



JANUARY 21, 2015

CIRCULAR NO. 06/15

TO MEMBERS OF THE ASSOCIATION

Dear Member:

POLLUTION IN THE UNITED STATES – CALIFORNIA: AMENDMENT TO REGULATIONS RELATING TO CALIFORNIA CERTIFICATES OF FINANCIAL RESPONSIBILITY (COFR) REQUIREMENTS

Members are asked 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 requirement was that, on renewal of their P&I coverage, vessel operators were to submit a copy 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 concerning the renewal of P&I cover. There was a provision for evidence of financial security to be provided ten days before operating in Californian 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 ten calendar days before operating in Californian waters.

The International Group has expressed strong concerns to CA OSPR, since the ten day requirement wrongly assumes that all owners complete their renewal negotiations, and will therefore be in possession of their new COE, well in advance of February 20. Notwithstanding the expression of those concerns, CA OSPR has maintained this requirement in the amendments to the CCR.

Members with vessels calling at Californian ports on or around February 20 on this, and subsequent, years are therefore recommended to renew their P&I cover for the following policy year well in advance of the renewal 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

If Members have any questions in respect of the above, or generally, they should contact the Managers who will be pleased to answer them.

Yours faithfully,


Joseph E.M. Hughes, Chairman & CEO
Shipowners Claims Bureau, Inc., Managers for
THE AMERICAN CLUB