

## Client Alert 01-2012 January 17, 2012

### CALIFORNIA CERTIFICATE OF FINANCIAL RESPONSIBILITY REGULATION CHANGES – TANK & NONTANK VESSELS

#### IMMEDIATE ACTION REQUIRED

The California Code of Regulations (Title 14, Section 795 (f)(2)) regarding evidence of insurance requires that all applicants for a California Certificate of Financial Responsibility (COFR) that obtain insurance coverage through a Protection and Indemnity (P&I) Club are to provide the State with a copy of the annually renewed insurance certificate (P&I Club Certificate of Entry (COE)) **within ninety (90) days** of receipt of the new certificate of coverage in order for the California COFR to remain valid. Email the renewed certificate to the appropriate address below.

For tank vessels: [cacofr-tank@ospr.dfg.ca.gov](mailto:cacofr-tank@ospr.dfg.ca.gov)

For nontank vessels: [cacofr-nontank@ospr.dfg.ca.gov](mailto:cacofr-nontank@ospr.dfg.ca.gov)



**Failure to submit the renewed P&I Certificate of Entry will result in revocation of the CA COFR regardless of the CA COFR's actual expiration date.**

#### Additional Action for Vessels Calling CA within P&I Insurance Renewal Time Period:

However, if a vessel expects to call a California port **within the thirty (30) day renewal period** (between 20 February – 20 March) of the P&I Club coverage timeframe, you must provide the California Office of Spill Prevention & Response (OSPR) with a complete copy of the renewed P&I Certificate of Financial Responsibility **within three (3) working days** prior to the vessel entering California marine waters. The renewed P&I Certificate of Entry must contain the terms and conditions and the pollution deductibles.

You will need to work with your P&I Club directly to obtain the renewed P&I Certificate of Entry for vessels that expect to call California ports within the renewal timeframe.

#### ECM Recommendation/Advice

Please note, California is also requiring that no later than thirty (30) calendar days (by 20 March) applicants using P&I Club coverage as their method of evidencing financial responsibility must certify in writing that the applicant's membership in a P&I Club has been renewed. However, in reviewing the entire California COFR regulations and renewal process, ECM can see no purpose in submitting this certification letter and cannot recommend this course of action to our clients.

Instead, ECM offers the following summary of actions/recommendations:

- If you have a vessel calling California between (between 20 February – 20 March) with an existing California COFR, you must provide California with a copy of the vessel's 2012-2013 COE **within three (3) working days** prior to the vessel's arrival as outlined above.
- If you have a vessel calling California between (between 20 March – 20 May) with an existing California COFR, you must provide California with a copy of the vessel's 2012-2013 COE prior to arrival as outlined above.
- In all other cases, you must provide California with your new 2012-2013 COE(s) prior to 20 May in order to maintain the validity of the COFR(s).

If you have any questions regarding the California COFR P&I Certificate of Entry renewal process, please contact Ryan S. Brunelle at [ecm@ecmaritime.com](mailto:ecm@ecmaritime.com).

