



# Nuclear Installations Act 1965

## 1965 CHAPTER 57

### COVER FOR COMPENSATION

#### 18 General cover for compensation by virtue of ss. 7 to 10.

(1) In the case of any occurrence in respect of which one or more persons incur liability by virtue of section 7, 8, 9 or 10 of this Act or by virtue of any relevant foreign law made for purposes corresponding to those of any of those sections, but subject to subsections (2) [<sup>F1</sup>to (4B)] of this section and to sections 17(3)(b) and 21(1) of this Act, there shall be made available out of moneys provided by Parliament such sums as, when aggregated—

- (a) with any funds required by, or by any relevant foreign law made for purposes corresponding to those of, section 19(1) of this Act to be available for the purpose of satisfying claims in respect of that occurrence against any licensee or relevant foreign operator; and
- (b) in the case of a claim by virtue of any such foreign law, with any relevant foreign contributions towards the satisfaction of claims in respect of that occurrence,  
[<sup>F2</sup>; and
- (c) in the case of an occurrence in respect of which the Authority incurs liability, with any amounts payable under a contract of insurance or other arrangements for satisfying claims in respect of that occurrence against the Authority,]

may be necessary to ensure that all claims in respect of that occurrence made within the relevant period and duly established, excluding, but without prejudice to, any claim in respect of interest or costs, are satisfied up to [<sup>F3</sup>the aggregate amount specified in subsection (1A) of this section]

[<sup>F4</sup>(1A) The aggregate amount referred to in subsection (1) of this section is the equivalent in sterling of 300 million special drawing rights on—

- (a) the day (or first day) of the occurrence in question, or
- (b) if the Secretary of State certifies that another day has been fixed in relation to the occurrence in accordance with an international agreement, that other day.

*Status: Point in time view as at 01/04/2014.*

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- (1B) The Secretary of State may with the approval of the Treasury by order increase or further increase the sum expressed in special drawing rights in subsection (1A) of this section; but an order under this subsection shall not have effect in respect of an occurrence before (or beginning before) the order comes into force.]
- (2) Subsection (1) of this section shall not apply to any claim by virtue of such a relevant foreign law as is mentioned in that subsection in respect of injury or damage incurred within the territorial limits of a country which is not a relevant territory or to any claim such as is mentioned in section 15(2) of this Act which is not made within the period of twenty years so mentioned.
- (3) Where any claim such as is mentioned in subsection (1) of this section is satisfied wholly or partly out of moneys provided by Parliament under that subsection, there shall also be made available out of moneys so provided such sums as are necessary to ensure the satisfaction of any claim in respect of interest or costs in connection with the first-mentioned claim.
- [<sup>F5</sup>(4) In relation to liability by virtue of any relevant foreign law, there shall be left out of account for the purposes of subsection (1) of this section any claim which, though made within the relevant period, was made after the expiration of any period of limitation imposed by that law and permitted by a relevant international agreement.
- (4A) Where—
- (a) a relevant foreign law provides in pursuance of a relevant international agreement for sums additional to those referred to in subsection (1)(a) of this section to be made available out of public funds, but
  - (b) the maximum aggregate amount of compensation for which it provides in respect of an occurrence in pursuance of that agreement is less than that specified in subsection (1A) of this section,
- then, in relation to liability by virtue of that law in respect of the occurrence, subsection (1) of this section shall have effect as if for the reference to the amount so specified there were substituted a reference to the maximum aggregate amount so provided.
- (4B) Where a relevant foreign law does not make the provision mentioned in subsection (4A)(a) of this section, then in relation to liability by virtue of that law in respect of any occurrence—
- (a) subsection (1) of this section shall not have effect unless the person (or one of the persons) liable is a licensee, the Authority or the Crown; and
  - (b) if a licensee, the Authority or the Crown is liable, subsection (1) shall have effect as if for the reference to the amount specified in subsection (1A) there were substituted a reference to the amount which would be applicable to that person under section 16(1) of this Act in respect of the occurrence (or, if more than one such person is liable, to the aggregate of the amounts which would be so applicable) if it had constituted a breach of duty under section 7, 8 or 9 of this Act.]
- (5) Any sums received by the Minister by way of a relevant foreign contribution towards the satisfaction of any claim by virtue of section 7, 8, 9 or 10 of this Act shall be paid into the Exchequer.
- (6) In this section, the expression “the relevant period” has the same meaning as in section 16 of this Act.

