

REGULATORY INFORMATION DISTRIBUTION SYSTEM (RIDS)

ACCESSION NBR: 8806020283      DOC. DATE: 88/05/27      NOTARIZED: NO      DOCKET #

FACIL: 50-000 Generic Docket      05000000

50-259 Browns Ferry Nuclear Power Station, Unit 1, Tennessee      05000259

50-260 Browns Ferry Nuclear Power Station, Unit 2, Tennessee      05000260

50-296 Browns Ferry Nuclear Power Station, Unit 3, Tennessee      05000296

50-321 Edwin I. Hatch Nuclear Plant, Unit 1, Georgia Power C      05000321

50-366 Edwin I. Hatch Nuclear Plant, Unit 2, Georgia Power C      05000366

50-348 Joseph M. Farley Nuclear Plant, Unit 1, Alabama Power      05000348

50-364 Joseph M. Farley Nuclear Plant, Unit 2, Alabama Power      05000364

50-424 Alvin W. Vogtle Nuclear Plant, Unit 1, Georgia Power      05000424

50-425 Alvin W. Vogtle Nuclear Plant, Unit 2, Georgia Power      05000425

50-438 Bellefonte Nuclear Plant, Unit 1, Tennessee Valley Au      05000438

50-439 Bellefonte Nuclear Plant, Unit 2, Tennessee Valley Au      05000439

AUTH. NAME      AUTHOR AFFILIATION

SANNA, L. J.      Marsh & McLennan, Inc.

RECIP. NAME      RECIPIENT AFFILIATION

DINITZ, I.      Office of Nuclear Reactor Regulation, Director (Post 870411)

SUBJECT: Forwards master work policy for plants, including  
 Endorsements 1, 2 & 3 to NELIA Certificate NW-105,  
 Endorsements 1, 2 & 3 to MAELU Certificate NW-39 &  
 Endorsements 1, 2 & 3 to NELIA Certificate NW-154.

DISTRIBUTION CODE: MO01D      COPIES RECEIVED: LTR 1 ENCL 1      SIZE: 150

TITLE: Insurance: Indemnity/Endorsement Agreements

NOTES: G. Zech 3 cy. 1 cy. ea to: Ebnetter, Axelrad, S. Richardson      05000259

B. D. Liaw, K. Barr, OI. **LTR ONLY**

G. Zech 3 cy. 1 cy. ea to: Ebnetter, Axelrad, S. Richardson,      05000260

B. D. Liaw, K. Barr, OI.

G. Zech 3 cy. 1 cy. ea to: Ebnetter, Axelrad, S. Richardson,      05000296

B. D. Liaw, K. Barr, OI.

Application for permit renewal filed.      05000425

G. Zech 3 cy. 1 cy. ea to: Ebnetter, Axelrad, S. Richardson,      05000438

B. D. Liaw, K. Barr, OI.

G. Zech 3 cy. 1 cy. ea to: Ebnetter, Axelrad, S. Richardson,      05000439

B. D. Liaw, K. Barr, OI.

*See Reports*

	RECIPIENT ID CODE/NAME	COPIES L TTR ENCL	RECIPIENT ID CODE/NAME	COPIES L TTR ENCL
INTERNAL:	NRR/PMAS/PTSB12	1 1	NUDOCS-ABSTRACT	1 1
	REG FILE 01	1 1		
EXTERNAL:	LPDR	5 5	NRC PDR	1 1
NOTES:		9 9		

M & M Nuclear Consultants  
1221 Avenue of the Americas  
New York, New York 10020-1011  
Telephone 212 997 2000

May 27, 1988

Mr. Ira Dinitz  
Insurance Liability Specialist  
Office of Nuclear Reactor Regulation  
Mail Stop 12E8  
U.S. Nuclear Regulatory Commission  
Washington, D.C. 20555

Re: Master Worker Policy  
Certificates of Insurance & Certificate Endorsements

Dear Ira,

Enclosed are the above captioned for the following:

- |                       |                |
|-----------------------|----------------|
| A. TVA (Browns Ferry) | NW-105, MW-39  |
| B. TVA (Bellefonte)   | NW-154, MW-185 |
| C. Southern (Vogtle)  | NW-194, MW-99  |
| D. Southern (Hatch)   | NW-120, MW-51  |
| E. Southern (Farley)  | NW-139, MW-64  |

Take care,



Luke J. Sanna  
Nuclear Consultant

LJS:ef  
enc.

8806020283 880527  
PDR ADCK 05000259  
PDR  
J

M001  
1/1

NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

NUCLEAR ENERGY LIABILITY POLICY  
(Facility Worker Form)

herein called the  
MASTER WORKER POLICY

C E R T I F I C A T E O F I N S U R A N C E

Certificate No. NW-154

Date of Issue Jan. 20 19 88

This is to certify that the insureds named in Item 1 of the Declarations hereof, hereinafter called the "Named Insureds", have obtained insurance under the Master Worker Policy issued by Nuclear Energy Liability Insurance Association on behalf of its members. The insurance is subject to all of the provisions of this "Certificate" and the Master Worker Policy.

1  
DECLARATIONS

Item 1. Named Insureds and Addresses:

Tennessee Valley Authority  
633 Chestnut Street  
660 Commerce Union Building  
Chattanooga, Tennessee 37401

Item 2. Certificate Coverage Period:

Beginning at 12:01 a.m. January 1, 1988 and ending at the close of December 31, 1992, Eastern Standard Time, or at the time and date this Certificate is cancelled or terminated, whichever first occurs.

Item 3. Description of the Facility:

Location: See Endorsement No. 3

Type: Power Reactor

Operator of the Facility: Tennessee Valley Authority

Item 4. Amount of Insurance Available:

The amount of insurance afforded by the Master Worker Policy through this Certificate shall be determined by Section VIII of the Master Worker Policy and all of the other provisions of the policy relating thereto.

Item 5. Advance Premium: \$ 3,410.00

2

APPLICATION OF CERTIFICATE

This Certificate applies only to bodily injury to a new worker (1) which is caused during the Certificate Coverage Period by the nuclear energy hazard and (2) which is discovered and for which written claim is first made against an insured under the Certificate within the discovery period of the Master Worker Policy.

3

INDUSTRY RETROSPECTIVE RATING PLAN

All insurance under the Master Worker Policy is subject to the Industry Retrospective Rating Plan in use by the companies. No insurance is provided under this Certificate unless and until the first Named Insured has accepted in writing the Industry Retrospective Rating Plan Premium Endorsement and a copy of the signed endorsement has been issued by the companies to form a part of this Certificate.

IN WITNESS WHEREOF, the companies subscribing the Master Worker Policy have caused this Certificate to be executed and attested on their behalf by the President of Nuclear Energy Liability Insurance Association and duly countersigned by an authorized representative.

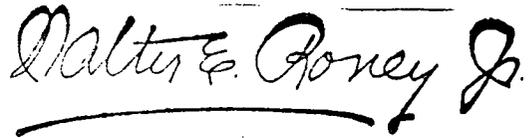
For the Subscribing Companies of  
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

Burt C. Proom, President

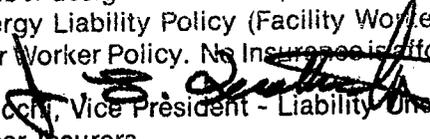
By

  
(Authorized Agent)

Countersigned by:

  
(Authorized Representative)

This is to certify that this is a true copy of the original Certificate bearing the number designated hereon, for insurance coverage under the Nuclear Energy Liability Policy (Facility Workers Form) herein called the Master Worker Policy. No insurance is afforded by this copy.

  
John L. Quattrocchi, Vice President - Liability Underwriting  
American Nuclear Insurers

Nuclear Energy Liability Insurance  
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

INDUSTRY RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT

It is agreed that:

1. DEFINITIONS

With reference to the premium for the Certificate of which this endorsement forms a part:

"Master Worker Policy" means the Master Worker Policy issued by NELIA;

"Certificate Holder" means the first Named Insured in a Certificate issued to form a part of the Master Worker Policy;

"advance premium", for any calendar year, is the estimated standard premium for that calendar year;

"standard premium", for any calendar year, is the premium for that calendar year computed in accordance with the companies' rules, rates, rating plans (other than the Industry Retrospective Rating Plan), premiums and minimum premiums applicable to this insurance. Standard premium includes elements for premium taxes, expenses, profit and contingencies, guaranteed cost insurance and estimated reserve premium. The elements of standard premium, other than for premium taxes and estimated reserve premium, are not subject to retrospective adjustment;

"reserve premium" means that portion of the premium for a Certificate (including reserve premium charges paid) that is specifically allocated under the Industry Retrospective Rating Plan for ratable incurred losses;

"industry reserve premium", for any period, is the sum of the reserve premiums for that period for all Certificates issued to form a part of the Master Worker Policy;

"retrospective adjustment ratio", for any period, is the ratio of the reserve premium for this Certificate for that period to the industry reserve premium for the same period;

"incurred losses" means the sum of all:

- (1) losses and expenses paid by NELIA, and
- (2) reserves for losses and expenses as estimated by NELIA,

because of obligations assumed and expenses incurred in connection with such obligations by the members of NELIA under the Master Worker Policy;

"ratable incurred losses" means 95% of incurred losses. Ratable incurred losses are the portion of incurred losses which are not covered by the guaranteed cost insurance element of standard premiums;

"non-ratable incurred losses" means 5% of incurred losses. Non-ratable incurred losses are the portion of incurred losses which are covered by the guaranteed cost insurance element of standard premiums;

"reserve for refunds", as of any date, is the algebraic difference between:

- (1) all industry reserve premium for the period from January 1, 1988 through such date, minus
- (2) the total for the same period of (a) all ratable incurred losses and (b) all industry reserve premium refunds made under the Industry Retrospective Rating Plan by members of NELIA;

"industry reserve premium charge", for any period, means the amount determined pursuant to the provisions of Section 4 of this endorsement for payment by the Named Insureds under Certificates;

"reserve premium charge" means the portion of an industry reserve premium charge payable by the Named Insureds under this Certificate;

"industry reserve premium refund", for any period, means the amount determined pursuant to the provisions of Section 4 of this endorsement for return to the Named Insureds under Certificates;

"reserve premium refund" means the portion of an industry reserve premium refund returnable to the Named Insureds under this Certificate.

