

THE NUCLEAR RENAISSANCE

Marsh's Construction and Real Estate Practice has been involved in servicing all sectors of the nuclear cycle since the early days of commercial civil nuclear power. Our experience dates back to the UK advanced gas-cooled reactor (AGR) construction programme and the Sizewell B pressurised water reactor (PWR), the last nuclear power station to be built in the UK.

Marsh has extensive recent experience globally in the area of nuclear new build and refurbishment, including:

- **Cernavoda Unit 2, Romania:** Broker for the de-preservation and completion of Unit 2.
- **TVO Finland Olkiluoto 3:** Broker for green field, 1600MW new build project.
- **Point Lepreau Refurbishment, New Brunswick Power Corporation Canada:** Broker for its major life extension project.
- **Bruce Power Refurbishment, Atomic Energy of Canada Limited:** Broker to the main contractor, Atomic Energy of Canada Ltd (AECL).
- **Mochovce Project, Slovakia:** Broker for the project to complete Units 3 and 4.
- **Southern Company – Vogtle project, USA:** Marsh was engaged by Southern Company to develop a commercial market construction insurance option in respect of its Vogtle Units 3 and 4 new build programme.
- **SCE&G – Summer project, USA:** Marsh was engaged as insurance adviser by SCE&G and to develop a commercial market construction insurance option in respect of its Summer Units 2 and 3 new build programme.
- **NNB Generation Co Ltd, UK:** Marsh was appointed as the construction phase adviser and broker in respect of the Hinkley Point C development and assisted with an insurance risk allocation framework document.
- **Wolsong project, South Korea:** Marsh was appointed by the main contractor AECL to provide coverage in respect of its activities connected with the life extension work on Wolsong Unit 1.
- **Ontario Power Generation – Darlington, Canada:** Marsh is the appointed broker and risk adviser to the Darlington refurbishment.
- **Confidential deal, Middle East:** Marsh has been engaged to provide construction and operational insurance advice and placement activity in connection with a major Middle East new build project.



WHY MARSH?

The appointment of a broker and risk management adviser experienced in the nuclear arena is essential because the issues involved in nuclear new builds are different and more complex than those involved in the construction of conventional power stations. These include:

- Risk allocation – the indemnities in respect of nuclear risks in the engineering, procurement, and construction contract need to be appropriately dovetailed and assigned in accordance with the local legal, regulatory framework, and insurance practices. This in turn will enable the owner and contractor insurances to be arranged accordingly.
- There is a requirement for a phased transition from construction to operational insurance during the testing and commissioning phase once nuclear fuel arrives on site or is loaded into the first reactor. This requires a clear understanding of the cover which operational insurers, such as the nuclear insurance pools/mutuals, are prepared to provide in the various zones and a need to ensure that no gaps in cover arise between the conventional and nuclear insurances during this crucial phase.
- If project finance is involved, there is a need to access the limited capacity which is typically available for delay in start up (DSU) insurance and to understand those aspects which are insurable and uninsurable. This requires a detailed knowledge and understanding of those markets able to write nuclear DSU risks, as well as strong relationships with those markets.

Marsh is the leading risk management adviser and insurance broker for sponsors and suppliers for new build nuclear power stations, life extensions, and refurbishments. This is due to our long-standing experience of the nuclear industry, detailed knowledge of the international legal and regulatory frameworks underpinning nuclear liability risk, and our strong relationships with specialist insurance markets, for both construction and operational risks.

We would welcome the opportunity to talk to you about the risk management and insurance issues relating to nuclear construction and hope we can include you in the industry-focused activity we will be undertaking over the coming months.

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