AEC

UNITED STATES
ATOMIC ENERGY COMMISSION
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FOR IMMEDIATE RELEASE
(Wednesday, July 10, 1963)

AEC AMENDS REGULATIONS ON NUCLEAR ENERGY LIABILITY INSURANCE POLICY

The Atomic Energy Commission has amended its regulations to incorporate a change in the public liability policies which are issued by the two nuclear energy liability insurance syndicates.

The Commission must, by law, require financial protection of each organization it licenses to operate a nuclear reactor or other production or utilization facility, and the AEC must indemnify these licenses against public liability up to $500 million per nuclear incident. Indemnity applies to liability in excess of the required amount of financial protection. Financial protection is not required of nonprofit educational institutions and Federal agencies, even though they are indemnified under the law.

The Commission's regulations permit licensees to furnish financial protection in the form of a nuclear energy liability insurance policy which is set forth in the regulations. The insurance policies issued by the two syndicates, Nuclear Energy Liability Insurance Association of New York City and Mutual Atomic Energy Liability Underwriters of Chicago, are identical with this form.

The two syndicates recently have adopted changes in the form of this policy. The changes deal solely with the matter of premium and do not in any way affect the scope of coverage provided. They involve the inclusion of the Industry Credit Rating Plan in the policy. This plan has been in effect in principle since the issuance of the original policies and will first become operative in 1967 with respect to calendar year 1957 premiums. It provides for a

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pro-rata return of such of these accumulated standard premiums which have not actually been allocated to pay losses and expenses.

The amendment to AEC regulations, 10 CFR Part 140 "Financial Protection and Idemnity," is identical with that which was published for public comment on April 20. It will be effective thirty days after publication in the Federal Register on July 11, 1963.

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