AUG 22 1958

Mr. Bernard R. Kennedy, Director
The Federal Register
National Archives & Record Service
Department of Archives
Register Section
Washington 25, D. C.

Dear Mr. Kennedy:

Attached for publication in the Federal Register as a Notice are an original and three certified copies of a document entitled:

TITLE 10 - ATOMIC ENERGY - CHAPTER 1 - ATOMIC ENERGY COMMISSION
PART 140 - FINANCIAL PROTECTION REQUIREMENTS AND INDEMNITY AGREEMENTS - NOTICE OF PROPOSED RULE MAKING

Publication of the above document at the earliest possible date would be appreciated.

Sincerely yours,

Kathleen H. Shea, Attorney
Office of the General Counsel

Enclosures:
Original & 3 cert. cys.

cc. Docket Clerk (L&R) (w/o attachment)
Wm. Hughes (IS) (w/cy of attachment)
W. B. McCool (CMS) (w/cy of attachment)
Legal Files (w/cy of attachment)
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TITLE 10 - ATOMIC ENERGY

CHAPTER 1 - ATOMIC ENERGY COMMISSION

PART 140 - FINANCIAL PROTECTION REQUIREMENTS AND INDEMNITY AGREEMENTS

NOTICE OF PROPOSED RULE MAKING

On September 11, 1957 the Atomic Energy Commission issued this Part, pursuant to the Atomic Energy Act of 1954, as amended by Public Law 85-256. When Part 140 was issued, the Commission stated, among other things, that the regulations therein would be replaced at an early date by more definitive regulations; and that Part 140 does not contain many types of provisions which will be included in later revisions.

Part 140, as presently in effect, provides that financial protection may be furnished by licensees subject to the Part in the form of (1) an effective policy of liability insurance from private sources for which the premiums have been paid; or (2) adequate resources to provide the financial protection required by the Part; or (3) such other type of financial protection as the Commission may approve; or (4) any combination of the foregoing. Since issuance of Part 140, a substantial number of persons who have applied for or received licenses authorizing the operation of nuclear reactors have furnished, as proof of financial protection, nuclear energy liability insurance binders issued by the Nuclear Energy Liability Insurance Association or by the Mutual Atomic Energy Liability Underwriters organizations (hereinafter respectively referred to as "NELIA" and "MAELU"). Pending any further changes in the form, the binders incorporate the form of policy set forth below. The Commission has advised persons filing such binders in appropriate amounts that their proof of financial protection has been accepted by the Atomic Energy Commission under regulations currently in effect.

The following amendment would grant approval by Commission rule to the furnishing of financial protection in the form of the nuclear energy liability insurance policy attached as Appendix A. The form is identical to the forms of policies issued by the NELIA and MAELU groups. The supplementary coverage endorsement is a part of the form.

The fact that the Commission proposes to incorporate in Part 140 a general approval of the form of policy offered by the NELIA and MAELU organizations, should not be construed as indicating that it is the only form which the Commission will approve. The Commission will accept any other form of nuclear energy liability insurance policy as proof of financial protection under Part 140, if it concludes that such forms provide adequate financial protection under the requirements of its regulations and applicable legislation.

Notice is hereby given that adoption of the following amendment to Part 140, 10 C.F.R., "Financial Protection Requirements and Indemnity Agreements" is contemplated. All interested persons who desire to submit written comments and suggestions for consideration in connection with the proposed amendment should send them to the United States Atomic Energy Commission, Washington 25, D. C., Attention: Director, Division of Licensing and Regulation, within 30 days after publication of this notice in the Federal Register.

The following new Section 140.25 is added:

"§ 140.25 Nuclear energy liability insurance. (a) Licensees who choose to furnish financial protection pursuant to paragraph 1, Section 140.12, may do so in the form of the nuclear energy liability insurance policy (including the supplementary coverage endorsements) set forth in Appendix A of this Part.

"(b) The Commission will accept any other form of nuclear energy liability insurance as proof of financial protection, if it determines that the provisions of such insurance provide adequate financial protection under the requirements of the Commission's regulations and the Atomic Energy Act of 1954, as amended."