## 2. PAYMENT OF ADVANCE AND STANDARD PREMIUMS

The Named Insureds shall pay the companies the advance premium stated in the declarations, for the period from the effective date of this Certificate through December 31 following. Thereafter, at the beginning of each calendar year while this Certificate is in force, the Named Insureds shall pay the advance premium for such year to the companies.

The advance premium for each calendar year shall be stated in the Advance and Standard Premium Endorsement

for the year issued by the companies as soon as practicable prior to or after the beginning of the year.

As soon as practicable after the end of a calendar year or the Certificate Coverage Period, the standard premium for the preceding year shall be finally determined and stated in the Advance and Standard Premium Endorsement for that year. If the standard premium exceeds the advance premium paid for that year, the Named Insureds shall pay the excess to the companies; if less, the companies shall return to the Named Insureds the excess portion paid.

The Named Insureds shall maintain records of the information necessary for premium computation and shall send copies of such records to the companies as directed, at the end of each calendar year, at the end of the Certificate Coverage Period and at such other times as the companies may direct.

3. SPECIAL RESERVE ACCOUNT; USE OF RESERVE PREMIUMS

NELIA shall maintain on behalf of its members a Special Reserve Account for holding collectively all reserve premiums paid for all Certificates issued to form a part of the Master Worker Policy. Such premiums, together with any undistributed net income realized thereon after taxes and investment expenses, shall be used for the following purposes only:

- (1) to pay ratable incurred losses or, in the event ratable incurred losses are paid under the Master Worker Policy from funds advanced by the members of NELIA subscribing the policy, to reimburse such members as a matter of first priority for the funds advanced;
- (2) to refund any amounts so held to the Named Insureds, as provided in Section 4.

No members of NELIA and no Named Insureds shall have any individual interest in or claim upon amounts held in the Special Reserve Account, except to participate proportionally in any refund or reimbursement provided for above.

All reserve premiums paid or payable for this Certificate may be used by NELIA to discharge the obligations of its members under the Master Worker Policy with respect to the above purposes and arising out of claims made under any Certificate issued to form a part of the Master Worker Policy.

4. PAYMENT OF RESERVE PREMIUM CHARGES AND REFUNDS

As soon as practicable after each December 31 the companies will review the status of the reserve for refunds and report their findings to all Certificate Holders.

If, at any time, the companies find that there is a negative balance in the reserve for refunds and that such condition is likely to prevail, they shall determine an appropriate industry reserve premium charge. Similarly, if the companies find that there is a surplus positive balance, they shall determine an appropriate industry reserve premium refund.

The portion of an industry reserve premium charge or an industry reserve premium refund that is:

- (1) payable by the Named Insureds as a reserve premium charge, or
  - (2) due such insureds as a reserve premium refund,
- shall be determined by multiplying the industry reserve premium charge or the industry reserve premium refund by the retrospective adjustment ratio applicable to this Certificate.

The amount of any reserve premium charge shall be stated in a Retrospective Reserve Premium Charge Endorsement. The charge shall be paid promptly after receipt of the endorsement.

When all claims covered by the Master Worker Policy are closed the companies shall make a final review and report, and shall determine a final industry reserve premium charge or industry reserve premium refund equal to the amount of the balance.

5. FINAL PREMIUM

The final premium for this Certificate shall be (a) the sum of the standard premiums for each calendar year, or portion thereof, during which the Certificate remains in force plus (b) the sum of all reserve premiums, including all reserve premium charges, minus (c) the sum of all reserve premium refunds.

6. RESERVE PREMIUM CHARGE AGREEMENT

In consideration of (a) the participation of Named Insureds in other Certificates subject to the Industry Retrospective Rating Plan, (b) the undertaking of such Named Insureds to pay their appropriate share of any industry reserve premium charge and (c) the obligations assumed by the members of NELIA under the Master Worker

Policy, the Named Insureds, by acceptance of the Master Worker Policy, agree:

- (1) That the insurance provided by the Master Worker Policy applies collectively to all claims covered by the policy through any and all Certificates issued to form a part of the policy.
- (2) That the right of each Named Insured under a Certificate to receive reserve premium refunds and the obligation of each such insured to pay reserve premiums charges applies to all claims covered by the Master Worker Policy and continues until all such claims are closed, whether or not such claims were before the inception of the Certificate or after its termination.
- (3) To pay all reserve premium charges due promptly after receipt of the Retrospective Reserve Premium Charge Endorsement, whether or not the Certificate is terminated. Any reserve premium charge shall be overdue if not paid within 60 days of the date of the invoice for the charge.

Overdue reserve premium charges shall bear interest from the due date until paid at an annual rate equal to the sum of (a) 3% plus (b) a rate of interest equal to Moody's Average Public Utility Bond Yield described in the issue of Moody's Bond Survey current on the due date. Any reserve premium refund due to Named Insureds under a Certificate shall be used to pay any overdue reserve premium charges to such Named Insureds.

#### 7. RESERVE PREMIUM REFUND AGREEMENT

Each member of NELIA subscribing the Master Worker Policy for any calendar year, or portion thereof, with respect to which an industry reserve premium refund is determined to be payable thereby agrees for itself, severally and not jointly, and in the respective proportion of its liability assumed under the Master Worker Policy for that calendar year, to return promptly to the Named Insureds that portion of such refund due such Insureds, as determined in accordance with the provisions of this endorsement.

Accepted and agreed by the first Named Insured in behalf of itself and every other Named Insured stated in the Declarations of the Certificate of which this endorsement forms a part.

Tennessee Valley Authority  
(First Named Insured - Print or Type)

Date 11-24-87 By David H. Marks  
(Signature of Authorized Officer)

David H. Marks  
Contracting Officer  
(Print or Type Name and Title of Officer)

This is to certify that this is a true copy of the original Endorsement having the endorsement number and being made part of the Certificate of Insurance bearing the number designated hereon for insurance coverage under the Nuclear Energy Liability Policy (Facility Workers Form). No Insurance is afforded hereunder.

[Signature]  
John L. Quattrocelli, Vice President - Liability Underwriting  
American Nuclear Insurers

Effective Date of this Endorsement January 1, 1988 To form a part of of Certificate No. NW-154

12:01 A.M. Standard Time  
Issued to Tennessee Valley Authority

Date of Issue October 19, 1987

For the subscribing companies

By [Signature]  
General Manager

Endorsement No. 1

Countersigned by [Signature]

Nuclear Energy Liability Insurance  
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

ADVANCE PREMIUM AND STANDARD PREMIUM ENDORSEMENT

CALENDAR YEAR 1988

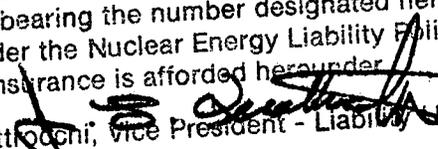
1. ADVANCE PREMIUM: It is agreed that the Advance Premium due the companies for the period designated above is:

\$ 3,410.00.

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 Retrospective Rating Plan, the Standard Premium is said Advance Premium and the estimated Reserve Premium element of the Standard Premium is:

\$ 2,728.00

This is to certify that this is a true copy of the original Endorsement having the endorsement number and being made part of the Certificate of insurance bearing the number designated hereon for insurance coverage under the Nuclear Energy Liability Policy (Facility Workers Form). No insurance is afforded hereunder.

