a separate entry for each qualifying incident. If possible, the report should be grouped by seafarer name (last, first, middle). Each entry should include the following items of information (as applicable):

Seafarer's full name (last, first middle or middle initial)
Seafarer's Social Security Number
Name of vessel on which the incident is alleged to have occurred
Claim department's incident reference identification (if any)

Voyage identification number
Date of incident
Nature of illness/injury
Part(s) of the body affected
Repatriation expense
Sum of maintenance payments to date
Sum of cure payments to date
Whether the seafarer is fit for duty or has reached maximum medical improvement
Estimated dollar reserve for compensatory damages
Whether an administrative claim has been filed
If an administrative claim has been filed, date claim asserted
If an administrative claim has been filed, name of claimant's attorney (or other representative)

One copy of this report shall be mailed to the COTR, the ACO, MAR-782, MAR-610.

Personal injury or illness claims previously submitted by members of the crew but reported in a previous report as closed (i.e., maintenance and cure payments have terminated with no administrative claim filed) do not need to be included in subsequent quarterly reports unless the claim has been reopened or additional expenditures have been made since the incident was reported as closed.

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APPENDIX

Exhibit 1	Personal Injury Report Package
Exhibit 2	Form MA-1001, Serious Illness/Injury Report Package
Exhibit 3	Form MA-1001B, Seafarer's Statement of Physical Condition
Exhibit 4	Release of Medical Records
Exhibit 5	Form MA-1001A, Seafarer's Data Sheet
Exhibit 6	Form MA-269, Designation or Change of Beneficiary for Second Seafarer's War Risk Insurance
Exhibit 7	Form CG-705A, Particulars of Engagement and Discharge
Exhibit 8	Form MA-1001C, Initial Report of Personal Illness/Injury
Exhibit 9	Form MA-1001D, Statement of Individual Reporting Injury
Exhibit 10	Form MA-1001E, Master's Report of Request for Medical Attention
Exhibit 11	Form MA-1001F, Report of Attending Dentist/Physician
Exhibit 12	Form MA-1001G, Report of Investigation of Serious Illness/Injury
Exhibit 13	Form MA-1001H, Statement of Witness to or Person Nearby Scene of Reported Accident
Exhibit 14	Form MA-1001I, Statement of Non-Witness to Personal Injury Incident
Exhibit 15	Form 2692, Report of Marine Accident, Injury or Death
Exhibit 16	Form 2692B, Report of Required Chemical Drug & Alcohol Testing Following a Serious Marine Incident
Exhibit 17	MA-1001J, Evidence List
Exhibit 18	Form CG-719K, Merchant Mariner Physical Examination Report
Exhibit 19	Sample Claims Letter
Exhibit 20	Form MA-1004, Estimated Reserve Against Claim
Exhibit 21	Seafarer's Request for Administrative Allowance of Claim
Exhibit 22	Sample Response
Exhibit 23	Sample Facsimile Form
Exhibit 24	Release of All Claims