

# The Light company

Houston Lighting & Power

South Texas Project Electric Generating Station P. O. Box 289 Wadsworth, Texas 77483

August 2, 1991  
ST-HL-AE-3826  
File No.: G20  
10CFR140.11(a)(4)  
10CFR140.15  
10CFR140.17  
10CFR140.21

U. S. Nuclear Regulatory Commission  
Attention: Document Control Desk  
Washington, DC 20555

South Texas Project Electric Generating Station  
Units 1 and 2

Docket Nos. STN 40-498, STN 50-499

Evidence of Financial Protection

Pursuant to the requirements of 10CFR140.11(a)(4), 10CFR140.15, 10CFR140.17, and 10CFR140.21, Houston Lighting & Power submits the attached endorsements to ANI and MAELU Policies. This submittal contains endorsements for ANI Policies N-113, N-116, NF-307, NW-199 and MAELU Policies M-113, M-116, MF-130 and MW-100. The attached submittal also includes all endorsements which were not previously submitted. The originals to these policies are maintained by the NRC.

If you should have any further questions on this matter, please contact Mr. R. G. Holloway (512) 972-8231.

*William J. Jump*

William J. Jump  
Manager,  
Nuclear Licensing

MKJ/kmd

Attachments: Endorsements to ANI and MAELU Policies

9108060304 910802  
FDR ADOCK 05000498  
J FDR

RREP\91200001.1&2

A Subsidiary of Houston Industries Incorporated

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11*

Houston Lighting & Power Company  
South Texas Project Electric Generating Station

ST-HL-AE- 3826  
File No.: G20  
Page 2

cc:

Regional Administrator, Region IV  
Nuclear Regulatory Commission  
611 Ryan Plaza Drive, Suite 1000  
Arlington, TX 76011

George Dick, Project Manager  
U.S. Nuclear Regulatory Commission  
Washington, DC 20555

J. I. Tapia  
Senior Resident Inspector  
c/o U. S. Nuclear Regulatory  
Commission  
P. O. Box 910  
Bay City, TX 77414

J. R. Newman, Esquire  
Newman & Holtzinger, P.C.  
1615 L Street, N.W.  
Washington, DC 20036

D. E. Ward/T. M. Puckett  
Central Power and Light Company  
P. O. Box 2121  
Corpus Christi, TX 78403

J. C. Lanier/M. B. Lee  
City of Austin  
Electric Utility Department  
P.O. Box 1088  
Austin, TX 78767

K. R. Fiedler/M. T. Hardt  
City Public Service Board  
P. O. Box 1771  
San Antonio, TX 78296

Rufus S. Scott  
Associate General Counsel  
Houston Lighting & Power Company  
P. O. Box 61867  
Houston, TX 77208

INPO  
Records Center  
1100 Circle 75 Parkway  
Atlanta, GA 30339-3064

Dr. Joseph M. Hendrie  
50 Bellport Lane  
Bellport, NY 11713

D. K. Lackner  
Bureau of Radiation Control  
Texas Department of Health  
1100 West 49th Street  
Austin, TX 78756-3189

Revised 07/09/91

L4/NRC/



Nuclear Energy Liability Insurance  
MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

ANNUAL PREMIUM ENDORSEMENT

Calendar Year 1989

ANNUAL PREMIUM: It is agreed that the Annual Premium due the companies for the period designated above is: \$ 1,688.00

THIS IS TO CERTIFY THAT THIS IS A TRUE COPY OF THE ORIGINAL CERTIFICATE, BEARING THE NUMBER DESIGNATED HEREON, FOR INSURANCE COVERAGE UNDER THE MASTER POLICY-NUCLEAR ENERGY LIABILITY INSURANCE (SECONDARY FINANCIAL PROTECTION). NO INSURANCE IS AFFORDED BY THIS COPY.

*J. S. Quattrocchi*  
JOHN L. QUATTROCCHI  
VICE PRESIDENT-UNDERWRITING  
AMERICAN NUCLEAR INSURERS

Effective Date of  
this Endorsement January 1, 1989 To form a part of Certificate No. M-113  
12:01 A.M. Standard Time

Houston Lighting & Power Company, San Antonio Public Service Board,  
Issued to Central Power & Light Company, Austin Electric Department

Date of Issue December 15, 1988

For the Subscribing Companies

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

By *J. S. Quattrocchi*

Endorsement No. 3

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

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

ENDORSEMENT TO CERTIFICATE NO. M-113  
Forming Part of Master Policy No. 1  
Nuclear Energy Liability Insurance  
(Secondary Financial Protection)

It is agreed that effective August 20, 1988:

I.) Subparagraph (c) on Page 1 of the certificate is amended to read as follows:

(c) to bodily injury or property damage

(1) with respect to which the primary financial protection described in Item 4 of the Declarations would apply but for

(i) exhaustion of its limit of liability as described in Condition 6 of the Master Policy, or

(ii) the application of Insuring Agreement IV, "Application of Policy" of the primary financial protection, as amended by paragraph 3 of the Waiver of Defenses Endorsement attached thereto, and

(2) which is caused during the certificate period stated in Item 6 of the Declarations by a nuclear incident arising out of, or in connection with the nuclear reactor described in Item 3 of the Declarations, and

(3) which is discovered and for which written claim is made against the insured not later than ten (10) years after the end of the certificate period stated in Item 6 of the Declarations. However, this subparagraph (3) shall not operate to bar coverage for bodily injury or property damage caused by an extraordinary nuclear occurrence.

II.) Item 4.(b) of the certificate is deleted.

III.) Item 7. of the certificate is amended to read as follows:

Item 7. Maximum retrospective premium (exclusive of allowance for premium taxes) payable pursuant to Condition 2 of the Master Policy with respect to each nuclear incident: \$14,883,750.

