

# ANI AMERICAN NUCLEAR INSURERS

BURT C. PROOM, CPCU  
President

CHARLES R. BARDES  
Senior Vice President

F-TMI  
Barde  
✓

June 9, 1980

Mr. Ira Dinitz  
Utility Finance Branch  
Division of Engineering  
Office of Nuclear Reactor Regulation  
U.S. Nuclear Regulatory Commission  
Washington, D.C. 20555

Re: TMI - Unit No. 2  
Loss - March 28, 1979

Dear Mr. Dinitz:

Supplementing my letter of June 5, I am submitting the following in response to the questions posed in your letter of May 20th, 1980.

1. The total payments to date in connection with the captioned loss total \$117,237,509.00. These payments are made up of two (2) basic types; for Fuel Damage totalling \$63,737,509.00 and for Risks of Direct Physical Loss and Radioactive Decontamination totalling \$53,500,000.00.
2. Yes, the insurance payments are limited in accordance with policy conditions. We call to your attention in the policy on Sheet No. 1, that the policy insures as follows: "Against radioactive contamination and all other risks of direct physical loss, except as hereinafter provided". Also, on Sheet No. 1, is a clause entitled - Debris Removal and Decontamination Clause. This spells out the coverage provided in these areas. The policy is also subject to certain exclusions which are enumerated on Sheet No. 1, front and back and Sheet No. 2, and also, on Endorsement No. 1.
3. Ordinarily, a policy is payable to a named Insured, or as directed by that Insured, in accordance with any loss payable clause included in the policy. An Insured may assign his right of recovery to third parties to the extent he is permitted to do so by mortgagee and trust agreements which he may have which could restrict his right to assign payment to a third party. We do not understand the question entirely as there could be

mail  
5/10

8102080479 J

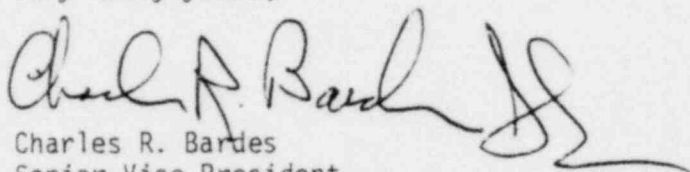
Mr. Ira Dinitz  
June 9, 1980  
Page -2-

many arrangements, reasons for and ways which the NRC or another party could assume cleanup responsibility. Therefore, we would be unable to more fully answer this question unless we had an opportunity to study any arrangements and agreements a third party might make with our Insured concerning the cleanup.

4. In as much as there was no Nuclear Mutual Limited property damage policy in effect at the time of the March 28, 1979 incident and due to the fact that the NML policy which became effective July 14, 1979 is limited to Unit 1, there is no direct relationship between the ANI/MAERP policies covering Unit 2 and that NML policy.

I hope these responses are of assistance in your current study.

Very truly yours,



Charles R. Bardes  
Senior Vice President

CRB/dh

cc: Messrs. Pye and Marrone, ANI  
Mr. E. Whitmore, IRI  
Mr. C. Bollman, M&M