Appendix A

APPROVED FORM OF
NUCLEAR ENERGY LIABILITY POLICY

The undersigned members of the _____, hereinafter called the "companies," each for itself, severally and not jointly, and in the respective proportions hereinafter set forth, agree with the insured, named in the declarations made a part hereof, in consideration of the premium and in reliance upon the statements in the declarations and subject to the limit of liability, exclusions, conditions and other terms of this policy:

I N S U R I N G A G R E E M E N T S

I BODILY INJURY AND PROPERTY DAMAGE LIABILITY To pay on behalf of the insured:

A. all sums which the insured shall become legally obligated to pay as damages because of:

(1) bodily injury, sickness or disease, including death resulting therefrom, hereinafter called "bodily injury," sustained by any person;

(2) physical injury to or destruction or radioactive contamination of property, and loss of use of property so injured, destroyed or contaminated, and loss of use of property while evacuated or withdrawn from use because possibly so contaminated or because of imminent danger of such contamination, hereinafter called "property damage";

caused by the nuclear energy hazard, and the companies shall defend any suit against the insured alleging such bodily injury or property damage and seeking damages which are payable under the terms of this policy; but the companies may make such investigation, negotiation and settlement of any claim or suit as they deem expedient;

B. costs taxed against the insured in any such suit and interest on any judgment therein;

C. premiums on appeal bonds and on bonds to release attachments in any such suit, but without obligation to apply for or furnish such bonds;

D. reasonable expenses, other than loss of earnings, incurred by the insured at the companies' request.

II DEFINITIONS Wherever used in this policy:

A. the term "the facility" means the facility described in the declarations and includes the location designated in Item 3 of the declarations and all property and operations at such location;

B. the terms "source material," "special nuclear material," and "byproduct material" shall have the meanings given them in the Atomic Energy Act of 1954, or in any law amendatory thereof;

C. the term "nuclear energy hazard" means the radioactive, toxic, explosive or other hazardous properties of source material, special nuclear material or byproduct material, but only with respect to (1) the possession, handling, use or disposal of such materials at the location designated in Item 3 of the declarations, or (2) the transportation, including handling or temporary storage incidental thereto, of such materials shipped (a) from such location, provided such transportation of such materials shall be deemed to end when such materials are removed from a transporting conveyance for any purpose other than continuation of such transportation or temporary storage incidental thereto, or (b) to such location from a nuclear facility owned by the United States of America, provided such transportation of such materials from such nuclear facility is not by predetermination to be interrupted by the removal of such materials from a transporting conveyance for any purpose other than the continuation of such transportation to such location or temporary storage incidental thereto;

D. the term "nuclear incident" means an occurrence which results in bodily injury or property damage caused by the nuclear energy hazard;

E. the term "nuclear facility" means:

(1) any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material;

(2) any equipment or device (a) designed or used for the separation of the isotopes of uranium or plutonium, (b) designed or used for the processing, fabricating or alloying of special nuclear material or of irradiated materials containing special nuclear material, (c) incorporating or making use of such irradiated materials, or (d) designed or used for processing waste byproduct material;

(3) any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste source material or waste consisting of or containing special nuclear material or byproduct material;

and includes the site on which any of the foregoing is located, together with all operations conducted thereon and all premises used for such operations.

Subdivision (b) of paragraph (2) foregoing is not applicable to the occasional mechanical processing or fabricating of special nuclear material by any person or organization at a location which contains no equipment, device or apparatus otherwise defined herein as a nuclear facility, where special nuclear material or byproduct material is not regularly handled, stored, or disposed of as waste, and which is principally used for other operations not related to the handling, fabricating or use of special nuclear material.

III DEFINITION OF INSURED The unqualified word "insured" includes (a) the named insured and (b) any other person or organization with respect to his legal responsibility for a nuclear incident.

Subdivision (b) above does not include as an insured the United States of America or any of its agencies.

Subject to Condition 3 and the other provisions of this policy, the insurance applies separately to each insured against whom claim is made or suit is brought.

