

Nuclear Exclusion Clause

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Nuclear Exclusion Clause

Nuclear Incident Exclusion Physical Damage – Reinsurance – Canada

1. This Agreement does not cover any loss or damage accruing to the Company directly or indirectly, and whether as Insurer or Reinsurer, from any Pool of Insurers or Reinsurers formed for the purpose of covering Atomic or Nuclear Energy risks.
2. Without in any way restricting the operation of paragraph 1 of this clause, this Agreement does not cover any loss or liability accruing to the Company, directly or indirectly, and whether as Insurer or Reinsurer, from any insurance against Physical Damage (including business interruption or consequential loss arising out of such Physical Damage) to:
 - (a) nuclear reactor power plants including all auxiliary property on the site, or
 - (b) any other nuclear reactor installation, including laboratories handling radioactive materials in connection with reactor installations, and critical facilities as such, or
 - (c) installations for fabricating complete fuel elements or for processing substantial quantities of prescribed substances, and for reprocessing, salvaging, chemically separating, storing or disposing of spent nuclear fuel or waste materials, or
 - (d) installations other than those listed in (c) above using substantial quantities of radioactive isotopes or other products of nuclear fission.
3. Without in any way restricting the operation of paragraphs 1 and 2 of this clause, this Agreement does not cover any loss or damage by radioactive contamination or nuclear explosion, except for ensuing loss or damage which results directly from fire, lightning or explosion of natural, coal or manufactured gas, accruing to the Company, directly or indirectly, and whether as Insurer or Reinsurer, from any insurance on property which is on the same site as a nuclear reactor power plant or other nuclear installation and which normally would be insured therewith, except that this paragraph 3 shall not operate:
 - (a) where the Company does not have knowledge of such nuclear reactor power plant or nuclear installation, or
 - (b) where the said insurance contains a provision excluding coverage for damage to property caused by or resulting from radioactive contamination, however caused, or nuclear explosion, except for ensuing loss or damage which results directly from fire, lightning or explosion of natural, coal or manufactured gas.

4. Without in any way restricting the operation of paragraphs 1, 2 and 3 of this clause, this Agreement does not cover any loss or damage accruing to the Company, directly or indirectly, and whether as Insurer or Reinsurer caused:
 - (a) by any nuclear incident (as defined in the Nuclear Liability Act or any other nuclear liability act, law or statute, or any amending law) or nuclear explosion, except for ensuing loss or damage which results directly from fire, lightning or explosion of natural, coal or manufactured gas;
 - (b) by contamination by radioactive material.
5. This clause shall not extend to risks using radioactive isotopes in any form where the nuclear exposure is not considered by the Company to be the primary hazard.
6. The term 'prescribed substances' shall have the meaning given to it by the Nuclear Safety and Control Act or by any law amendatory thereof.
7. The Company shall be the sole judge of what constitutes:
 - (a) substantial quantities, and
 - (b) the extent of installation, plant or site.

Note to accompany publication [of the two nuclear exclusions]

Two nuclear exclusion wordings, one for physical damage and another for liability, replace the absolute nuclear exclusion introduced by RRC in 2003.

The nuclear physical damage exclusion draws on an older RRC exclusion still in general circulation. Changes have been made based on to the current Nuclear Act or Acts, up to date definitions, and the most recent IBC Nuclear Physical Damage exclusion.

The nuclear liability exclusion has been redrafted to follow, as closely as possible, the nuclear liability exclusion and definitions found in IBC policy forms.

Nuclear Incident Exclusion Liability – Reinsurance – Canada

1. This Agreement does not cover any loss or liability accruing to the Company directly or indirectly, and whether as Insurer or Reinsurer, from any Pool of Insurers or Reinsurers formed for the purpose of covering Atomic or Nuclear Energy risks.
2. Without in any way restricting the operation of paragraph 1 of this clause, this Agreement does not cover any loss or liability accruing to the Company, directly or indirectly, and whether as Insurer or Reinsurer arising out of,
 - a. Liability imposed by or arising from any nuclear liability act, law or statute, or any law amendatory thereof;
 - b. Bodily injury, property damage or personal and advertising injury with respect to which an insured is also insured under a contract of nuclear energy liability insurance (whether the insured is unnamed in such contract and whether or not it is legally enforceable by the insured) issued by the Nuclear Insurance Association of Canada or any other insurer or group or pool of insurers or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability;
 - c. Bodily injury, property damage or personal and advertising injury resulting directly or indirectly from the “nuclear energy hazard” arising from:
 - 1) the ownership, maintenance, operation or use of a “nuclear facility” by or on behalf of an insured;
 - 2) the furnishing by an insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any “nuclear facility”;
 - 3) the possession, consumption, use, handling, disposal or transportation of “fissionable substances”, or of other “radioactive material” (except radioactive isotopes, away from a nuclear facility, which have reached the final stage of fabrication so as to be useable for any scientific, medical, agricultural, commercial or industrial purpose) used, distributed, handled or sold by an insured.

This exclusion applies regardless of any other contributing or aggravating cause or event that contribute concurrently or in any sequence to the bodily injury, property damage or personal and advertising injury.

3. As used in this clause,
- I “Fissionable substance” means any prescribed substance that is, or from which can be obtained, a substance capable of releasing atomic energy by nuclear fission;
 - II “Nuclear energy hazard” means the radioactive, toxic, explosive, or other hazardous properties of radioactive material;
 - III “Nuclear facility” means:
 - i. any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of plutonium, thorium and uranium or any one or more of them;
 - ii. any equipment or device designed or used for (i) separating the isotopes of plutonium, thorium and uranium or any one or more of them, (ii) processing or packaging waste;
 - iii. any equipment or device used for the processing, fabricating or alloying of plutonium, thorium or uranium enriched in the isotope uranium 233 or in the isotope uranium 235, or any one or more of them if at any time the total amount of such material in the custody of the insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;
 - iv. any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste radioactive material;and includes the site on which any of the foregoing is located, together with all operations conducted thereon and all premises used for such operations, and
 - IV “Radioactive material” means uranium, thorium, plutonium, neptunium, their respective derivatives and compounds, radioactive isotopes of other elements and any other substances which may be designated by any nuclear liability act, law or statute, or any law amendatory thereof, as being prescribed substances capable of releasing atomic energy, or as being requisite for the production, use or application of atomic energy.
4. With respect to property, loss of use of such property shall be deemed to be property damage.

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