



Nuclear Installations Act 1965

1965 CHAPTER 57

COVER FOR COMPENSATION

19 [F¹Cover] for licensee's [F²or operator's] liability.

(1) Subject to [F³section 3(11)] of this Act and to [F⁴subsections (2E) and] (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 [F⁵the appropriate authority] 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 [F⁶the required amount][F⁷appropriate to the category or categories into which any such claims would fall] 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 [F⁸30 years] before the time in question;
- (c) any earlier cover period in respect of which a claim remains to be disposed of, being [F⁹a claim made within the limitation period applicable to the claim (as defined for the purposes of section 18(1));]

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 [F¹⁰that limitation period] fell.

[F¹¹(1A) In this section—

- (a) “the required amount”, in relation to the provision to be made by a licensee in respect of a cover period for claims of a particular category, means an aggregate amount equal to the amount applying under paragraph (a), (c), (d) or (as the case may be) (f) of section 16(1) to the licensee, as licensee of the licensed site in question, in respect of an occurrence or event within that cover period;

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- (b) the category of a claim depends on which of paragraphs (a), (c), (d) and (f) of section 16(1) applies to the occurrence or event in respect of which the claim is made.
- (1B) Where the amount applying under section 16(1)(f) increases because one of the periods in section 16B comes to an end during a cover period, the aggregate amount that is the required amount as regards that cover period and claims in respect of such occurrences or events as fall within section 16(1)(f) increases accordingly.]
- (2) In this Act, the expression “cover period” means [^{F12}, 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 [^{F13}section 7(1B)(b)], or by virtue of any relevant foreign law made for purposes corresponding to those of section 10 of this Act.
- [^{F14}(2A) When the amount applicable to a licensee, as licensee of a licensed site, under paragraph (a), (c), (d) or (f) of section 16(1) changes as a result of—
- (a) the coming into force of regulations made under section 16(1)(a), (c) or (d),
 - (b) an alteration relating to the site which brings it within, or takes it outside, the description prescribed by regulations made under section 16(1)(a) or (c), or
 - (c) the coming into force of an order made under section 16(1A),
- the current cover period relating to that person as licensee of that site is to end and a new cover period is to begin.]
- [^{F15}(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.]
- [^{F16}(2C) The current cover period continues to run (and no new cover period begins) in a case where—
- (a) the licensee of a licensed site, not having been involved earlier in that cover period in such carriage of nuclear matter as would make the amount referred to in section 16(1)(d) applicable to the licensee, becomes involved in such carriage of nuclear matter as makes the amount referred to in section 16(1)(d) applicable to the licensee, or
 - (b) the licensee of a licensed site, not having been involved earlier in that cover period in such carriage of nuclear matter as would make the amount referred to in section 16(1)(f) applicable to the licensee, becomes involved in such carriage of nuclear matter as makes the amount referred to in section 16(1)(f) applicable to the licensee.
- (2D) The current cover period continues to run (and no new cover period begins) if the amount applicable under section 16(1)(f) to the licensee of a licensed site is increased because one of the periods in section 16B comes to an end.]
- [^{F17}(2E) If—
- (a) two or more amounts referred to in section 16(1) are applicable to a licensee, as licensee of a licensed site, in any cover period, and
 - (b) the licensee, as licensee of that site, has made such provision as subsection (1) requires with respect to the greater or greatest of the corresponding required amounts,

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the licensee is to be treated as having made such provision as subsection (1) requires with respect to the other, or each of the other, required amounts.]

- (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 [^{F18}the appropriate authority] 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 [^{F19}or event] 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 [^{F20}or events] which have resulted or may result in such claims against the licensee, [^{F21}the appropriate authority] thinks it proper so to do, [^{F22}the appropriate authority] 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.

[^{F23}(6) Subsections (1) to (5) apply to operators of relevant disposal sites as they apply to licensees of licensed sites, but with the following modifications—

- (a) a reference to a licensed site is to be read as a reference to a relevant disposal site, except in subsection (3);
- (b) the reference in subsection (1) to claims established against a licensee as licensee of that site by virtue of section 7 is to be read as a reference to claims established against an operator of a relevant disposal site as operator of that site by virtue of section 7B;
- (c) a reference to the period of a licensee's responsibility is to be read as a reference to the period indicated by section 7B(1)(f);
- (d) the time deemed by virtue of subsection (2) to be included in the period of a licensee's responsibility is to be read as the time, after the expiration of the period indicated by section 7B(1)(f), during which the operator might incur liability—
 - (i) by virtue of section 7B, so far as relating to section 7(1B)(b), or
 - (ii) by virtue of any relevant foreign law made for purposes corresponding to those of section 10;