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

E X C L U S I O N S

This policy does not apply:

(a) to any obligation for which the insured or any carrier as his insurer may be held liable under any workmen's compensation, unemployment compensation or disability benefits law, or under any similar law;

(b) except with respect to liability of another assumed by the insured under contract, to bodily injury to any employee of the insured arising out of and in the course of his employment by the insured;

(c) to liability assumed by the insured under contract, other than an assumption in a contract with another of the liability of any person or organization which would be imposed by law on such person or organization in the absence of an express assumption of liability;

(d) to bodily injury or property damage due to the manufacturing, handling or use at the location designated in Item 3 of the declarations, in time of peace or war, of any nuclear weapon or other instrument of war utilizing special nuclear material or byproduct material;

(e) to bodily injury or property damage due to war, whether or not declared, civil war, insurrection, rebellion or revolution, or to any act or condition incident to any of the foregoing;

(f) to property damage to any property at the location designated in Item 3 of the declarations, other than aircraft, watercraft or vehicles licensed for highway use, provided such aircraft, watercraft or vehicles are not used in connection with the operation of the facility;

(g) to property damage to source material, special nuclear material or byproduct material in the course of transportation to or from the location designated in Item 3 of the declarations, including handling or storage incidental thereto;

(h) to any nuclear incident

(1) arising out of the possession, transportation, handling, use or disposal, outside the territorial limits of the United States of America, its territories or possessions, Puerto Rico or the Canal Zone, of source material, special nuclear material or byproduct material;

(2) occurring at any nuclear facility other than the facility described in the declarations;

(3) arising out of the possession, transportation, handling, use or disposal by any person or organization, away from the facility, of source material, special nuclear material or byproduct material, unless such nuclear incident occurs away from any other nuclear facility and in the course of transportation, including handling or storage incidental thereto, of source material, special nuclear material, byproduct material contained in or combined with special nuclear material, or waste consisting of or containing byproduct material, shipped (i) from the facility or (ii) to the facility from a nuclear facility owned by the United States of America.

C O N D I T I O N S

1 PREMIUM The named insured shall pay the companies the advance premium stated in the declarations, for the period from the effective date of the 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 a written notice given by the companies to the named insured as soon as practicable prior to or after the beginning of such year.

Such advance premiums are estimated premiums only. As soon as practicable after each December 31 and after the termination of the policy, the earned premium for the preceding premium period shall be computed in accordance with the companies' rules, rates, rating plans, premiums and minimum premiums applicable to this insurance. If the earned premium thus computed for any premium period exceeds the advance premium previously paid for such period, the insured shall pay the excess to the companies; if less, the companies shall return to the insured the unearned portion paid by the insured.

The named insured shall maintain records of the information necessary for premium computation and shall send copies of such records to the companies 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.

2. INSPECTION: SUSPENSION The companies shall be permitted to inspect the facility and to examine the insured's books and records at any time, as far as they relate to the subject matter of this insurance. If a representative of the companies discovers a condition with respect to the nuclear energy hazard which he believes to be unduly dangerous, 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, after twelve hours prior notice to the United States Atomic Energy Commission, by written notice to the named insured, immediately suspend the insurance with respect to the named insured and any other person or organization responsible for the continuance of such dangerous condition. A copy of such notice shall be sent promptly to the United States Atomic Energy Commission. The insurance so suspended may be reinstated by the companies by an endorsement issued to form a part of this policy.

3 LIMIT OF LIABILITY: TERMINATION OF POLICY UPON EXHAUSTION OF LIMIT

Regardless of the number of persons and organizations who are insured under this policy, and regardless of the number of claims made and suits brought against any or all insureds because of one or more nuclear incidents during the policy period, the limit of liability

stated in the declarations is the total aggregate liability of the companies for their obligations under this policy and the expenses incurred by the companies in connection with such obligations, including

(a) payments in settlement of claims and in satisfaction of judgments against the insureds for damages because of bodily injury or property damage, and payments made under parts B, C and D of Insuring Agreement I;

(b) payments for expenses incurred in the investigation, negotiation, settlement and defense of any claim or suit, including, but not limited to, the cost of such services by salaried employees of the companies, fees and expenses of independent adjusters, attorneys' fees and disbursements, expenses for expert testimony, inspection and appraisal of property, examination, X-ray or autopsy or medical expenses of any kind;

(c) payments for expenses incurred by the companies in investigating a nuclear incident or in minimizing its effects.

Each such payment made by the companies shall reduce by the amount of such payment the limit of the companies' liability under this policy.

If, during the policy period or subsequent thereto, the total of such payments made by the companies shall exhaust the limit of the companies' liability under this policy, all liability and obligations of the companies under this policy shall thereupon terminate and shall be conclusively presumed to have been discharged. This policy, if not theretofore canceled, shall thereupon automatically terminate.

