

50 - 259/260/296

FILE NUMBER

INSURANCE

FROM:

Nuclear Insurance Consultants
Dallas, Texas
John R. Dunk, Jr.

DATE OF DOCUMENT

12/08/77

DATE RECEIVED

12/12/77

☐ NOTORIZED

PROP

INPUT FORM

NUMBER OF COPIES RECEIVED

UNCLASSIFIED

SIGNED

ENCLOSURE

Consists of Endorsements #26, 27, 28 and 30 to TVA's Browns Ferry MAELU Facility Policy MF-66 to replace those misplaced from the office files.....

(5-P)

PLANT NAME: Browns Ferry Units 1-2-3
RJL 12/12/77

1 ENCL. / RECD BALANCE

FOR ACTION/INFORMATION

W/ELCYA FOR ACTION

INTERNAL DISTRIBUTION

REG FILE
NRC PDR
H. JORDAN

CONTROL NUMBER

NSIC

Insur.
773460036

400 North Akard Street
Dallas, Texas 75201
Telephone 214 742-1941

December 8, 1977.

REGULATORY DOCKET FILE COPY

Mr. Ira Dinitz
Nuclear Regulatory Commission
Office Antitrust & Indemnity
Nuclear Reactor Regulation
Washington, D. C. 20555



Nuclear Insurance Consultants


Tennessee Valley Authority
Browns Ferry Nuclear Plant
MAELU Policy MF-66
Endorsements: #26, 27, 28 and 30
Certified Copies

Dear Ira:

Enclosed per our discussion last month are one certified copy each of Endorsements #26, 27, 28 and 30 to TVA's Browns Ferry MAELU Facility Policy MF-66 to replace those misplaced from your office files.

Please let me know if I may be of further assistance.

Very truly yours,


John R. Duck, Jr.

cc: C. R. Dodson
C. T. Bollman
E. J. Brooks

jf

Enclosure

773460036

AMENDMENT OF CONDITION 2 "INSPECTION; SUSPENSION"
(FACILITY FORM)

It is agreed that Condition 2 "INSPECTION; SUSPENSION" is replaced by the following:

2. INSPECTION;SUSPENSION. The companies shall at any time be permitted but not obligated to inspect the facility and all operations relating thereto and to examine the insured's books and records as far as they relate to the subject matter of this insurance. Neither the right to make inspections and examinations nor the making thereof nor any advice or report resulting therefrom shall constitute an undertaking, on behalf of or for the benefit of the insured or others, to determine or warrant that such facility or operations are safe or healthful, or are in compliance with any law, rule or regulation.

If a representative of the companies discovers a condition which he believes to be unduly dangerous with respect to the nuclear energy hazard, a representative of the companies may request that such condition be corrected without delay. In the event of non-compliance with such request, a representative of the companies may, by notice to the named insured, to any other person or organization considered by the companies to be responsible for the continuance of such dangerous condition, and to the United States Nuclear Regulatory Commission, suspend the insurance with respect to the named insured and such other person or organization effective 12:00 midnight of the next business day of such Commission following the date that such Commission receives such notice. The period of such suspension shall terminate as of the time stated in a written notice from the companies to the named insured and to each such person or organization that such condition has been corrected.

Effective Date of this Endorsement January 1, 1977 To form a part of Policy No. MF-66

Issued to Tennessee Valley Authority

Date of Issue January 24, 1977

THIS IS TO CERTIFY THAT THIS IS A
TRUE COPY OF ENDORSEMENT NO. 26
MADE PART OF NUCLEAR ENERGY POLICY
FORM BY FORM NO. NE-100 NO
INDEMNITY IS AFFORDED UNDER THIS
TRUE COPY.

