



SHIP SAFETY BULLETIN

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Subject: **NEW AND EXISTING INSURANCE REQUIREMENTS FOR SOME VESSELS**

Scope

This bulletin is for registered owners of vessels and crafts that carry bunker oil (any hydrocarbon mineral oil, including lubricating oil). This includes barges.

Purpose

This bulletin explains new insurance requirements due to changes to the *Marine Liability Act*. It also includes a reminder about existing insurance requirements in the *Marine Liability Act* and the *Wrecked, Abandoned or Hazardous Vessels Act*.

Background

The Bunkers Convention requires all registered owners of seagoing vessels and seaborne crafts to maintain enough insurance or other financial security to cover their liability for oil pollution damage from a ship-source bunker oil spill. Such insurance or other financial security must cover costs and expenses incurred for oil pollution damage, which includes:

- loss or damage from oil pollution contamination,
- reasonable steps to restore the environment, and
- preventive steps to prevent or minimize further damage.

Due to recent changes to the *Marine Liability Act*, non-seagoing vessels and non-seaborne craft over 1,000 gross tonnage carrying bunker oil must also maintain insurance or other financial security and carry a State issued Bunkers Convention certificate.

Keywords:

1. Bunkers Convention
2. Insurance certificate
3. Marine Insurance

Questions concerning this Bulletin should be addressed to:

ACFI	Transport Canada
	Marine Policy
	Tower C, Place de Ville
	330 Sparks Street, 25 th Floor
	Ottawa, Ontario K1A 0N5

Contact us at: MarineLiability-ResponsabiliteMaritime@tc.gc.ca



What you need to know

Bunkers Convention Certificate

If your vessel is over 1,000 gross tonnage and has bunker oil on board for its propulsion or operation, you must carry a certificate that proves you meet the insurance or other financial security requirements of the Bunkers Convention. This includes barges.

The amount of insurance or financial security that you need depends on the size of your vessel and is your limit of liability, which is set out in the Convention on Limitation of Liability for Maritime Claims. For a vessel of 1,001 gross tonnage, you would need at least 1,510,000 Special Drawing Rights of insurance or financial security to cover your liability for oil pollution damage, which is about \$2,730,000. For a vessel of 10,000 gross tonnage, you would need at least 6,342,000 Special Drawing Rights, which is about \$11,460,000. As the conversion rate of Special Drawing Rights to Canadian dollars fluctuates daily, if your insurance policy or financial security is in Canadian dollars, you need to account for these currency fluctuations.

If you don't have a certificate on board during an inspection, your vessel could be detained and/or you could be fined.

- For Canadian-flagged vessels, the certificate must be issued by Transport Canada.
- Foreign-flagged vessels registered in a state that has signed the Bunkers Convention must apply to their state authority for a Bunkers Convention certificate.
- Foreign-flagged vessels registered in a State that is not party to the Bunkers Convention, you can apply to any state authority, including Transport Canada, for a certificate.

[Apply for a Bunkers Certificate from Transport Canada](#)

Other insurance and certificate requirements

In addition to the Bunkers Convention certificate, Canada also has other insurance and certificate requirements for some vessels.

Table 1: Insurance and certificate requirements for certain vessels

Type of vessel	Insurance requirements	Certificate requirements
Seagoing and non-seagoing vessels of 300 gross tonnage or more	Maintain enough insurance or other financial security to cover your wreck removal liabilities	Must carry a Wreck Removal Convention Certificate
Seagoing vessels that can carry more than 2,000 tonnes of bulk persistent oil as cargo	Maintain enough insurance or other financial security to cover your liabilities for oil pollution damage	Must carry a Civil Liability Convention Certificate

Vessels carrying passengers on a voyage in Canada	\$250,000 per passenger to cover liabilities for death or personal injury	Must carry either a Certificate of Insurance issued by an insurer or, if covered by a Protection and Indemnity (P&I) Club that's a member of the International Group of Protection and Indemnity Associations, a Certificate of Entry
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[Get more information or apply for a Marine Insurance Certificate](#)

[Get more information about the passenger insurance requirements](#)

Related Ship Safety Bulletins

[New Insurance Requirement For Ships Over 1000 Gross Tonnage Under The Bunkers Convention – SSB No.: 01/2010](#)

[New insurance requirements for commercial and public purpose ships that carry passengers - SSB No.: 13/2018](#)

[New Insurance Requirements for Wreck Removal - SSB No.: 08/2019](#)