Regardless of the number of years this policy shall continue in force and the number of premiums which shall be payable or paid, the total aggregate liability of the companies shall be the limit of liability stated in the declarations and shall not be cumulative from year to year.

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 source material, special nuclear material or byproduct material

(a) in the course of transportation from the facility or to the facility from a nuclear facility owned by the United States of America and also arising out of such properties of other such material in the course of transportation from one or more other nuclear facilities or to one or more such facilities from one or more nuclear facilities owned by the United States of America, or

(b) discharged or dispersed from the facility over a period of days, weeks, months or longer and also arising out of such properties of other such material so discharged or dispersed from one or more other nuclear facilities,

shall be deemed to be one nuclear incident.

With respect to such bodily injury and property damage (1) the total aggregate liability of the companies under all contracts of nuclear energy liability insurance, including this policy, issued to nuclear facilities and applicable to such incident, shall not exceed the highest applicable limit of liability of any such contract; (2) the total liability of the companies under this policy shall not exceed that proportion of the total aggregate liability of the companies, as stated in clause (1) above, which (a) the applicable limit of liability of this policy bears to (b) the sum of the applicable limits of liability of all such contracts issued by the companies.

5 NOTICE OF OCCURRENCE, CLAIM OR SUIT In the event of bodily injury or property damage to which this policy applies or of an occurrence which may give rise to claims therefor, written notice containing particulars sufficient to identify the insured and also reasonably obtainable information with respect to the time, place and circumstances thereof, and the names and addresses of the injured and of available witnesses, shall be given by or for the insured to the _____ or the companies as soon as practicable. If claim is made or suit is brought against the insured, he shall immediately forward to the _____ or the companies every demand, notice, summons or other process received by him or his representative.

6 ASSISTANCE AND COOPERATION OF THE INSURED The insured shall cooperate with the companies and, upon the companies' request, attend hearings and trials and assist in making settlements, securing and giving evidence, obtaining the attendance of witnesses and in the conduct of any legal proceedings in connection with the subject matter of this insurance. The insured shall not, except at his own cost, make any payment, assume any obligation or incur any expense.

7 ACTION AGAINST COMPANIES No action shall lie against the companies or any of them unless, as a condition precedent thereto, the insured shall have fully complied with all the terms of this policy, nor until the amount of the insured's obligation to pay shall have been finally determined either by judgment against the insured after actual trial or by written agreement of the insured, the claimant and the companies.

Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter

be entitled to recover under this policy to the extent of the insurance afforded by this policy. No person or organization shall have any right under this policy to join the companies or any of them as parties to any action against the insured to determine the insured's liability, nor shall the companies or any of them be impleaded by the insured or his legal representative. Bankruptcy or insolvency of the insured or of the insured's estate shall not relieve the companies of any of their obligations hereunder.

8 SUBROGATION In the event of any payment under this policy, the companies shall be subrogated to all the insured's rights of recovery therefor against any person or organization, and the insured shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. Prior to knowledge of a nuclear incident the insured may waive in writing any right of recovery against any person or organization, but after such knowledge the insured shall not waive or otherwise prejudice any such right of recovery.

The companies hereby waive any rights of subrogation acquired against the United States of America or any of its agencies by reason of any payment under this policy.

The companies do not relinquish, by the foregoing provisions, any right to restitution from the insured out of any recoveries made by the insured on account of a loss covered by this policy of any amounts to which the companies would be entitled had such provisions, or any of them, not been included in this policy.

9 OTHER INSURANCE If the insurance afforded by this policy is concurrent with insurance afforded by a like policy issued to the named insured by _____, hereinafter called "concurrent insurance," the companies shall not be liable under this policy for a greater proportion of any loss or expense than the limit of liability stated in the declarations of this policy bears to the sum of such limit and the limit of liability stated in the declarations of such concurrent policy.

If the insured has other valid and collectible insurance (other than such concurrent insurance or any other nuclear energy liability insurance issued by the companies or _____ to any person or organization) applicable to loss and expense covered by this policy, the insurance afforded by this policy shall be excess insurance over such other insurance.

10 CHANGES Notice to any agent or knowledge possessed by any agent or by any other person shall not effect a waiver or a change in any part of this policy or stop the companies from asserting any right under the terms of this policy; nor shall the terms of this policy be waived or changed, except by endorsement issued to form a part of this policy executed by the _____ on behalf of the companies.

