GIC Re

Shanti Act, 2025: Enabling India's 100 GW Nuclear Power Roadmap through Public-Private Partnership: 17.04.2026

India Nuclear Insurance Pool

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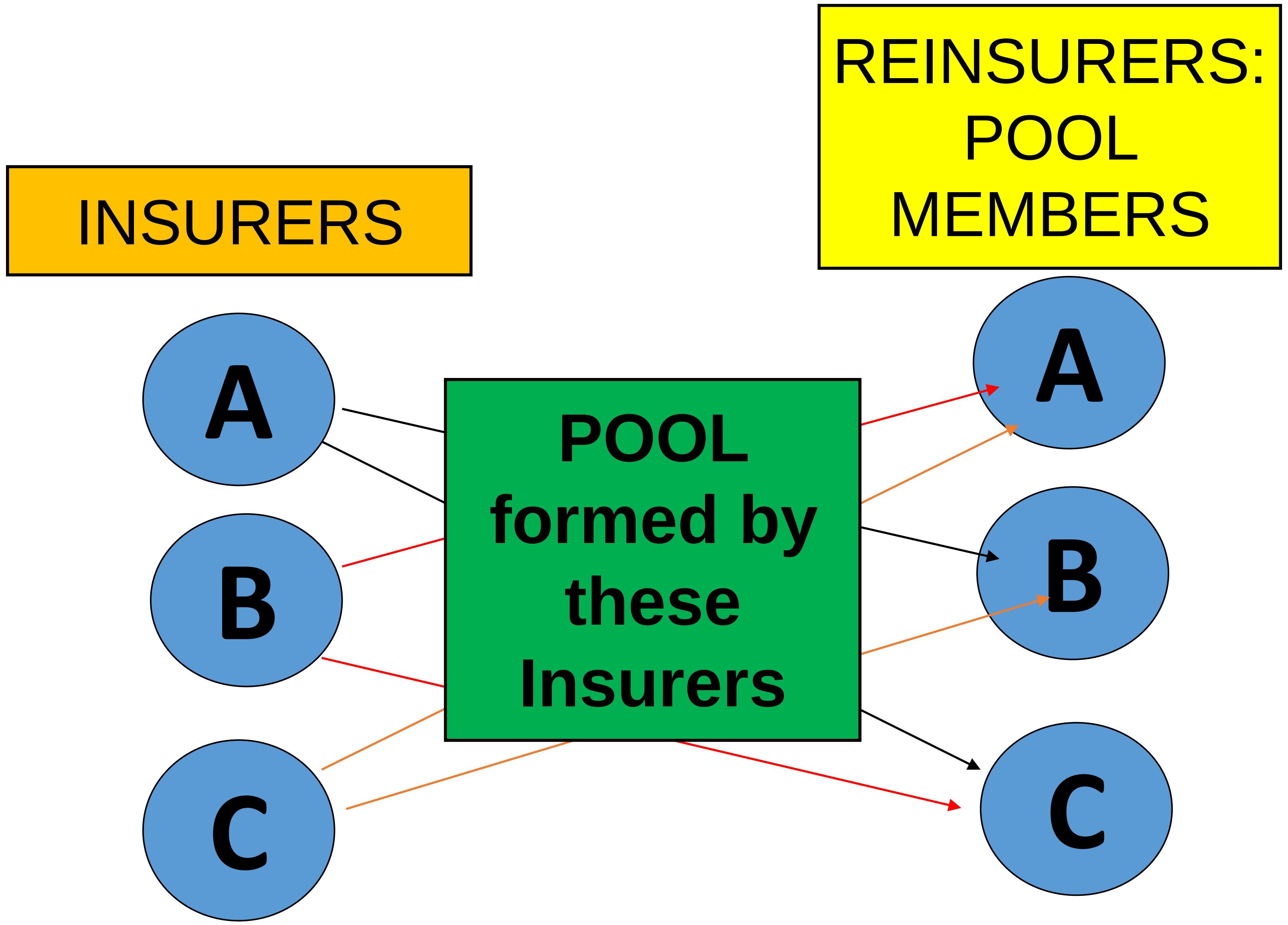
AGENDA

- (Re)Insurance Pooling Arrangements
- Need for Nuclear Insurance
- How the India Nuclear Insurance Pool works(INIP Framework)
- INIP Modalities/Policies issued under Pool's Ambit
- Insurance for Nuclear Energy Sector: Availability and Requirement
- Plausible direction for INIP

Traditional Reinsurance Capacity vs Pooling Mechanism

- Traditional reinsurance involves transfer of risk from Insurance company to reinsurer
- RI Pools: Multiple insurance companies pool similar natured risks and share losses.
- RI Pools are resorted to where market capacity is insufficient or unavailable for certain risks.
- Premiums from Insurance policies of such risks are ceded to the pool and retroceded back to members proportionate to their share in the pool.
- Claims that arise are similarly distributed amongst pool members.
- Thus, reducing the reliance on traditional reinsurance capacity



Pooling Mechanisms in India & abroad:

Insurance pooling is a globally adopted solution to sustain coverage for catastrophic risks where severity is high and predictable pricing is difficult.

Indian Market Terrorism Risk Insurance Pool (IMTRIP) was established in **2002** after the **9/11 attacks**, when global terrorism insurance capacity collapsed, leading to the creation of a domestic pooling mechanism to sustain coverage.

