



ASSURATOME

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1. HISTORICAL BACKGROUND 1/2

Why a specific organization to insure nuclear risks?

The emergence of a civilian nuclear industry in the 50's raised new questions to insurers

1. Unknown risks
2. Very high exposure
3. Limited number of insured installations
4. A specific Law: an absolute and exclusive liability channelled onto the operator, limited in both amount and time with a compulsory financial guarantee
5. Possible accumulation problems

⇒ *Exclusion of nuclear risks of Conventional policies from 1957 and introduction of NMA 75 clause (amended in 1994) in reinsurance treaties*

Solution: Nuclear Insurance Pools

27 Operating Pools all over the world in 2019

1. HISTORICAL BACKGROUND 2/2

Application to the French Market

1957 Pool Français d'Assurance des Risques Atomiques
(Association)



1969 Conversion into an « EIG'' (Economic Interest Group)



1995 Change of Name: Assuratom

2. CURRENT ORGANIZATION

- Coreinsurance Pool: 34 members as at June 14, 2019
- General assembly
- Board of directors
- Claims committee
- Technical committee
- Foreign business committee
- Financial committee

Assuratome is a member of “GSA +” for administrative and accounting logistic,
Staff: 9 (jurists and engineers experts in nuclear risks insurance)

PURPOSES

- To support its members in all insurance matters related to the use of ionising radiations for civil purposes
- To manage (solidarity clause between members) the two reinsurance conventions Third Party Liability (TPL) / Material Damage (MD) and Personal Accident (PA)
- To provide a 100% reinsurance support to its members

Assuratome is not entitled to issue insurance policies

TASKS

- **Technical Study of nuclear risks and subsequent nuclear insurance**
- **Underwriting of reinsurance covers**
- **Assets management**

4. REINSURED COVERS - INSURED RISKS 1/2 ||

Conventional & Nuclear risks covers (criticality accidents, radioactive contamination, irradiation)

- Nuclear operators' Third Party Liability (Environmental code, V- IX- chapter 7)
- Nuclear transport liability
- Liability for users or holders of radioisotopes and radiation generators (industrial and medical fields)
- Material Damage / Business Interruption
- Erection / contractors' all risks (EAR/ CAR) / Dismantling
- Personal accidents

4. REINSURED COVERS - INSURED RISKS 2/2

Civil activities of the Uranium heavy industry, its related activities and other risks

- Nuclear installations
(sub contractors involved in on-site nuclear work may be covered under EAR/ CAR policies written by the operator)
- Installations Classified for Environment Protection (ICPE), holding or using artificial radioelements
- Other installations, including medical installations holding or using ionising radiation sources, requiring an operating license from the French Nuclear Safety Regulator

- **2018 Turnover: 80,57 M€**
 - Local business: 63,19 M€
 - Third Party Liability: 59%
 - Material Damage: 41%
 - Net turnover: 37,45 M€ (52%)
 - Foreign business: 17,38 M€
 - Third Party Liability: 40%
 - Material Damage: 60%

- **Net turnover: 54,83 M€ (68%)**

- **Combined ratio: 37%**
 - Local business: 43%
 - Foreign business: 13%

- Co-reinsurance capacity: addition of individual capacities made available by the members of the Pool

Net retention: total control of accumulation risk

- Underwriting capacity: our domestic capacity + quota-share treaties
- A national insurance scheme backed up with a performing and affordable International reinsurance arrangements
- Secured placements with Foreign Pools: solidarity clause for each Pool or an equivalent financial guarantee,

Standard Rules, bilateral agreements

6. 2019 CAPACITIES 2/2

Domestic business

MD	411 382 910 €	
TPL	313 275 003 €	730 936 219 €
PA	6 278 306€	

Foreign acceptances

MD	185 665 470 €	
TPL	124 304 210 €	302 806 516 €
PA	4 836 836 €	

NB: The Board of directors may restrict the amount of available capacities for certain risks or certain locations

7. NUCLEAR INDUSTRY IN FRANCE AND WORLDWIDE

On January 1st, 2019:

- 450 operating power reactors in 32 countries including:
 - 115 in Western Europe, 118 in Northern America,
 - 103 in Asia, 70 in Eastern Europe
- 57 reactors under construction, including 20 in China, 6 in Russia and India and 1 in France
- 147 reactors in planning stages, including 20 in countries which have none until now
- **In France:**
 - ✓ **complete control of the fuel cycle**
 - ✓ **46 nuclear sites including 127 nuclear facilities (INB) out of which 22 are permanently shut down**
 - ✓ **58 operating reactors**
 - ✓ **many research centres (10 operating research reactors)**
 - ✓ **about 10 sites are being dismantled**

8. EXPECTED DEVELOPMENTS IN THE FIELD OF NUCLEAR INSURANCE 1/2

Main actors are:

- **Nuclear Pools**
 - **US Mutual NEIL**
 - **European mutuals EMANI, ELINI**
 - **Captives**
 - **Banks (Financial Guarantees)**
 - **Northcourt**
 - **New actors → AIG, SOGAZ**
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- Stabilized combined MD / TPL capacities
 - New plants construction projects in the short & medium term
 - Lifetime extension of the ageing nuclear fleet
 - Increasing dismantling operations

8. EXPECTED DEVELOPMENTS IN THE FIELD OF NUCLEAR INSURANCE 2/2

- **Revision of international conventions on Third Party Liability in the field of nuclear energy**



Increase of compulsory covers

- **Political and media pressure**



Claims management organization in case of a major accident

9. CONCLUSION

- The pooling of nuclear insurers' resources offers a permanent financial response to cover risks which can have long term developments
- The Pooling system provides a reliable structure as regards to the security of reinsurance placements
- The nuclear Pools have an unequalled expertise in worldwide nuclear risks insurance. Their worldwide organization facilitates the coordination mission in the handling of major liability losses, especially for cross-border claims
- The insurance system has diversified, a high expectation of nuclear operators has led to the development of professional mutuals
- Assuratome has proven its ability to propose solutions to meet the changing needs of nuclear operators.