THIS IS TO CERTIFY THAT THIS IS A TRUE COPY OF THE ORIGINAL CERTIFICATE BEARING THE NUMBER DESIGNATED HEREON, FOR INSURANCE COVERAGE UNDER THE MASTER POLICY-NUCLEAR ENERGY LIABILITY INSURANCE (SECONDARY FINANCIAL PROTECTION). NO INSURANCE IS AFFORDED BY THIS COPY.

*J. S. Quattrocchi*  
JOHN L. QUATTROCCHI  
VICE PRESIDENT-UNDERWRITING  
AMERICAN NUCLEAR INSURERS

Effective Date of this Endorsement August 20, 1988 To form a part of Certificate No. M-113  
12:01 A.M. Standard time

Issued to Houston Lighting & Power Company, San Antonio Public Service Board,  
Central Power & Light Company, Austin Electric Department

Date of issue March 23, 1990 For the Subscribing Companies

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

By *J. S. Quattrocchi*

Endorsement No. 8 Countersigned by \_\_\_\_\_

Nuclear Energy Liability Insurance  
MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

ENDORSEMENT TO CERTIFICATE NO. M-113  
FORMING PART OF MASTER POLICY NO. 1  
NUCLEAR ENERGY LIABILITY INSURANCE  
(Secondary Financial Protection)

1. In paragraph (c) on Pages 1 and 2 of the certificate, and in all endorsements to the certificate relating thereto, the words "bodily injury or property damage" are amended to read "bodily injury, property damage or environmental damage".
2. This endorsement applies to all claims for damages, costs, expenses or other relief or recovery for which coverage is sought under the policy, and which are first made in writing against any insured on or after the effective date of this endorsement stated below.

THIS IS TO CERTIFY THAT THIS IS A TRUE COPY OF THE ORIGINAL  
CERTIFICATE, BEARING THE NUMBER DESIGNATED THEREON, FOR  
INSURANCE COVERAGE UNDER THE MASTER POLICY-NUCLEAR ENERGY  
LIABILITY INSURANCE (SECONDARY FINANCIAL PROTECTION) NO  
INSURANCE IS ISSUED

*J. S. Quatrich*  
JOHN L. QUATRICH  
VICE PRESIDENT-UNDERWRITING  
AMERICAN NUCLEAR INSURERS

Effective Date of  
this Endorsement January 1, 1990 To form a part of Certificate No. M-113  
12:01 A.M. Standard time

Issued to Houston Lighting & Power Company, San Antonio Public Service Board,  
Central Power & Light Company, Austin Electric Department

Date of issue March 23, 1990 For the Subscribing Companies

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

By *J. S. Quatrich*

Endorsement No. 9

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

## Nuclear Energy Liability Insurance

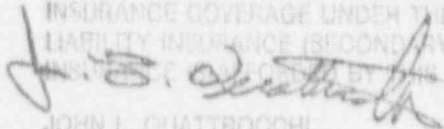
### MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

SUBSCRIBING COMPANIES AND THEIR PROPORTIONATE LIABILITY ENDORSEMENT  
(SECONDARY FINANCIAL PROTECTION)  
CALENDAR YEAR 1990

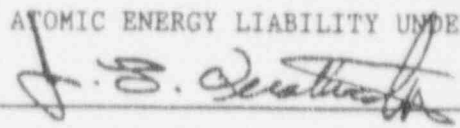
1. It is agreed that with respect to bodily injury, property damage or environmental damage caused, during the effective period of this endorsement, by the nuclear energy hazard:
  - a. The word "companies" wherever used in the Certificate means the subscribing companies listed below.
  - b. The Certificate shall be binding on such companies only.
  - c. Each such company shall be liable for its proportion, as designated below, of any obligation assumed or expense incurred under the Certificate because of such bodily injury, property damage or environmental damage.
2. 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 effective date that another "Changes In Subscribing Companies And In Their Proportionate Liability Endorsement" changes the Companies and/or their proportions as listed in this endorsement, or to the time of the termination or cancellation of the Certificate, if sooner.

American Motorists Insurance Company	33.33%
Arkwright Insurance Company	33.33%
Liberty Insurance Corporation	33.34%

THIS IS TO CERTIFY THAT THIS IS A TRUE COPY OF THE ORIGINAL  
CERTIFICATE, BEARING THE NUMBER DESIGNATED HEREON, FOR  
INSURANCE COVERAGE UNDER THE MASTER POLICY-NUCLEAR ENERGY  
LIABILITY INSURANCE (SECONDARY FINANCIAL PROTECTION). NO  
FURTHER COPIES OF THIS COPY.

  
JOHN L. QUATTROCCHI  
VICE PRESIDENT-UNDERWRITING  
AMERICAN NUCLEAR INSURERS

Effective Date of  
this Endorsement January 1, 1990 To form a part of Certificate No. M-113  
12:01 A.M. Standard time Houston Lighting & Power Company, San Antonio  
Issued to Public Service Board, Central Power & Light Company, Austin Electric Department

Date of issue April 1, 1990 For the Subscribing Companies  
MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS  
By   
Endorsement No. 10 Countersigned by \_\_\_\_\_

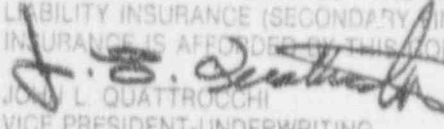
(TX)

Nuclear Energy Liability Insurance  
MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

It is agreed that the Named Insured is amended to read:

Houston Lighting & Power Company, San Antonio  
Public Service Board, Central Power & Light  
Company, City of Austin

THIS IS TO CERTIFY THAT THIS IS A TRUE COPY OF THE ORIGINAL  
CERTIFICATE, BEARING THE NUMBER DESIGNATED HEREON, FOR  
INSURANCE COVERAGE UNDER THE MASTER POLICY-NUCLEAR ENERGY  
LIABILITY INSURANCE (SECONDARY FINANCIAL PROTECTION). NO  
INSURANCE IS AFFORDED BY THIS COPY.

