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UNITED STATES
ATOMIC ENERGY COMMISSION
Washington 25, D. C.

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FOR IMMEDIATE RELEASE
(Wednesday, August 27, 1958)

AEC INVITES PUBLIC COMMENT ON PROPOSED AMENDMENTS TO ITS INDEMNITY REGULATION

The Atomic Energy Commission has given notice in the Federal Register that it proposes to adopt two amendments to its regulation relating to the indemnity provided by the Commission to protect its licensees, their suppliers, and the public against losses arising from reactor accidents. Comments and suggestions from interested persons are invited.

The first proposed amendment provides that insurance possessed by licensees in the form offered by the Nuclear Energy Liability Insurance Association and the Mutual Atomic Energy Liability Underwriters meets the requirements of the Atomic Energy Act and the Commission's regulations relating to financial protection.

The second amendment would establish a standard form of indemnity agreement to be entered into by the Commission with its licensees.

The Commission regulation which the proposed amendments would revise, entitled "Financial Protection Requirements and Indemnity Agreements," was issued in September 1957. Under the regulation the holder of a license to operate a nuclear reactor is required to furnish proof to the Commission that he has obtained third-party liability insurance or other suitable financial protection in an amount prescribed by the Commission. As provided in the Atomic Energy Act, the Commission will then enter into an indemnity agreement with the licensee protecting the licensee and his suppliers - and any other person who may be liable - against public liability claims which exceed the amount of financial protection possessed by the licensee. The

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agreement would provide up to $500 million of indemnity coverage.

Approximately $60,000,000 of nuclear liability insurance coverage is available from the two insurance groups formed by the stock and mutual insurance companies. Both of these groups have prepared and are offering a standard nuclear energy liability insurance policy. The Commission now proposes to establish by regulation that insurance in this form meets the financial protection requirements contained in the Atomic Energy Act.

It is not intended that the NELIA and MAELU forms will be the only insurance policies which the Commission will approve. Other policies may be acceptable if they appear to provide adequate financial protection. Similarly, the form of indemnity agreement proposed as standard may not be applicable in all cases and may be altered as circumstances require.

Separate notices of the proposed amendments to 10 CFR (Code of Federal Regulations) Part 140 - "Financial Protection Requirements and Indemnity Agreements" - will be published in the Federal Register on August 27, 1958. Persons who wish to submit written comments and suggestions should send them within 30 days after that date to the Director, Division of Licensing and Regulation, U. S. Atomic Energy Commission, Washington 25, D. C. Copies of the proposed amendments may be obtained from the same address.

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