

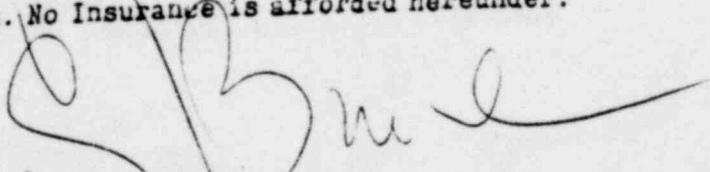
**Nuclear Energy Liability Insurance**  
**NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION**

- 1) ADVANCE PREMIUM AND STANDARD PREMIUM ENDORSEMENT
- 2) CHANGES IN SUBSCRIBING COMPANIES AND IN THEIR PROPORTIONATE LIABILITY ENDORSEMENT

Calendar Year 1978

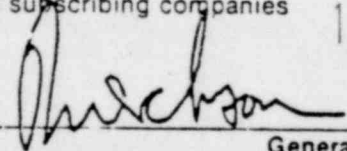
- 1a. ADVANCE PREMIUM: It is agreed that the Advance Premium due the companies for the period designated above is: \$ 281,247.50
- b. STANDARD PREMIUM AND RESERVE PREMIUM: In the absence of a change in the Advance Premium indicated above, it is agreed that, subject to the provisions of the Industry Credit Rating Plan, the Standard Premium is said Advance Premium and the Reserve Premium is: \$ 211,423.10
2. It is agreed that with respect to bodily injury or property damage caused, during the effective period of this endorsement, by the nuclear energy hazard:
  - a. The word "companies" wherever used in the policy means the subscribing companies listed on the reverse side of this endorsement.
  - b. The policy shall be binding on such companies only.
  - c. Each such company shall be liable only for its proportion of any obligation assumed or expense incurred under the policy because of such bodily injury or property damage as designated on the reverse side of this endorsement.
3. It is agreed that the effective period of this endorsement is from the beginning of the effective date of this endorsement stated below to the close of December 31st of the Calendar Year designated in the caption above, or to the time of the termination or cancellation of the policy, if sooner.

This is to certify that this is a true copy of the original Endorsement having the <sup>(over)</sup> endorsement number and being made part of the Nuclear Energy Liability Policy (Facility Form) as designated hereon. No insurance is afforded hereunder.

  
Charles R. E. [unclear] Manager-Liability Underwriting  
Nuclear Energy Liability-Property Insurance Assoc. 220  
To form a part of Policy No. [unclear]

Effective Date of this Endorsement January 1, 1978  
12:01 A.M. Standard Time  
Issued to Metropolitan Edison Company, Jersey Central Power & Light Co. and Pennsylvania Electric Company  
Date of Issue December 20, 1977

For the subscribing companies 1590 138

By  General Manager

**POOR ORIGINAL**

Endorsement No 34

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

NE-35 (1/1/78)