For the Subscribing Companies

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

By Richard E. Goodman

RICHARD E. GOODMAN, SECRETARY
MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

Endorsement No. 26

Countersigned by _____
AUTHORIZED REPRESENTATIVE

NUCLEAR ENERGY LIABILITY INSURANCE

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

AMENDMENT OF DEFINITION OF "NUCLEAR ENERGY HAZARD" (Indemnified Nuclear Facility)

It is agreed that:

1. Solely with respect to an "insured shipment" to which the policy applies as proof of financial protection required by the Nuclear Regulatory Commission subdivision (2) of the definition of "nuclear energy hazard" is amended to read:
 - (2) the nuclear material is in an insured shipment which is away from any other nuclear facility and is in the course of transportation, including handling and temporary storage incidental thereto, within
 - (a) the territorial limits of the United States of America, its territories or possessions, Puerto Rico or the Canal Zone; or
 - (b) international waters or airspace provided that the nuclear material is in the course of transportation between two points located within the territorial limits described in (a) above and there are no deviations in the course of the transportation for the purpose of going to any other country, state or nation, except a deviation in the course of said transportation for the purpose of going to or returning from a port or place of refuge as the result of an emergency.
2. As used here, "financial protection," has the meaning given it in the Atomic Energy Act of 1954, as amended.

Effective Date of this Endorsement January 1, 1977 To form a part of Policy No. MF-66

Issued to Tennessee Valley Authority

Date of Issue January 24, 1977

THIS IS TO CERTIFY THAT THIS IS A
TRUE COPY OF ENDORSEMENT NO. 27
OF THE NUCLEAR ENERGY POLICY
NO. MF-66
ISSUED BY THE MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

For the Subscribing Companies

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

Richard E. [Signature] By _____

Endorsement No. 27 Countersigned by _____
AUTHORIZED REPRESENTATIVE

NUCLEAR ENERGY LIABILITY INSURANCE

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

WAIVER OF DEFENSES ENDORSEMENT (Extraordinary Nuclear Occurrence)

The named insured, acting for himself and every other insured under the policy, and the members of the 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 of the insureds, including but not limited to:

- (i) negligence,
- (ii) contributory negligence,
- (iii) assumption or risk, and
- (iv) unforeseeable intervening causes, whether involved 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 twenty 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 workers' compensation or occupational disease law;
- (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 only with respect to bodily injury or property damage to which the policy applies under its terms other than this endorsement; provided, however that with respect to bodily injury or property damage resulting from an extraordinary nuclear occurrence, Insuring Agreement IV, "Application of Policy," shall not operate to bar coverage for bodily injury or property damage (a) which is caused during the policy period by the nuclear energy hazard and (b) which is discovered and for which written claim is made against the insured not later than twenty years after the date of the extraordinary nuclear occurrence. 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 (a) the provisions of the policy applicable to the financial protection required of the named insured; (b) the agreement of indemnification between the named insured and the Nuclear Regulatory Commission made pursuant to Section 170 of the Atomic Energy Act of 1954, as amended; and (c) 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 Nuclear Regulatory Commission has determined to be an extraordinary nuclear occurrence as defined in the Atomic Energy Act of 1954, as amended. "financial protection" and "nuclear incident" have 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 include 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 January 1, 1977 To form a part of Policy No. MF-66

Issued to Tennessee Valley Authority

Date of Issue January 24, 1977

THIS IS TO CERTIFY THAT THIS IS A
TRUE COPY OF ENDORSEMENT NO. 28

ATTACHED TO NUCLEAR ENERGY POLICY

ENDORSEMENT NO. MF-66 TO

BEING FORWARDED UNDER THIS

For the Subscribing Companies

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

Richard E. G. [Signature]
By _____

NOT A VALID ENDORSEMENT
UNLESS ATTACHED TO POLICY

Endorsement No. 28

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 or property damage caused after the effective date of this endorsement by the nuclear energy hazard the figure \$28,125,000 stated in Condition 4 of the policy is amended to read \$31,500,000.

Effective Date of this Endorsement January 1, 1977 To form a part of Policy No. MF-66

Issued to Tennessee Valley Authority

Date of Issue March 3, 1977

THIS IS TO CERTIFY THAT THIS IS A
TRUE COPY OF ENDORSEMENT NO. 20
MADE PART OF NUCLEAR ENERGY POLICY
ENDORSEMENT NO. 20 NO
IS AMENDED UNDER THIS

For the Subscribing Companies

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

By _____

Richard E. Hoogman
Vice President, Mutual Atomic Energy Liability Underwriters

Endorsement No. 30

Countersigned by _____

AUTHORIZED REPRESENTATIVE