

70-1296  
50-269  
50-270  
50-287  
DOCKET NO.

# DUKE POWER COMPANY

P. O. BOX 2178

GENERAL OFFICES

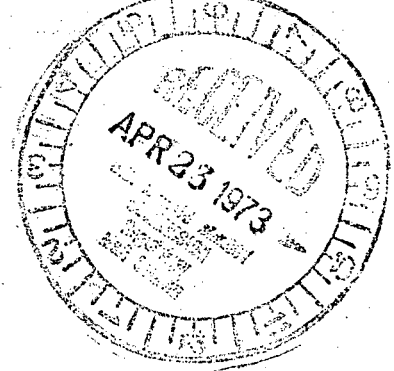
422 SOUTH CHURCH STREET

CHARLOTTE, N. C. 28201

TELEPHONE: AREA 704  
374-4011

Regulatory Docket File

April 20, 1973



Mr. James Saltzman  
Division of Reactor Licensing  
Atomic Energy Commission  
Washington, D. C. 20545

Subject: Oconee Units 1, 2 and 3 -  
NELIA - Pol. #NF-182  
MAELU - Pol. #MF-61

Dear Mr. Saltzman:

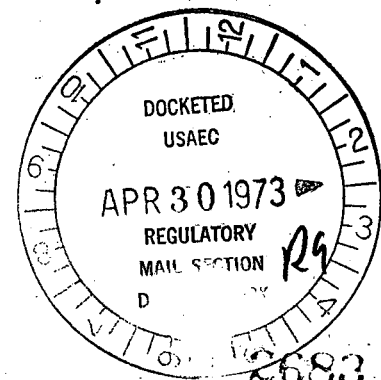
Attached you will find six (6) copies of Endorsement No. 24 to NELIA  
Pol. #NF-182 and MAELU Pol. #MF-61 with Endorsements 1 through 11.

Yours very truly,

John W. Fox, Manager  
Insurance

JWF:mb

Enclosures



FROM: Duke Power Company Charlotte, N. C. 28201		DATE OF DOCUMENT: April 20, 1973		DATE RECEIVED April 23, 1973		NO.: 2683	
		LTR. <input checked="" type="checkbox"/>		MEMO: <input type="checkbox"/>		REPORT: <input type="checkbox"/>	
		X				OTHER: <input type="checkbox"/>	
TO: Saltzman		ORIG.: 1		CC: <input type="checkbox"/>		OTHER: <input type="checkbox"/>	
		ACTION NECESSARY <input type="checkbox"/>		CONCURRENCE <input type="checkbox"/>		DATE ANSWERED: <input type="checkbox"/>	
		NO ACTION NECESSARY <input type="checkbox"/>		COMMENT <input type="checkbox"/>		BY: <input type="checkbox"/>	
CLASSIF: U		POST OFFICE		FILE CODE:			
REG. NO:		Dockets: 70-1296, 50-269, 50-270 & 50-287					
DESCRIPTION: (Must Be Unclassified)		REFERRED TO		DATE		RECEIVED BY	
Ltr trans:		Saltzman:					
		1 Extra					
		Distribution:					
ENCLOSURES:		4 Reg file					
Endorsement No. 24 to NELIA Policy		1 PDR					
No. NF-182 and MAELU Policy No.		1 LDPR					
MF-61 with Endorsements 1 thru 11.		1 Clark					
		1 NSIC					
		X BXX					
		1 DTIE					
REMARKS:							

U.S. ATOMIC ENERGY COMMISSION

☆ U.S. GOVERNMENT PRINTING OFFICE: 1971-446-158

MAIL CONTROL FORM 2683 RG  
FORM AEC-326S (8-60)

Nuclear Energy Liability Insurance  
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

ADVANCE PREMIUM AND STANDARD PREMIUM ENDORSEMENT

Calendar Year 1973

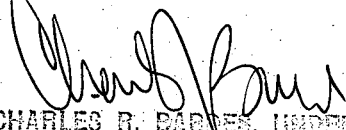
It is agreed that Items 1a. and 1b. of Endorsement No. 23 are amended to read:

