

Canada - New compulsory insurance scheme for passenger vessels

Proposed new Federal regulations dealing with compulsory insurance of passenger vessels under the Canadian Marine Liability Act were issued by the Government of Canada in December 2016.

Under the proposal, any *domestic carriage* of passengers by any commercial or public vessel will be required to maintain minimum insurance cover of C\$250,000 per available passenger space on the vessel to a total of the passenger capacity, e.g. a vessel with capacity for 30 passengers would need a minimum of C\$7.5m of cover just for passenger claims.

The proposed regulations do not apply to international carriage, or to pleasure craft but *domestic carriage* does include carriage of passengers between two places in Canada either directly, or by way of a place outside Canada, e.g. with a stop in an American port.

This proposal is the result of consultation by Transport Canada with the industry since 2010 and once adopted will enter force gradually with a 60 day period in which to then comply. Carriers with an insurance policy will need to comply when their current insurance policy expires and is to be renewed, or is altered or cancelled.

Members of the Club that carry passengers should note that the proposed Regulation will have limited impact as following consultation, the draft Regulations have been amended so that a Certificate of Entry issued by a member Club of the International Group of P&I Clubs will be acceptable evidence of insurance. Vessels carrying passengers that are not insured with a member Club of the International Group will be required to carry a Certificate of Insurance in the form prescribed under the Regulation. The Regulation requires Members to keep the Certificate of Entry on board, or produce it within 24 hours if requested by a designated officer. Failure to provide proof of insurance may lead to detention of the vessel and/or a fine up to C\$100,000.

Further information is available in the [Canada Gazette](#).