11 ASSIGNMENT Assignment of interest by the named insured shall not bind the companies until their consent is endorsed hereon; if, however, the named insured shall die or be declared bankrupt or insolvent, this policy shall cover such insured's legal representative, receiver or trustee as an insured under this policy, but only with respect to his liability as such, and then only provided written notice of his appointment as legal representative, receiver or trustee is given to the companies within ten days after such appointment.

12 CANCELATION This policy may be canceled by the named insured by mailing to the companies and the United States Atomic Energy Commission written notice stating when, not less than thirty days thereafter, such cancelation shall be effective. This policy may be canceled by the companies by mailing to the named insured at the address shown in this policy and to the United States Atomic Energy Commission written notice stating when, not less than ninety days thereafter, such cancelation shall be effective; provided in the event of non-payment of premium or if the operator of the facility, as designated in the declarations, is replaced by another person or organization, this policy may be canceled by the companies by mailing to the named insured at the address shown in this policy and to the United States Atomic Energy Commission written notice stating when, not less than thirty days thereafter, such cancelation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice. The effective date and hour of cancelation stated in the notice shall become the end of the policy period. Delivery of such written notice either by the named insured or by the companies shall be equivalent to mailing.

Upon termination or cancelation of this policy, other than as of the end of December 31 of any year, the earned premium for the period of this policy has been in force since the preceding December 31 shall be computed in accordance with the following provisions:

(a) if this policy is terminated, pursuant to Condition 3, by reason of the exhaustion of the limit of the companies' liability, all premium theretofore paid or payable shall be fully earned;

(b) if the named insured cancels, the earned premium for such period shall be computed in accordance with the customary annual short rate table and procedure, provided if the named insured cancels after knowledge of a nuclear incident, all premiums theretofore paid or payable shall be fully earned;

(c) if the companies cancel, the earned premium for such period shall be computed pro rata.

Premium adjustment, if any, may be made either at the time cancelation is effected or as soon as practicable after cancelation becomes effective, but payment or tender of unearned premium is not a condition of cancelation.

13 COMPANY REPRESENTATION

(a) Any notice, sworn statement or proof of loss which may be required by the provisions of this policy may be given to any one of the companies, and such notice, statement or proof of loss so given shall be valid and binding as to all companies.

(b) In any action or suit against the companies, service of process may be made on any one of them, and such service shall be deemed valid and binding service on all companies.

(c) The _____ 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 _____, 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.

14 AUTHORIZATION OF NAMED INSURED The named insured is authorized to act on behalf of all insureds with respect to the giving and receiving of notice of cancelation of this policy, the payment of premiums and receiving of return premiums.

15 DECLARATIONS By acceptance of this policy the named insured agrees that the statements in the declarations are the agreements and representations of the named insured, that this policy is issued in reliance upon the truth of such representations and that this policy embodies all agreements between the named insured and the companies or any of their agents relating to this insurance.

IN WITNESS WHEREOF, each of the subscribing companies has caused this policy to be executed and attested on its behalf by the _____ of the _____ and duly countersigned on the declarations page by an authorized representative, but this policy shall be binding upon each company only to the extent of the below-designated proportion of any obligation assumed or expense incurred under this policy.

For the subscribing companies

By _____

Nuclear Energy Liability Policy No. _____

DECLARATIONS

Item 1. Named Insured _____

Address _____
(No. Street Town or City State)

Item 2. Policy Period: Beginning at 12:01 A.M. on the _____ day of _____, 19__, and continuing through the effective date of the cancelation or termination of this policy, standard time at the address of the named insured as stated herein.

Item 3. Description of the Facility:

Location _____

_____

Type _____

_____

_____

The Operator of the facility is _____

Item 4. The limit of the companies' liability is $_____ subject to all the terms of this policy having reference thereto.

Item 5. Advance Premium $_____.

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 _____

_____

_____

Countersigned _____, 19 ___, at _____

by _____
Authorized Representative

SUPPLEMENTARY COVERAGE ENDORSEMENT
(Nuclear Facilities)

It is agreed that such insurance as is afforded by the policy applies, subject to the following provisions:

DIVISION A

1. The following paragraph is added at the end of Insuring Agreement I:

DAMAGE TO PROPERTY OF AN INSURED AWAY FROM THE FACILITY

With respect to property damage caused by the nuclear energy hazard to property of an insured which is away from the facility, to pay to such insured those sums which such insured would have been legally obligated to pay as damages therefor, had such property belonged to another.