- 1a. ADVANCE PREMIUM: It is agreed that the Advance Premium due the companies for the period designated above is: \$ 150,061.29
- 1b. STANDARD PREMIUM AND RESERVE PREMIUM: In the absence of a change in the Advance Premium indicated above, it is agreed that, subject to the provisions of the Industry Credit Rating Plan, the Standard Premium is said Advance Premium and the Reserve Premium is: \$ 111,715.52

Additional Premium: \$140,920.48

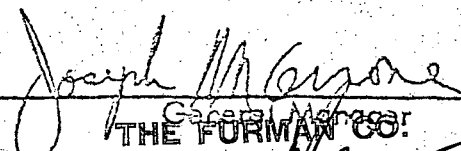
This is to certify that this Endorsement No. 24 is a true copy of the original Endorsement No. 24 made a part of Nuclear Energy Liability Policy (Facility Form) No. NF-182. No insurance is afforded hereunder.

Effective Date of this Endorsement January 1, 1973 To form a part of Policy No. NF-182  
12:01 A.M. Standard Time  
Issued to Duke Power Company  
Date of Issue March 20, 1973

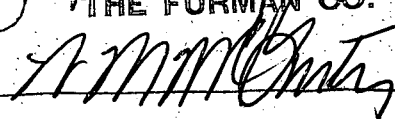
  
CHARLES R. BARNES, UNDERWRITING MANAGER  
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

For the Subscribing Companies

By

  
THE FORMAN CO.

Countersigned by



Endorsement No. 24

# MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

919 North Michigan Avenue, Chicago 11, Illinois

Nuclear Energy Liability Policy No. MF- 61  
(Facility Form)

## DECLARATIONS

Item 1. Named Insured Duke Power Company

Address P. O. Box 2178 Charlotte North Carolina  
(No. Street Town or City State)

Item 2. Policy Period: Beginning at 12:01 A.M. on the 6th day of February, 1973,  
and continuing through the effective date of the cancellation or termination of this policy, standard time at the address  
of the named insured as stated herein.

Item 3. Description of the Facility:

Location See Endorsement No. 1

Type Nuclear Reactors

THIS IS TO CERTIFY THAT THIS IS A  
TRUE COPY OF Declaration  
MADE PART OF NUCLEAR ENERGY POLICY  
(FACILITY FORM) NO. MF 61 NO  
INSURANCE IS AFFORDED UNDER THIS  
TRUE COPY  
*K. J. Jones*  
KENNETH J. JONES, SECRETARY  
MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

The Operator of the facility is Duke Power Company

Item 4. The limit of the companies' liability is \$21,375,000 subject to all the terms of this policy having  
reference thereto.

Item 5. Advance Premium \$43,506.26

Item 6. These declarations and the schedules forming a part hereof give a complete description of the facility, insofar as it  
relates to the nuclear energy hazard, except as noted No Exceptions

Date of Issue March 29, 1973

Countersigned by \_\_\_\_\_

Authorized Representative

# NUCLEAR ENERGY LIABILITY INSURANCE

## MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

### DESCRIPTION OF FACILITY ENDORSEMENT

It is agreed that in Item 3 of the Declarations, the Description of the Facility "Location" is as follows:

All premises including the land and all buildings and structures known as the Oconee Nuclear Station:

- 1) located within the pink shaded Plant Site Area on Figure designated 2.2 Rev. 2 (2.9.70) Rev. 7 (7.9.70) of the named insured's Oconee Nuclear Station Final Safety Analysis Report, and
- 2) designated Temporary Fuel Storage Building, on the aforementioned Figure 2.2 and
- 3) the roadways and areaways used for the transportation of fresh fuel between the Temporary Fuel Storage Building and the pink shaded area on the aforementioned Figure 2.2.