**7911 120555 J**

SUBSCRIBING COMPANIESPROPORTION OF 100%

Aetna Casualty and Surety Co., The, 151 Farmington Ave., Hartford, CT 06156	11.581926
Aetna Insurance Company, 55 Elm St., Hartford, CT 06115	2.481841
Allstate Insurance Co., 8324 Skokie Blvd., Skokie, IL 60076	4.963682
American Home Assurance Co., 102 Maiden La., New York, NY 10005	.703188
American Motorists Insurance Co., Long Grove, IL 60049	.413640
Bituminous Casualty Corporation, 32 18th St., Rock Island, IL 61201	.397095
Centennial Insurance Co., 45 Wall St., New York, NY 10005	.413640
Commercial Union Insurance Co., One Beacon St., Boston, MA 02108	3.640034
Connecticut Indemnity Company, The, 1000 Asylum Ave., Hartford, CT 06101	1.116829
Continental Casualty Co., CNA Plaza, Chicago, IL 60685	4.301858
Continental Insurance Co., The, 80 Maiden La., New York, NY 10038	6.618243
Federal Insurance Co., 51 John F. Kennedy Pkwy., Short Hills, NJ 07078	3.309122
Fireman's Fund Insurance Co., 3333 California St., San Francisco, CA 94119	4.550042
General Accident Fire and Life Assurance Corp., Ltd., 414 Walnut St., Philadelphia, PA 19105	1.406377
Great American Insurance Co., 580 Walnut St., Cincinnati, OH 45201	1.389831
Hanover Insurance Co., The, 440 Lincoln St., Worcester, MA 01605	.496368
Hartford Accident and Indemnity Co., Hartford Plaza, Hartford, CT 06115	7.859164
Hartford Steam Boiler Insp. & Ins. Co., The, 56 Prospect St., Hartford, CT 06102	.455004
Home Indemnity Co., The, 59 Maiden La., New York, NY 10038	2.895481
Insurance Co. of North America, 1600 Arch Street, Philadelphia, PA 19101	3.309122
Monarch Insurance Co. of Ohio, The, 19 Rector St., New York, NY 10006	.289548
Northern Insurance Company of New York, P.O. Box 1228, Baltimore, MD 21203	1.654561
Northwestern National Ins. Co., 731 No. Jackson St., Milwaukee, WI 53202	.579096
Ohio Casualty Insurance Company, The, 136 North Third St., Hamilton, OH 45025	.165456
Pacific Indemnity Co., 3200 Wilshire Blvd., Los Angeles, CA 90054	.330912
Peerless Insurance Co., 62 Maple Ave., Keene, NH 03431	.103411
Phoenix Assurance Co. of New York, 80 Maiden La., New York, NY 10038	.496368
Protective Insurance Co., 3100 No. Meridian St., Indianapolis, IN 46208	.165456
Providence Washington Insurance Co., 20 Washington Place, Providence, RI 02903	.103411
Puritan Insurance Company, 1515 Summer St., Stamford, CT 06905	.248184
Reliance Insurance Company, 4 Penn Center Plaza, Philadelphia, PA 19103	1.323649
Royal Globe Insurance Company, 150 William Street, New York, NY 10038	3.722762
St. Paul Fire & Marine Ins. Co., 385 Washington St., St. Paul, MN 55102	4.109929
Seaboard Surety Co., 90 William St., New York, NY 10038	.330912
State Farm Fire & Casualty Company, 112 East Washington St., Bloomington, IL 61701	.827280
Transamerica Insurance Co., 1150 So. Olive St., Los Angeles, CA 90015	.661824
Travelers Indemnity Company, The, One Tower Square, Hartford, CT 06115	11.333741
United States Fidelity and Guaranty Co., P.O. Box 1138, Baltimore, MD 21203	9.430997
United States Fire Insurance Co., Madison Ave. at Canfield Rd, Morristown, NJ 07960	2.978209
Zurich Insurance Co., 111 West Jackson Blvd., Chicago, IL 60604	.827280

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BINDER,  
INCLUDING  
DECLARATIONS AND  
BOND FOR PAYMENT OF RETROSPECTIVE PREMIUMS

BINDER NO. EB-65

BINDER

The members of Nuclear Energy Liability Insurance Association, hereinafter called the "companies", subscribing this binder, each for itself, severally and not jointly, and in the respective proportions set forth herein, and the insureds named in Item 1 of the Declarations below, agree as follows:

- A. The companies hereby bind insurance to the insureds named in Item 1 of the Declarations in accordance with the provisions of the Draft Master Policy. All rights and obligations of the parties to this binder are set forth in the provisions of the Draft Master Policy, as it may be amended from time to time pursuant to its conditions or paragraph B below.
- B. The term "Draft Master Policy" means the draft of the MASTER POLICY -- NUCLEAR ENERGY LIABILITY POLICY (SECONDARY FINANCIAL PROTECTION) dated June 24, 1977 in the custody of the Nuclear Regulatory Commission, a copy of which is attached hereto, and includes all binders issued by the companies in connection with such Draft Master Policy. The Master Policy, as subsequently issued by the companies, shall cancel and replace this binder and the Draft Master Policy effective as of August 1, 1977.
- C. Such insurance as is provided by the Draft Master Policy applies, through this binder, only:

(1) to the insureds identified in Items 1 and 2 of the Declarations below,

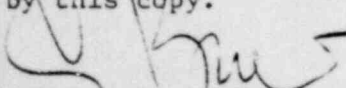
(2) to bodily injury or property damage

(a) with respect to which the primary financial protection described in Item 4 below would apply but for exhaustion of its limit of liability and

(b) which is caused during the binder period stated in Item 8 below by the radioactive, toxic, explosive or other hazardous properties of nuclear material and

(c) which is discovered and for which written claim is made against the insured not later than ten years after the end of such binder period; provided, however, that with respect to bodily injury or property damage caused by an extraordinary nuclear occurrence this subparagraph (c) shall not operate to bar coverage for bodily injury or property damage which is discovered and for which written claim is made against the insured not later than twenty years after the date of the extraordinary nuclear occurrence.

This is to certify that this is a true copy of the original binder, bearing the number designated hereon, for insurance coverage under the DRAFT MASTER POLICY-NUCLEAR ENERGY LIABILITY POLICY (Secondary Financial Protection) dated June 24, 1977. No insurance is afforded by this copy.

  
Charles R. Bardes,  
Manager-Liability Under-  
writing, Nuclear Energy  
Liability-Property  
Insurance Association

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DECLARATIONS

Item 1. Named insureds and addresses:

- (a) Metropolitan Edison Company - P.O. Box 542, Reading, PA 19603
- (b) Jersey Central Power & Light Company - P.O. Box 1279 R, Morristown, NJ 07960
- (c) Pennsylvania Electric Company - P.O. Box 539, Johnstown, PA 15907

Item 2. Additional insureds:

Any other person or organization who would be covered under primary financial protection described in Item 4 of this binder but for exhaustion of the limit of liability of such primary financial protection.

Item 3. Description and location of the nuclear reactor: Unit 2 of the Three Mile Island Nuclear Station located in Dauphin County, Pennsylvania

Item 4. Identification of primary financial protection applicable to the nuclear reactor and limit of liability thereof:

Nuclear Energy Liability Insurance Association Policy	NF- 220	\$108,500,000
Mutual Atomic Energy Liability Underwriters Policy	MF- 73	\$ 31,500,000

Do other nuclear reactors share the limit of liability provided under the primary financial protection? Yes

Item 5. Maximum retrospective premium (exclusive of allowance for premium taxes) payable to the companies under the Draft Master Policy with respect to each nuclear incident: \$3,875,000.

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- Item 6. Portion of the annual premium payable for the companies' contingent liability described in Condition 4 of the Draft Master Policy from the effective date hereof to the end of calendar year 1977: The pro rata portion of \$4,650 for the period from the effective date of this binder to the end of the calendar year during which such effective date occurs.
- Item 7. Limits of liability: See Item 3 of the Declarations of the Draft Master Policy.
- Item 8. Binder period: Beginning at the same time and date that the Facility Operating License issued by the United States Nuclear Regulatory Commission for the reactor described in Item 3 of this binder becomes effective and continuing to the effective date and time of cancellation or termination of the Draft Master Policy or this binder, whichever first occurs, eastern standard time.

#### BOND FOR PAYMENT OF RETROSPECTIVE PREMIUMS

Know All Men By These Presents, that the undersigned do hereby acknowledge that they are named insureds under the Draft Master Policy described in the above Binder and Declarations. The named insureds do hereby covenant with and are held and are firmly bound to the subscribing members of Nuclear Energy Liability Insurance Association (hereinafter called the "companies") to pay to the companies all retrospective premiums and allowances for premium taxes which shall become due and payable in accordance with the terms of the Draft Master Policy with interest on such premiums and allowances for taxes to be computed at the rate provided in the Draft Master Policy from the date payment thereof is specified to be due the companies in a written notice to the named insured, as provided in Condition 1 of the Draft Master Policy until paid.