  
JOHN L. QUATTROCCHI  
VICE PRESIDENT-UNDERWRITING  
AMERICAN NUCLEAR INSURERS

Effective Date of  
this Endorsement August 22, 1987 To form a part of Certificate No. M-113

12:01 A.M. Standard Time

Houston Lighting & Power Company, San Antonio Public Service Board,  
Issued to Central Power & Light Company, City of Austin

Date of Issue June 27, 1990

For the Subscribing Companies

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

By 

Endorsement No. 11

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





NUCLEAR ENERGY LIABILITY INSURANCE  
MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

ANNUAL PREMIUM ENDORSEMENT

CALENDAR YEAR 1991

1. ANNUAL PREMIUM: It is agreed that the Advance Premium due the companies for the period designated above is: \$1,687.00

THIS IS TO CERTIFY THAT THIS IS A TRUE COPY OF THE ORIGINAL CERTIFICATE, BEARING THE NUMBER DESIGNATED HEREON, FOR INSURANCE COVERAGE UNDER THE MASTER POLICY-NUCLEAR ENERGY LIABILITY INSURANCE (SECONDARY FINANCIAL PROTECTION). NO INSURANCE IS AFFORDED BY THIS COPY.

JOHN J. QUINN  
VICE PRESIDENT-UNDERWRITING  
AMERICAN NUCLEAR INSURERS

Effective Date of  
this Endorsement: January 1, 1991  
(12:01 A.M. Standard Time)

To form a part of Certificate No. M -0113

Issued to: Houston Lighting & Power Company, San Antonio Public Service Board, Central Power & Light Company, City of Austin

Date of Issue: November 21, 1990

For the subscribing companies

By

Endorsement No: 12

Countersigned by

HOWARD WARREN MARSH

Nuclear Energy Liability Insurance  
MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

ATTACHMENT 1  
ST-HL-AE-3826  
PAGE 9 OF 121

SPECIFICATION OF CERTIFICATE EFFECTIVE DATE AND  
PREMIUM ENDORSEMENT

It is agreed that:

1. The United States Nuclear Regulatory Commission has issued to the insureds named in Item 1 of the Declarations Operating License No. NPF-78 effective December 16, 1988 for the reactor described in Item 3 of the Declarations of the Certificate.

2. Item 6 of the Declarations of the Certificate is deleted and replaced by the following:

Item 6. Certificate Period: Beginning December 16, 1988, and continuing to the effective date and time of cancellation or termination of the Master Policy or this Certificate, whichever first occurs, eastern standard time.

3. Item 8 of the Declarations of the Certificate is deleted and replaced by the following:

Item 8. Portion of the annual premium payable for the companies' contingent liability described in Condition 4 of the Master Policy from the effective date hereof to the end of calendar year 1988 : \$ 74.00

THIS IS TO CERTIFY THAT THIS IS A TRUE COPY OF THE ORIGINAL CERTIFICATE, BEARING THE NUMBER SPECIFIED HEREON, FOR INSURANCE COVERAGE UNDER THE MASTER POLICY-NUCLEAR ENERGY LIABILITY INSURANCE (SECONDARY FINANCIAL PROTECTION). NO INSURANCE IS AFFORDED BY THIS COPY.

*J. S. Quattrone*  
JOHN S. QUATTRONE  
VICE PRESIDENT-UNDERWRITING  
AMERICAN NUCLEAR INSURERS

Effective Date of this Endorsement December 16, 1988 To form a part of Certificate No. M-116

12:01 A.M. Standard Time

Issued to Houston Lighting & Power Company, San Antonio Public Service Board, Central Power & Light Company, Austin Electric Department

Date of Issue January 26, 1989

For the Subscribing Companies

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

By *J. S. Quattrone*

Endorsement No. 1

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

Nuclear Energy Liability Insurance  
MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

ANNUAL PREMIUM ENDORSEMENT

Calendar Year 1989

ANNUAL PREMIUM: It is agreed that the Annual Premium due the companies for the period designated above is: \$ 1,688.00.

THIS IS TO CERTIFY THAT THIS IS A TRUE COPY OF THE ORIGINAL CERTIFICATE, BEARING THE NUMBER DESIGNATED HEREON, FOR INSURANCE COVERAGE UNDER THE MASTER POLICY-NUCLEAR ENERGY LIABILITY INSURANCE (SECONDARY FINANCIAL PROTECTION). NO INSURANCE IS AFFORDED BY THIS COPY.

*J. B. [Signature]*  
JOHN B. [Signature]  
VICE PRESIDENT-UNDERWRITING  
AMERICAN NUCLEAR INSURERS

Effective Date of  
this Endorsement January 1, 1989 To form a part of Certificate No. M-116  
12:01 A.M. Standard Time

Issued to Houston Lighting & Power Company, San Antonio Public Service Board, Central  
Power & Light Company, Austin Electric Department

Date of Issue December 15, 1988

For the Subscribing Companies

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

By *J. B. [Signature]*

Endorsement No. 2

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

SUBSCRIBING COMPANIES AND THEIR PROPORTIONATE LIABILITY ENDORSEMENT  
(SECONDARY FINANCIAL PROTECTION)  
CALENDAR YEAR 1989

- |                                      |         |
|--------------------------------------|---------|
| Liberty Insurance Company            | 33.333% |
| American Motorists Insurance Company | 33.333% |
| Arkwright Insurance Company          | 33.333% |
| TX-89                                |         |

12:01 A.M. Standard time

By

Endorsement No. 3 Countersigned by \_\_\_\_\_

Nuclear Energy Liability Insurance  
MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

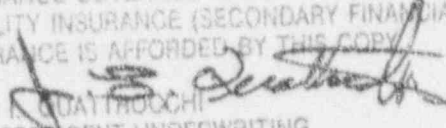
ENDORSEMENT TO CERTIFICATE NO. M-116  
Forming Part of Master Policy No. 1  
Nuclear Energy Liability Insurance  
(Secondary Financial Protection)

Effective January 1, 1988, it is agreed that Item 4 of the Certificate is amended to read as follows:

- Item 4. (a) Identification of primary financial protection applicable to the nuclear reactor and limit(s) of liability thereof:
- (1) Facility Form Policies
    - (i) Nuclear Energy Liability Insurance Association's Policy NF- 307 \$124,000,000
    - (ii) Mutual Atomic Energy Liability Underwriter's Policy MF- 130 \$ 36,000,000
  - (2) Master Worker Policies (Facility Worker Form)
    - (i) Nuclear Energy Liability Insurance Association's Master Worker Policy NMWP-1 \$124,000,000
    - (ii) Mutual Atomic Energy Liability Underwriter's Master Worker Policy MMWP-1 \$ 36,000,000
- (b) The following endorsements attached to the Facility Form policies identified in subsection (a)(1) above also apply to the insurance afforded by this Master Policy through this certificate as though they were attached hereto:
- (1) Waiver of Defenses Endorsement (Extraordinary Nuclear Occurrence) and
  - (2) Supplementary Endorsement - Waiver of Defenses - Reactor Construction at the Facility.
- (c) Sharing of limit(s) of liability provided under the primary financial protection.
- (1) The limit of liability provided under each Facility Form policy identified in subsection (a)(1) above is shared among all nuclear reactors on the location described in Item 3 of the Declarations of such policy.

(2) The limit of liability provided under each Master Worker Policy (Facility Worker Form) identified in subsection (a)(2) above is shared among all insureds under all Certificates of Insurance issued to be a part of the Master Worker Policies.

THIS IS TO CERTIFY THAT THIS IS A TRUE COPY OF THE ORIGINAL CERTIFICATE, BEARING THE NUMBER DESIGNATED HEREON, FOR INSURANCE COVERAGE UNDER THE MASTER POLICY-NUCLEAR ENERGY LIABILITY INSURANCE (SECONDARY FINANCIAL PROTECTION). NO INSURANCE IS AFFORDED BY THIS COPY.

  
JOHN A. DIATTO  
VICE PRESIDENT-UNDERWRITING  
AMERICAN NUCLEAR INSURERS

Effective Date of  
this Endorsement January 1, 1988 To form a part of Certificate No. M-116  
Issued to Houston Lighting & Power Company, San Antonio Public Service Board,  
Central Power & Light Company, Austin Electric Department  
Date of Issue July 15, 1989

For the Subscribing Companies

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

By 

Endorsement No. 4

Countersigned by 

Authorized Representative



Nuclear Energy Liability Insurance  
MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

ENDORSEMENT TO CERTIFICATE NO. M-116  
Forming Part of Master Policy No. 1  
Nuclear Energy Liability Insurance  
(Secondary Financial Protection)

Effective July 1, 1989, it is agreed that Item 4. of the Certificate is amended to read as follows:

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

(1) Facility Form Policies

- (i) Nuclear Energy Liability Insurance Association's  
Policy NF- 307 \$155,000,000
- (ii) Mutual Atomic Energy Liability Underwriter's  
Policy MF- 130 \$ 45,000,000

(2) Master Worker Policies (Facility Worker Form)

- (i) Nuclear Energy Liability Insurance Association's  
Master Worker Policy NMWP-1 \$155,000,000
- (ii) Mutual Atomic Energy Liability Underwriter's  
Master Worker Policy MMWP-1 \$ 45,000,000

(b) The following endorsements attached to the Facility Form policies identified in subsection (a)(1) above also apply to the insurance afforded by this Master Policy through this certificate as though they were attached hereto:

- (1) Waiver of Defenses Endorsement (Extraordinary Nuclear Occurrence) and
- (2) Supplementary Endorsement - Waiver of Defenses - Reactor Construction at the Facility.

(c) Sharing of limit(s) of liability provided under the primary financial protection.

- (1) The limit of liability provided under each Facility Form policy identified in subsection (a)(1) above is shared among all nuclear reactors on the location described in Item 3 of the Declarations of such policy.



- (2) The limit of liability provided under each Master Worker Policy (Facility Worker Form) identified in subsection (a)(2) above is shared among all insureds under all Certificates of Insurance issued to be a part of the Master Worker Policies.

THIS IS TO CERTIFY THAT THIS IS A TRUE COPY OF THE ORIGINAL CERTIFICATE, BEARING THE NUMBER DESIGNATED HEREON, FOR INSURANCE COVERAGE UNDER THE MASTER POLICY-NUCLEAR ENERGY LIABILITY INSURANCE (SECONDARY FINANCIAL PROTECTION). NO INSURANCE IS AFFORDED BY THIS COPY.

*J. B. Quattrocchi*  
JOHN L. QUATTROCCHI  
VICE PRESIDENT-UNDERWRITING  
AMERICAN NUCLEAR INSURERS

Effective Date of  
this Endorsement July 1, 1989 To form a part of Certificate No. M-116

Issued to Houston Lighting & Power Company, San Antonio Public Service Board,  
Central Power & Light Company, Austin Electric Department

Date of Issue July 15, 1989

For the Subscribing Companies

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

By *J. B. Quattrocchi*

Countersigned by *[Signature]*  
Authorized Representative

Endorsement No. 5

Nuclear Energy Liability Insurance  
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

ATTACHMENT 1  
ST-HL-AE-3826  
PAGE 16 OF 17

ENDORSEMENT TO CERTIFICATE NO. N-116  
Forming Part of Master Policy No. 1  
Nuclear Energy Liability Insurance  
(Secondary Financial Protection)

Effective January 1, 1988, it is agreed that Item 4 of the Certificate is amended to read as follows:

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

(1) Facility Form Policies

(i) Nuclear Energy Liability Insurance Association's  
Policy NF- 307 \$124,000,000

(ii) Mutual Atomic Energy Liability Underwriter's Policy  
MF- 130 \$ 36,000,000

(2) Master Worker Policies (Facility Worker Form)

(i) Nuclear Energy Liability Insurance Association's  
Master Worker Policy NMWP-1 \$124,000,000

(ii) Mutual Atomic Energy Liability Underwriter's Master  
Worker Policy MMWP-1 \$ 36,000,000

(b) The following endorsements attached to the Facility Form policies identified in subsection (a)(1) above also apply to the insurance afforded by this Master Policy through this certificate as though they were attached hereto:

(1) Waiver of Defenses Endorsement (Extraordinary Nuclear Occurrence) and

(2) Supplementary Endorsement - Waiver of Defenses - Reactor Construction at the Facility.