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- (e) a reference to section 16(1)(a) is to be read as a reference to section 16(1)(b);
- (f) a reference to section 16(1)(c) is to be disregarded;
- (g) a reference to section 16(1)(d) is to be read as a reference to section 16(1)(e);
- (h) subsection (2B) is to be read as if for the words from “on the grant” to the end there were substituted “if an appropriate permit relating to a relevant disposal site is replaced by another appropriate permit relating to the same site (or that site and a further area), and the permit is given to the same person”;
- (i) a reference in subsection (3) to a licensed site is to be read as including a reference to a relevant disposal site.]

[^{F24}(7) In this section “appropriate authority” means—

- (a) in relation to England and Wales and Northern Ireland, the Secretary of State;
- (b) in relation to Scotland, the Scottish Ministers.]

Textual Amendments

- F1** Word in s. 19 heading substituted (coming into force in accordance with art. 1(2)-(5) of the amending S.I.) by [The Nuclear Installations \(Liability for Damage\) Order 2016 \(S.I. 2016/562\)](#), arts. 1(2), **32(12)(a)** (with art. 40)
- F2** Words in s. 19 heading inserted (coming into force in accordance with art. 1(2)-(5) of the amending S.I.) by [The Nuclear Installations \(Liability for Damage\) Order 2016 \(S.I. 2016/562\)](#), arts. 1(2), **32(12)(b)** (with art. 40)
- F3** 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
- F4** Words in s. 19(1) substituted (coming into force in accordance with art. 1(2)-(5) of the amending S.I.) by [The Nuclear Installations \(Liability for Damage\) Order 2016 \(S.I. 2016/562\)](#), arts. 1(2), **32(2)(a)** (with art. 40)
- F5** Words in s. 19(1) substituted (coming into force in accordance with art. 1(2)-(5) of the amending S.I.) by [The Nuclear Installations \(Liability for Damage\) Order 2016 \(S.I. 2016/562\)](#), arts. 1(2), **32(2)(b)** (with art. 40)
- F6** Words substituted by [Energy Act 1983 \(c. 25, SIF 44:1\)](#), s. 27(4)
- F7** Words in s. 19(1) inserted (coming into force in accordance with art. 1(2)-(5) of the amending S.I.) by [The Nuclear Installations \(Liability for Damage\) Order 2016 \(S.I. 2016/562\)](#), arts. 1(2), **32(2)(c)** (with art. 40)
- F8** Words in s. 19(1)(b) substituted (coming into force in accordance with art. 1(2)-(5) of the amending S.I.) by [The Nuclear Installations \(Liability for Damage\) Order 2016 \(S.I. 2016/562\)](#), arts. 1(2), **32(2)(d)** (with art. 40)
- F9** Words in s. 19(1)(c) substituted (coming into force in accordance with art. 1(2)-(5) of the amending S.I.) by [The Nuclear Installations \(Liability for Damage\) Order 2016 \(S.I. 2016/562\)](#), arts. 1(2), **32(2)(e)** (with art. 40)
- F10** Words in s. 19(1) substituted (coming into force in accordance with art. 1(2)-(5) of the amending S.I.) by [The Nuclear Installations \(Liability for Damage\) Order 2016 \(S.I. 2016/562\)](#), arts. 1(2), **32(2)(f)** (with art. 40)
- F11** S. 19(1A)(1B) substituted for s. 19(1A) (coming into force in accordance with art. 1(2)-(5) of the amending S.I.) by [The Nuclear Installations \(Liability for Damage\) Order 2016 \(S.I. 2016/562\)](#), arts. 1(2), **32(3)** (with art. 40)
- F12** Words substituted (*retrospectively*) by virtue of [Atomic Energy Act 1989 \(c. 7, SIF 8\)](#), s. 4(1)(a), (2)
- F13** Words in s. 19(2) substituted (coming into force in accordance with art. 1(2)-(5) of the amending S.I.) by [The Nuclear Installations \(Liability for Damage\) Order 2016 \(S.I. 2016/562\)](#), arts. 1(2), **32(4)** (with art. 40)
- F14** S. 19(2A) substituted (coming into force in accordance with art. 1(2)-(5) of the amending S.I.) by [The Nuclear Installations \(Liability for Damage\) Order 2016 \(S.I. 2016/562\)](#), arts. 1(2), **32(5)** (with art. 40)

