

Issued November 1, 2010

Commercial Fisheries Research Foundation

Funding Guidelines

Supplemental Document to Requests for Proposals

- Submitting a Proposal
- Developing a Proposed Project Budget
- Sub-Award Procedures

Appendices:

Appendix A – Insurance Guidelines

Appendix B – Example of Certificate of Insurance

Appendix C – Example of U.S.C.G. Dockside Exam Certificate

Appendix D – Safety Drill Checklist

Appendix E – Example of Invoice from Fishing Vessel

Appendix F – Standard Project Budget Form

COMMERCIAL FISHERIES

Research Foundation

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Phone: (401) 515-4662
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Insurance Guidelines

General

Both the supporting institution and the fishing vessel need to carry their own insurance. This is because if a scientist is harmed on a vessel, he or she may have three options: 1) they may hold their employer (the supporting institution) responsible; 2) they may hold the fishing vessel responsible; or 3) they may hold both responsible.

Supporting Institutions:

Academic or research institutions who place their employees on Navigating vessels NOT owned by them should consider carrying what is called a Maritime Employee Liability (MEL) Insurance policy. This will provide them with liability insurance in the event one of their employees is harmed. Most institutions carry \$5 million of MEL insurance. Institutions not carrying MEL should consider contacting their agent to inquire about this type of coverage. Employers will sometimes confuse MEL with their Workman's Compensation (W/C) Insurance. W/C does not cover employees who are on vessels. W/C, if it has a Longshoreman's and Harbor Workers (LS & HW) endorsement, will cover their employees but only on "NON" navigating vessels and on or around docks., i.e. vessels tied to docks or work performed on piers and wharves, etc. Once their employee sets foot on a NAVIGATING vessel NOT OWNED by the institution, they really need to be covered by MEL to protect the institution from claims arising from injuries to their employees. Some risk managers think that because they purchase Workman's Comp and General Liability (GL) insurance, they do not need anything else. This is usually wrong. They need to check with their underwriters to see if they have exclusions in their policies for water-born activity, hence the need for an MEL policy. Sometimes a General Liability underwriter will add MEL coverage to an existing GL policy.

Fishing Vessels:

Fishing vessels are covered for liability via Protection & Indemnity Insurance (P&I). P&I will cover crew liability as well as injuries to people on other vessels in the event of collision. If a vessel carries non-crew members such as scientists, observers, etc. the vessel owner should contact his insurer and make sure the insurer knows the vessel is also carrying non-crew members. Also the vessel owner should make sure he is carrying enough P&I insurance to cover a worst case scenario such as a total loss of all hands. A recommendation would be no less than

\$500 K per person on board. For example, if a vessel had four crew members and two scientists (6 X \$500 K), the recommendation would be for no less than \$3,000,000 P&I. [Court awards are difficult to predict so even that may not be enough].

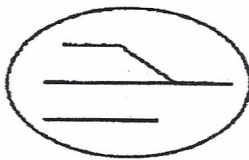
Since most insurance companies only provide \$1 million of P&I, vessel owners may need to purchase what is known as Excess P&I Insurance. This is usually sold in steps of \$1 million up to \$5 million and higher. Excess P&I can be very costly to a vessel owner, sometimes prohibitively so. But sometimes in cases where an observer's employer is able to present evidence of MEL coverage for his employee to the vessel owner, the vessel owner is enabled to purchase Excess P&I Insurance at substantial savings. So the two (P&I and MEL) really work in conjunction with each other. Also when the vessel owner or supporting institution are able to show safety training courses have been completed by all crew and scientists within a year of going onboard, insurance costs can be reduced.

Summary:

The above information is based on research that has been done by the CFR Foundation regarding circumstances when institutions are placing scientists, researchers, observers, technicians, etc. on fishing vessels to conduct research. It has been explained to the CFR Foundation that the types of insurance mentioned above would be helpful to both the supporting institutions and the fishing vessel owners. The amounts of insurance needed to protect each entity may vary depending on the risk as assessed by the institution's or fishing vessel owner's insurance counselor or Risk Manager. It is recommended that supporting institutions and fishing vessel owners check with their insurance professionals to ascertain what the proper coverage and limits should be. The above information is offered by the CFR Foundation strictly as a guide for you to discuss with your insurance professional.