  
John L. Quattrocchi, vice President - Liability Underwriting  
American Nuclear Insurers

Effective Date of this Endorsement January 1, 1988 To form a part of Certificate No. NW-154  
12:01 A.M. Standard Time

Issued to Tennessee Valley Authority

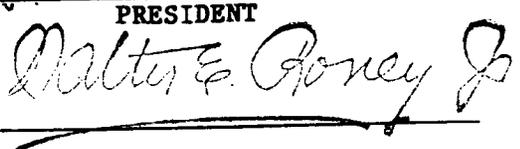
Date of Issue January 20, 1988

For the Subscribing Companies

By 

PRESIDENT

Endorsement No. 2

Countersigned by 

**Nuclear Energy Liability Insurance**  
**NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION**

DESCRIPTION OF THE FACILITY ENDORSEMENT

It is agreed that Item 3 of the Declarations the Description of the Facility "Location" is as follows:

All of the premises including the land and all buildings and structures of Tennessee Valley Authority's Bellefonte Nuclear Plant shown as being within the yellow outline on a reproduced copy of Tennessee Valley Authority's aerial photograph numbered 2086-005 and dated February 17, 1983, a copy of which is attached hereto and made a part hereof. Bellefonte Nuclear Plant is located on a peninsula extending along the west bank of the Guntersville Reservoir at Tennessee River mile 391.5 approximately six (6) miles northeast of Scottsboro and thirty-eight (38) miles east of Huntsville in Jackson County, Alabama.

This is to certify that this is a true copy of the original Endorsement having the endorsement number and being made part of the Certificate of Insurance bearing the number designated hereon for insurance coverage under the Nuclear Energy Liability Policy (Facility Workers Form). No insurance is afforded hereunder.

*[Signature]*  
John L. Quattrone, Vice President - Liability Underwriting  
American Nuclear Insurers

Effective Date of this Endorsement January 1, 1988 To form a part of Certificate No. NW-154  
12:01 A.M. Standard Time

Issued to Tennessee Valley Authority

Date of Issue January 20, 1988

For the Subscribing Companies

By *[Signature]*  
PRESIDENT

Endorsement No. 3

Countersigned by *[Signature]*



MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

NUCLEAR ENERGY LIABILITY POLICY  
(Facility Worker Form)

herein called the  
MASTER WORKER POLICY

C E R T I F I C A T E O F I N S U R A N C E

Certificate No. MW-185

Date of Issue Jan. 20 19 88

This is to certify that the insureds named in Item 1 of the Declarations hereof, hereinafter called the "Named Insureds", have obtained insurance under the Master Worker Policy issued by Mutual Atomic Energy Liability Underwriters on behalf of its members. The insurance is subject to all of the provisions of this "Certificate" and the Master Worker Policy.

1  
DECLARATIONS

Item 1. Named Insureds and Addresses:

Tennessee Valley Authority  
633 Chestnut Street  
660 Commerce Union Building  
Chattanooga, Tennessee 37401

Item 2. Certificate Coverage Period:

Beginning at 12:01 a.m. January 1, 1988 and ending at the close of December 31, 1992, Eastern Standard Time, or at the time and date this Certificate is cancelled or terminated, whichever first occurs.

Item 3. Description of the Facility:

Location: See Endorsement No. 3

Type: Power Reactor

Operator of the Facility: Tennessee Valley Authority

Item 4. Amount of Insurance Available:

The amount of insurance afforded by the Master Worker Policy through this Certificate shall be determined by Section VIII of the Master Worker Policy and all of the other provisions of the policy relating thereto.

Item 5. Advance Premium: \$ 990.00

2

APPLICATION OF CERTIFICATE

This Certificate applies only to bodily injury to a new worker (1) which is caused during the Certificate Coverage Period by the nuclear energy hazard and (2) which is discovered and for which written claim is first made against an insured under the Certificate within the discovery period of the Master Worker Policy.

3

INDUSTRY RETROSPECTIVE RATING PLAN

All insurance under the Master Worker Policy is subject to the Industry Retrospective Rating Plan in use by the companies. No insurance is provided under this Certificate unless and until the first Named Insured has accepted in writing the Industry Retrospective Rating Plan Premium Endorsement and a copy of the signed endorsement has been issued by the companies to form a part of this Certificate.

IN WITNESS WHEREOF, the companies subscribing the Master Worker Policy have caused this Certificate to be executed and attested on their behalf by the Manager of Mutual Atomic Energy Liability Underwriters and duly countersigned by an authorized representative.

For the Subscribing Companies of  
MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

J. Michael O'Connell, Manager

By \_\_\_\_\_

*J.S. Quattrocchi*  
(Authorized Agent)

Countersigned by: \_\_\_\_\_

*Walter E. Roney Jr.*  
(Authorized Representative)

This is to certify that this is a true copy of the original Certificate bearing the number designated hereon, for insurance coverage under the Nuclear Energy Liability Policy (Facility Workers Form) herein called the Master Worker Policy. No insurance is afforded by this copy.

*J.S. Quattrocchi*  
John L. Quattrocchi, Vice President - Liability Underwriting  
American Nuclear Insurers

Nuclear Energy Liability Insurance  
MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

INDUSTRY RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT

It is agreed that:

1. DEFINITIONS

With reference to the premium for the Certificate of which this endorsement forms a part:

"Master Worker Policy" means the Master Worker Policy issued by MAELU;

"Certificate Holder" means the first Named Insured in a Certificate issued to form a part of the Master Worker Policy;

"advance premium", for any calendar year, is the estimated standard premium for that calendar year;

"standard premium", for any calendar year, is the premium for that calendar year computed in accordance with the companies' rules, rates, rating plans (other than the Industry Retrospective Rating Plan), premiums and minimum premiums applicable to this insurance. Standard premium includes elements for premium taxes, expenses, profit and contingencies, guaranteed cost insurance and estimated reserve premium. The elements of standard premium, other than for premium taxes and estimated reserve premium, are not subject to retrospective adjustment;

"reserve premium" means that portion of the premium for a Certificate (including reserve premium charges paid) that is specifically allocated under the Industry Retrospective Rating Plan for ratable incurred losses;

"industry reserve premium", for any period, is the sum of the reserve premiums for that period for all Certificates issued to form a part of the Master Worker Policy;

"retrospective adjustment ratio", for any period, is the ratio of the reserve premium for this Certificate for that period to the industry reserve premium for the same period;

"incurred losses" means the sum of all:

- (1) losses and expenses paid by MAELU, and
- (2) reserves for losses and expenses as estimated by MAELU,

because of obligations assumed and expenses incurred in connection with such obligations by the members of MAELU under the Master Worker Policy;

"ratable incurred losses" means 95% of incurred losses. Ratable incurred losses are the portion of incurred losses which are not covered by the guaranteed cost insurance element of standard premiums;

"non-ratable incurred losses" means 5% of incurred losses. Non-ratable incurred losses are the portion of incurred losses which are covered by the guaranteed cost insurance element of standard premiums;

"reserve for refunds", as of any date, is the algebraic difference between:

- (1) all industry reserve premium for the period from January 1, 1988 through such date, minus
- (2) the total for the same period of (a) all ratable incurred losses and (b) all industry reserve premium refunds made under the Industry Retrospective Rating Plan by members of MAELU;

"industry reserve premium charge", for any period, means the amount determined pursuant to the provisions of Section 4 of this endorsement for payment by the Named Insureds under Certificates;

"reserve premium charge" means the portion of an industry reserve premium charge payable by the Named Insureds under this Certificate;

"industry reserve premium refund", for any period, means the amount determined pursuant to the provisions of Section 4 of this endorsement for return to the Named Insureds under Certificates;

"reserve premium refund" means the portion of an industry reserve premium refund returnable to the Named Insureds under this Certificate.

## 2. PAYMENT OF ADVANCE AND STANDARD PREMIUMS

The Named Insureds shall pay the companies the advance premium stated in the declarations, for the period from the effective date of this Certificate through December 31 following. Thereafter, at the beginning of each calendar year while this Certificate is in force, the Named Insureds shall pay the advance premium for such year to the companies.

The advance premium for each calendar year shall be stated in the Advance and Standard Premium Endorsement for the year issued by the companies as soon as practicable prior to or after the beginning of the year.

As soon as practicable after the end of a calendar year or the Certificate Coverage Period, the standard premium for the preceding year shall be finally determined and stated in the Advance and Standard Premium Endorsement for that year. If the standard premium exceeds the advance premium paid for that year, the Named Insureds shall pay the excess to the companies; if less, the companies shall return to the Named Insureds the excess portion paid.

The Named Insureds shall maintain records of the information necessary for premium computation and shall send copies of such records to the companies as directed, at the end of each calendar year, at the end of the Certificate Coverage Period and at such other times as the companies may direct.

3. SPECIAL RESERVE ACCOUNT; USE OF RESERVE PREMIUMS

MAELU shall maintain on behalf of its members a Special Reserve Account for holding collectively all reserve premiums paid for all Certificates issued to form a part of the Master Worker Policy. Such premiums, together with any undistributed net income realized thereon after taxes and investment expenses, shall be used for the following purposes only:

- (1) to pay ratable incurred losses or, in the event ratable incurred losses are paid under the Master Worker Policy from funds advanced by the members of MAELU subscribing the policy, to reimburse such members as a matter of first priority for the funds advanced;
- (2) to refund any amounts so held to the Named Insureds, as provided in Section 4.

No members of MAELU and no Named Insureds shall have any individual interest in or claim upon amounts held in the Special Reserve Account, except to participate proportionally in any refund or reimbursement provided for above.

