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TENNESSEE VALLEY AUTHORITY

CHATTANOOGA, TENNESSEE 37401
400 Chestnut Street Tower II

December 12, 1984

Director of Office of State Programs
Attention: Ira Dinitz
Insurance Indemnity Analyst
License Relations Section
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

Dear Mr. Dinitz:

In the Matter of)
Tennessee Valley Authority)

Docket Nos. 50-390
50-391

This is in response to your letter dated November 19, 1984 concerning the nuclear liability insurance policy endorsements 4, 13, 14, and 18 to policy NF-256.

As requested, a copy of these endorsements are provided in the enclosures. If you have any questions concerning this matter, please get in touch with W. M. Belvin at FTS 858-2693.

Very truly yours,

TENNESSEE VALLEY AUTHORITY

J. A. Hufham
for J. W. Hufham, Manager
Licensing and Regulations

Enclosures

cc: Director of Nuclear Reactor Regulation (Enclosures)
Attention: Ms. E. Adensam, Chief
Licensing Branch No. 4
Division of Licensing
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

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Nuclear Energy Liability Insurance
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

AMENDATORY ENDORSEMENT
(Facility Form)

It is agreed that:

I. In Insuring Agreement III, "DEFINITIONS"

- A. 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 Nuclear Energy Liability Insurance Association or by Mutual Atomic Energy Liability Underwriters.

- B. 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 Nuclear Energy Liability Insurance Association or by Mutual Atomic Energy Liability Underwriters, 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;

II. Insuring Agreement IV is replaced by the following:

IV APPLICATION OF POLICY This policy applies only to bodily injury or property damage (1) which is caused during the policy period by the nuclear energy hazard and (2) which is discovered and for which written claim is made against the insured, not later than ten years after the end of the policy period.

III. Condition 2 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 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.

IV. Condition 4 is replaced by the following:

4 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 the 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 Nuclear Energy Liability Insurance Association, 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 Nuclear Energy Liability Insurance Association,

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 the Nuclear Energy Liability Insurance Association 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 \$96,875,000; (2) the total liability of the companies under this policy shall not exceed that proportion of the total aggregate liability of the members of Nuclear Energy Liability Insurance Association, 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.

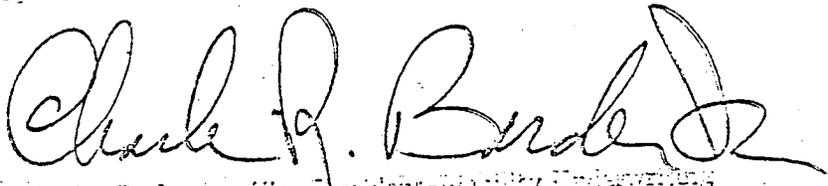
V. The second paragraph of Condition 12, "OTHER INSURANCE", is amended to read:

If the insured has other valid and collectible insurance (other than such concurrent insurance or any other nuclear energy liability insurance issued by Nuclear Energy Liability Insurance Association or Mutual Atomic Energy Liability Underwriters 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.

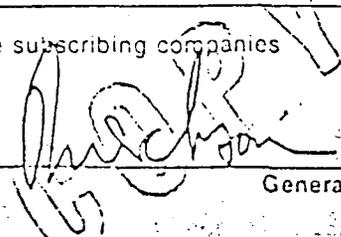
VI. Paragraph (c) of Condition 16, "COMPANY REPRESENTATION", is amended to read:

(c) Nuclear Energy Liability Insurance Association is the agent of the companies with respect to all matters pertaining to this insurance. All notices or other communications required by this policy to be given to the companies may be given to such agent, at its office at The Exchange, Suite 245, 270 Farmington Avenue, Farmington, Connecticut 06032, with the same force and effect as if given directly to the companies. Any requests, demands or agreements made by such agent shall be deemed to have been made directly by the companies.

This is to certify that this is a true copy of the original endorsement having the endorsement number and being made part of the Nuclear Energy Liability Policy (Facility Form) as designated herein. No insurance is afforded hereunder.



Charles P. Barnes, Vice President-Liability Underwriting
American Nuclear Insurers

Effective Date of this Endorsement September 4, 1979 To form a part of Policy No MF- 256
12:01 A.M. Standard Time
Issued to Tennessee Valley Authority
Date of Issue September 24, 1979 For the subscribing companies
By  General Manager
Endorsement No 4 Countersigned by _____

Nuclear Energy Liability Insurance
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

CHANGES IN SUBSCRIBING COMPANIES AND IN THEIR PROPORTIONATE LIABILITY ENDORSEMENT
 Calendar Year 1981

1. It is agreed that with respect to bodily injury or property damage caused, during the effective period of this endorsement, by the nuclear energy hazard:
 - a. The word "companies" wherever used in the policy means the subscribing companies listed below.
 - b. The policy shall be binding on such companies only.
 - c. Each such company shall be liable for its proportion of any obligation assumed or expense incurred under the policy because of such bodily injury or property damage as designated below.
2. It is agreed that the effective period of this endorsement is from the beginning of the effective date of this endorsement stated below to the close of December 31, 1981, or to the time of of the termination or cancellation of the policy, if sooner.

