

Alternative solution
Third Party liability of Nuclear
Operators

The birth of a mutual

ATOMEXPO 2012

Moscow 5th June 2012

International framework

- The Vienna Convention on Civil Liability for Nuclear Damage
 - 1963 entered into force in 1977
 - 1997 amended

- The Paris Convention on Third Party liability
 - 1960 entered into force in 1968
 - 2004 amended, but not yet ratified

International framework

- Both Conventions were linked by the Joint Protocol of 1988
- Brussels Supplementary Convention

- Changes to the Paris Convention
 - 2004 not yet ratified
 - Four new heads of damage
 - Increase in the cap on operators' liability €700 mio
 - Increase on the prescription period to 30 years
 - Extension of the geographical scope

Summary pre and post 2004 Paris Convention



	Current Paris Convention	Revised Paris Convention
Basic limit of liability on operator	Max SDR 15 Mio	Minimum €700.000.000
Reduced limit of liability	<u>Low-risk installation</u> Minimum SDR 5 Mio	<u>Low-risk installation</u> Minimum €70.000.000
	Low-risk transport Minimum SDR 5 Mio	Low-risk transport Minimum €80.000.000
Heads of damage	1. Property Damage 2. Personal injury/death	1. Property Damage 2. Personal injury/death
	New	3. Economic loss 4. Cost of measures of reinstatement of impaired environment
		5. Loss of income
		6. Cost of preventive measures

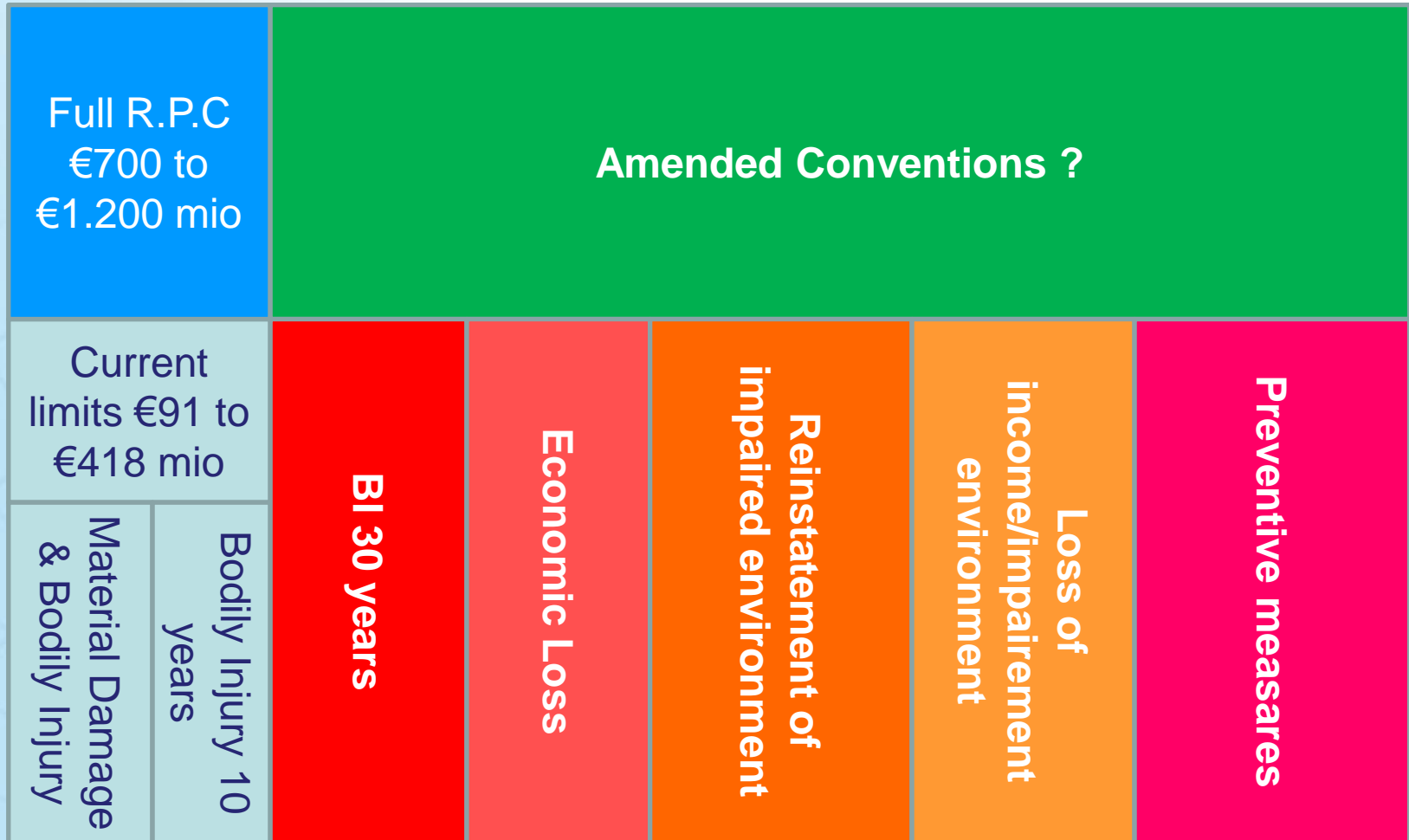
Summary pre and post 2004 Paris Convention



