

Sweden's joint liability insurance scheme

Background

In Sweden an insurance scheme has been established in the last three years that provides for joint liability among metal scrap and steel producers.

The cooperation is founded on all participants' common objective to avoid uncontrolled radioactive substance contamination of scrap or steel products. In case a company fails to detect these substances they all jointly take the responsibility for the consequences which are partly covered by an insurance policy.

The insurance policy covers direct clean up costs, loss of production, indirect clean up and damage costs claimed by third party, personal injury for own employees and claims from third party. There is also a self insured retention amount involved. The cost for the insurance is relatively small in view of the potential consequences and is achieved by close cooperation to detect the radioactive sources.

The cooperation is administrated by JBFAB (www.JBFAB.com), a company owned by the major steel companies in Sweden and which acts as their purchasing agent for scrap. The daily work is controlled by a steering committee with representatives from JBF, steel- and recycling company.

The industry also keeps close contact with the federal- and environmental authorities as well as the final destruction companies on the market.

Co-operation in practice

The steel mills have a zero tolerance of radioactive substances in their final products, steel product as well as by-products like slag and mill scales. There is also a zero tolerance of substances in all waste products like dust, sludge and other materials. Therefore it is very clearly stated in the scrap specifications for deliveries to the steel industry that the material must be free from radioactive substances.

To achieve this all scrap dealers who are contracted by JBFAB have agreed to jointly work to secure that all radioactive substance will be detected before entering any processing equipment in the material flow such as shearers, shredders or finally the melting furnaces.

Different equipments have been installed in the process cycle such as portals for trains and trucks before entering the scrap yards, grapple monitors as well as transportation units in the yards. Manually-operated detectors are also used.

Employees are regularly trained to visually detect different kinds of sources.

Finally all steel heats produced as well as slag and dust from the furnace are also analyzed for radioactive substances.

Each radioactive source found in the detection is separated from the flow and taken care of according to written regulations.

Radioactive sources are occasionally found in Sweden's yards and it is nearly impossible to find out who is responsible and therefore who can pay. Instead of spending time and money on investigating who might be held responsible, this scheme ensures that destruction costs are taken care of by the unit which detects the source but if there is serious damage/accident then the insurance can be used to cover costs minus the self insured retention.