



SHIP SAFETY BULLETIN

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Subject: NEW INSURANCE REQUIREMENT FOR SHIPS OVER 1000 GROSS TONNAGE UNDER THE BUNKERS CONVENTION

Purpose

The purpose of this bulletin is to inform stakeholders of the coming into force of new insurance requirements for all ships over 1000 gross registered tonnage. These requirements are under the *Marine Liability Act* and the *International Convention on Civil Liability for Bunker Oil Pollution Damage, 2001* (Bunkers Convention), which came into force in Canada on January 2, 2010.

Scope

This bulletin applies to all ships over 1000 gross registered tonnage and that carry bunker oil (any hydrocarbon-based fuel type) for either its propulsion or operation (including ships that are laid up, barges that carry fuel on board and ships under construction that are to undergo sea trials).

Background

The Bunkers Convention is a convention of the International Maritime Organization that entered into force internationally on November 21, 2008. Canada ratified the Bunkers Convention following the amendments to the *Marine Liability Act* (Chapter 21, 2009), which received Royal Assent on June 23, 2009.

The Bunkers Convention requires all ships of any type over 1000 gross registered tonnage to maintain sufficient insurance or other financial security to cover the liability of the registered owner for pollution damages resulting from the escape or discharge of bunker oil from the ship. Proof of this insurance or other security will be demonstrated by the possession of a statutory government certificate.

Keywords:

1. Bunkers Convention
2. Bunkers Insurance
3. Bunkers Certificate

Questions concerning this Bulletin should be addressed to:

<p>AMSE Marine Insurance Unit 613-949-7292</p>	<p>Transport Canada Marine Safety Tower C, Place de Ville 10th Floor, 330 Sparks Street Ottawa, Ontario K1A 0N8</p>
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To add or change your address, contact us at: marinesafety-securitemaritime@tc.gc.ca or 613-991-3135.
 Owners of commercial vessels automatically receive Bulletins.

The certificate attests that proof of insurance, usually in the form of a “Blue Card” issued by a P&I Club (protection and indemnity mutual association), is in force with respect to the ship to cover the liability in accordance with Article 7 of the Bunkers Convention. This insurance must be up to the limits of liability applicable to the particular ship in accordance with the provisions of the *1996 Protocol to the International Convention on the Limitation of Liability for Maritime Claims*, as set out in Part 3 of the *Marine Liability Act*. It is not sufficient to only possess the proof of insurance (“Blue Card”) from an insurer; an application must be made to Transport Canada to issue a Bunkers Convention Certificate for all ships that require one based on the terms of the convention.

As of January 2, 2010, all ships of any type over 1000 gross registered tonnage that are registered in Canada must possess a certificate issued by Transport Canada. This applies to Canadian ships trading in Canada, internationally or in other jurisdictions. Foreign-registered ships calling at Canadian ports and terminals will need to demonstrate the possession of a certificate from a state party to the Bunkers Convention. Should a foreign ship, not registered in a Bunkers State, not already possess a certificate, they can apply for one from Transport Canada.

The requirement to obtain a certificate under the Bunkers Convention also applies to all oil tankers that are already subject to similar requirements under the *International Convention on Civil Liability for Oil Pollution Damage, 1992* (Civil Liability Convention or CLC), as set out in Part 6 of the *Marine Liability Act*. The application for both certificates can be made at the same time.

Failure to demonstrate the possession of a valid certificate evidencing compliance with the Bunkers Convention may result in an enforcement action, including a possible detention of the ship and fines.

Transport Canada Policy

Effective January 2, 2010, ships over 1000 gross registered tonnage that carry bunker oil for their propulsion or operation are required to be insured and possess a certificate as evidence of this insurance in accordance with Article 7 of the Bunkers Convention.

To apply for a Bunkers Convention Certificate, evidence of valid insurance coverage (“Blue Card”), or other form of financial security must be submitted along with an application form to Transport Canada. To obtain the application form and for additional information regarding Bunkers Convention Certification, please visit the following website:

<http://www.tc.gc.ca/marineinsurance-assurancemaritime>