

FOR IMMEDIATE RELEASE  
Monday, October 25, 1994

CG 94-06  
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## CERTIFICATE OF FINANCIAL RESPONSIBILITY (COFR)

The Coast Guard announced today that it has taken two major steps which impact the Certificate of Financial Responsibility (COFR) Program administered by the National Pollution Funds Center. In the first instance, it approved an "other evidence" surety bond form which facilitates the already acceptable concept of a multi-principal surety bond method to fulfill the requirements for the issuance of COFRs. The "other evidence" provision is contained in the Interim Rule published on July 1, 1994. The second action was the approval of the reinsurance arrangements submitted by Shoreline Mutual. Shoreline is a commercial insurer that was formed to provide commercial insurance which can serve as the basis for the issuance of COFRs.

Daniel F. Sheehan, Director of the National Pollution Funds Center which administers the COFR program, said that this clearly provides additional commercial alternatives for the fulfillment of U.S. law. He indicated that the interest in obtaining OPA 90 COFRs was quite brisk with a large number of companies, U.S. and foreign, finalizing their arrangements, ONI Corporation being the latest. When asked how the companies were complying, he indicated that there appeared to be no single preferred alternative; some had self-insured, others established financial guaranty entities, and others will utilize surety bonds. Sheehan also reacted to the recent reports that the Coast Guard will delay the rule's compliance date by reiterating that December 28, 1994, is firm. Sheehan stressed the importance for vessel owners and operators to finalize their arrangements for obtaining OPA, 90 COFRs.

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