All reserve premiums paid or payable for this Certificate may be used by MAELU to discharge the obligations of its members under the Master Worker Policy with respect to the above purposes and arising out of claims made under any Certificate issued to form a part of the Master Worker Policy.

4. PAYMENT OF RESERVE PREMIUM CHARGES AND REFUNDS

As soon as practicable after each December 31 the companies will review the status of the reserve for refunds and report their findings to all Certificate Holders.

If, at any time, the companies find that there is a negative balance in the reserve for refunds and that such condition is likely to prevail, they shall determine an appropriate industry reserve premium charge. Similarly, if the companies find that there is a surplus positive balance, they shall determine an appropriate industry reserve premium refund.

The portion of an industry reserve premium charge or an industry reserve premium refund that is:

- (1) payable by the Named Insureds as a reserve premium charge, or
  - (2) due such insureds as a reserve premium refund,
- shall be determined by multiplying the industry reserve premium charge or the industry reserve premium refund by the retrospective adjustment ratio applicable to this Certificate.

The amount of any reserve premium charge shall be stated in a Retrospective Reserve Premium Charge Endorsement. The charge shall be paid promptly after receipt of the endorsement.

When all claims covered by the Master Worker Policy are closed the companies shall make a final review and report, and shall determine a final industry reserve premium charge or industry reserve premium refund equal to the amount of the balance.

5. FINAL PREMIUM

The final premium for this Certificate shall be (a) the sum of the standard premiums for each calendar year, or portion thereof, during which the Certificate remains in force plus (b) the sum of all reserve premiums, including all reserve premium charges, minus (c) the sum of all reserve premium refunds.

6. RESERVE PREMIUM CHARGE AGREEMENT

In consideration of (a) the participation of Named Insureds in other Certificates subject to the Industry Retrospective Rating Plan, (b) the undertaking of such Named Insureds to pay their appropriate share of any industry reserve premium charge and (c) the obligations assumed by the members of MAELU under the Master Worker

Policy, the Named Insureds, by acceptance of the Master Worker Policy, agree:

- (1) That the insurance provided by the Master Worker Policy applies collectively to all claims covered by the policy through any and all Certificates issued to form a part of the policy.
- (2) That the right of each Named Insured under a Certificate to receive reserve premium refunds and the obligation of each such insured to pay reserve premiums charges applies to all claims covered by the Master Worker Policy and continues until all such claims are closed, whether or not such claims were before the inception of the Certificate or after its termination.
- (3) To pay all reserve premium charges due promptly after receipt of the Retrospective Reserve Premium Charge Endorsement, whether or not the Certificate is terminated. Any reserve premium charge shall be overdue if not paid within 60 days of the date of the invoice for the charge.

Overdue reserve premium charges shall bear interest from the due date until paid at an annual rate equal to the sum of (a) 3% plus (b) a rate of interest equal to Moody's Average Public Utility Bond Yield described in the issue of Moody's Bond Survey current on the due date. Any reserve premium refund due to Named Insureds under a Certificate shall be used to pay any overdue reserve premium charges to such Named Insureds.

#### 7. RESERVE PREMIUM REFUND AGREEMENT

Each member of MAELU subscribing the Master Worker Policy for any calendar year, or portion thereof, with respect to which an industry reserve premium refund is determined to be payable thereby agrees for itself, severally and not jointly, and in the respective proportion of its liability assumed under the Master Worker Policy for that calendar year, to return promptly to the Named Insureds that portion of such refund due such Insureds, as determined in accordance with the provisions of this endorsement.

Accepted and agreed by the first Named Insured in behalf of itself and every other Named Insured stated in the Declarations of the Certificate of which this endorsement forms a part.

Tennessee Valley Authority

(First Named Insured - Print or Type)

Date 12/8/87 BY

David H. Marks

(Signature of Authorized Officer)

Contracting Officer

(Print or Type Name and Title of Officer)

This is to certify that this is a true copy of the original Endorsement having the endorsement number and being made part of the Certificate of Insurance bearing the number designated hereon for insurance coverage under the Nuclear Energy Liability Policy (Facility Workers Form). No insurance is afforded hereunder.

J. S. Quattrocchi  
John L. Quattrocchi, Vice President - Liability Underwriting  
American Nuclear Insurers

Effective Date of this Endorsement January 1, 1988  
12:01 A.M. Standard Time

To form a part of Certificate No. MW-185

Issued to Tennessee Valley Authority

Date of Issue October 19, 1987

For the Subscribing Companies

**MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS**

By J. S. Quattrocchi

Endorsement No. 1

Countersigned by Walter E. Goney Jr.  
Authorized Representative

**Nuclear Energy Liability Insurance**  
**MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS**

ADVANCE PREMIUM AND STANDARD PREMIUM ENDORSEMENT

CALENDAR YEAR 1988

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

\$ 990.00 .

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 Retrospective Rating Plan, the Standard Premium is said Advance Premium and the estimated Reserve Premium element of the Standard Premium is:

\$ 792.00

This is to certify that this is a true copy of the original Endorsement having the endorsement number and being made part of the Certificate of Insurance bearing the number designated hereon for insurance coverage under the Nuclear Energy Liability Policy (Facility Workers Form). No insurance is afforded hereunder.

*J. S. Quattrocchi*  
John L. Quattrocchi, Vice President - Liability Underwriting  
American Nuclear Insurers

Effective Date of this Endorsement January 1, 1988 To form a part of Certificate No. MW-185  
12:01 A.M. Standard Time

Issued to Tennessee Valley Authority

Date of Issue January 20, 1988

For the Subscribing Companies

**MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS**

By *J. S. Quattrocchi*

Countersigned by *Walter E. Roney*

Endorsement No. 2

**Nuclear Energy Liability Insurance**  
**MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS**

DESCRIPTION OF THE FACILITY ENDORSEMENT

It is agreed that Item 3 of the Declarations the Description of the Facility "Location" is as follows:

All of the premises including the land and all buildings and structures of Tennessee Valley Authority's Bellefonte Nuclear Plant shown as being within the yellow outline on a reproduced copy of Tennessee Valley Authority's aerial photograph numbered 2086-005 and dated February 17, 1983, a copy of which is attached hereto and made a part hereof. Bellefonte Nuclear Plant is located on a peninsula extending along the west bank of the Guntersville Reservoir at Tennessee River mile 391.5 approximately six (6) miles northeast of Scottsboro and thirty-eight (38) miles east of Huntsville in Jackson County, Alabama.

This is to certify that this is a true copy of the original Endorsement having the endorsement number and being made part of the Certificate of Insurance bearing the number designated hereon for insurance coverage under the Nuclear Energy Liability Policy (Facility Workers Form). No insurance is afforded hereunder.

*J. S. Quattrocchi*  
John L. Quattrocchi, vice President - Liability Underwriting  
American Nuclear Insurers

Effective Date of this Endorsement January 1, 1988 To form a part of Certificate No. MW-185  
12:01 A.M. Standard Time

Issued to Tennessee Valley Authority

Date of Issue January 20, 1988

For the Subscribing Companies

**MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS**

By *J. S. Quattrocchi*

Endorsement No. 3

Countersigned by *William E. Poney Jr.*

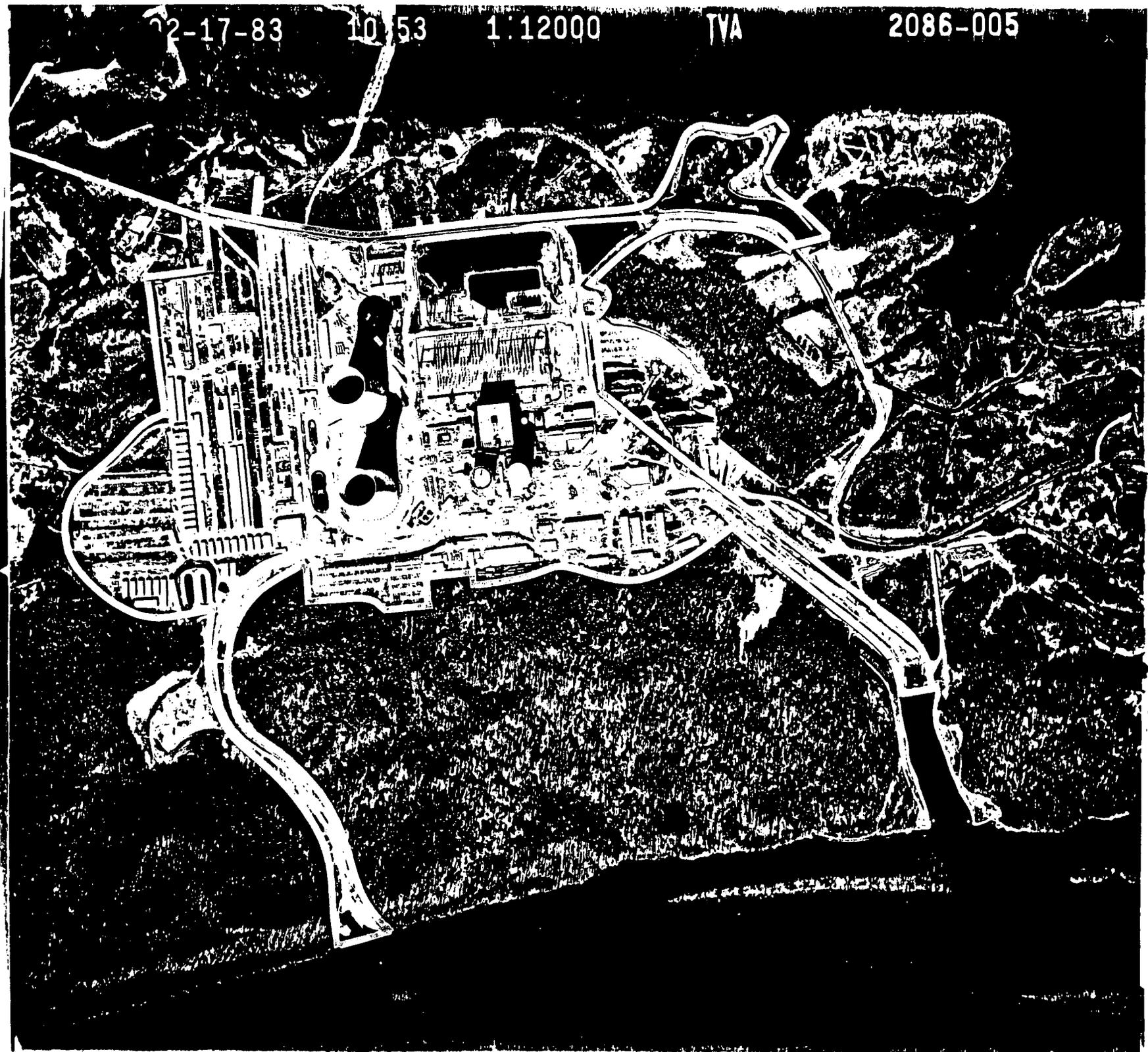
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TVA