The Oconee Nuclear Station is located in Oconee County, South Carolina.

Effective Date of this Endorsement February 6, 1973 To form a part of Policy No. MF-61

Issued to Duke Power Company

Date of Issue March 29, 1973

THIS IS TO CERTIFY THAT THIS IS A  
TRUE COPY OF ENDORSEMENT NO. 1  
MADE PART OF NUCLEAR ENERGY POLICY  
(FACILITY FORM) NO. MF 61 NO  
INSURANCE IS AFFORDED UNDER THIS  
TRUE COPY.

*K. J. Jones*  
KENNETH J. JONES, SECRETARY  
MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

For the Subscribing Companies

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

By \_\_\_\_\_

Endorsement No. 1

Countersigned by \_\_\_\_\_

AUTHORIZED REPRESENTATIVE

# NUCLEAR ENERGY LIABILITY INSURANCE

## MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

### Amendment of Transportation Coverage (Indemnified Nuclear Facility)

It is agreed that the definition of "insured shipment" in Insuring Agreement III is amended to read:

"insured shipment" means a shipment of source material, special nuclear material, spent fuel or waste, herein called "material," (1) to the facility from any location except an indemnified nuclear facility, but only if the transportation of the material is not by predetermination to be interrupted by removal of the material from a transporting conveyance for any purpose other than the continuation of its transportation, or (2) from the facility to any other location, but only until the material is removed from a transporting conveyance for any purpose other than the continuation of its transportation.

Effective Date of this Endorsement February 6, 1973 To form a part of Policy No. MF-61

Issued to Duke Power Company

Date of Issue March 29, 1973

THIS IS TO CERTIFY THAT THIS IS A  
TRUE COPY OF ENDORSEMENT NO. 2  
MADE PART OF NUCLEAR ENERGY POLICY  
(FACILITY FORM) NO. MF 61 NO  
INSURANCE IS AFFORDED UNDER THIS  
TRUE COPY.  
*K. J. Jones*  
KENNETH J. JONES, SECRETARY  
MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

For the Subscribing Companies

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

By \_\_\_\_\_

Endorsement No. 2

Countersigned by \_\_\_\_\_  
AUTHORIZED REPRESENTATIVE

# NUCLEAR ENERGY LIABILITY INSURANCE

## MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

### Address of Mutual Atomic Energy Liability Underwriters Endorsement

It is agreed that the address of the Mutual Atomic Energy Liability Underwriters appearing on the declarations and in the "Company Representation" condition of the policy is amended to read:

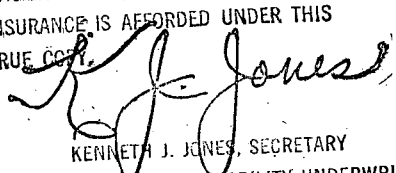
"One East Wacker Drive, Chicago, Illinois 60601"

Effective Date of this Endorsement February 6, 1973 To form a part of Policy No. MF-61

Issued to Duke Power Company

Date of Issue March 29, 1973

THIS IS TO CERTIFY THAT THIS IS A  
TRUE COPY OF ENDORSEMENT NO. 3  
MADE PART OF NUCLEAR ENERGY POLICY  
(FACILITY FORM) NO. MF 61 NO  
INSURANCE IS AFFORDED UNDER THIS  
TRUE COPY.