(c) Sharing of limit(s) of liability provided under the primary financial protection.

(1) The limit of liability provided under each Facility Form policy identified in subsection (a)(1) above is shared among all nuclear reactors on the location described in Item 3 of the Declarations of such policy.

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

ENDORSEMENT TO CERTIFICATE NO. M-116  
Forming Part of Master Policy No. 1  
Nuclear Energy Liability Insurance  
(Secondary Financial Protection)

It is agreed that effective August 20, 1988:

I.) Subparagraph (c) on Page 1 of the certificate is amended to read as follows:

(c) to bodily injury or property damage

(1) with respect to which the primary financial protection described in Item 4 of the Declarations would apply but for

(i) exhaustion of its limit of liability as described in Condition 6 of the Master Policy, or

(ii) the application of Insuring Agreement IV, "Application of Policy" of the primary financial protection, as amended by paragraph 3 of the Waiver of Defenses Endorsement attached thereto, and

(2) which is caused during the certificate period stated in Item 6 of the Declarations by a nuclear incident arising out of, or in connection with the nuclear reactor described in Item 3 of the Declarations, and

(3) which is discovered and for which written claim is made against the insured not later than ten (10) years after the end of the certificate period stated in Item 6 of the Declarations. However, this subparagraph (3) shall not operate to bar coverage for bodily injury or property damage caused by an extraordinary nuclear occurrence.

II.) Item 4.(b) of the certificate is deleted.

III.) Item 7. of the certificate is amended to read as follows:

Item 7. Maximum retrospective premium (exclusive of allowance for premium taxes) payable pursuant to Condition 2 of the Master Policy with respect to each nuclear incident: \$14,883,750.

THIS IS TO CERTIFY THAT THIS IS A TRUE COPY OF THE ORIGINAL CERTIFICATE, BEARING THE NUMBER DESIGNATED HEREON, FOR INSURANCE COVERAGE UNDER THE MASTER POLICY-NUCLEAR ENERGY LIABILITY INSURANCE (SECONDARY FINANCIAL PROTECTION). NO INSURANCE IS AFFORDED BY THIS COPY.

*J. B. Quattrocchi*  
JOHN L. QUATTROCCHI  
VICE PRESIDENT-UNDERWRITING  
AMERICAN NUCLEAR INSURERS

Effective Date of this Endorsement August 20, 1988 To form a part of Certificate No. M-116  
12:01 A.M. Standard time

Issued to Houston Lighting & Power Company, San Antonio Public Service Board,  
Central Power & Light Company, Austin Electric Department

Date of issue March 23, 1990 For the Subscribing Companies

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

By *J. B. Quattrocchi*

Endorsement No. 7

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

Nuclear Energy Liability Insurance  
MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

ENDORSEMENT TO CERTIFICATE NO. M-116  
FORMING PART OF MASTER POLICY NO. 1  
NUCLEAR ENERGY LIABILITY INSURANCE  
(Secondary Financial Protection)

1. In paragraph (c) on Pages 1 and 2 of the certificate, and in all endorsements to the certificate relating thereto, the words "bodily injury or property damage" are amended to read "bodily injury, property damage or environmental damage".
2. This endorsement applies to all claims for damages, costs, expenses or other relief or recovery for which coverage is sought under the policy, and which are first made in writing against any insured on or after the effective date of this endorsement stated below.

THIS IS TO CERTIFY THAT THIS IS A TRUE COPY OF THE ORIGINAL  
CERTIFICATE BEARING THE NUMBER DESIGNATED HEREON, FOR  
INSURANCE COVERAGE UNDER THE MASTER POLICY-NUCLEAR ENERGY  
LIABILITY INSURANCE (SECONDARY FINANCIAL PROTECTION). NO  
FURTHER COPIES ARE TO BE MADE.  
J. S. Quatrone  
Vice President Underwriting  
AMERICAN NUCLEAR INSURERS

Effective Date of  
this Endorsement January 1, 1990 To form a part of Certificate No. M-116  
12:01 A.M. Standard time

Issued to Houston Lighting & Power Company, San Antonio Public Service Board,  
Central Power & Light Company, Austin Electric Department

Date of issue March 23, 1990 For the Subscribing Companies

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

By J. S. Quatrone

Endorsement No. 8

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



# Nuclear Energy Liability Insurance

## MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

SUBSCRIBING COMPANIES AND THEIR PROPORTIONATE LIABILITY ENDORSEMENT  
(SECONDARY FINANCIAL PROTECTION)  
CALENDAR YEAR 1990

1. It is agreed that with respect to bodily injury, property damage or environmental damage caused, during the effective period of this endorsement, by the nuclear energy hazard:
  - a. The word "companies" wherever used in the Certificate means the subscribing companies listed below.
  - b. The Certificate shall be binding on such companies only.
  - c. Each such company shall be liable for its proportion, as designated below, of any obligation assumed or expense incurred under the Certificate because of such bodily injury, property damage or environmental damage.
2. 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 effective date that another "Changes In Subscribing Companies And In Their Proportionate Liability Endorsement" changes the Companies and/or their proportions as listed in this endorsement, or to the time of the termination or cancellation of the Certificate, if sooner.

American Motorists Insurance Company	33.33%
Arkwright Insurance Company	33.33%
Liberty Insurance Corporation	33.34%

THIS IS TO CERTIFY THAT THIS IS A TRUE COPY OF THE ORIGINAL  
CERTIFICATE BEARING THE NUMBER DESIGNATED HEREON, FOR  
INSURANCE COVERAGE UNDER THE MASTER POLICY-NUCLEAR ENERGY  
LIABILITY INSURANCE (SECONDARY FINANCIAL PROTECTION). NO  
INSURANCE IS AFFORDED BY THIS COPY.

