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THE NATIONAL ASSOCIATION OF INSURANCE BROKERS, INC.
311 FIRST ST., N.W. • SUITE 700 • WASHINGTON, D.C. 20001 • TEL. 202/783-8880

November 5, 1981

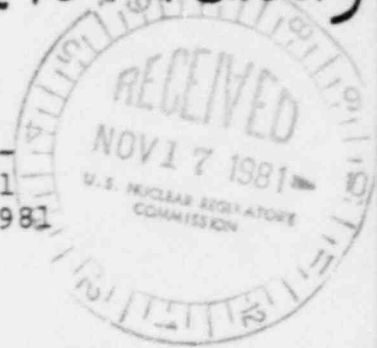
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Secretary
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

DOCKET NUMBER PR-2 et al
PROPOSED RULE (46 FR 38081)

Attention: Docketing and Service Branch

RE: Proposed rule amending 10 CFR Part 61 Subpart E -
Financial Assurances, as published in the Federal
Register, Volume 46, No. 142, Friday, July 24, 1981



Dear Sir:

The financial arrangements sought by the Nuclear Regulatory Commission are of surety nature and are designed to ensure that funds are available to properly close down radioactive waste disposal sites.

Several options for providing financial assurance are specifically proposed--surety bonds, cash deposits, certificates of deposit, deposits of government securities, escrow accounts, irrevocable letters or lines of credit, and trust funds. In addition, the proposed rule would provide other options by permitting "such types of arrangements as may be approved by the Commission." The National Association of Insurance Brokers believes this flexibility is crucial if the proposed rule is to function in a reasonable manner.

The NAIB represents major commercial insurance brokers in the United States. Our members develop more than half of the nation's business-related insurance coverages. The primary function and responsibility of a commercial broker is to develop insurance programs and provide related products and services to protect the assets of clients ranging from large and small businesses to public and private institutions of all kinds.

NAIB believes that the question of whether or not these financial assurance provisions are reasonable depends on their availability and cost. For instance, today there is some question whether surety bonds would, in fact, be available as the surety market is not interested in providing bonding at prices that make it an option. Also, the Commission should note that traditionally surety is available only to financially stable firms which could qualify for any of the other options, but is unavailable to those who may have a greater need of it.

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R. Dale Smith
P. Goldberg
D. Nussbaumer

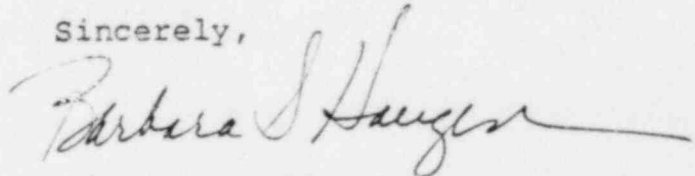
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Insurance is not mentioned as an option here and, in the traditional sense, may not be appropriate because it could be argued there is no risk transfer involved when the need for closure is a certainty. However, insurance could be a viable means of financial protection against the premature closure of a waste disposal site, i.e., if a site had to be closed down before its operators had planned to do so. If, however, the closure came about "as scheduled," then insurance is not a viable solution.

Today there are no insurance products on the market which would cover the type of closure which concerns the NRC in this proposed rule. In the future, however, some form of insurance may be offered, and the NAIB feels such an option should be favorably considered by the Commission.

In summary, NAIB believes that the single most important factor in the feasibility of the financial assurance provisions of the proposed rule is that the words "such types of arrangements as may be approved by the Commission" be retained. If the Commission or staff have additional questions, the NAIB would be pleased to respond.

Sincerely,



Barbara S. Haugen
Government Affairs Officer

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