



# FACT SHEET

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## Nuclear Insurance and Disaster Relief Funds

### Nuclear Insurance: Price-Anderson Act

The Price-Anderson Act, which became law on September 2, 1957, was designed to ensure that adequate funds would be available to satisfy liability claims of members of the public for personal injury and property damage in the event of a catastrophic nuclear accident. The legislation helped encourage private investment in commercial nuclear power by placing a cap, or ceiling on the total amount of liability each holder of a nuclear power plant license faced in the event of a catastrophic accident. Over the years, the "limit of liability" for a catastrophic nuclear accident has increased the insurance pool to over \$10 billion.

Under existing policy, utilities that operate nuclear power plants pay a premium each year for \$300 million in private insurance for offsite liability coverage for each reactor unit. This primary insurance is supplemented by a second policy. In the event a nuclear accident causes damages in excess of \$300 million, each licensed nuclear reactor would be assessed a prorated share of the excess up to \$95.8 million. With 104 plants licensed to operate, this secondary pool contains about \$8.6 billion. After 15 percent of this pool is expended, prioritization of the remaining funds is left to the discretion of local jurisdictions. After the insurance pool is used, responding organizations like State and local governments can petition Congress for additional disaster relief under the provisions of Price-Anderson.

One insurance pool, American Nuclear Insurers, is comprised of investor-owned stock insurance companies. About half the pool's total liability capacity comes from foreign sources like Lloyd's of London. The average annual premium for a single-unit reactor site is \$400,000. The premium for a second or third reactor at the same site is discounted to reflect a sharing of limits.

Because virtually all property and liability insurance policies issued in the U.S. exclude nuclear accidents, claims resulting from nuclear accidents are covered under Price-Anderson. It includes any accident (including those that come about because of theft or sabotage) in the course of transporting nuclear fuel to a reactor site; in the storage of nuclear fuel or waste at a site; in the operation of a reactor, including the discharge of radioactive effluent; and in the transportation of irradiated nuclear fuel and nuclear waste from the reactor. Price-Anderson does not require coverage for spent fuel or nuclear waste stored at interim storage facilities, transportation of nuclear fuel or waste that is not either to or from a nuclear reactor, or acts of theft or sabotage occurring after planned transportation has ended.

Insurance under Price-Anderson provides financial assistance for bodily injury, sickness, disease or resulting death, property damage and loss as well as reasonable living expenses for individuals evacuated.

The Energy Policy Act of 2005 extended the Price-Anderson Act to December 31, 2025.

## **Disaster Relief Funds- Stafford Act**

Disaster relief is also available to State and local governments under the Robert T. Stafford Disaster Relief and Emergency Assistance Act if a nuclear accident is declared an emergency or major disaster by the President. The Act is designed to provide early assistance to accident victims. Under a cost-sharing provision, State governments pay 25 percent of the cost of temporary housing for up to 18 months, home repair, temporary mortgage or rental payments and other "unmet needs" of disaster victims; the federal government pays the balance.

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