*J. S. DeLoach*  
JOHN S. DELOACH  
VICE PRESIDENT-UNDERWRITING  
AMERICAN NUCLEAR INSURERS

Effective Date of  
this Endorsement January 1, 1990 To form a part of Certificate No. M-116  
12:01 A.M. Standard time Houston Lighting & Power Company, San Antonio

Issued to Public Service Board, Central Power & Light Company, Austin Electric Department

Date of issue April 1, 1990 For the Subscribing Companies  
MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

By *J. S. DeLoach*

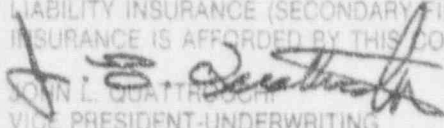
Endorsement No. 9 Countersigned by \_\_\_\_\_

Nuclear Energy Liability Insurance  
MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

It is agreed that the Named Insured is amended to read:

Houston Lighting & Power Company, San Antonio  
Public Service Board, Central Power & Light  
Company, City of Austin

THIS IS TO CERTIFY THAT THIS IS A TRUE COPY OF THE ORIGINAL  
CERTIFICATE, BEARING THE NUMBER DESIGNATED HEREON, FOR  
INSURANCE COVERAGE UNDER THE MASTER POLICY-NUCLEAR ENERGY  
LIABILITY INSURANCE (SECONDARY FINANCIAL PROTECTION) NO  
INSURANCE IS AFFORDED BY THIS COPY.

  
JOHN L. QUATTRONE  
VICE PRESIDENT-UNDERWRITING  
AMERICAN NUCLEAR INSURERS

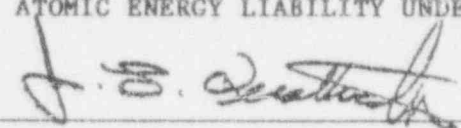
Effective Date of  
this Endorsement August 22, 1987 To form a part of Certificate No. M-116  
12:01 A.M. Standard Time

Houston Lighting & Power Company, San Antonio Public Service Board,  
Issued to Central Power & Light Company, City of Austin

Date of Issue June 27, 1990

For the Subscribing Companies

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

By 

Endorsement No. 10

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



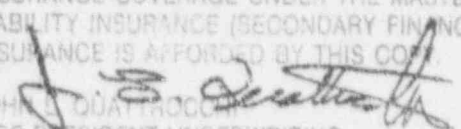
NUCLEAR ENERGY LIABILITY INSURANCE  
MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

ANNUAL PREMIUM ENDORSEMENT

CALENDAR YEAR 1991

1. **ANNUAL PREMIUM:** It is agreed that the Advance Premium due the companies for the period designated above is: \$1,687.00

THIS IS TO CERTIFY THAT THIS IS A TRUE COPY OF THE ORIGINAL CERTIFICATE, BEARING THE NUMBER DESIGNATED HEREON, FOR INSURANCE COVERAGE UNDER THE MASTER POLICY-NUCLEAR ENERGY LIABILITY INSURANCE (SECONDARY FINANCIAL PROTECTION). NO INSURANCE IS AFFORDED BY THIS COPY.

  
JOHN E. QUATTRONE  
VICE PRESIDENT-UNDERWRITING  
AMERICAN NUCLEAR INSURERS

Effective Date of  
this Endorsement: January 1, 1991  
(12:01 A.M. Standard Time)

To form a part of Certificate No. M -0116

Issued to: Houston Lighting & Power Company, San Antonio Public Service Board, Central Power & Light Company, City of Austin

Date of Issue: November 21, 1990

For the subscribing companies

By

Counter signed by

Endorsement No: 11

  
HOWARD WARREN MARSH

# Nuclear Energy Liability Insurance

## MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

SUBSCRIBING COMPANIES AND THEIR PROPORTIONATE LIABILITY ENDORSEMENT  
(SECONDARY FINANCIAL PROTECTION)  
CALENDAR YEAR 1991

1. It is agreed that with respect to bodily injury, property damage or environmental damage caused, during the effective period of this endorsement, by the nuclear energy hazard:
  - a. The word "companies" wherever used in the Certificate means the subscribing companies listed below.
  - b. The Certificate shall be binding on such companies only.
  - c. Each such company shall be liable for its proportion, as designated below, of any obligation assumed or expense incurred under the Certificate because of such bodily injury, property damage or environmental damage.
2. 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 effective date that another "Changes In Subscribing Companies And Their Proportionate Liability Endorsement" changes the Companies and/or their proportions as listed in this endorsement, or to the time of the termination or cancellation of the Certificate, if sooner.

American Motorists Insurance Company	33.33%
Arkwright Insurance Company	33.33%
Liberty Insurance Corporation	33.34%

Effective Date of  
this Endorsement

January 1, 1991

12:01 A.M. Standard time

To form a part of Certificate No.

MM116

Issued to

Houston Lighting & Power Company, San Antonio Public Service Board,  
Central Power & Light Company, City of Austin

Date of issue

April 1, 1991

For the Subscribing Companies

By

*J. S. Quattrocchi*

Endorsement No.

12

Countersigned by

THIS IS TO CERTIFY THAT THIS IS A TRUE COPY OF THE ORIGINAL CERTIFICATE, BEARING THE NUMBER DESIGNATED HEREON, FOR WHICH INSURANCE COVERAGE UNDER THE MASTER POLICY-NUCLEAR ENERGY LIABILITY INSURANCE IS AFFORDED BY THIS COPY.

JOHN L. QUATTROCCHI  
VICE PRESIDENT-UNDERWRITING  
AMERICAN NUCLEAR INSURERS

Nuclear Energy Liability Insurance  
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

ANNUAL PREMIUM ENDORSEMENT

Calendar Year 1988

ANNUAL PREMIUM: It is agreed that the Annual Premium due the companies for the period designated above is: \$ 5,813.00.