2086-005



BELLEVILLE

NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

NUCLEAR ENERGY LIABILITY POLICY  
(Facility Worker Form)

herein called the  
MASTER WORKER POLICY

C E R T I F I C A T E O F I N S U R A N C E

Certificate No. NW-154

Date of Issue Jan. 20 19 88

This is to certify that the insureds named in Item 1 of the Declarations hereof, hereinafter called the "Named Insureds", have obtained insurance under the Master Worker Policy issued by Nuclear Energy Liability Insurance Association on behalf of its members. The insurance is subject to all of the provisions of this "Certificate" and the Master Worker Policy.

1  
DECLARATIONS

Item 1. Named Insureds and Addresses:

Tennessee Valley Authority  
633 Chestnut Street  
660 Commerce Union Building  
Chattanooga, Tennessee 37401

Item 2. Certificate Coverage Period:

Beginning at 12:01 a.m. January 1, 1988 and ending at the close of December 31, 1992, Eastern Standard Time, or at the time and date this Certificate is cancelled or terminated, whichever first occurs.

Item 3. Description of the Facility:

Location: See Endorsement No. 3

Type: Power Reactor

Operator of the Facility: Tennessee Valley Authority

Item 4. Amount of Insurance Available:

The amount of insurance afforded by the Master Worker Policy through this Certificate shall be determined by Section VIII of the Master Worker Policy and all of the other provisions of the policy relating thereto.

Item 5. Advance Premium: \$ 3,410.00

2  
APPLICATION OF CERTIFICATE

This Certificate applies only to bodily injury to a new worker (1) which is caused during the Certificate Coverage Period by the nuclear energy hazard and (2) which is discovered and for which written claim is first made against an insured under the Certificate within the discovery period of the Master Worker Policy.

3  
INDUSTRY RETROSPECTIVE RATING PLAN

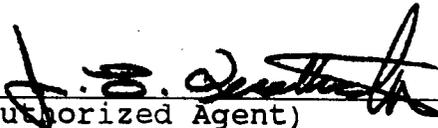
All insurance under the Master Worker Policy is subject to the Industry Retrospective Rating Plan in use by the companies. No insurance is provided under this Certificate unless and until the first Named Insured has accepted in writing the Industry Retrospective Rating Plan Premium Endorsement and a copy of the signed endorsement has been issued by the companies to form a part of this Certificate.

IN WITNESS WHEREOF, the companies subscribing the Master Worker Policy have caused this Certificate to be executed and attested on their behalf by the President of Nuclear Energy Liability Insurance Association and duly countersigned by an authorized representative.

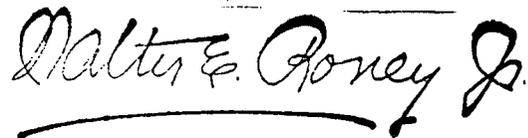
For the Subscribing Companies of  
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

Burt C. Proom, President

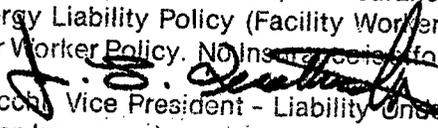
By \_\_\_\_\_

  
(Authorized Agent)

Countersigned by: \_\_\_\_\_

  
(Authorized Representative)

This is to certify that this is a true copy of the original Certificate bearing the number designated hereon, for insurance coverage under the Nuclear Energy Liability Policy (Facility Workers Form) herein called the Master Worker Policy. No insurance is afforded by this copy.

  
John L. Quattrocchi, Vice President - Liability Underwriting  
American Nuclear Insurers

Nuclear Energy Liability Insurance

NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

INDUSTRY RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT

It is agreed that:

1. DEFINITIONS

With reference to the premium for the Certificate of which this endorsement forms a part:

"Master Worker Policy" means the Master Worker Policy issued by NELIA;

"Certificate Holder" means the first Named Insured in a Certificate issued to form a part of the Master Worker Policy;

"advance premium", for any calendar year, is the estimated standard premium for that calendar year;

"standard premium", for any calendar year, is the premium for that calendar year computed in accordance with the companies' rules, rates, rating plans (other than the Industry Retrospective Rating Plan), premiums and minimum premiums applicable to this insurance. Standard premium includes elements for premium taxes, expenses, profit and contingencies, guaranteed cost insurance and estimated reserve premium. The elements of standard premium, other than for premium taxes and estimated reserve premium, are not subject to retrospective adjustment;

"reserve premium" means that portion of the premium for a Certificate (including reserve premium charges paid) that is specifically allocated under the Industry Retrospective Rating Plan for ratable incurred losses;

"industry reserve premium", for any period, is the sum of the reserve premiums for that period for all Certificates issued to form a part of the Master Worker Policy;

"retrospective adjustment ratio", for any period, is the ratio of the reserve premium for this Certificate for that period to the industry reserve premium for the same period;

"incurred losses" means the sum of all:

- (1) losses and expenses paid by NELIA, and
- (2) reserves for losses and expenses as estimated by NELIA,

because of obligations assumed and expenses incurred in connection with such obligations by the members of NELIA under the Master Worker Policy;

"ratable incurred losses" means 95% of incurred losses. Ratable incurred losses are the portion of incurred losses which are not covered by the guaranteed cost insurance element of standard premiums;

"non-ratable incurred losses" means 5% of incurred losses. Non-ratable incurred losses are the portion of incurred losses which are covered by the guaranteed cost insurance element of standard premiums;

"reserve for refunds", as of any date, is the algebraic difference between:

- (1) all industry reserve premium for the period from January 1, 1988 through such date, minus
- (2) the total for the same period of (a) all ratable incurred losses and (b) all industry reserve premium refunds made under the Industry Retrospective Rating Plan by members of NELIA;

"industry reserve premium charge", for any period, means the amount determined pursuant to the provisions of Section 4 of this endorsement for payment by the Named Insureds under Certificates;

"reserve premium charge" means the portion of an industry reserve premium charge payable by the Named Insureds under this Certificate;

"industry reserve premium refund", for any period, means the amount determined pursuant to the provisions of Section 4 of this endorsement for return to the Named Insureds under Certificates;

"reserve premium refund" means the portion of an industry reserve premium refund returnable to the Named Insureds under this Certificate.

## 2. PAYMENT OF ADVANCE AND STANDARD PREMIUMS

The Named Insureds shall pay the companies the advance premium stated in the declarations, for the period from the effective date of this Certificate through December 31 following. Thereafter, at the beginning of each calendar year while this Certificate is in force, the Named Insureds shall pay the advance premium for such year to the companies.

The advance premium for each calendar year shall be stated in the Advance and Standard Premium Endorsement

for the year issued by the companies as soon as practicable prior to or after the beginning of the year.

As soon as practicable after the end of a calendar year or the Certificate Coverage Period, the standard premium for the preceding year shall be finally determined and stated in the Advance and Standard Premium Endorsement for that year. If the standard premium exceeds the advance premium paid for that year, the Named Insureds shall pay the excess to the companies; if less, the companies shall return to the Named Insureds the excess portion paid.

The Named Insureds shall maintain records of the information necessary for premium computation and shall send copies of such records to the companies as directed, at the end of each calendar year, at the end of the Certificate Coverage Period and at such other times as the companies may direct.

