

# IFNEC FINANCE WORKSHOP INSURANCE & RISK FINANCING CONSIDERATIONS

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# IFNEC Workshop

## Insurance & Risk Financing Considerations

- Why is insurance for Nuclear Projects different?
  - Insurance market concerns regarding exposure accumulations :-
    - From a single event
    - Triggering claims for multiple classes of cover for multiple insureds
  - Insurance industry solution
    - A “standard” nuclear exclusion on all policies
    - Provision of coverage via National/International Pooling arrangements
  - Liability Requirements
    - Clear legislation channelling liability to Operator
    - Limited legal recourse from contractors/suppliers/other parties

## IFNEC Workshop

### Construction versus Operational Insurance

- Property Damage & Business Interruption
  - The Construction Insurance market = 40+ “A” rated insurers
  - Nuclear Insurance operational market has 4 potential insurers - the Utility’s Captive Insurance Company, Nuclear Pools, Industry Mutuals and new insurer(s)
  - The Construction market provides full value cover
  - Nuclear operational market provides a “first loss limit”
  - Construction market capacity circa US\$20 billion on a “probably maximum loss basis
  - Nuclear market operational capacity circa US\$3 billion
  - Financiers requirements including delay in start up/business interruption?