THIS IS TO CERTIFY THAT THIS IS A TRUE COPY OF THE ORIGINAL CERTIFICATE, BEARING THE NUMBER DESIGNATED HEREON, FOR INSURANCE COVERAGE UNDER THE MASTER POLICY NUCLEAR ENERGY LIABILITY INSURANCE (SECONDARY FINANCIAL PROTECTION). NO INSURANCE IS AFFORDED BY THIS COPY.

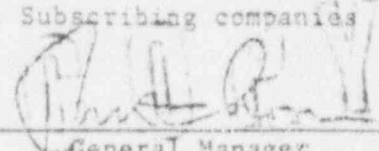
  
JOHN J. QUATTROCCHI  
VICE PRESIDENT-UNDERWRITING  
AMERICAN NUCLEAR INSURERS

Effective Date of  
this Endorsement January 1, 1988 To form a part of Certificate No N-113  
12:01 A.M. Standard Time

Issued to Houston Lighting & Power Company, San Antonio Public Service Board, Central Power & Light Company, Austin Electric Department

Date of Issue December 15, 1987

For the Subscribing companies

By   
General Manager

Endorsement No 2

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

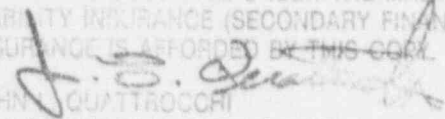
Nuclear Energy Liability Insurance  
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

ANNUAL PREMIUM ENDORSEMENT

Calendar Year 1989

ANNUAL PREMIUM: It is agreed that the Annual Premium due the companies for the period designated above is: \$ 5,813.00

THIS IS TO CERTIFY THAT THIS IS A TRUE COPY OF THE ORIGINAL CERTIFICATE, BEARING THE NUMBER DESIGNATED HEREON, FOR INSURANCE COVERAGE UNDER THE MASTER POLICY-NUCLEAR ENERGY LIABILITY INSURANCE (SECONDARY FINANCIAL PROTECTION). NO INSURANCE IS AFFORDED BY THIS COPY.

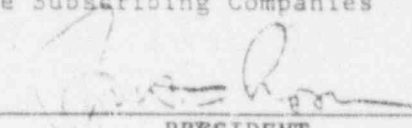
  
JOHN J. QUATTROCCHI  
VICE PRESIDENT-UNDERWRITING  
AMERICAN NUCLEAR INSURERS

Effective Date of  
this Endorsement January 1, 1989 To form a part of Certificate No. N-113  
12:01 A.M. Standard Time

Issued to Houston Lighting & Power Company, San Antonio Public Service Board, Central Power & Light Company, Austin Electric Department

Date of Issue December 15, 1988

For the Subscribing Companies

By   
PRESIDENT

Endorsement No. 3

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

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

ENDORSEMENT TO CERTIFICATE NO. N-113  
Forming Part of Master Policy No. 1  
Nuclear Energy Liability Insurance  
(Secondary Financial Protection)

It is agreed that effective August 20, 1988:

I.) Subparagraph (c) on Page 1 of the certificate is amended to read as follows:

(c) to bodily injury or property damage

(1) with respect to which the primary financial protection described in Item 4 of the Declarations would apply but for

(i) exhaustion of its limit of liability as described in Condition 6 of the Master Policy, or

(ii) the application of Insuring Agreement IV, "Application of Policy" of the primary financial protection, as amended by paragraph 3 of the Waiver of Defenses Endorsement attached thereto, and

(2) which is caused during the certificate period stated in Item 6 of the Declarations by a nuclear incident arising out of, or in connection with the nuclear reactor described in Item 3 of the Declarations, and

(3) which is discovered and for which written claim is made against the insured not later than ten (10) years after the end of the certificate period stated in Item 6 of the Declarations. However, this subparagraph (3) shall not operate to bar coverage for bodily injury or property damage caused by an extraordinary nuclear occurrence.

II.) Item 4.(b) of the certificate is deleted.

III.) Item 7. of the certificate is amended to read as follows:

Item 7. Maximum retrospective premium (exclusive of allowance for premium taxes) payable pursuant to Condition 2 of the Master Policy with respect to each nuclear incident: \$51,266,250.

THIS IS TO CERTIFY THAT THIS IS A TRUE COPY OF THE ORIGINAL CERTIFICATE, BEARING THE NUMBER DESIGNATED HEREON, FOR INSURANCE COVERAGE UNDER THE MASTER POLICY-NUCLEAR ENERGY LIABILITY INSURANCE (SECONDARY FINANCIAL PROTECTION). NO INSURANCE IS AFFORDED BY THIS COPY.

*J. S. Quattrocchi*  
JOHN L. QUATTROCCHI  
VICE PRESIDENT-UNDERWRITING  
AMERICAN NUCLEAR INSURERS

Effective Date of  
this Endorsement August 20, 1988 To form a part of Certificate No. N-113  
12:01 A. M. Standard time

Issued to Houston Lighting & Power Company, San Antonio Public Service Board,  
Central Power & Light Company, Austin Electric Department

Date of Issue March 23, 1990 For the Subscribing Companies,  
By *W. H. [Signature]*  
President

Endorsement No. 7 Countersigned by \_\_\_\_\_



Nuclear Energy Liability Insurance

ATTACHMENT 1  
ST-HL-AE-3826  
PAGE 28 OF 171

NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

ENDORSEMENT TO CERTIFICATE NO. N-113  
FORMING PART OF MASTER POLICY NO. 1  
NUCLEAR ENERGY LIABILITY INSURANCE  
(Secondary Financial Protection)

1. In paragraph (c) on Pages 1 and 2 of the certificate, and in all endorsements to the certificate relating thereto, the words "bodily injury or property damage" are amended to read "bodily injury, property damage or environmental damage".
2. This endorsement applies to all claims for damages, costs, expenses or other relief or recovery for which coverage is sought under the policy, and which are first made in writing against any insured on or after the effective date of this endorsement stated below.

