



# **Why is my MEL so expensive? MEL Rating Issues and Triggers**

**Webinar  
15 June 2022**

**MARK GREENWAY | CMIP, CIC, ITP, PWCA**

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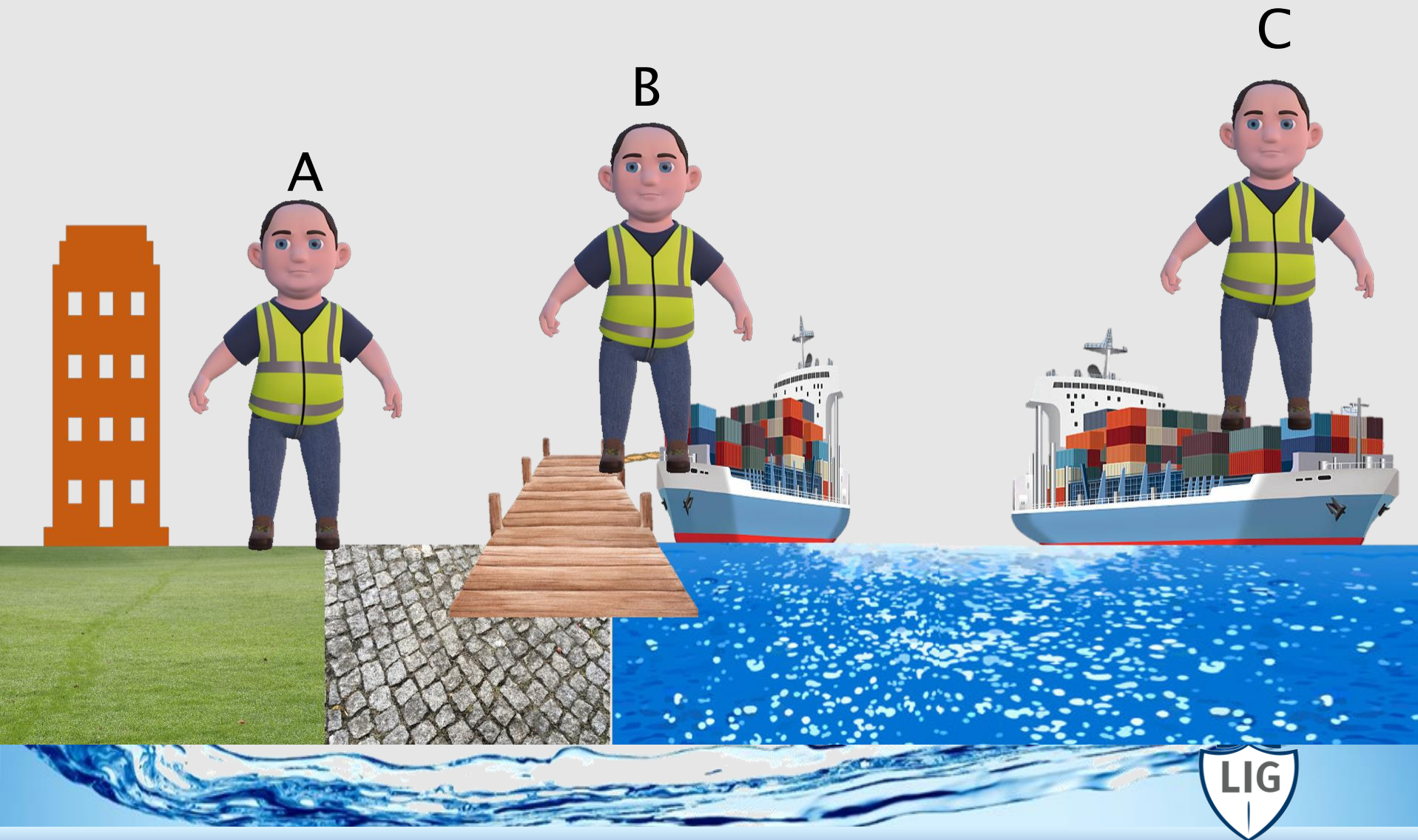
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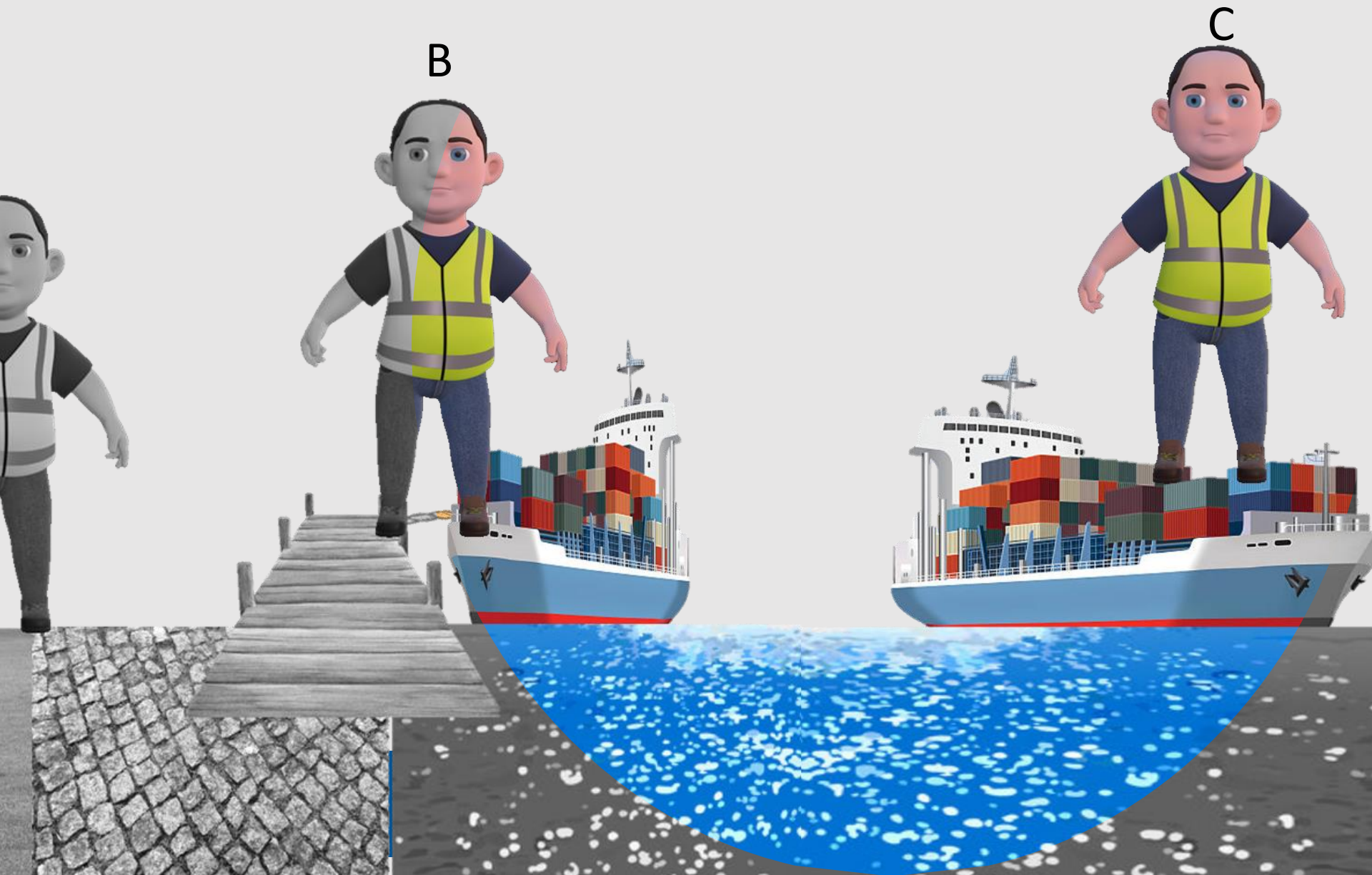
## Comparing the cost of claims