  
KENNETH J. JONES, SECRETARY  
MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

For the Subscribing Companies

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

By \_\_\_\_\_

Endorsement No. 3

Countersigned by \_\_\_\_\_

AUTHORIZED REPRESENTATIVE

# NUCLEAR ENERGY LIABILITY INSURANCE

## MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

### AMENDATORY ENDORSEMENT NUCLEAR ENERGY LIABILITY POLICY (FACILITY FORM)

It is agreed that:

- I. The first sentence of the definition of nuclear facility is amended to read:

"nuclear facility" means "the facility" as defined in any Nuclear Energy Liability Policy (Facility Form) issued by Mutual Atomic Energy Liability Underwriters or by Nuclear Energy Liability Insurance Association;

- II. The definition of "indemnified nuclear facility" is replaced by the following:

"indemnified nuclear facility" means

- (1) "the facility" as defined in any Nuclear Energy Liability Policy (Facility Form) issued by Mutual Atomic Energy Liability Underwriters or by Nuclear Energy Liability Insurance Association, or

- (2) any other nuclear facility,

if financial protection is required pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, with respect to any activities or operations conducted thereat;

- III. Condition 4 is replaced by the following:

LIMITATION OF LIABILITY: COMMON OCCURRENCE Any occurrence or series of occurrences resulting in bodily injury or property damage arising out of the radioactive, toxic, explosive or other hazardous properties of

- (a) nuclear material discharged or dispersed from the facility over a period of days, weeks, months or longer and also arising out of such properties of other nuclear material so discharged or dispersed from one or more other nuclear facilities insured under any Nuclear Energy Liability Policy (Facility Form) issued by Mutual Atomic Energy Liability Underwriters, or
- (b) source material, special nuclear material, spent fuel or waste in the course of transportation for which insurance is afforded under this policy and also arising out of such properties of other source material, special nuclear material, spent fuel or waste in the course of transportation for which insurance is afforded under one or more other Nuclear Energy Liability Policies (Facility Form) issued by Mutual Atomic Energy Liability Underwriters,

shall be deemed to be a common occurrence resulting in bodily injury or property damage caused by the nuclear energy hazard.



With respect to such bodily injury and property damage (1) the total aggregate liability of the members of Mutual Atomic Energy Liability Underwriters under all Nuclear Energy Liability Policies (Facility Form), including this policy, applicable to such common occurrence shall be the sum of the limits of liability of all such policies, the limit of liability of each such policy being as determined by Condition 3 thereof, but in no event shall such total aggregate liability of such members exceed \$13,500,000; (2) the total liability of the companies under this policy shall not exceed that proportion of the total aggregate liability of the members of Mutual Atomic Energy Liability Underwriters, as stated in clause (1) above, which (a) the limit of liability of this policy, as determined by Condition 3, bears to (b) the sum of the limits of liability of all such policies issued by such members, the limit of liability of each such policy being as determined by Condition 3 thereof.

The provisions of this condition shall not operate to increase the limit of the companies' liability under this policy.

IV. The second paragraph of Condition 12 "Other Insurance" is amended to read:

"If the insured has other valid and collectible insurance (other than such concurrent insurance or any other nuclear energy liability insurance issued by Mutual Atomic Energy Liability Underwriters or Nuclear Energy Liability Insurance Association to any person or organization) applicable to loss or expense covered by this policy, the insurance afforded by this policy shall be excess insurance over such other insurance; provided, with respect to any person who is not employed at and in connection with the facility, such insurance as is afforded by this policy for bodily injury to an employee of the insured arising out of and in the course of his employment shall be primary insurance under such other insurance."

Effective Date of this Endorsement February 6, 1973 To form a part of Policy No. MF-61

Issued to Duke Power Company

Date of Issue March 29, 1973

THIS IS TO CERTIFY THAT THIS IS A  
TRUE COPY OF ENDORSEMENT NO. 4  
MADE PART OF NUCLEAR ENERGY POLICY  
(FACILITY FORM) NO. MF 61 NO  
INSURANCE IS AFFORDED UNDER THIS  
TRUE COPY

*K. J. Jones*  
KENNETH J. JONES, SECRETARY

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

For the Subscribing Companies

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

By \_\_\_\_\_

Endorsement No. 4

Countersigned by \_\_\_\_\_

# NUCLEAR ENERGY LIABILITY INSURANCE

## MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

### INDUSTRY CREDIT RATING PLAN

#### PREMIUM ENDORSEMENT

It is agreed that Condition 1 of the policy is replaced by the following:

#### CONDITION 1. PREMIUM

(1) Definitions: With reference to the premium for this policy:

"advance premium", for any calendar year, is the estimated standard premium for that calendar year;

"standard premium", for any calendar year, is the premium for that calendar year computed in accordance with the companies' rules, rates, rating plans (other than the Industry Credit Rating Plan), premiums and minimum premiums applicable to this insurance;

"reserve premium" means that portion of the standard premium paid to the companies and specifically allocated under the Industry Credit Rating Plan for incurred losses. The amount of the "reserve premium" for this policy for any calendar year during which this policy is in force is the amount designated as such in the Standard Premium Endorsement for that calendar year;

"industry reserve premium", for any calendar year, is the sum of the reserve premiums for that calendar year for all Nuclear Energy Liability Policies issued by Nuclear Energy Liability Insurance Association and Mutual Atomic Energy Liability Underwriters and subject to the Industry Credit Rating Plan;

"policy refund ratio", for any calendar year, is the ratio of the named insured's reserve premium for that calendar year to the industry reserve premium for that calendar year;

"incurred losses" means the sum of:

- (1) all losses and expenses paid by Nuclear Energy Liability Insurance Association and Mutual Atomic Energy Liability Underwriters, and
- (2) all reserves for unpaid losses and Expenses as estimated by Nuclear Energy Liability Insurance Association and Mutual Atomic Energy Liability Underwriters

## INDUSTRY CREDIT RATING PLAN

## PREMIUM ENDORSEMENT (Cont.)

because of obligations assumed and the expenses incurred in connection with such obligations by members of Nuclear Energy Liability Insurance Association and Mutual Atomic Energy Liability Underwriters under all Nuclear Energy Liability Policies issued by Nuclear Energy Liability Insurance Association and Mutual Atomic Energy Liability Underwriters and subject to the Industry Credit Rating Plan;

"reserve for refunds", at the end of any calendar year, is the amount by which (1) the sum of all industry reserve premiums for the period from January 1, 1957 through the end of such calendar year exceeds (2) the total for the same period of (a) all incurred losses, valued as of the next following July 1, and (b) all reserve premium refunds made under the Industry Credit Rating Plan by members of Nuclear Energy Liability Insurance Association and Mutual Atomic Energy Liability Underwriters;

"industry reserve premium refund", for any calendar year, is determined by multiplying the reserve for refunds at the end of the ninth calendar year thereafter by the ratio of the industry reserve premium for the calendar year for which the premium refund is being determined to the sum of such amount and the total industry reserve premiums for the next nine calendar years thereafter, provided that the industry reserve premium refund for any calendar year shall in no event be greater than the industry reserve premium for such calendar year.

- (2) Payment of Advance and Standard Premiums. The named insured shall pay the companies the advance premium stated in the declarations, for the period from the effective date of this policy through December 31 following. Thereafter, at the beginning of each calendar year while this policy is in force, the named insured shall pay the advance premium for such year to the companies. The advance premium for each calendar year shall be stated in the Advance Premium Endorsement for such calendar year issued to the named insured as soon as practical prior to or after the beginning of such year.

As soon as practicable after each December 31 and after the termination of this policy, the standard premium for the preceding calendar year shall be finally determined and stated in the Standard Premium Endorsement for that calendar year. If the standard premium so determined exceeds the advance premium previously paid for such calendar year, the named insured shall pay the excess to the companies; if less, the companies shall return to the named insured the excess portion paid by such insured.

INDUSTRY CREDIT RATING PLAN

PREMIUM ENDORSEMENT (Cont.)

The named insured shall maintain records of the information necessary for premium computation and shall send copies of such records to the companies as directed, at the end of each calendar year, at the end of the policy period and at such other times during the policy period as the companies may direct.