GAREAT Pool (France) was formed with **state and market participation** following major terrorist events, to ensure continued insurance availability for low-frequency, high-severity risks.

SA Pool (South Africa) was created to address **systemic catastrophic risks** where individual insurers lacked the capacity to underwrite exposures independently.

Global Nuclear Insurance Pools
such as **American Nuclear Insurers (USA)**, **Nuclear Risk Insurers Ltd. (UK)**, and **ELINI (Europe)**, which aggregate domestic capacity and share risks internationally

India Nuclear Insurance Pool (INIP)
Established in **2015**, aligning with global nuclear pool practice, to provide sustainable liability insurance capacity for India's nuclear sector under its nuclear liability framework.

India Nuclear Insurance Pool:

Domestic Need

- Limited Domestic Conventional coverage for nuclear risks.
- Nuclear projects involve very large potential losses.
- None of the domestic insurer could absorb such large risks alone.
- Actual damage from nuclear events is hard to predict.
- Nuclear Plants are limited in India and no spread of risks is available for insurance.
- Before passage of CLND Act 2010, Nuclear Liability Insurance was not mandatory in India.
- With the formation of Pool, nuclear operators can now pass on the risks to pool instead of setting aside amounts to meet legal requirements and pay a certain premium.

Pooling of Insurance Companies' Capacity was thus necessary.

India Nuclear Insurance Pool(INIP):

How the Pooling Arrangement Works

- The CLND act was passed in 2010 to establish a legal framework for compensating victims in the event of a nuclear accident and to fulfill India's international obligations under the Convention on Supplementary Compensation for Nuclear Damage (CSC) .

- The INIP was **launched on 12th June, 2015** after receiving due approval from IRDAI. This has addressed the matters of Civil liability under CLND act & facilitated setting up of new nuclear plants.

- The Pool has collated capacity of **INR 1500 Crores** amongst 12 member companies with GIC Re' Capacity of INR 600 Crores (40%). This has helped to spread out the risk across the Insurance Industry. Additional capacity will be provided by the Govt.

- The INIP indemnifies insured operators against statutory liabilities incurred (under a no fault regime) as per the CLND Act for nuclear incidents occurring during the policy period. It covers suppliers liabilities stemming from the operator's right of recourse as stipulated the CLND Act.

- Thus the INIP offers both security and growth potential to the Indian Nuclear Sector.

India Nuclear Insurance Pool

Members: Participation from India's public and private insurers

- **GIC Re** has the responsibility of **managing the Pool.**
- **New India** Assurance Co. Ltd. is the designated **Policy Issuing** Member Company.

Insurance

What Insurance protection is available to Nuclear plants today in India?

Protection for Physical Assets: Under the Fire & Engineering policy

- Cold zone Coverage for damage to nuclear plant assets .
- Includes fire, natural catastrophes, and other specified risks
- Coverage during construction, erection, and testing of nuclear power plants

Liability Protection- through the pool

- Insurance cover for operator liability arising under the CLND Act, 2010
- Provided through the India Nuclear Insurance Pool (INIP)

International Risk Support

Access to international reinsurance support for Fire & Engineering policies, available only for civilian (non-military) nuclear power plants

Insurance

Requirement: The ideal risk protection required for large-scale nuclear expansion

- **Nuclear Power Plant Risks:** Own Damage Coverage for Cold Zone and Hot Zone of Nuclear Power Plant:
    - Property Damage
    - Business Interruption
- **Third Party Liability Coverage**
- **Transport risks:** Specialized coverage for Marine Transportation and associated Liability

India Nuclear Energy Sector

Expectations in light of SHANTI Act 2025

- Private Sector Participation: via new policy frameworks
- Promotion of Public-Private Partnerships (PPP)
- Simplified licensing for faster approvals
- Fast-track environmental clearances for strategic projects
- Enhanced safety protocols and inspection regimes
- Stronger compliance mechanisms for new entrants
- Financial Framework
- Revised Nuclear Liability Framework:
  - Introduction of graded liability exposure for reactors based on respective capacity
  - Exclusion of explicit liability on Suppliers
  - Expansion of INIP coverage in line with the above changes

Plausible way forward for INIP

As India's nuclear sector expands, so must INIP's capacity.

GIC Re is endeavouring to achieve the following:

- **Domestic Capacity:**
- Existing members to enhance capacity- We are in having frequent meetings with member companies for this enhancement.
- More domestic insurers to join the pool- GI Council will be approached to ask domestic insurers to join the pool
- **Introduce Expansion of coverage :**
- As per requirement of operators & with the right pricing, the coverage can be expanded to include the following:
    - Introduce business interruption insurance.
    - Consider cover for property damage insurance for hot zones areas.
- **International reinsurance support:** Getting in touch with reinsurers for viable support through reinsurance arrangements.

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- Historical Pools managed by GIC Re:
  - Motor Third Party Liability Pool
  - Motor Declined Risk Pool
  - Marine Hull Pool
  - FAIR Natural Catastrophe Reinsurance Pool

- **Currently Managing <u>Indian Market Terrorism Risk Insurance Pool</u> successfully since 2002.**

- **Successfully launched <u>Marine Insurance Pool</u> amid international geopolitical crises**

- In discussion for more….

THANK YOU

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