State WC	\$10,000
Longshore	\$25,000
Admiralty	\$50,000



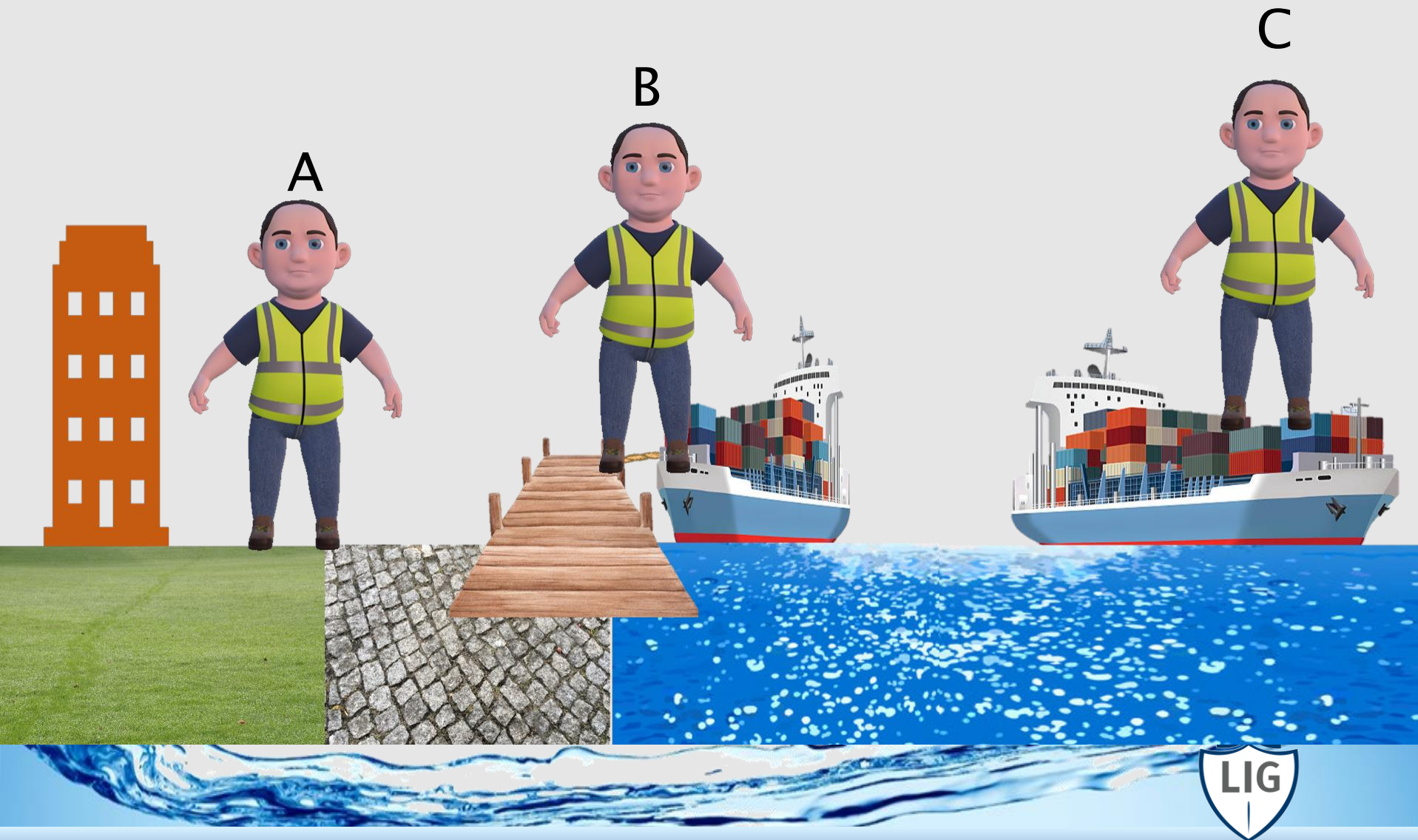












# MEL is a Kitchen Sink of Coverages

- General Maritime Law
  - Maintenance & cure
  - Unseaworthiness
- Transportation
- Wages
- Death On the High Seas Act (DOHSA) ‡
- Wrongful Death
- Jones Act \*



\* We'll come back to these in a bit  
‡ can be added by endorsement



## Jones Act

**1920** Employee  
Can Sue His  
employer





# Damages Recoverable – Under Unseaworthiness and Jones Act

Loss of past wages

Loss of earning capacity

Past and future medical expenses

Pain, suffering, and loss of life's enjoyments

Pre-Judgment Interest

Only for Unseaworthiness

Wrongful death



## Applications

7) Gross overwater payroll split for last 12 months:

A) Jones Act

B) L.S.H.W.A

8) Gross overwater payroll split for next 12 months:

A) Jones Act

B) L.S.H.W.A

**(Underwriters reserve the right to audit the Assured's accounts at any time, at Underwriters expense)**



# Applications

*On Land payroll must be provided, but does not affect the MEL premium*

Location	Category	Payroll		Number of Employees
		Current Year	Next Year	
8. On Land/Dock	a) State Act			
	b) Longshore			
On *Watercraft	c) Dockside			
	d) Away from dock			
	e) TOTAL ALL PAYROLL			

15. a) Does any one employee spend more than 25% of their time on \*watercraft? Yes ☐ No ☐

## ONLY IF ANSWERED YES TO 15a

Please segregate employees exposed on \*watercraft by the average number of hours

Please ensure payroll matches the total on the On \*Watercraft payroll shown in #8

15. b) Average Hours Worked Per Week	# Of Employees on *Watercraft	*Watercraft Payroll
Up to 10 hours (<25%)		
Over 10 hours but not more than 20 hours (25-49%)		
Over 20 hours but not more than 30 hours (50-75%)		
Over 30 hours a week (>75%)		
<b>TOTAL</b>		

**\*Note:** The definition of a \*watercraft includes any vessel or special structure other than a fixed, permanent platform which is capable of navigation either under its own power or being towed. Jack-ups, semi-submersibles and/or other barges are deemed to be \*watercraft for the purpose of the above questions.





# Rating

Most Monoline Markets  
Have No Filed Rates

- 8c and 8d are the rating basis
- Description of operations is key
- .5% – 50% rate, generally will decrease for larger risks
- Deductibles from \$2,500 – \$25,000



# Ratings

## Soft vs Hard

Measure time “in service” of a vessel

<25%, considered ‘Soft’

>26%, described as ‘Hard’

*Different to Hard/Soft Crew*

Alternate Definitions:

Owned vs Non-Owned

Captain & Mate (hard)

Dangerous work vs safe work



# Ratings

## Common Aspects to Account For

Shower after work

Average Annual Salary

Jurisdiction of the work

Proximity to Care

Quality of the Submission

Percent of work Dockside



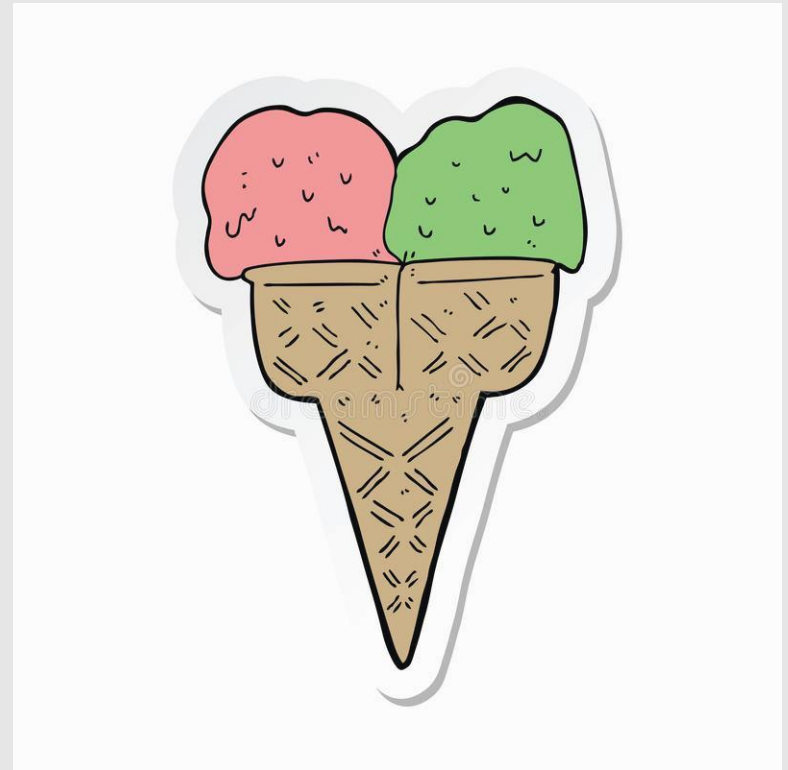


# Ratings

## "Double Dipping"

8c and 8d both can have a longshore claim so payroll is included in both policies.

The other policy is taken into account and underwriters will decrease the rate accordingly.





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