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**NRC INCREASES INSURANCE ASSESSMENT FOR NUCLEAR POWER PLANTS  
BASED ON INFLATION**

The Nuclear Regulatory Commission will increase to \$83.9 million, from \$75.5 million, the maximum amount nuclear utilities would be assessed per licensed reactor in case a severe accident resulted in public liability claims exceeding \$200 million.

The law requires that such a figure, known as the retrospective deferred premium, be adjusted for inflation at least once every five years in accordance with the Labor Department's Consumer Price Index. The last such increase occurred in August 1993.

Under the Price-Anderson Act, nuclear utilities are required to provide financial protection for public liability, using a two-layer insurance system. The first layer consists of the maximum amount available for each power reactor site from the private insurance market, currently \$200 million.

The second layer consists of funds made available through an assessment on each licensed reactor of a prorated share of the rest of the claims, up to \$83.9 million. The increase in this individual retrospective premium, that takes effect shortly, will make approximately \$9 billion available to pay public liability claims in the event of a severe accident.

The law also provides that, of the \$83.9 million, the maximum amount a utility can be assessed in a calendar year is \$10 million per reactor per incident. This limit remains in effect.

A notice amending NRC's regulations to specify the new \$83.9 million retrospective deferred premium will be published shortly in the Federal Register and will become effective 30 days thereafter.

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