

Nuclear protocols

News story

GAD has supported the government to help ratify the 2004 Protocols which increase the scope of operator liabilities in the area of nuclear energy.



Actuaries have supported the government to help enable the [ratification of the 2004 Protocols](#). This project, from the Government Actuary's Department (GAD) related to third-party liabilities in the field of nuclear energy.

GAD worked with the Department for Business, Energy & Industrial Strategy (BEIS) on the 2004 Protocols, that came into force in January 2022. These build on the '[Paris Convention](#)' and the '[Brussels Convention](#)'.

The challenge

The 2004 Protocols increase the scope of operator liability in terms of the:

- financial limits of compensation
- heads of damage
- geography
- period during which personal injury claims can be made

For power plants and similar nuclear sites, operators' liability levels have increased. These have risen from £140 million to €700 million, increasing by €100 million per year to a maximum of €1.2 billion.

The commercial market has been able to cover most of the extension of cover. However, there is currently insufficient commercial capacity to cover all the increased personal injury liabilities for the 10-to-30-year period. GAD supported BEIS in developing temporary measures to address this gap in the market.

Analysis and data

GAD advised BEIS on how its modelling could be adapted to allow for a risk-sharing arrangement between industry and government. GAD undertook the

analysis and BEIS gathered data to feed into GAD's modelling.

As part of this project, the Contingent Liability Central Capability used loss estimates provided by GAD to advise BEIS and HM Treasury. This included advice on practical ways of dealing with the contingent liabilities, including fair allocation of risk and reward between private sector insurers and the government.

Looking forward

GAD is supporting an ongoing review of the current approach with a view of creating a long-term market solution that does not require government intervention.

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