



MCI Circular 331/ 2026

To: Owners, Managers, Masters, Agents and Other Interested Parties

Subject: Guidance for Insurances for commercial and dual yachts below 24 meters

Date: 15th January 2026

Dear Captains and Managers,

Given the current insurance challenges affecting commercial and dual-use vessels under 24 metres in length, and following extensive market research and compliance assessments, the Administration provides the following guidance regarding acceptable insurance arrangements.

CASE 1 – Standard P&I and MLC Coverage

For commercial and dual-use vessels under 24 metres, the availability of standard P&I insurance is generally limited and, as a consequence, obtaining full MLC-compliant coverage may be challenging.

However, a limited window of availability may exist for vessels meeting **all** of the following criteria:

- Length overall (LOA) between **20 and 24 metres**;
- Insured value between **EUR 500,000 and EUR 1,000,000**.

Within this specific segment—typically newer vessels with a relatively high insured value—it may be possible to obtain standard P&I cover, including insurance meeting the requirements of the Maritime Labour Convention (MLC).

CASE 2 – Equivalent MLC Insurance and Third-Party Liability (TPL) Cover

For vessels that do not fall within the parameters outlined in Case 1, the Administration may accept an **equivalent MLC insurance solution**, subject to compliance with the requirements set out below.

This solution consists of insurance covering:

- Medical care; and



- Long-term disability,

including **MLC Annexes A2.5 and A4.2, issued in the format required by the MLC Convention.**

Such insurance is issued **on a personal basis**, linked to the seafarer and the vessel on which the seafarer is employed, and not on a per-vessel basis.

Documentation required

To issue this insurance, the following documentation shall be submitted to the insurer:

- Seafarer Employment Agreement (SEA);
- Seafarer's personal details;
- Vessel details;
- Agreed wages.

For these vessels, an **MSMD is generally issued for one seafarer**. Where additional crew members are required, this must be notified to the Administration, and equivalent insurance cover must be arranged for **each crew member on a case-by-case basis**.

Third-Party Liability (TPL) Insurance

For vessels operating without standard P&I cover, **third-party liability (TPL) insurance** is also required.

The absence of such cover may expose the flag to potential civil liability risks. In this context, the cover is referred to as **TPL (Third Party Liability)** rather than P&I. In several jurisdictions—such as Italy, Greece, and Spain—TPL insurance is mandatory in order to operate charter activities.

Market Coverage and Further Information

Insurance solutions meeting the above requirements are available for multiple trading areas, including Europe, EMEA, US and the Asia-Pacific region, allowing for a consistent and standardised approach across the fleet.

For insurance-related information or coordination, the following contacts may be used:



- yachtteam@locktonpferrari.com
- monica.zanardi@locktonpferrari.com

Further guidance will be issued by way of a dedicated circular and published on the Administration's website.