MLA Non-Profit Boat Protection Cooperative, Ltd.

F.B. Perry Building
40 Church Street



P.O. Box HM2062
Hamilton, Bermuda HM HX

Certificate of Insurance

Date: **October 25, 2010**

To: **Commercial Fisheries Research Foundation Via: Fax 401-515-3545**

Ref: [REDACTED]

Hull Policy [REDACTED]
Vessel Name: [REDACTED]
Owner: [REDACTED]
Description: [REDACTED]
Type of Coverage: **Hull**
Insured Amt: **\$250,000**
Deductible: **\$1,000**
Loss Payee(s): [REDACTED]
Policy Term: **7/1/2010 – 6/30/2011**

P&I Policy #: [REDACTED]
Vessel Name: [REDACTED]
Owner: [REDACTED]
Type of Coverage: **Protection and Indemnity**
Limit of Liability: **\$500,000**
Deductible: **\$1,000.00**
Loss Payee(s): [REDACTED]
Policy Term: **7/1/2010 – 6/30/2011**

The provision of this page only confirms coverage as of this date, **10/25/2010**, and that no guarantee is made that the policy(ies) will not be cancelled for non-pay or some other reason during the policy period.

MLA Non-Profit Boat Protection Cooperative, Ltd.

Safety Drill Checklist

Vessel _____

Date _____

Time _____

Crew/Research Members Present (Print Names)

Safety Drills Conducted:

- Abandoning the vessel
- Procedures for fighting a fire
- Recovering Individual from water
- Launching Survival Craft and recovering life or rescue boats
- Donning immersion suits or PFD
- Minimize effects of unintentional flooding
- Radio distress call/visual signs
- Activating general alarm
- Reporting inoperable alarm or smoke detector
- Review Bilge High Water Alarm Systems
- Donning fireman's outfit or S.C.B.A. (Self-Contained Breathing Apparatus)

I received instructions and participated in drills covering the above areas on date and vessel listed above and are familiar with my duties during each emergency. (Signature of crew/research members)

Signature of USCG Certified Drill Conductor _____

Southern New England Collaborative Research Initiative 2010 RFP

| Research Institution Budget | | | Funds Requested (\$) |
|-------------------------------------|------------------------|---|-----------------------------|
| SALARIES & WAGES | | | |
| Name & Title | Salary per hour | Percentage of time on project (FTE equivalent) | Total Amount |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| PERSONNEL TOTAL | | | \$0 |
| PERMANENT EQUIPMENT | | | |
| | | | |
| | | | |
| | | | |
| EQUIPMENT TOTAL | | | \$0 |
| SUPPLIES & EXPENDIBLES | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| SUPPLIES TOTAL | | | \$0 |
| TRAVEL | | | |
| | | | |
| | | | |
| TRAVEL TOTAL | | | \$0 |
| PUBLICATIONS & DOCUMENTS | | | |
| | | | |
| | | | |

| | | |
|--|------|-----------------------------|
| PUBLICATIONS TOTAL | | \$0 |
| OTHER COSTS | | |
| | | |
| | | |
| | | |
| TOTAL OTHER | | \$0 |
| INDIRECT COST | Rate | % |
| TOTAL FOR INSTITUTION PORTION OF BUDGET | | \$0 |
| Fishing Industry Budget | | Funds Requested (\$) |
| Fishing Vessel Charter Rate | | |
| | | |
| | | |
| FISHING VESSEL CHARTER TOTAL | | \$0 |
| Fuel | | |
| | | |
| | | |
| FUEL TOTAL | | \$0 |
| Equipment/Services | | |
| | | |
| | | |
| EQUIPMENT/SERVICES TOTAL | | \$0 |
| Insurance | | |
| | | |
| | | |
| INSURANCE TOTAL | | \$0 |
| Other | | |
| | | |

| | |
|--|------------|
| | |
| OTHER TOTAL | \$0 |
| TOTAL FOR FISHING INDUSTRY PORTION OF BUDGET | \$0 |
| GRAND TOTAL FOR PROJECT | \$0 |
| | |