



NRC NEWS

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NRC INCREASES SECONDARY PREMIUM FOR NUCLEAR POWER PLANT INSURANCE

The Nuclear Regulatory Commission is amending its regulations to increase the secondary premium for liability insurance in case of a nuclear accident at a commercial nuclear power plant from \$83.9 million to \$95.8 million per reactor.

Under the Price Anderson Act, utilities that operate nuclear power plants pay a premium each year to private insurers for public liability coverage for each reactor unit to ensure that adequate funds would be available to satisfy liability claims of members of the public for personal injury and offsite property damage in the event of a catastrophic nuclear accident.

This primary insurance is supplemented by a second policy. In the event a nuclear accident causes damages in excess of the primary insurance, each licensed nuclear reactor would be assessed a prorated share of the excess as needed. The amended NRC regulation would increase the maximum for that prorated, deferred amount to \$95.8 million.

The Act requires the NRC to adjust this maximum deferred premium amount at least once every five years to reflect the aggregate percentage change in the nation's Consumer Price Index. The last change was effective August 20, 1998.

The new retrospective premium of \$95.8 million will be effective August 20 for operating nuclear power reactors with a capacity of 100,000 electrical kilowatts or more. The amended regulations also reflect a recent increase in primary nuclear liability insurance to \$300 million.

Because this action is essentially ministerial in nature, the Commission has determined that it is not necessary to issue a proposed rule to seek public comments on the changes.

For more information on the regulation, contact Ira Dinitz at 301-415-1289.

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