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#### Textual Amendments

- F1 Words substituted by [Energy Act 1983 \(c. 25, SIF 44:1\)](#), [s. 28\(1\)\(a\)](#)
- F2 S. 18(1)(c) and preceding word inserted by [Atomic Energy Act 1989 \(c. 7, SIF 8\)](#), [s. 3](#)
- F3 Words substituted by [Energy Act 1983 \(c. 25, SIF 44:1\)](#), [s. 28\(1\)\(b\)](#)
- F4 S. 18(1A)(1B) inserted by [Energy Act 1983 \(c. 25, SIF 44:1\)](#), [s. 28\(2\)](#)
- F5 S. 18(4)(4A)(4B) substituted for s. 18(4) by [Energy Act 1983 \(c. 25, SIF 44:1\)](#), [s. 28\(3\)](#)

#### Modifications etc. (not altering text)

- C1 S. 18(1B): functions made exercisable only after consultation with the Scottish Ministers (S.) (1.7.1999) by [S.I. 1999/1750](#), [arts. 1\(1\), 4](#), [Sch. 3](#) (with [art. 7](#)); [S.I. 1998/3178](#), [art. 3](#)

## 19 Special cover for licensee's liability.

(1) Subject to <sup>F6</sup>section 3(11)] of this Act and to subsection (3) of this section, where a nuclear site licence has been granted in respect of any site, the licensee shall make such provision (either by insurance or by some other means) as the Minister may with the consent of the Treasury approve for sufficient funds to be available at all times to ensure that any claims which have been or may be duly established against the licensee as licensee of that site by virtue of section 7 of this Act or any relevant foreign law made for purposes corresponding to those of section 10 of this Act (excluding, but without prejudice to, any claim in respect of interest or costs) are satisfied up to <sup>F7</sup>the required amount]in respect of each severally of the following periods, that is to say—

- (a) the current cover period, if any;
- (b) any cover period which ended less than ten years before the time in question;
- (c) any earlier cover period in respect of which a claim remains to be disposed of, being a claim made—
  - (i) within the relevant period within the meaning of section 16 of this Act; and
  - (ii) in the case of a claim such as is mentioned in section 15(2) of this Act, also within the period of twenty years so mentioned;

and for the purposes of this section the cover period in respect of which any claim is to be treated as being made shall be that in which the beginning of the relevant period aforesaid fell.

<sup>F8</sup>(1A) In this section “ the required amount ”, in relation to the provision to be made by a licensee in respect of a cover period, means an aggregate amount equal to the amount applicable under section 16(1) of this Act to the licensee, as licensee of the site in question, in respect of an occurrence within that period. ]

(2) In this Act, the expression “cover period” means <sup>F9</sup>, subject to the following provisions of this section, the period of the licensee's responsibility,]and for the purposes of this definition the period of the licensee's responsibility shall be deemed to include any time after the expiration of that period during which it remains possible for the licensee to incur any liability by virtue of section 7(2)(b) or (c) of this Act, or by virtue of any relevant foreign law made for purposes corresponding to those of section 10 of this Act.

<sup>F10</sup>(2A) When the amount applicable under section 16(1) of this Act to a licensee of a site changes as a result of—

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- (a) the coming into force of an order under section 16(1A) or of regulations made for the purposes of section 16(1), or
- (b) an alteration relating to the site which brings it within, or takes it outside, the description prescribed by such regulations,

the current cover period relating to him as licensee of that site shall end and a new cover period shall begin.]

[<sup>F11</sup>(2B) The current cover period continues to run (and no new cover period begins) on the grant of a new nuclear site licence to the same licensee in respect of a site consisting of or including the site in respect of which his existing nuclear site licence is in force.]

- (3) Where in the case of any licensed site the provision required by subsection (1) of this section is to be made otherwise than by insurance and, apart from this subsection, provision would also fall to be so made by the same person in respect of two or more other sites, the requirements of that subsection shall be deemed to be satisfied in respect of each of those sites if funds are available to meet such claims as are mentioned in that subsection in respect of all the sites collectively, and those funds would for the time being be sufficient to satisfy the requirements of that subsection in respect of those two of the sites in respect of which those requirements are highest:

Provided that the Minister may in any particular case at any time direct either that this subsection shall not apply or that the funds available as aforesaid shall be of such amount higher than that provided for by the foregoing provisions of this subsection, but lower than that necessary to satisfy the requirements of the said subsection (1) in respect of all the sites severally, as may be required by the direction.

- (4) Where, by reason of the gravity of any occurrence which has resulted or may result in claims such as are mentioned in subsection (1) of this section against a licensee as licensee of a particular licensed site, or having regard to any previous occurrences which have resulted or may result in such claims against the licensee, the Minister thinks it proper so to do, he shall by notice in writing to the licensee direct that a new cover period for the purposes of the said subsection (1) shall begin in respect of that site on such date not earlier than two months after the date of the service of the notice as may be specified therein.
- (5) If at any time while subsection (1) of this section applies in relation to any licensed site the provisions of that subsection are not complied with in respect of that site, the licensee shall be guilty of an offence and be liable—
- (a) on summary conviction to a fine not exceeding one hundred pounds, or to imprisonment for a term not exceeding three months, or to both;
  - (b) on conviction on indictment, to a fine not exceeding five hundred pounds, or to imprisonment for a term not exceeding two years, or to both.