SUBSCRIBING COMPANIES	PROPORTION OF 100
Aetna Casualty and Surety Co., The, 151 Farmington Ave., Hartford, CT 06156	9.930569
Aetna Insurance Company, 55 Elm St., Hartford, CT 06115	2.648152
Affiliated FM Insurance Co., Altemate Park, P.O. Box 7500, Johnston, RI 02919	248264
Alliance Insurance Company, 6435 Wilshire Blvd., Los Angeles, CA 90054	1.324076
Allstate Insurance Co., Allstate Plaza South - G1, Northbrook, IL 60062	4.965284
American Home Assurance Co., 102 Maiden Ln., New York, NY 10005	868925
American Motorists Insurance Co., Long Grove, IL 60049	413774
Bituminous Casualty Corporation, 320 13th St., Rock Island, IL 61201	413774
Centennial Insurance Co., Atlantic Building, 45 Wall St., New York, NY 10005	248264
Commercial Union Insurance Co., One Beacon St., Boston, MA 02108	3.110190
Connecticut Indemnity Company, The, 9 Farm Springs Rd., Farmington, CT 06032	4.13774
Continental Casualty Co., CNA Plaza, Chicago, IL 60685	4.137737
Continental Insurance Co., The, 80 Maiden Ln., New York, NY 10038	7.654814
Federal Insurance Co., 51 John F. Kennedy Pkwy., Short Hills, NJ 07078	1.489585
Fireman's Fund Insurance Companies, P.O. Box 3395, San Francisco, CA 94119	5.296303
General Accident Fire and Life Assurance Corp., Ltd., 414 Walnut St., Philadelphia, PA 19105	1.324076
Great American Insurance Co., P.O. Box 2575, Cincinnati, OH 54201	1.324076
Hanover Insurance Co., The, 440 Lincoln St., Worcester, MA 01605	4.96528
Hartford Accident and Indemnity Co., Hartford Plaza, Hartford, CT 06115	7.034153
Hartford Steam Boiler Insp. & Ins. Co., The, 56 Prospect St., Hartford, CT 06102	4.96528
Highlands Insurance Co., 600 Jefferson St., Houston, TX 77002	4.13774
Home Indemnity Co., The, 59 Maiden Ln., New York, NY 10038	3.641209
Insurance Co. of North America, P.O. Box 7728, Philadelphia, PA 19101	1.655095
Monarch Insurance Co. of Ohio, The, 19 Rector St., New York, NY 10006	3.31019
Northern Insurance Company of New York, P.O. Box 1228, Baltimore, MD 21203	1.820604
Northwestern National Ins. Co., 731 No. Jackson St., Milwaukee, WI 53201	6.62036
Ohio Casualty Insurance Company, The, 136 North Third St., Hamilton, OH 45025	1.65509
Pacific Indemnity Co., 51 John F. Kennedy Parkway, Short Hills, NJ 07078	3.31019
Peerless Insurance Co., 62 Maple Ave., Keene, NH 03431	1.24132
Protective Insurance Co., 3100 No. Meridian St., Indianapolis, IN 46208	2.48264
Providence Washington Insurance Co., 20 Washington Place, Providence, RI 02903	1.03443
Reliance Insurance Company, 4 Penn Center Plaza, Philadelphia, PA 19103	9.93057
Royal Insurance Company of America, 150 William Street, New York, NY 10038	3.310190
St. Paul Fire & Marine Ins. Co., 385 Washington St., St. Paul, MN 55102	4.687228
Seaboard Surety Co., 90 William St., New York, NY 10038	4.13774
State Farm Fire & Casualty Company, 112 East Washington St., Bloomington, IL 61701	8.27547
Transamerica Insurance Company, P.O. Box 54256, Los Angeles, CA 90054	8.27547
Travelers Indemnity Company, The, One Tower Square, Hartford, CT 06115	10.758116
United States Fidelity and Guaranty Co., 100 Light St., Baltimore, MD 21202	10.427092
United States Fire Insurance Co., P.O. Box 7387, Morristown, NJ 07960	2.979171
Zurich Insurance Co., 231 N. Hartingale Rd., Schaumburg, IL 60196	1.241321

Effective Date of this Endorsement January 1, 1981 To form a part of Policy No NF-256
 Issued to Tennessee Valley Authority 12:01 A.M. Standard Time

Date of Issue March 12, 1981

For the subscribing companies

By *[Signature]*
 General Manager

Endorsement No 13

Countersigned by _____

Nuclear Energy Liability Insurance
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

ADVANCE PREMIUM AND STANDARD PREMIUM ENDORSEMENT

CALENDAR YEAR 1980

It is agreed that Endorsement No. 9, "Advance Premium and Standard Premium Endorsement", is amended to read:

1a. ADVANCE PREMIUM: It is agreed that the Advance Premium due the companies for the period designated above is:

\$ 2,000.00

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: \$ 1,340.00

Additional Premium: \$ 1,900.00

This document is to certify that this is a true and correct copy of the original document which is on file in the office of the Association. It is not to be used as evidence in any court of law.

[Handwritten Signature]

Effective Date of this Endorsement January 1, 1980 To form a part of Policy No. NF-256

Issued to Tennessee Valley Authority

Date of Issue May 8, 1981

For the subscribing companies
By *[Handwritten Signature]* General Manager

Endorsement No. 14

Countersigned by _____

NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

ADVANCE PREMIUM AND STANDARD PREMIUM CALENDAR YEAR 1983
ENDORSEMENT

COPY

- 1. ADVANCE PREMIUM: It is agreed that the Advance Premium due the companies for the period designated above is:

\$ 2,310.00

- 2. 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:

\$ 1,547.70

GOLD COPY

AGENT/BROKER

RECEIVED
 DEC 17 1982
 HOUSEMAN-MARSH
 & McLENNAN

Effective Date of This Endorsement January 1, 1983 To form a part of Policy No. NF-256
 12:01 A.M. Standard Time

Issued to Tennessee Valley Authority

Date of Issue December 15, 1982

For the subscribing companies
 By [Signature] General Manager

Endorsement No. 18

Countersigned by _____

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