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ATOMIC ENERGY COMMISSION

[10 CFR Part 140]

FINANCIAL PROTECTION REQUIREMENTS AND INDEMNITY AGREEMENTS

Nuclear Energy Liability Policy

Nuclear Energy Liability Insurance Association has requested Commission approval of an amendatory endorsement which the Commission understands the Association and Mutual Atomic Energy Liability Underwriters propose to place on all nuclear energy liability insurance policies (facility form). The form of the endorsement is set forth in its entirety in the following amendments. The endorsements do not appear to the Commission to effect material changes in the provisions of the policies.

Notice is hereby given that the Commission is considering adoption of the following amendments. All interested persons who desire to submit written comments and suggestions for consideration in connection with the proposed amendments should send them to the Secretary, U.S. Atomic Energy Commission, Washington 25, D.C., within thirty days after publication of this notice in the FEDERAL REGISTER. Comments received after that period will be considered if it is practicable to do so, but assurance of consideration cannot be given except as to comments filed within the period specified.

Amend § 140.75 Appendix A, by adding the following at the end thereof:

OPTIONAL AMENDATORY ENDORSEMENT (FACILITY FORM)

It is agreed that:

I. 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 _____ or by _____

II. 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 _____ or by _____ 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:

III. Condition 4 is replaced by the following:

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 proportion of

(a) nuclear material discharged or dispersed from the facility over a period of days, weeks, months or longer and also arising out of such 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 _____ 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 _____

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 _____ 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 \$46,500,000; (2) the total liability of the companies under this policy shall not exceed that proportion of the total aggregate liability of the members of _____, 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.

IV. 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 _____ or 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."

Dated at Germantown, Md., this 6th day of April 1961.

For the Atomic Energy Commission.

WOODFORD B. MCCOOL,
Secretary.

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8:45 a.m.]

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