#### Textual Amendments

- F6** Words in s. 19(1) substituted (1.4.2014) by [Energy Act 2013 \(c. 32\), s. 156\(1\), Sch. 12 para. 22](#); S.I. 2014/251, art. 4
- F7** Words substituted by [Energy Act 1983 \(c. 25, SIF 44:1\), s. 27\(4\)](#)
- F8** S. 19(1A) inserted by [Energy Act 1983 \(c. 25, SIF 44:1\), s. 27\(4\)](#)
- F9** Words substituted (*retrospectively*) by virtue of [Atomic Energy Act 1989 \(c. 7, SIF 8\), s. 4\(1\)\(a\)](#), (2)
- F10** S. 19(2A) inserted by [Energy Act 1983 \(c. 25, SIF 44:1\), s. 27\(5\)](#)
- F11** S. 19(2B) inserted (*retrospectively*) by [Atomic Energy Act 1989 \(c. 7, SIF 8\), s. 4\(1\)\(b\)](#), (2)

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**Modifications etc. (not altering text)**

- C2** S. 19 modified by [Energy Act 1983 \(c. 25, SIF 44:1\)](#), **s. 27(8)**
- C3** S. 19(1)(3)(4): transfer of certain functions (S.) (1.7.1999) by [S.I. 1999/1750](#), arts. 1(1), 2, **Sch 1** (with art. 7); [S.I. 1998/3178](#), **art. 7**

**20 Furnishing of information relating to licensee's cover.**

- (1) In the case of each licensed site, the licensee shall give notice in writing to the Minister forthwith upon its appearing to the licensee that the aggregate amount of any claims such as are mentioned in section 19(1) of this Act made in respect of any cover period falling within the period of the licensee's responsibility has reached [<sup>F12</sup>three-fifths of the required amount within the meaning of section 19]; and where the licensee has given such a notice, no payment by way of settlement of any claim in respect of the cover period in question by agreement between the licensee and the claimant shall be made except after consultation with the Minister and in accordance with the terms of any direction which the Minister may give to the licensee in writing with respect to any particular claim.
- (2) If in the case of any licensed site any cover period falling within the period of the licensee's responsibility has ended, the licensee shall not later than 31st January in each year send to the Minister in writing a statement showing the date when that cover period ended and the following particulars of any claims in respect of that cover period as at the beginning and end respectively of the last preceding calendar year, that is to say—
- the aggregate number of claims received;
  - the aggregate number of claims established; and
  - the aggregate number and aggregate amount of claims satisfied.
- (3) The Minister shall as soon as may be lay before each House of Parliament a copy of any notice received by him under subsection (1) of this section and a report (in such form as, having regard to section 16 of this Act, he may consider appropriate) with respect to any statements received by him under subsection (2) of this section.
- (4) Any person by whom any funds such as are mentioned in section 19(1) of this Act for the time being fall to be provided shall give to the Minister not less than two months notice in writing before ceasing to keep those funds available and, notwithstanding any such notice, so far as those funds relate to nuclear matter for the time being in the course of carriage, shall not so cease while that carriage continues.

**Textual Amendments**

- F12** Words substituted by [Energy Act 1983 \(c. 25, SIF 44:1\)](#), **s. 27(6)**

**Modifications etc. (not altering text)**

- C4** S. 20: transfer of certain functions (S.) (1.7.1999) by [S.I. 1999/1750](#), arts. 1(1), 2, **Sch. 1** (with art. 7); [S.I. 1998/3178](#), **art. 3**

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## **21 Supplementary provisions with respect to cover for compensation in respect of carriage.**

(1) Where, in the case of an occurrence involving nuclear matter in the course of carriage, a claim in respect of damage to the means of transport being used for that carriage is duly established—

- (a) against any person by virtue of section 7, 8, 9 or 10 of this Act; or
- (b) against a licensee, the Authority or the Crown by virtue of any relevant foreign law made for purposes corresponding to those of the said section 10,

then, without prejudice to any right of the claimant to the satisfaction of that claim, no payment towards its satisfaction shall be made out of funds which are required to be available for the purpose by, or by any relevant foreign law made for purposes corresponding to those of, section 19(1) of this Act, or which have been made available for the purpose under section 18 of this Act or by means of a relevant foreign contribution, such as to prevent the satisfaction out of those funds up to an aggregate amount [<sup>F13</sup>which is the equivalent in sterling (on the day, or first day, of that occurrence) of 5 million special drawing rights] of all claims which have been or may be duly established against the same person in respect of injury or damage caused by that occurrence other than damage to the said means of transport.

