INSURANCE LIABILITY UNDER SHANTI ACT, 2025

- **When operator is liable**
- **When operator is NOT liable**
- **What is liability (in Rs. Crores) of OPERATOR**
- **“Insurance” & “Financial Security” for the Liability**

When operator is liable

The operator of the nuclear installation <u>shall be liable</u> for nuclear damage caused by a <u>nuclear incident</u> – section 11(1)

(a) <u>in that nuclear installation</u>; or

(b) **<u>involving nuclear material transported from that nuclear installation</u>** and occurring before

(i) the liability for nuclear incident involving such nuclear material **<u>has been assumed, pursuant to a written agreement by another operator;</u>**

(ii) **<u>another operator has taken custody</u>** of such nuclear material;

(iii**<u>) the person duly authorised to operate a reactor has taken custody of the nuclear material intended to be used in such reactor</u>**
comprised in any means of transport; or

(iv) **<u>such nuclear material has been unloaded from the means of transport</u>** by which it was sent to a person within the territory of a foreign State;

(c) **<u>involving nuclear material transported to that nuclear installation</u>** and occurring after

(i) **<u>the liability</u>** for nuclear incident involving such nuclear material **<u>has been transferred to that operator, pursuant to a written agreement</u>**, by the operator of another nuclear installation;

(ii) that operator **<u>has taken custody of such nuclear material;</u>**

(iii) that **<u>operator has taken custody of such nuclear material from a person operating a reactor comprised in any means of transport</u>**;

(iv) **<u>such nuclear material has been loaded, with the written consent of that operator</u>**, on the means of transport by which it is to be carried from the territory of a foreign State.

Where more than one operator is liable for nuclear damage, - section 11(2)

the liability of each Operator,

- **is not separable,**
- **be joint and several**

However, **total liability of such operators** shall not exceed the extent of liability specified in the Second Schedule.

Where several nuclear installations of one and the same operator are involved in nuclear incident - section 11(3)

such operator

in respect of each such **nuclear installation**

be liable to the **extent of liability specified in the Second Schedule**.

DEEMED OPERATOR - section 11(4)

(a) where nuclear damage is caused by a nuclear incident occurring in a nuclear installation **on account of temporary storage of material-in-transit** in such installation, **the person responsible for transit of such material** shall be deemed to be the operator;

(b) where a nuclear damage is caused as a result of nuclear incident **during the transportation of nuclear material**, the **consignor** shall be deemed to be the operator;

(c) where any **written agreement** has been entered into between the consignor and the consignee or the consignor and the carrier of nuclear material, as the case may be, **the person liable for any nuclear damage under such agreement** shall be deemed to be the operator;

(d) where both nuclear damage and damage other than nuclear damage have been caused by a nuclear incident or, jointly by a nuclear incident and one or more other occurrences, such other damage shall, to the extent it is not separable from the nuclear damage, be **deemed to be a nuclear damage caused by such nuclear incident**

When operator is NOT liable

CONDITIONS WHEN OPERATOR IS NOT LIABLE – section 12 (1)

caused by a nuclear incident due to—
(a) **a grave natural disaster of an exceptional character**; or
(b) **an act of armed conflict, hostility, civil war, insurrection or terrorism,**

Provided that an operator **shall not be liable** for any nuclear damage caused to,—
(i) **the nuclear installation itself** and
any **other nuclear installation** including a nuclear installation under construction, on the site where such installation is located;

(ii) **any property on the same site** which is used or to be used in connection with any such installation; or

(iii) **the means of transport** upon which the nuclear material involved was carried at the time of nuclear incident.

Where any nuclear damage is suffered by a person,
on account of his own negligence or
from his own acts of commission or omission

What is liability (in Rs. Crores) of OPERATOR

QUANTUM OF LIABILITY

13. (1) The **maximum amount of liability** in respect of each nuclear incident shall be

- the rupee equivalent of **three hundred million** Special Drawing Rights or

- **such higher amount** as the Central Government may, by notification, specify.

QUANTUM OF LIABILITY

The maximum amount of liability of **an operator** in respect of **each nuclear incident** for different categories of nuclear installation shall be as specified in the Second Schedule:

	Thermal Power of rectors in MW	Liability in Rs. Crores
1	> 3600	3000
2	> 1500 utpo 3600	1500
3	> 750 utpo 1500	750
4	> 150 utpo 750	300
5	Upto 150	100
	fuel cycle facilities other than spent fuel reprocessing plants and transportation of nuclear materials	

Provided that the amount of liability shall not include any interest or cost of proceedings.

ADDITIONAL MEASURES BY THE CENTRAL GOVERNMENT

- The Central Government may take additional measures, where necessary,

- if the compensation to be awarded under this Act exceeds the amount specified under sub-section (1) i.e. 300 Million SDRs approx equal to Rs.4000 Crores (as on today),

- including seeking funds under the Convention on Supplementary Compensation for Nuclear Damage signed at Vienna on the 27th day of October, 2010 to which the Republic of India is a signatory.

“Insurance” & “Financial Security” for the Liability

Operator's Liability Clause – section 15

(1) The operator shall, **before operation of nuclear installation,** obtain ,

i. an insurance policy or
ii. such other financial security or
iii. combination of both, covering the liability specified in the Second Schedule and in such manner as may be prescribed.

(2) The operator shall from time to time renew the insurance policy or other financial security before the expiry of the period of validity thereof.

(3) The provisions of this section shall not apply to a nuclear installation owned by the Central Government.

Insurance policy available

The insurance is offered by Indian Nuclear Insurance Pool (**"INIP"**)
INIP was created by GIC Re with initiative of the Department of Atomic Energy and support by Ministry of Finance, Government of India.

As on today following General Insurance companies have pooled their capabilities to offer Insurance of Rs.1500 Crores.

Sr. No.	Insurance Companies	% Share	Apportionment of Sum insured
1	New India Assurance Ltd	40%	600
2	United India Insurance Ltd	20%	300
3	Oriental Insurance Co Ltd	10%	150
4	ICICI Lombard General Insurance	10%	150
5	National Insurance Co. Ltd	10%	150
6	IFFCO Tokio General Insurance	2%	30
7	Reliance General Insurance	2%	30
8	TATA AIG General Insurance	2%	30
9	SBI General Insurance	1.50%	22.5
10	Cholamandalam MS General Insurance	1.50%	22.5
11	Universal Sompo General Insurance	1%	15
	Total	**100%**	**1500**

Insurance policy – salient features

- Insurance is floating insurance
- Premium is Rs.30 Crores for the first reactor and Rs.3.5 Crores per reactor for subsequent reactors
- At present NPCIL has 24 reactors covered under the insurance policy for premium
- Rs.30 Crores + 23 * Rs.3.5 Crores = Rs.110.5 Crores + taxes thereon

Other Financial Security

- Other financial security can be Bank Guarantee for Rs.1500 Crores (or liability as prescribed).
- In case in the Floating Insurance cover, if any of the reactor of the pool meets with nuclear incident, necessitating the payment of the Rs.1500 Crores, the pool will not be able to renew the cover untill they garner the financial support of Rs.1500 Crores
- Till then the a BG will need to be taken , to ensure that other reactors can continue operating

THANKS……