- (3) Use of Reserve Premiums. All reserve premiums paid or payable for this policy may be used by the members of Mutual Atomic Energy Liability Underwriters to discharge their obligations with respect to incurred losses whether such losses are incurred under this policy or under any other policy issued by Nuclear Energy Liability Insurance Association or Mutual Atomic Energy Liability Underwriters.
- (4) Reserve Premium Refunds. A portion of the reserve premium for this policy for the first calendar year of any group of ten consecutive calendar years shall be returnable to the named insured provided there is a reserve for refunds at the end of the tenth calendar year.
- (5) Computation of Reserve Premium Refunds. The reserve premium refund due the named insured for any calendar year shall be determined by multiplying any industry reserve premium refund for such calendar year by the policy refund ratio for such calendar year. The reserve premium refund for any calendar year shall be finally determined as soon as practicable after July 1 of the tenth calendar year thereafter.
- (6) Final Premium. The final premium for this policy shall be the sum of standard premiums for each calendar year, or portion thereof, during which this policy remains in force less the sum of all refunds of reserve premiums due the named insured under the provisions of this Condition 1.

INDUSTRY CREDIT RATING PLAN  
PREMIUM ENDORSEMENT (Cont.)

- (7) Reserve Premium Refund Agreement. Each member of Mutual Atomic Energy Liability Underwriters subscribing this policy for any calendar year, or portion thereof, thereby agrees for itself, severally and not jointly, and in the respective proportion of its liability assumed under this policy for that calendar year, to return to the named insured that portion of any reserve premium refund due the named insured for that calendar year, determined in accordance with the provisions of this Condition 1.

Effective Date of this Endorsement February 6, 1973 To form a part of Policy No. MF-61

Issued to Duke Power Company

Date of Issue March 29, 1973

THIS IS TO CERTIFY THAT THIS IS A  
TRUE COPY OF ENDORSEMENT NO. 5  
MADE PART OF NUCLEAR ENERGY POLICY,  
(FACILITY FORM) NO. MF 61, NO  
INSURANCE IS AFFORDED UNDER THIS  
TRUE COPY.

*K. J. Jones*  
KENNETH J. JONES, SECRETARY  
MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

For the Subscribing Companies

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

By \_\_\_\_\_

Endorsement No. 5

Countersigned by \_\_\_\_\_  
AUTHORIZED REPRESENTATIVE

# NUCLEAR ENERGY LIABILITY INSURANCE

## MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

### Amendment of Condition 4 Endorsement

It is agreed that with respect to bodily injury and property damage caused after the effective date of this endorsement by the nuclear energy hazard the figure \$13,500,000 stated in Condition 4 of the policy is amended to read \$21,375,000.

Effective Date of this Endorsement February 6, 1973 To form a part of Policy No. MF-61

Issued to Duke Power Company

Date of Issue March 29, 1973

THIS IS TO CERTIFY THAT THIS IS A  
TRUE COPY OF ENDORSEMENT NO. 6  
MADE PART OF NUCLEAR ENERGY POLICY  
(FACILITY FORM) NO. ME 61 NO  
INSURANCE IS AFFORDED UNDER THIS  
TRUE COPY.

*K. J. Jones*  
KENNETH J. JONES, SECRETARY  
MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

For the Subscribing Companies

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

By \_\_\_\_\_

Endorsement No. 6

Countersigned by \_\_\_\_\_

AUTHORIZED REPRESENTATIVE

# NUCLEAR ENERGY LIABILITY INSURANCE

## MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

### Waiver of Defenses Endorsement (Extraordinary Nuclear Occurrence) (FACILITY FORM)

The named insured, acting for himself and every other insured under the policy, and the members of Mutual Atomic Energy Liability Underwriters agree as follows:

1. With respect to any extraordinary nuclear occurrence to which the policy applies as proof of financial protection and which