And it is hereby expressly agreed that copies of written notices of retrospective premiums and allowances for premium taxes due and payable or other evidence of such amounts due and payable sworn to by a duly authorized representative of the companies shall be prima facie evidence of the fact and extent of the liability of the named insureds for such amounts.

And it is further expressly agreed that the named insureds will indemnify the companies against any and all liability, losses and expenses of whatsoever kind or nature (including but not limited to interest, court costs and counsel fees) which the companies may sustain or incur (1) by reason of the failure of the named insureds to comply with the covenants and provisions of this Bond or (2) in enforcing any of the covenants or provisions of this Bond, or any provisions of the Draft Master Policy relating to such covenants or provisions.

For the purpose of recording this agreement, a photocopy acknowledged before a Notary Public to be a true copy hereof shall be regarded as an original.

THE ABOVE BINDER, DECLARATIONS AND BOND FORM A PART OF THE DRAFT MASTER POLICY. CANCELATION OR TERMINATION OF THE DRAFT MASTER POLICY OR THE BINDER SHALL NOT AFFECT THE OBLIGATIONS OF THE NAMED INSUREDS UNDER THE DRAFT MASTER POLICY OR THE BOND TO PAY THE RETROSPECTIVE PREMIUMS AND ALLOWANCES FOR PREMIUM TAXES WITH RESPECT TO ANY BODILY INJURY OR PROPERTY DAMAGE WHICH IS CAUSED DURING THE BINDER PERIOD.

IN WITNESS WHEREOF, the named insureds have caused this Binder, these Declarations and this Bond for Payment of Retrospective Premiums, to be signed and sealed by a duly authorized officer, to be effective as of the time and date of the inception of the binder period.

Attest or Witness

*L. Wade*

*L. Wade*

*L. Wade*

\_\_\_\_\_

NAMED INSUREDS:

Metropolitan Edison Company

(Named Insured - Type or Print)

By *W. G. Kuhns* (SEAL)

(Signature of Officer) W. G. Kuhns,  
Chairman of the Board and  
Chief Executive Officer

(Type or Print Name & Title of Officer)

Date: 12/15/77

Jersey Central Power & Light Company

(Named Insured - Type or Print)

By *W. G. Kuhns* (SEAL)

(Signature of Officer) W. G. Kuhns,  
Chairman of the Board and  
Chief Executive Officer

(Type or Print Name & Title of Officer)

Date: 12/15/77

Pennsylvania Electric Company

(Named Insured - Type or Print)

By *W. G. Kuhns* (SEAL)

(Signature of Officer) W. G. Kuhns,  
Chairman of the Board and  
Chief Executive Officer

(Type or Print Name & Title of Officer)

Date: 12/15/77

(Named Insured - Type or Print)

By \_\_\_\_\_ (SEAL)

(Signature of Officer)

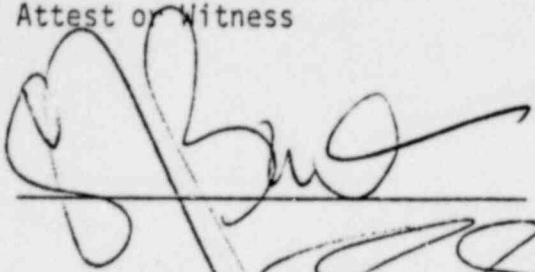
(Type or Print Name & Title of Officer)

Date: \_\_\_\_\_

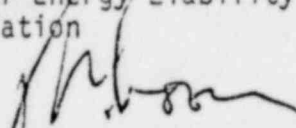
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IN WITNESS WHEREOF, the subscribing companies have caused the Binder and the Declarations to be signed on their behalf by the General Manager of Nuclear Energy Liability Insurance Association, to be effective as of the time and date of the inception of the binder period, and countersigned below by a duly authorized representative.


