

# Bill C-47 Increases Limits of Liability for Marine Accidents

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On June 22<sup>nd</sup>, 2023 Bill C-47 received Royal Assent. The legislation entitled “*An Act to implement certain provisions of the budget tabled in Parliament on 28 March 2023*” S.C. 2023 c. 26 contains provisions that came into force on June 22<sup>nd</sup> 2023 relating to the limits of liability for marine accidents.

Transport Canada has advised that the bill implements changes to the *Marine Liability Act*. A summary of the changes are as follows:

- (a) increases the maximum liability for certain claims involving a ship of less than 300 gross tonnage from \$1 million for loss of life and personal injury and \$500,000 for any other claims to \$1.5 million and \$750,000, respectively;
- (b) establishes the maximum liability for claims involving air cushion vehicles using the limits in the LLMC (The Convention on Limitation of Liability for Maritime Claims, 1976);
- (c) applying Part 4 of the *Marine Liability Act* to air-cushion vehicles, making them strictly liable for damage suffered as a result of the death of or personal injury to a passenger;
- (d) extending the application of the International Convention on Civil Liability for Bunker Oil Pollution Damage, 2001 to non-seagoing vessels;
- (e) clarifying that the owner of a ship is liable for economic loss related to fishing, hunting, trapping or harvesting suffered by an Indigenous group, community or people or suffered by a member of such a group, community or people;
- (f) providing for a modernized public notice requirement relating to the constitution of limitation funds;
- (g) allowing the amount of a limitation fund to be reduced if the shipowner has paid out claims related to an oil spill before the limitation fund is created; and
- (h) expanding the compensation regime of the Ship-source Oil Pollution Fund to include certain future losses (losses that have not yet occurred but will almost certainly occur).

Of significant importance to pleasure craft owners and insurance brokers and insurers are the increased limitation of liability amounts. A typical insurance policy issued prior to the legislation coming into force provided for \$2 million of coverage. This was to protect the boat owner/operator for an event that had a loss involving personal injury and property damage. One million was the limitation of liability for personal injury losses and \$500,000 for property damage for a total of \$1,500,000. With interest and court costs a policy of \$2 million would suffice. With the increased limits to \$1,500,000 for personal injury and \$750,000 for property damage, the needed coverage would be \$2,250,000.00. When interest and costs are added, boat owners should get \$3 million of coverage. A PDF version is available to download [here](#).

*(This blog is provided for educational purposes only, and does not necessarily reflect the views of Gardiner Roberts LLP).*

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