

CIRCULAR REF: 2015/005

**CIRCULATED TO ALL MEMBERS, BROKERS AND DIRECTORS
ATTENTION INSURANCE DEPT**

**22 JANUARY 2015
CGT/PO**

US Pollution

California – Amendment to Regulations Relating to California Certificates of Financial Responsibility [COFR] Requirements

Members are requested to note that the California (CA) Office of Spill Prevention and Response (OSPR) has recently amended the relevant provisions in the CA Code of Regulations (CCR) on evidence of financial security required for CA Certificates of Financial Responsibility (COFRs).

The previous stated requirement was that on renewal of P&I coverage, vessel operators must submit a copy of their new Certificate of Entry (COE) within 45 days of expiration of the previous certificate. Within the section relating to evidence of insurance by means of entry in a P&I Club there was no reference to any additional provisions relating to renewal of P&I cover. There was a provision for evidence of financial security to be provided 10 days before operating in California waters but that appeared to be in the context of applications for new or renewed CA COFRs. The new regulations now specifically state within this section that where P&I coverage has expired the operator must submit a copy of the new COE at least 10 calendar days before operating in California waters.

The IG has expressed strong concerns to CA OSPR, since the 10 day requirement wrongly assumes that all owners complete their renewal negotiations and will be in possession of their new COE well in advance of 20 February. However, CA OSPR has maintained this requirement in the amendments to the CCR.

Members with vessels calling at California ports on or around 20 February on this and subsequent years are therefore recommended to renew their P&I cover for the following policy year well in advance of this date in order to ensure that the new COE can be issued and submitted to CA OSPR in compliance with the regulations.

The full text of the regulations can be viewed at the following web page:

http://www.dfg.ca.gov/ospr/Law/index_ospr_regs.aspx

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