Attest or Witness



For the Subscribing Companies of Nuclear Energy Liability Insurance Association

By   
Burt C. Proom, General Manager

Countersigned by

  
(Authorized Representative)

SUBSCRIBING COMPANIES

PROPORTION OF 100%

Aetna Casualty and Surety Co., The, 151 Farmington Ave., Hartford, CT 06156	11.4807836
Aetna Insurance Company, 55 Elm St., Hartford, CT 06115	2.3753345
Allstate Insurance Co., 0324 Skokie Blvd., Skokie, IL 60076	4.7506691
American Home Assurance Co., 102 Maiden La., New York, NY 10005	.6730115
American Motorists Insurance Co., Long Grove, IL 60049	.3958891
Centennial Insurance Co., 45 Wall St., New York, NY 10005	.3958891
Commercial Union Insurance Co., One Beacon St., Boston, MA 02108	3.4838240
Continental Casualty Co., CNA Plaza, Chicago, IL 60635	4.4339578
Continental Insurance Co., The, 80 Maiden La., New York, NY 10038	6.3342254
Federal Insurance Co., 51 John F. Kennedy Pkwy., Short Hills, NJ 07078	1.2668451
Fireman's Fund Insurance Co., 3333 California St., San Francisco, CA 94119	4.3547800
General Accident Fire and Life Assurance Corp., Ltd. 414 Walnut St., Philadelphia, PA 19105	1.3460229
Great American Insurance Co., 580 Walnut St., Cincinnati, OH 45201	1.3301873
Gulf Insurance Co., 3015 Cedar Springs, Dallas, TX 75221	.1583556
Hanover Insurance Co., The, 440 Lincoln St., Worcester, MA 01605	.4750669
Hartford Accident and Indemnity Co., Hartford Plaza, Hartford, CT 06115	7.9177818
Hartford Steam Boiler Insp. & Ins. Co., The, 56 Prospect St., Hartford, CT 06102	.4354780
Home Indemnity Co., The, 59 Maiden La., New York, NY 10038	2.7712236
Insurance Co. of North America, 1600 Arch Street, Philadelphia, PA 19101	6.3342250
Maryland Casualty Co., P.O. BOX 1228, Baltimore, MD 21203	1.5835564
Monarch Insurance Co. of Ohio, The, 19 Rector St., New York, NY 10006	.2771224
Northwestern National Ins. Co., 731 No. Jackson St., Milwaukee, WI 53202	.5542447
Pacific Indemnity Co., 3200 Wilshire Blvd., Los Angeles, CA 90054	.3167113
Peerless Insurance Co., 62 Maple Ave., Keene, NH 03431	.0989723
Phoenix Assurance Co. of New York, 80 Maiden La., New York, NY 10038	.4750669
Protective Insurance Co., 3100 No. Meridian St., Indianapolis, IN 46208	.1583556
Providence Washington Insurance Co., 20 Washington Place, Providence, RI 02903	.0989723
Puritan Insurance Company, 1515 Summer St., Stamford, CT 06905	.2375335
Reliance Insurance Company, 4 Penn Center Plaza, Philadelphia, PA 19103	1.2668451
Royal Globe Insurance Company, 150 William Street, New York, New York 10038	3.5630018
St. Paul Fire & Marine Ins. Co., 385 Washington St., St. Paul, MN 55102	3.9335540
Seaboard Surety Co., 90 William St., New York, NY 10038	.3167113
Security Insurance Company of Hartford, 1000 Asylum Ave., Hartford, CT 06101	1.0689005
State Farm Fire & Casualty Company, 112 East Washington St., Bloomington, IL 61701	.7917782
Transamerica Insurance Co., 1150 So. Olive St., Los Angeles, CA 90015	.6334225
Travelers Indemnity Company, The, One Tower Square, Hartford, CT 06115	11.2432501
United States Fidelity and Guaranty Co., P.O. BOX 1138, Baltimore, MD 21203	9.0262712
United States Fire Insurance Co., Madison Ave. at Canfield Rd., Morristown, NJ 07960	2.8504014
Zurich Insurance Co., 111 West Jackson Blvd., Chicago, IL 60604	.7917782

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POOR ORIGINAL

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