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- F15** S. 19(2B) inserted (*retrospectively*) by Atomic Energy Act 1989 (c. 7, SIF 8), s. 4(1)(b), (2)
- F16** S. 19(2C)(2D) inserted (coming into force in accordance with art. 1(2)-(5) of the amending S.I.) by The Nuclear Installations (Liability for Damage) Order 2016 (S.I. 2016/562), arts. 1(2), 32(6) (with art. 40)
- F17** S. 19(2E) inserted (coming into force in accordance with art. 1(2)-(5) of the amending S.I.) by The Nuclear Installations (Liability for Damage) Order 2016 (S.I. 2016/562), arts. 1(2), 32(7) (with art. 40)
- F18** Words in s. 19(3) substituted (coming into force in accordance with art. 1(2)-(5) of the amending S.I.) by The Nuclear Installations (Liability for Damage) Order 2016 (S.I. 2016/562), arts. 1(2), 32(8) (with art. 40)
- F19** Words in s. 19(4) inserted (coming into force in accordance with art. 1(2)-(5) of the amending S.I.) by The Nuclear Installations (Liability for Damage) Order 2016 (S.I. 2016/562), arts. 1(2), 32(9)(a) (with art. 40)
- F20** Words in s. 19(4) inserted (coming into force in accordance with art. 1(2)-(5) of the amending S.I.) by The Nuclear Installations (Liability for Damage) Order 2016 (S.I. 2016/562), arts. 1(2), 32(9)(b) (with art. 40)
- F21** Words in s. 19(4) substituted (coming into force in accordance with art. 1(2)-(5) of the amending S.I.) by The Nuclear Installations (Liability for Damage) Order 2016 (S.I. 2016/562), arts. 1(2), 32(9)(c) (with art. 40)
- F22** Words in s. 19(4) substituted (coming into force in accordance with art. 1(2)-(5) of the amending S.I.) by The Nuclear Installations (Liability for Damage) Order 2016 (S.I. 2016/562), arts. 1(2), 32(9)(d) (with art. 40)
- F23** S. 19(6) inserted (coming into force in accordance with art. 1(2)-(5) of the amending S.I.) by The Nuclear Installations (Liability for Damage) Order 2016 (S.I. 2016/562), arts. 1(2), 32(10) (with art. 40)
- F24** S. 19(7) inserted (coming into force in accordance with art. 1(2)-(5) of the amending S.I.) by The Nuclear Installations (Liability for Damage) Order 2016 (S.I. 2016/562), arts. 1(2), 32(11) (with art. 40)

Modifications etc. (not altering text)

- C1** S. 19 modified by Energy Act 1983 (c. 25, SIF 44:1), s. 27(8)
- C2** 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

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

- Act modified by [2014 c. 20 Sch. 1 para. 3\(2\)\(3\)](#)

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 1(2A)(2B) inserted by [2023 c. 52 s. 156\(2\)](#)
- s. 1(12) inserted by [2023 c. 52 s. 302\(2\)](#)
- s. 1(13) inserted by [2023 c. 52 s. 303\(2\)](#)
- s. 3(12A) inserted by [2023 c. 52 s. 303\(3\)\(b\)](#)
- s. 3A inserted by [2023 c. 52 s. 303\(4\)](#)
- s. 5(15)(ba)(bb) inserted by [2023 c. 52 s. 303\(5\)\(f\)](#)
- s. 5A inserted by [2023 c. 52 s. 303\(6\)](#)
- s. 7B(2A) inserted by [2023 c. 52 s. 303\(7\)\(a\)](#)
- s. 7B(2B) inserted by [2023 c. 52 s. 304\(2\)\(a\)](#)
- s. 7B(3)(e) inserted by [2023 c. 52 s. 304\(2\)\(b\)](#)
- s. 7B(3A) inserted by [2023 c. 52 s. 304\(2\)\(c\)](#)
- s. 7B(5A) inserted by [2023 c. 52 s. 303\(7\)\(c\)](#)
- s. 7B(7A) inserted by [2023 c. 52 s. 304\(2\)\(e\)](#)
- s. 20(5A) inserted by [2023 c. 52 s. 304\(4\)](#)
- s. 27(1)(aa) inserted by [2023 c. 52 s. 303\(8\)](#)