3. SPECIAL RESERVE ACCOUNT; USE OF RESERVE PREMIUMS

NELIA shall maintain on behalf of its members a Special Reserve Account for holding collectively all reserve premiums paid for all Certificates issued to form a part of the Master Worker Policy. Such premiums, together with any undistributed net income realized thereon after taxes and investment expenses, shall be used for the following purposes only:

- (1) to pay ratable incurred losses or, in the event ratable incurred losses are paid under the Master Worker Policy from funds advanced by the members of NELIA subscribing the policy, to reimburse such members as a matter of first priority for the funds advanced;
- (2) to refund any amounts so held to the Named Insureds, as provided in Section 4.

No members of NELIA and no Named Insureds shall have any individual interest in or claim upon amounts held in the Special Reserve Account, except to participate proportionally in any refund or reimbursement provided for above.

All reserve premiums paid or payable for this Certificate may be used by NELIA to discharge the obligations of its members under the Master Worker Policy with respect to the above purposes and arising out of claims made under any Certificate issued to form a part of the Master Worker Policy.

4. PAYMENT OF RESERVE PREMIUM CHARGES AND REFUNDS

As soon as practicable after each December 31 the companies will review the status of the reserve for refunds and report their findings to all Certificate Holders.

If, at any time, the companies find that there is a negative balance in the reserve for refunds and that such condition is likely to prevail, they shall determine an appropriate industry reserve premium charge. Similarly, if the companies find that there is a surplus positive balance, they shall determine an appropriate industry reserve premium refund.

The portion of an industry reserve premium charge or an industry reserve premium refund that is:

- (1) payable by the Named Insureds as a reserve premium charge, or
- (2) due such insureds as a reserve premium refund, shall be determined by multiplying the industry reserve premium charge or the industry reserve premium refund by the retrospective adjustment ratio applicable to this Certificate.

The amount of any reserve premium charge shall be stated in a Retrospective Reserve Premium Charge Endorsement. The charge shall be paid promptly after receipt of the endorsement.

When all claims covered by the Master Worker Policy are closed the companies shall make a final review and report, and shall determine a final industry reserve premium charge or industry reserve premium refund equal to the amount of the balance.

5. FINAL PREMIUM

The final premium for this Certificate shall be (a) the sum of the standard premiums for each calendar year, or portion thereof, during which the Certificate remains in force plus (b) the sum of all reserve premiums, including all reserve premium charges, minus (c) the sum of all reserve premium refunds.

6. RESERVE PREMIUM CHARGE AGREEMENT

In consideration of (a) the participation of Named Insureds in other Certificates subject to the Industry Retrospective Rating Plan, (b) the undertaking of such Named Insureds to pay their appropriate share of any industry reserve premium charge and (c) the obligations assumed by the members of NELIA under the Master Worker

Policy, the Named Insureds, by acceptance of the Master Worker Policy, agree:

- (1) That the insurance provided by the Master Worker Policy applies collectively to all claims covered by the policy through any and all Certificates issued to form a part of the policy.
- (2) That the right of each Named Insured under a Certificate to receive reserve premium refunds and the obligation of each such insured to pay reserve premiums charges applies to all claims covered by the Master Worker Policy and continues until all such claims are closed, whether or not such claims were before the inception of the Certificate or after its termination.
- (3) To pay all reserve premium charges due promptly after receipt of the Retrospective Reserve Premium Charge Endorsement, whether or not the Certificate is terminated. Any reserve premium charge shall be overdue if not paid within 60 days of the date of the invoice for the charge.

Overdue reserve premium charges shall bear interest from the due date until paid at an annual rate equal to the sum of (a) 3% plus (b) a rate of interest equal to Moody's Average Public Utility Bond Yield described in the issue of Moody's Bond Survey current on the due date. Any reserve premium refund due to Named Insureds under a Certificate shall be used to pay any overdue reserve premium charges to such Named Insureds.

#### 7. RESERVE PREMIUM REFUND AGREEMENT

Each member of NELIA subscribing the Master Worker Policy for any calendar year, or portion thereof, with respect to which an industry reserve premium refund is determined to be payable thereby agrees for itself, severally and not jointly, and in the respective proportion of its liability assumed under the Master Worker Policy for that calendar year, to return promptly to the Named Insureds that portion of such refund due such Insureds, as determined in accordance with the provisions of this endorsement.

Accepted and agreed by the first Named Insured in behalf of itself and every other Named Insured stated in the Declarations of the Certificate of which this endorsement forms a part.

Tennessee Valley Authority  
(First Named Insured - Print or Type)

Date 11-24-87 By David H. Marks  
(Signature of Authorized Officer)  
David H. Marks  
Contracting Officer  
(Print or Type Name and Title of Officer)

This is to certify that this is a true copy of the original Endorsement having the endorsement number and being made part of the Certificate of Insurance bearing the number designated hereon for insurance coverage under the Nuclear Energy Liability Policy (Facility Workers Form). No insurance is afforded hereunder.  
J. S. Quattrocchi  
John L. Quattrocchi, Vice President - Liability Underwriting  
American Nuclear Insurers

Effective Date of this Endorsement January 1, 1988 To form a part of of Certificate No. NW-154

12:01 A.M. Standard Time  
Issued to Tennessee Valley Authority

Date of Issue October 19, 1987

For the subscribing companies

By [Signature]  
General Manager

Endorsement No. 1

Countersigned by [Signature]

**Nuclear Energy Liability Insurance**  
**NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION**

ADVANCE PREMIUM AND STANDARD PREMIUM ENDORSEMENT

CALENDAR YEAR 1988

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

\$ 3,410.00 .

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 Retrospective Rating Plan, the Standard Premium is said Advance Premium and the estimated Reserve Premium element of the Standard Premium is:

\$ 2,728.00

This is to certify that this is a true copy of the original Endorsement having the endorsement number and being made part of the Certificate of Insurance bearing the number designated hereon for insurance coverage under the Nuclear Energy Liability Policy (Facility Workers Form). No insurance is afforded hereunder.

*J. S. Quattrocchi*  
John L. Quattrocchi, Vice President - Liability Underwriting  
American Nuclear Insurers

Effective Date of this Endorsement January 1, 1988 To form a part of Certificate No. NW-154  
12:01 A.M. Standard Time

Issued to Tennessee Valley Authority

Date of Issue January 20, 1988

For the Subscribing Companies

By *[Signature]*

PRESIDENT

Endorsement No. 2

Countersigned by *[Signature]*

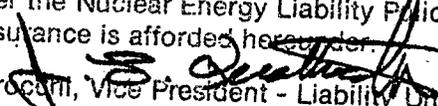
**Nuclear Energy Liability Insurance**  
**NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION**

DESCRIPTION OF THE FACILITY ENDORSEMENT

It is agreed that Item 3 of the Declarations the Description of the Facility "Location" is as follows:

All of the premises including the land and all buildings and structures of Tennessee Valley Authority's Bellefonte Nuclear Plant shown as being within the yellow outline on a reproduced copy of Tennessee Valley Authority's aerial photograph numbered 2086-005 and dated February 17, 1983, a copy of which is attached hereto and made a part hereof. Bellefonte Nuclear Plant is located on a peninsula extending along the west bank of the Guntersville Reservoir at Tennessee River mile 391.5 approximately six (6) miles northeast of Scottsboro and thirty-eight (38) miles east of Huntsville in Jackson County, Alabama.

This is to certify that this is a true copy of the original Endorsement having the endorsement number and being made part of the Certificate of Insurance bearing the number designated hereon for insurance coverage under the Nuclear Energy Liability Policy (Facility Workers Form). No Insurance is afforded hereunder.

  
John L. Quattrocchi, Vice President - Liability Underwriting  
American Nuclear Insurers

Effective Date of this Endorsement January 1, 1988 To form a part of Certificate No. NW-154  
12:01 A.M. Standard Time

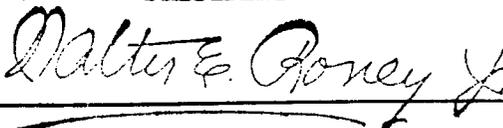
Issued to Tennessee Valley Authority

Date of Issue January 20, 1988

For the Subscribing Companies

By   
PRESIDENT

Endorsement No. 3

Countersigned by 



MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

NUCLEAR ENERGY LIABILITY POLICY  
(Facility Worker Form)

herein called the  
MASTER WORKER POLICY

C E R T I F I C A T E O F I N S U R A N C E

Certificate No. MW-185

Date of Issue Jan. 20 19 88

This is to certify that the insureds named in Item 1 of the Declarations hereof, hereinafter called the "Named Insureds", have obtained insurance under the Master Worker Policy issued by Mutual Atomic Energy Liability Underwriters on behalf of its members. The insurance is subject to all of the provisions of this "Certificate" and the Master Worker Policy.

1  
DECLARATIONS

Item 1. Named Insureds and Addresses:

Tennessee Valley Authority  
633 Chestnut Street  
660 Commerce Union Building  
Chattanooga, Tennessee 37401

Item 2. Certificate Coverage Period:

Beginning at 12:01 a.m. January 1, 1988 and ending at the close of December 31, 1992, Eastern Standard Time, or at the time and date this Certificate is cancelled or terminated, whichever first occurs.

