



SHIP SAFETY BULLETIN

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Subject: New insurance requirements for commercial and public purpose ships that carry passengers

Purpose

This bulletin informs ship owners and operators of the new [Regulations Respecting Compulsory Insurance for Ships Carrying Passengers](#).

As of January 11, 2019, the Regulations will require all commercial and public purpose ships engaged in the domestic carriage of passengers in Canada to maintain liability insurance coverage in a minimum amount of \$250,000 multiplied by the passenger capacity of the ship. Operators who do not currently have a liability insurance policy will need to comply within **60 days after the regulations come into force**.

Scope

This bulletin applies to:

- Operators engaged in the carriage of passengers from one place in Canada to the same or another place in Canada, either directly or by way of a place outside Canada
- Commercial or public purpose ships (where no fare is charged)

Background

Under Part 4 of the *Marine Liability Act* (the Act), ship owners and operators are liable for death or personal injury of passengers resulting from a marine incident.

Owners and operators also have the right to limit their liability. Specifically, liability is limited to 175,000 Special Drawing Rights (SDR) per passenger.

Keywords:

1. Passenger Insurance
2. Compulsory Insurance
3. Athens Convention

Questions concerning this Bulletin should be addressed to:

ACFI
International Marine Policy

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

Contact us at: marinesafety-securitemaritime@tc.gc.ca or 1-855-859-3123 (Toll Free).



Section 39 of the Act allows the Government of Canada to make regulations that require operators to maintain insurance coverage. This ensures owners and operators have the financial resources to meet their obligation to passengers if an accident happens.

What you need to know

Who does this apply to?

If you operate commercial or public purpose ships that carry passengers from one place in Canada to the same or another place in Canada, either directly or by way of a place outside Canada, you must comply with the Regulations.

The Regulations **do not apply** to:

- adventure tourism, [as defined in subsection 37.1\(1\) of the *Marine Liability Act*](#)
- the carriage of a sail trainee
- an international carriage
- a carriage by pleasure craft, [as defined in section 2 of the *Canada Shipping Act, 2001*](#)
- search and rescue operations carried out by the Canadian Coast Guard Auxiliary
- the Government of Canada or the government of a province (because they are self-insured), or an entity entitled to indemnification by that government

How much insurance will you need?

The Regulations will require you to maintain a minimum of \$250,000 of liability insurance coverage, multiplied by the passenger capacity of the ship.

Operators determine the ship's passenger capacity for the purposes of the Regulations. You should carry enough liability insurance to cover your full liability under the Act. This will vary depending on the value of the Special Drawing Rights (SDR) to the Canadian dollar.

By when?

If you do not have a liability insurance policy that covers death or personal injury to passengers, you will have **60 days, until March 12, 2019**, to comply.

If you already hold a liability insurance policy that covers death or personal injury to passengers when the Regulations come into force, you will need to comply with the new rules when your current policy expires, or is cancelled or modified.

Proof of insurance

You will need to provide proof of insurance which shows you comply with the requirements, by request from a designated Transport Canada officer.

The proof of insurance is either:

- 1) a Certificate of Insurance issued by an insurer (see attached), or
- 2) a Certificate of Entry, issued by a Protection and Indemnity (P&I) Club that is a member of the International Group of Protection and Indemnity Associations

Proof of insurance may be in paper or electronic format. You must keep it on board the ship at all times.

If you are asked to provide proof and you cannot (for example, because there is not enough space on board to protect the certificate from the elements, or you cannot display the proof on an electronic device due to technical reasons), you will need to show us proof **within 24 hours**.

If you fail to provide proof of insurance, your ship could be detained or, on Summary conviction, you could be fined up to \$250,000.

Requirements for fleets

If the liability insurance policy covers a fleet of ships, such as for fishing expeditions or outfitters, you must carry:

- the certificate of insurance on board one ship, and
- a copy of it on board every other ship in the fleet

The certificate of insurance must state:

- the amount of insurance for each ship in the fleet, or
- the amount that applies to the ship with the highest passenger capacity, and the number of ships for which that amount applies, and
- the policy provides the same coverage as a separate policy for each ship would

If a ship is exempt from registration requirements (per regulations made under the *Canada Shipping Act, 2001*), the certificate of insurance does not need to include its name and official number. If there is not enough room to list all ships in the fleet on the front of the insurance certificate, they must be listed on the back.

References

- [Regulations Respecting Compulsory Insurance for Ships Carrying Passengers](#)
- [Marine Liability Act](#)
- [Canada Shipping Act, 2001](#)
- Certificate of Insurance (see Annex)

To obtain a copy of the Certificate of Insurance template, please send an e-mail to marinesafety-securitemaritime@tc.gc.ca.

Annex

CERTIFICATE OF INSURANCE

Insured			
Number of liability insurance policy	Name		
Address	City	Province	Postal code
Particulars of ship(s)			
Name of ship(s)*	Official number	Passenger capacity	Amount of insurance (not less than \$250,000 x passenger capacity)
The information regarding the ships that cannot be listed on the front of the certificate must be set out on the back			

* Paragraph 36(1)(a) of the **Marine Liability Act** states the following: “the definition *ship* in Article 1 of the *Convention* shall be read as including any vessel or craft designed, used or capable of being used solely or partly for navigation, whether seagoing or not, but not including an air cushion vehicle or a vessel propelled manually by paddles or oars”.

Pursuant to the **Regulations Respecting Compulsory Insurance for Ships Carrying Passengers**, made under Part 4 of the **Marine Liability Act**, and subject to the terms and conditions of the above-mentioned liability insurance policy, this is to certify that the above-named insured is the holder of a liability insurance policy, that is in force, for the carriage of persons on board the ships listed in this certificate.

If the liability insurance policy provides coverage in respect of a fleet of ships, the policy provides the same coverage as the coverage that would be provided if a separate policy had been issued in respect of each ship listed on this certificate.

Insurer			
Name			
Address	City	Province	Postal code
Policy effective date	Policy expiry date		

 Print name
Insurer or Authorized Representative of Insurer

 Date (yyyy-mm-dd)