2. This insurance does not apply to property damage due to neglect of the insured to use all reasonable means to save and preserve the property after knowledge of a nuclear incident.

3. With respect to the insurance afforded by this Division A:

(a) In the event of property damage resulting from a nuclear incident, the insured shall furnish a complete inventory of the property damage claimed hereunder, showing in detail the amount thereof. Within ninety-one days after such incident, unless such time is extended in writing by the companies, the insured shall render to the companies a proof of loss, signed and sworn to by the insured, stating the knowledge and belief of the insured as to the following: identification of the nuclear incident; the interest of the insured in the property destroyed or damaged, and the amount of each item of property damage; all encumbrances on such property; and all other contracts of insurance, whether valid or not, covering any of such property. The insured shall include in the proof of loss a copy of all descriptions and schedules of all policies. Upon the companies' request, the insured shall furnish verified plans and specifications of any such property. The insured, as often as may be reasonably required, shall exhibit to any person designated by the companies any of such property, and submit to examinations under oath by any person named by the companies and subscribe the same; and, as often as may be reasonably required, shall produce for examination all books of account, records, bills, invoices and other vouchers or certified copies thereof if originals be lost, at such reasonable

time and place as may be designated by the companies or their representatives, and shall permit extracts and copies thereof to be made.

(b) In case the insured and the companies shall fail to agree as to the amount of property damage, then, on the written demand of either, each shall select a competent and disinterested appraiser and notify the other of the appraiser selected within twenty days of such demand. The appraisers shall first select a competent and disinterested umpire and, failing for fifteen days to agree upon such umpire, then, on request of the insured or the companies, such umpire shall be selected by a judge of a court of record in the state in which the property is located. The appraisers shall then appraise each item of property damage and, failing to agree, shall submit their differences only to the umpire. An award in writing, so itemized, of any two when filed with the companies shall determine the amount of property damage. Each appraiser shall be paid by the party selecting him and the expenses of the appraisal and umpire shall be paid by the parties equally.

The companies shall not be held to have waived any of their rights by any act relating to appraisal.

(c) No suit or action on the policy for the recovery of any claim shall be sustainable in any court of law or equity unless all the requirements of the policy shall have been complied with and unless commenced within two years after the nuclear incident which results in the property damage.

DIVISION B

The following paragraphs are added to Insuring Agreement I, to follow the paragraph added by Division A above:

SUBROGATION - OFFSITE EMPLOYEES With respect to bodily injury sustained by any employee of an insured and resulting from a nuclear incident, to pay to the workmen's compensation carrier of such insured all sums which such carrier would have been entitled to recover and retain as damages from another person or organization, had such person or organization alone been legally responsible for such nuclear incident, by reason of the rights acquired by subrogation by reason of the payment of the benefits required of such carrier under the applicable workmen's compensation or occupational disease law. An employer who is a duly qualified self-insurer under such law shall be deemed to be a workmen's compensation carrier within the meaning of this paragraph. This Division B does not apply to bodily injury sustained by any person who is employed at and in connection with the facility.

The insurance afforded by the policy by virtue of this Division B shall not constitute workmen's compensation insurance as required under the laws of any state.

DIVISION C

EMPLOYERS' LIABILITY - OFFSITE EMPLOYEES

1. Except with respect to any person who is employed at and in connection with the facility, exclusion (b) of the policy is deleted.

2. If the insured has other insurance (other than concurrent insurance as described in Condition 9) against a loss covered by this policy by virtue of paragraph 1 of this Division C, the insurance so afforded by this policy shall be primary insurance under such other insurance.

3. This Division C does not apply unless the insured has complied with the requirements of the applicable workmen's compensation or occupational disease law respecting the securing of compensation benefits thereunder to his employees.

It is further agreed that the following clause is added to subparagraph (a) of the first paragraph of Condition 3 of the policy:

> "and payments made in settlement of claims under Divisions A, B and C of the Supplementary Coverage Endorsement (Nuclear Facilities) forming a part of this policy";