Item 3. Description of the Facility:

Location: See Endorsement No. 3

Type: Power Reactor

Operator of the Facility: Tennessee Valley Authority

Item 4. Amount of Insurance Available:

The amount of insurance afforded by the Master Worker Policy through this Certificate shall be determined by Section VIII of the Master Worker Policy and all of the other provisions of the policy relating thereto.

Item 5. Advance Premium: \$ 990.00

2

APPLICATION OF CERTIFICATE

This Certificate applies only to bodily injury to a new worker (1) which is caused during the Certificate Coverage Period by the nuclear energy hazard and (2) which is discovered and for which written claim is first made against an insured under the Certificate within the discovery period of the Master Worker Policy.

3

INDUSTRY RETROSPECTIVE RATING PLAN

All insurance under the Master Worker Policy is subject to the Industry Retrospective Rating Plan in use by the companies. No insurance is provided under this Certificate unless and until the first Named Insured has accepted in writing the Industry Retrospective Rating Plan Premium Endorsement and a copy of the signed endorsement has been issued by the companies to form a part of this Certificate.

IN WITNESS WHEREOF, the companies subscribing the Master Worker Policy have caused this Certificate to be executed and attested on their behalf by the Manager of Mutual Atomic Energy Liability Underwriters and duly countersigned by an authorized representative.

For the Subscribing Companies of  
MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

J. Michael O'Connell, Manager

By \_\_\_\_\_

*J. S. Quattrocchi*  
(Authorized Agent)

Countersigned by: \_\_\_\_\_

*Walter E. Roney Jr.*  
(Authorized Representative)

This is to certify that this is a true copy of the original Certificate bearing the number designated hereon, for insurance coverage under the Nuclear Energy Liability Policy (Facility Workers Form) herein called the Master Worker Policy. No insurance is afforded by this copy.

*J. S. Quattrocchi*  
John L. Quattrocchi, Vice President - Liability Underwriting  
American Nuclear Insurers

Nuclear Energy Liability Insurance  
MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

INDUSTRY RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT

It is agreed that:

1. DEFINITIONS

With reference to the premium for the Certificate of which this endorsement forms a part:

"Master Worker Policy" means the Master Worker Policy issued by MAELU;

"Certificate Holder" means the first Named Insured in a Certificate issued to form a part of the Master Worker Policy;

"advance premium", for any calendar year, is the estimated standard premium for that calendar year;

"standard premium", for any calendar year, is the premium for that calendar year computed in accordance with the companies' rules, rates, rating plans (other than the Industry Retrospective Rating Plan), premiums and minimum premiums applicable to this insurance. Standard premium includes elements for premium taxes, expenses, profit and contingencies, guaranteed cost insurance and estimated reserve premium. The elements of standard premium, other than for premium taxes and estimated reserve premium, are not subject to retrospective adjustment;

"reserve premium" means that portion of the premium for a Certificate (including reserve premium charges paid) that is specifically allocated under the Industry Retrospective Rating Plan for ratable incurred losses;

"industry reserve premium", for any period, is the sum of the reserve premiums for that period for all Certificates issued to form a part of the Master Worker Policy;

"retrospective adjustment ratio", for any period, is the ratio of the reserve premium for this Certificate for that period to the industry reserve premium for the same period;

"incurred losses" means the sum of all:

- (1) losses and expenses paid by MAELU, and
- (2) reserves for losses and expenses as estimated by MAELU,

because of obligations assumed and expenses incurred in connection with such obligations by the members of MAELU under the Master Worker Policy;

"ratable incurred losses" means 95% of incurred losses. Ratable incurred losses are the portion of incurred losses which are not covered by the guaranteed cost insurance element of standard premiums;

"non-ratable incurred losses" means 5% of incurred losses. Non-ratable incurred losses are the portion of incurred losses which are covered by the guaranteed cost insurance element of standard premiums;

"reserve for refunds", as of any date, is the algebraic difference between:

- (1) all industry reserve premium for the period from January 1, 1988 through such date, minus
- (2) the total for the same period of (a) all ratable incurred losses and (b) all industry reserve premium refunds made under the Industry Retrospective Rating Plan by members of MAELU;

"industry reserve premium charge", for any period, means the amount determined pursuant to the provisions of Section 4 of this endorsement for payment by the Named Insureds under Certificates;

"reserve premium charge" means the portion of an industry reserve premium charge payable by the Named Insureds under this Certificate;

"industry reserve premium refund", for any period, means the amount determined pursuant to the provisions of Section 4 of this endorsement for return to the Named Insureds under Certificates;

"reserve premium refund" means the portion of an industry reserve premium refund returnable to the Named Insureds under this Certificate.

## 2. PAYMENT OF ADVANCE AND STANDARD PREMIUMS

The Named Insureds shall pay the companies the advance premium stated in the declarations, for the period from the effective date of this Certificate through December 31 following. Thereafter, at the beginning of each calendar year while this Certificate is in force, the Named Insureds shall pay the advance premium for such year to the companies.

The advance premium for each calendar year shall be stated in the Advance and Standard Premium Endorsement for the year issued by the companies as soon as practicable prior to or after the beginning of the year.

As soon as practicable after the end of a calendar year or the Certificate Coverage Period, the standard premium for the preceding year shall be finally determined and stated in the Advance and Standard Premium Endorsement for that year. If the standard premium exceeds the advance premium paid for that year, the Named Insureds shall pay the excess to the companies; if less, the companies shall return to the Named Insureds the excess portion paid.

The Named Insureds shall maintain records of the information necessary for premium computation and shall send copies of such records to the companies as directed, at the end of each calendar year, at the end of the Certificate Coverage Period and at such other times as the companies may direct.

3. SPECIAL RESERVE ACCOUNT; USE OF RESERVE PREMIUMS

MAELU shall maintain on behalf of its members a Special Reserve Account for holding collectively all reserve premiums paid for all Certificates issued to form a part of the Master Worker Policy. Such premiums, together with any undistributed net income realized thereon after taxes and investment expenses, shall be used for the following purposes only:

- (1) to pay ratable incurred losses or, in the event ratable incurred losses are paid under the Master Worker Policy from funds advanced by the members of MAELU subscribing the policy, to reimburse such members as a matter of first priority for the funds advanced;
- (2) to refund any amounts so held to the Named Insureds, as provided in Section 4.

No members of MAELU and no Named Insureds shall have any individual interest in or claim upon amounts held in the Special Reserve Account, except to participate proportionally in any refund or reimbursement provided for above.

All reserve premiums paid or payable for this Certificate may be used by MAELU to discharge the obligations of its members under the Master Worker Policy with respect to the above purposes and arising out of claims made under any Certificate issued to form a part of the Master Worker Policy.

4. PAYMENT OF RESERVE PREMIUM CHARGES AND REFUNDS

As soon as practicable after each December 31 the companies will review the status of the reserve for refunds and report their findings to all Certificate Holders.

If, at any time, the companies find that there is a negative balance in the reserve for refunds and that such condition is likely to prevail, they shall determine an appropriate industry reserve premium charge. Similarly, if the companies find that there is a surplus positive balance, they shall determine an appropriate industry reserve premium refund.

The portion of an industry reserve premium charge or an industry reserve premium refund that is:

- (1) payable by the Named Insureds as a reserve premium charge, or
  - (2) due such insureds as a reserve premium refund,
- shall be determined by multiplying the industry reserve premium charge or the industry reserve premium refund by the retrospective adjustment ratio applicable to this Certificate.

The amount of any reserve premium charge shall be stated in a Retrospective Reserve Premium Charge Endorsement. The charge shall be paid promptly after receipt of the endorsement.

When all claims covered by the Master Worker Policy are closed the companies shall make a final review and report, and shall determine a final industry reserve premium charge or industry reserve premium refund equal to the amount of the balance.

5. FINAL PREMIUM

The final premium for this Certificate shall be (a) the sum of the standard premiums for each calendar year, or portion thereof, during which the Certificate remains in force plus (b) the sum of all reserve premiums, including all reserve premium charges, minus (c) the sum of all reserve premium refunds.

6. RESERVE PREMIUM CHARGE AGREEMENT

In consideration of (a) the participation of Named Insureds in other Certificates subject to the Industry Retrospective Rating Plan, (b) the undertaking of such Named Insureds to pay their appropriate share of any industry reserve premium charge and (c) the obligations assumed by the members of MAELU under the Master Worker

Policy, the Named Insureds, by acceptance of the Master Worker Policy, agree:

- (1) That the insurance provided by the Master Worker Policy applies collectively to all claims covered by the policy through any and all Certificates issued to form a part of the policy.
- (2) That the right of each Named Insured under a Certificate to receive reserve premium refunds and the obligation of each such insured to pay reserve premiums charges applies to all claims covered by the Master Worker Policy and continues until all such claims are closed, whether or not such claims were before the inception of the Certificate or after its termination.
- (3) To pay all reserve premium charges due promptly after receipt of the Retrospective Reserve Premium Charge Endorsement, whether or not the Certificate is terminated. Any reserve premium charge shall be overdue if not paid within 60 days of the date of the invoice for the charge.