	Current Paris Convention	Revised Paris Convention
Prescription	10 years	30 years for personal injury 10 years for all others
Territorial limits	Does not cover injury of damage in a country that are not a party to the convention	<ul style="list-style-type: none">• Installation country• Other Paris signatory states• Non-nuclear states – Austria, Ireland and Luxembourg• Vienna Convention countries who have ratified the joined Protocol• Any other country with reciprocal arrangements

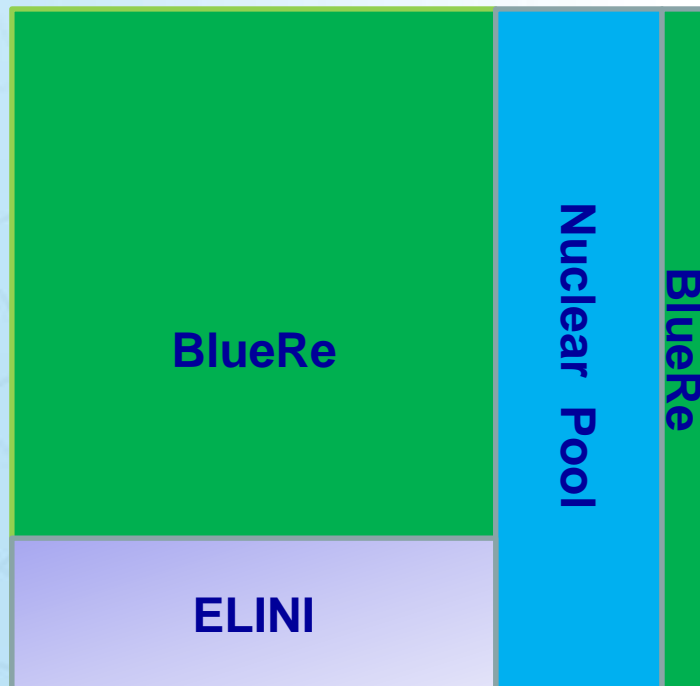
- Increase of the liability amount
- Extension of liability period to 30 years
- Extension of the definition of nuclear damage
- Inclusion of economic loss
- Loss of income
- Cost of the measures of reinstatement due to the change on the environment

Overview of coverage



- Insufficient private insurance market capacity
- Unwillingness to cover extended periods
- Unwillingness to cover all the categories
- Nuclear Pools not able/willing to offer a full solution
- European Nuclear Operators opted for the **mutualisation of their risks**

- A mutual insurance company belonging to the nuclear operators within Europe
- The operators want to take their responsibility and provide/comply with the conventions
- Keep control over the funds to be sure they are available in case of need
- Act as an independent organisation but mutualize the risks



- ELINI /BlueRe min 80% of the capacity
- ELINI/BlueRe = all heads of damages
- National Nuclear Pool r/i by BlueRe for the Difference in Conditions

The End



- ▶ Thank you for looking through this presentation
- ▶ We hope that you will see that we have useful ideas to help with controlling your insurance costs
- ▶ We have the experience to attend to your needs
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