

Focus on: Certificate of Financial Responsibility



Figure 1: Boat and industry on Puget Sound. Credit: Ecology

Overview

Washington businesses that refine, store, or transfer petroleum products and commercial vessels over 300 gross tons must have the financial resources to pay for the cleanup and damage costs of an oil spill to waters of the state.

Obtaining a Certificate of Financial Responsibility (COFR) means that a business has verified their ability to cover the costs of oil spills to Ecology.

Businesses can demonstrate financial responsibility (FR) through:

- insurance
- self-insurance
- a corporate guarantee
- a letter of credit
- a surety bond
- a certificate of deposit, or
- a certificate from another state that meets WA state standards.

Proving FR ensures sufficient resources are available for oil spill clean-up and damage mitigation, and to protect taxpayers.

Obtaining and Maintaining a COFR

1. Regulated businesses can get a COFR by applying online through the [SecureAccess Washington](#) (SAW) application portal, where they can select their facility(ies) or vessels and begin an application.
2. The COFR application will request basic contact information and documentation of proof of FR. Submitters are encouraged to use Ecology-drafted forms (available on the [COFR webpage](#)) to ensure their proof of FR is compliant.
3. All complete applications are reviewed within 30 days of submission. Incomplete applications will be returned with information about how to complete the application.
4. COFRs are valid for two years from the date of issue. Certificate holders must maintain their proof of FR throughout this period and reapply at least 30 days before the COFR expires.

The [Ecology COFR webpage](#) offers information for navigating the COFR application process. The webpage includes template forms to use in your application, required financial responsibility amounts, instructions for both facility and vessel applications, and video guidance.

Vessel COFR Applications

Commercial vessels over 300 gross tons are required to prove FR in Washington State.

There are two paths to compliance:

- Verification of international P&I mutual organization membership, OR
- COFR application submittal and approval.

If a vessel is a verified member of a P&I mutual organization, owners/operators/representatives have no further action.

Owners and operators of vessels that are not members of P&I clubs must submit a completed and signed application for a Washington COFR, including attachments to prove FR, to ecology **at least 10 calendar days before entering the waters of the state.**

Important Information for Insurance

An insurance policy is one of the many ways to prove FR. Not every insurance policy, however, is COFR compliant. For **facility applications**, here are some common areas that may make a policy non-compliant:

- Legal defense coverage. Insurance policies that do not have legal defense costs under a separate limit, or that allow legal defense coverage to erode coverage for clean-up and damages of a pollution incident, cannot be used unless revised to exclude legal defense costs, establish a separate limit of liability for legal defense or clearly state that legal defense will not erode coverage for clean-up and damages.
- Total exclusions for any cleanup on a site if PFAS is present (PFAS exclusions must be limited to PFAS cleanup).
- Terms, endorsements, or exclusions that reduce the policy's effectiveness for cleaning up and paying damages for an oil spill.
- Policies that do not pay claims on a first-dollar basis.
- Coverage for losses, such as image restoration costs or business interruption costs, that erode coverage for clean-up and damages of a pollution incident.

For **facilities**, there is an [insurance endorsement](#) that can be signed by insurance representatives that may resolve many concerns outlined above.

Vessel applicants who wish to use insurance to prove FR should reach out to the COFR team for the latest versions of vessel endorsements and COFR-compliant vessel insurance guidance.

Related Information

For more information, visit:

<https://ecology.wa.gov/Regulations-Permits/Guidance-technical-assistance/Financial-responsibility-for-oil-spills>



Figure 2: Boat and oil boom on Capitol Lake. Credit: Ecology

Contact information

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ADA accessibility

To request ADA accommodation, contact Ecology by phone at 360-407-6831 or email at ecyadacoordinator@ecy.wa.gov, or visit <http://ecology.wa.gov/accessibility>. For Relay Service or TTY call 711 or 877-833-6341.