Overdue reserve premium charges shall bear interest from the due date until paid at an annual rate equal to the sum of (a) 3% plus (b) a rate of interest equal to Moody's Average Public Utility Bond Yield described in the issue of Moody's Bond Survey current on the due date. Any reserve premium refund due to Named Insureds under a Certificate shall be used to pay any overdue reserve premium charges to such Named Insureds.

#### 7. RESERVE PREMIUM REFUND AGREEMENT

Each member of MAELU subscribing the Master Worker Policy for any calendar year, or portion thereof, with respect to which an industry reserve premium refund is determined to be payable thereby agrees for itself, severally and not jointly, and in the respective proportion of its liability assumed under the Master Worker Policy for that calendar year, to return promptly to the Named Insureds that portion of such refund due such Insureds, as determined in accordance with the provisions of this endorsement.

Accepted and agreed by the first Named Insured in behalf of itself and every other Named Insured stated in the Declarations of the Certificate of which this endorsement forms a part.

Tennessee Valley Authority  
(First Named Insured - Print or Type)  
Date 12/8/87 By David H. Marks  
(Signature of Authorized Officer)  
Contracting Officer  
(Print or Type Name and Title of Officer)

This is to certify that this is a true copy of the original Endorsement having the endorsement number and being made part of the Certificate of Insurance bearing the number designated hereon for insurance coverage under the Nuclear Energy Liability Policy (Facility Workers Form). No Insurance is afforded hereunder

J. S. Quattrochi  
John L. Quattrochi, Vice President - Liability Underwriting  
American Nuclear Insurers

Effective Date of this Endorsement January 1, 1988 To form a part of MW-185  
of Certificate No. 12:01 A.M. Standard Time

Issued to Tennessee Valley Authority

Date of Issue October 19, 1987

For the Subscribing Companies

**MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS**

By J. S. Quattrochi  
Countersigned by Walter E. Roney Jr.  
Authorized Representative

Endorsement No. 1

**Nuclear Energy Liability Insurance**  
**MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS**

ADVANCE PREMIUM AND STANDARD PREMIUM ENDORSEMENT

CALENDAR YEAR 1988

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

\$ 990.00 .

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 Retrospective Rating Plan, the Standard Premium is said Advance Premium and the estimated Reserve Premium element of the Standard Premium is:

\$ 792.00

This is to certify that this is a true copy of the original Endorsement having the endorsement number and being made part of the Certificate of Insurance bearing the number designated hereon for insurance coverage under the Nuclear Energy Liability Policy (Facility Workers Form). No insurance is afforded hereunder.

*J. S. Quattrocchi*  
John L. Quattrocchi, Vice President - Liability Underwriting  
American Nuclear Insurers

Effective Date of this Endorsement January 1, 1988 To form a part of Certificate No. MW-185  
12:01 A.M. Standard Time

Issued to Tennessee Valley Authority

Date of Issue January 20, 1988

For the Subscribing Companies

**MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS**

By *J. S. Quattrocchi*

Countersigned by *Walter E. Roney*

Endorsement No. 2

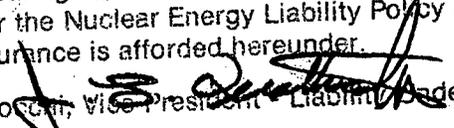
**Nuclear Energy Liability Insurance**  
**MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS**

DESCRIPTION OF THE FACILITY ENDORSEMENT

It is agreed that Item 3 of the Declarations the Description of the Facility "Location" is as follows:

All of the premises including the land and all buildings and structures of Tennessee Valley Authority's Bellefonte Nuclear Plant shown as being within the yellow outline on a reproduced copy of Tennessee Valley Authority's aerial photograph numbered 2086-005 and dated February 17, 1983, a copy of which is attached hereto and made a part hereof. Bellefonte Nuclear Plant is located on a peninsula extending along the west bank of the Guntersville Reservoir at Tennessee River mile 391.5 approximately six (6) miles northeast of Scottsboro and thirty-eight (38) miles east of Huntsville in Jackson County, Alabama.

This is to certify that this is a true copy of the original Endorsement having the endorsement number and being made part of the Certificate of Insurance bearing the number designated hereon for insurance coverage under the Nuclear Energy Liability Policy (Facility Workers Form). No insurance is afforded hereunder.

  
John L. Quattrocchi, Vice President - Liability Underwriting  
American Nuclear Insurers

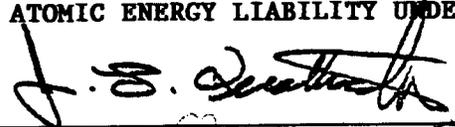
Effective Date of this Endorsement January 1, 1988 To form a part of Certificate No. MW-185  
12:01 A.M. Standard Time

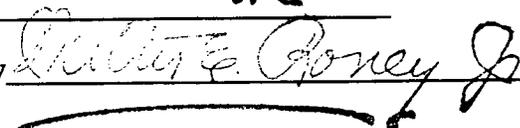
Issued to Tennessee Valley Authority

Date of Issue January 20, 1988

For the Subscribing Companies

**MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS**

By 

Countersigned by 

Endorsement No. 3

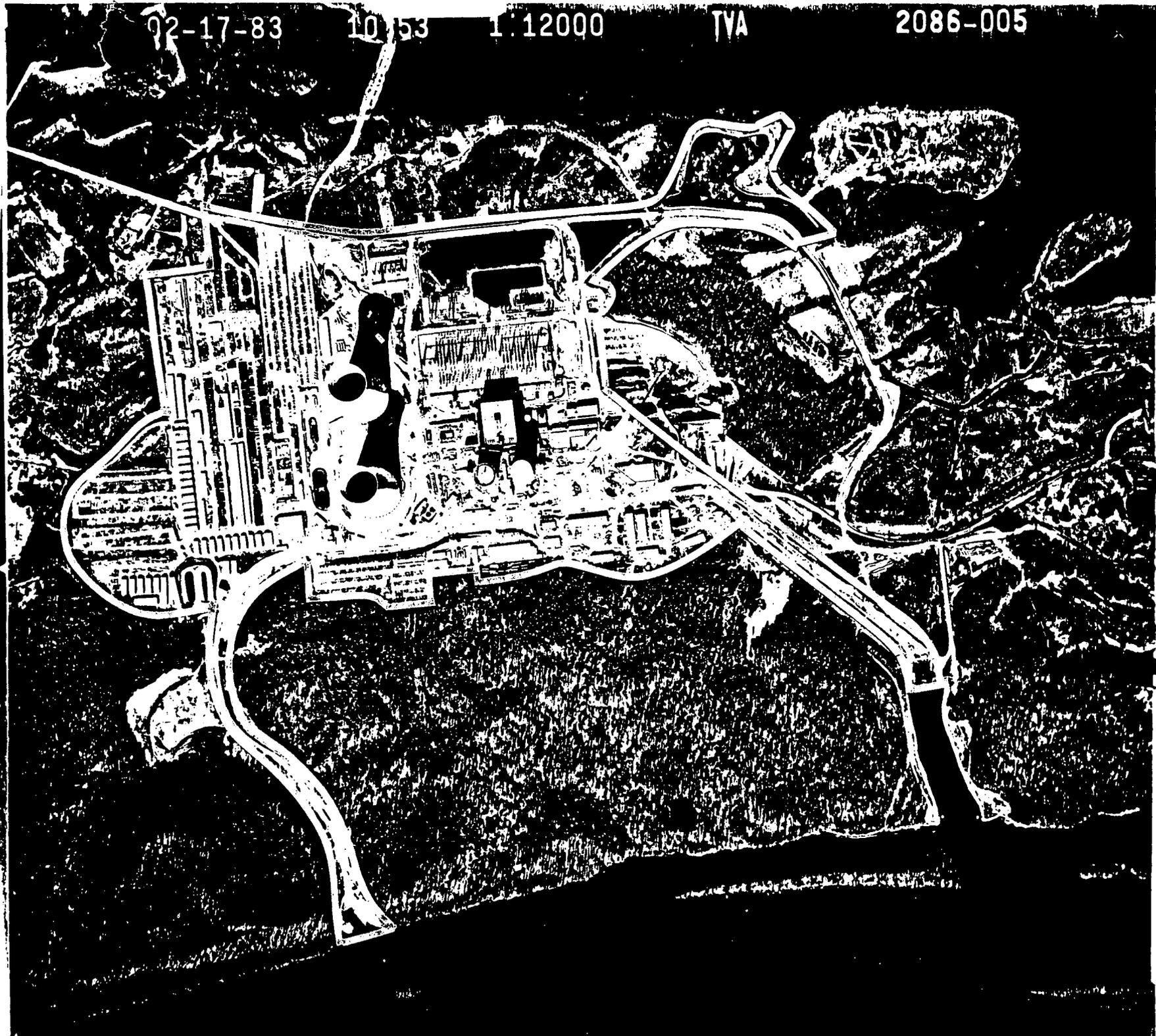
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