- (a) Arises out of or results from or occurs in the course of the construction, possession, or operation of the facility, or
- (b) Arises out of or results from or occurs in the course of the transportation of nuclear material to or from the facility,

the insureds and the companies agree to waive

- (1) any issue or defense as to the conduct of the claimant or the fault of the insureds, including, but not limited to:
  - (i) negligence,
  - (ii) contributory negligence,
  - (iii) assumption of risk, and
  - (iv) unforeseeable intervening causes, whether involving the conduct of a third person, or an act of God,
- (2) any issue or defense as to charitable or governmental immunity, and
- (3) any issue or defense based on any statute of limitations if suit is instituted within three years from the date on which the claimant first knew, or reasonably could have known, of his bodily injury or property damage and the cause thereof, but in no event more than ten years after the date of the nuclear incident.

The waiver of any such issue or defense shall be effective regardless of whether such issue or defense may otherwise be deemed jurisdictional or relating to an element in the cause of action.

2. The waivers set forth in paragraph 1. above do not apply to

- (a) Bodily injury or property damage which is intentionally sustained by the claimant or which results from a nuclear incident intentionally and wrongfully caused by the claimant;
- (b) Bodily injury sustained by any claimant who is employed at the site of and in connection with the activity where the extraordinary nuclear occurrence takes place if benefits therefor are either payable or required to be provided under any workmen's compensation or occupational disease law;

(continued. . .)

Waiver of Defenses Endorsement - continued

(Page 2)

- (c) Any claim for punitive or exemplary damages, provided, with respect to any claim for wrongful death under any State law which provides for damages only punitive in nature, this exclusion does not apply to the extent that the claimant has sustained actual damages, measured by the pecuniary injuries resulting from such death but not to exceed the maximum amount otherwise recoverable under such law.
3. The waivers set forth in paragraph 1. above shall be effective with respect to bodily injury or property damage to which the policy applies under its terms other than this endorsement.

Such waivers shall not apply to, or prejudice the prosecution or defense of any claim or portion of claim which is not within the protection afforded under

- (1) The provisions of the policy applicable to the financial protection required of the named insured,
- (2) The agreement of indemnification between the named insured and the Atomic Energy Commission made pursuant to section 170 of the Atomic Energy Act of 1954, as amended, and
- (3) The limit of liability provisions of subsection 170 e. of the Atomic Energy Act of 1954, as amended.

Such waivers shall not preclude a defense based upon the failure of the claimant to take reasonable steps to mitigate damages.

4. Subject to all of the limitations stated in this endorsement and in the Atomic Energy Act of 1954, as amended, the waivers set forth in paragraph 1. above shall be judicially enforceable in accordance with their terms against any insured in an action to recover damages because of bodily injury or property damage to which the policy applies as proof of financial protection.
5. As used herein:
- "Extraordinary nuclear occurrence" means an event which the Atomic Energy Commission has determined to be an extraordinary nuclear occurrence as defined in the Atomic Energy Act of 1954, as amended.

(Continued. . . .)



Waiver of Defenses Endorsement - continued

(Page 3)

5. (continued)

"Financial protection" and "nuclear incident" have the meanings given them in the Atomic Energy Act of 1954, as amended.

"Claimant" means the person or organization actually sustaining the bodily injury or property damage and also includes his assignees, legal representatives and other persons or organizations entitled to bring an action for damages on account of such injury or damage.

Effective Date of this Endorsement February 6, 1973 To form a part of Policy No. MF-61

Issued to Duke Power Company

Date of Issue March 29, 1973

THIS IS TO CERTIFY THAT THIS IS A  
TRUE COPY OF ENDORSEMENT NO. 7  
MADE PART OF NUCLEAR ENERGY POLICY,  
(FACILITY FORM) NO. MF 61 NO  
INSURANCE IS AFFORDED UNDER THIS  
TRUE COPY.

*K. J. Jones*  
KENNETH L. JONES, SECRETARY

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

For the Subscribing Companies

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

By \_\_\_\_\_

Endorsement No. 7

Countersigned by \_\_\_\_\_  
AUTHORIZED REPRESENTATIVE