[<sup>F14</sup>(1A) The Secretary of State may with the approval of the Treasury by order increase or further increase the sum expressed in special drawing rights in subsection (1) of this section; but an order under this subsection shall not have effect in respect of any occurrence before (or beginning before) the order comes into force.]

(2) Where, in the case of an occurrence involving nuclear matter in the course of carriage, a claim in respect of damage to the means of transport being used for that carriage is duly established against a relevant foreign operator by virtue of section 10 of this Act, but by virtue of section 16(2)(a) thereof that operator is not required to make a payment in satisfaction of the claim, section 12(1)(b) of this Act shall not apply to any liability of that operator with respect to the damage in question apart from this Act.

(3) Where any nuclear matter is to be carried by, or on behalf or with the agreement of, a licensee, the Authority, a government department or a relevant foreign operator in such circumstances that, while the matter is in the course of that carriage, the licensee, the Authority, the Crown or the operator, as the case may be (in this and the next following subsection referred to as “the responsible party”) may incur liability by virtue of section 7, 8, 9 or 10 of this Act or by virtue of any relevant foreign law made for purposes corresponding to those of the said section 10, the responsible party shall, before the carriage is begun, cause to be delivered to the person who is to carry that matter a document issued by or on behalf of the appropriate person mentioned in the next following subsection (in this subsection referred to as “the guarantor”) which shall contain such particulars as may be prescribed of the responsible party, of that nuclear matter and carriage, and of the funds available in pursuance of, or of the relevant foreign law made for purposes corresponding to those of, section 18 or 19(1) of this Act to satisfy any claim by virtue of that liability, and the guarantor shall be debarred from disputing in any court any of the particulars stated in that document; and if in any case there is a wilful failure to comply with this subsection, the responsible party (except where that party is the Crown), and also, if the carrier knew or ought to have known the matter carried to be such matter for carriage in such circumstances as aforesaid, the carrier, shall be guilty of an offence and liable on summary conviction to a fine not exceeding [<sup>F15</sup>level 3 on the standard scale].

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- (4) The person by whom or on whose behalf the document referred to in the last foregoing subsection is to be issued shall be—
- (a) where the responsible party is a licensee, the person by whom there fall to be provided the funds required by section 19(1) of this Act to be available to satisfy any claim in respect of the carriage in question;
  - (b) where the responsible party is the Authority, the Minister of Technology;
  - (c) where the responsible party is the Crown, the Minister in charge of the government department concerned [<sup>F16</sup>or in relation to any part of the Scottish Administration the Scottish Ministers];
  - (d) where the responsible party is a relevant foreign operator, the person by whom there fall to be provided the funds required by the relevant foreign law made for purposes corresponding to those of section 18 or 19(1) of this Act to be made available to satisfy any claim in respect of the carriage in question.

[<sup>F17</sup>(4A) Subsection (3) of this section shall not apply where the carriage in question is wholly within the territorial limits of the United Kingdom.]

- (5) The requirements of Part VI of the <sup>M1</sup>Road Traffic Act 1960 (which relates to compulsory insurance or security against third-party risks of users of motor vehicles) shall not apply in relation to any injury to any person [<sup>F18</sup>, or damage to the property of any person,] for which any person is liable by virtue of section 7, 8, 9 or 10 of this Act.

#### Textual Amendments

- F13** Words substituted by [Energy Act 1983 \(c. 25, SIF 44:1\)](#), **s. 29(1)(4)**
- F14** S. 21(1A) inserted by [Energy Act 1983 \(c. 25, SIF 44:1\)](#), **s. 29(2)(4)**
- F15** Words substituted by virtue of (E. W.) [Criminal Justice Act 1982 \(c. 48, SIF 39:1\)](#), **ss. 38, 46** and (S.) [Criminal Procedure \(Scotland\) Act 1975 \(c. 21, SIF 39:1\)](#), **ss. 289F, 289G** and (N.I.) by [S.I. 1984/703 \(N.I. 3\)](#), **arts. 5(2), 9**
- F16** Words in s. 21(4)(c) inserted (1.7.1999) by [S.I. 1999/1820](#), **arts. 1(2), 4, Sch. 2 Pt I para. 38(3)** (with [art. 5](#)); [S.I. 1998/3178](#), **art. 3**
- F17** S. 21(4A) inserted by [Energy Act 1983 \(c. 25, SIF 44:1\)](#), **s. 29(3)(4)**
- F18** Words inserted by [S.I. 1987/2171](#), **reg. 5** and by [S.R. \(N.I.\) 1989/84](#), **reg. 5**

#### Modifications etc. (not altering text)

- C5** S. 21(1A)(3): functions made exercisable only after consultation with the Scottish Ministers (S.) (1.7.1999) by [S.I. 1999/1750](#), **arts. 1(1), 4, Sch. 3** (with [art. 7](#)); [S.I. 1998/3178](#), **art. 3**

#### Marginal Citations

- M1** 1960 c. 16.

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