THIS IS TO CERTIFY THAT THIS IS A TRUE COPY OF THE ORIGINAL  
CERTIFICATE BEARING THE NUMBER DESIGNATED HEREON, FOR  
INSURANCE COVERAGE UNDER THE MASTER POLICY-NUCLEAR ENERGY  
LIABILITY INSURANCE (SECONDARY FINANCIAL PROTECTION). NO  
INSURANCE IS BEING ISSUED.  
*J. S. Quattrocchi*  
JOHN L. QUATTROCCHI  
VICE PRESIDENT-UNDERWRITING  
AMERICAN NUCLEAR INSURERS

Effective Date of  
this Endorsement January 1, 1990 To form a part of Certificate No. N-113  
12:01 A. M. Standard time

Issued to Houston Lighting & Power Company, San Antonio Public Service Board,  
Central Power & Light Company, Austin Electric Department

Date of Issue March 23, 1990 For the Subscribing Companies,  
By *Chas. R. [Signature]*  
PRESIDENT

Endorsement No. 8 Countersigned by \_\_\_\_\_

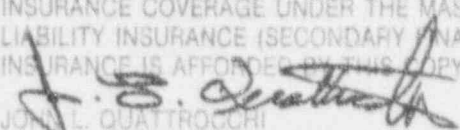


Nuclear Energy Liability Insurance  
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

It is agreed that the Named Insured is amended to read:

Houston Lighting & Power Company, San Antonio  
Public Service Board, Central Power & Light  
Company, City of Austin

THIS IS TO CERTIFY THAT THIS IS A TRUE COPY OF THE ORIGINAL  
CERTIFICATE, BEARING THE NUMBER DESIGNATED HEREON, FOR  
INSURANCE COVERAGE UNDER THE MASTER POLICY-NUCLEAR ENERGY  
LIABILITY INSURANCE (SECONDARY FINANCIAL PROTECTION). NO  
INSURANCE IS AFFORDED BY THIS COPY.

  
JOHN L. QUATTROCCHI  
VICE PRESIDENT-UNDERWRITING  
AMERICAN NUCLEAR INSURERS

Effective Date of  
this Endorsement August 22, 1987 To form a part of Certificate No. N-113

12:01 A.M. Standard Time

Houston Lighting & Power Company, San Antonio Public Service Board,  
Issued to Central Power & Light Company, City of Austin

Date of Issue June 27, 1990

For the Subscribing Companies

By 

PRESIDENT

Endorsement No. 9

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

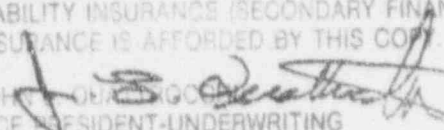
NUCLEAR ENERGY LIABILITY INSURANCE  
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

ANNUAL PREMIUM ENDORSEMENT

CALENDAR YEAR 1991

1. **ANNUAL PREMIUM:** It is agreed that the Advance Premium due the companies for the period designated above is: \$5,813.00

THIS IS TO CERTIFY THAT THIS IS A TRUE COPY OF THE ORIGINAL CERTIFICATE, BEARING THE NUMBER DESIGNATED HEREON, FOR INSURANCE COVERAGE UNDER THE MASTER POLICY-NUCLEAR ENERGY LIABILITY INSURANCE (SECONDARY FINANCIAL PROTECTION). NO INSURANCE IS AFFORDED BY THIS COPY.

  
JOHN J. O'CONNELL  
VICE PRESIDENT-UNDERWRITING  
AMERICAN NUCLEAR INSURERS

Effective Date of  
this Endorsement: January 1, 1991  
(12:01 A.M. Standard Time)

To form a part of Certificate No. N -0113

Issued to: Houston Lighting & Power Company, San Antonio Public Service Board, Central Power & Light Company, City of Austin

Date of Issue: November 21, 1990

For the subscribing companies

By

  
Countersigned by

Endorsement No: 10

HOWARD WARREN MARSH

Nuclear Energy Liability Insurance  
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

ATTACHMENT 1  
ST-HL-AE-3826  
PAGE 31 OF 121

SPECIFICATION OF CERTIFICATE EFFECTIVE DATE AND  
PREMIUM ENDORSEMENT

It is agreed that:

1. The United States Nuclear Regulatory Commission has issued to the insureds named in Item 1 of the Declarations Operating License No. NPF-78 effective December 16, 1988 for the reactor described in Item 3 of the Declarations of the Certificate.

2. Item 6 of the Declarations of the Certificate is deleted and replaced by the following:

Item 6. Certificate Period: Beginning December 16, 1988, and continuing to the effective date and time of cancellation or termination of the Master Policy or this Certificate, whichever first occurs, eastern standard time.

3. Item 8 of the Declarations of the Certificate is deleted and replaced by the following:

Item 8. Portion of the annual premium payable for the companies' contingent liability described in Condition 4 of the Master Policy from the effective date hereof to the end of calendar year 1988: \$ 256.00.

THIS IS TO CERTIFY THAT THIS IS A TRUE COPY OF THE ORIGINAL CERTIFICATE BEARING THE NUMBER DESIGNATED HEREON FOR INSURANCE COVERAGE UNDER THE MASTER POLICY (NUCLEAR ENERGY LIABILITY INSURANCE (SECONDARY FINANCIAL PROTECTION)). NO

*J. S. Smith*  
JOHN S. SMITH, JR.  
VICE PRESIDENT-UNDERWRITING  
AMERICAN NUCLEAR INSURERS

Effective Date of  
this Endorsement December 16, 1988 To form a part of Certificate No. N-116  
12:01 A.M. Standard Time

Issued to Houston Lighting & Power Company, San Antonio Public Service Board, Central  
Power & Light Company, Austin Electric Department

Date of Issue January 26, 1989

For the Subscribing Companies

By *Charles*

PRESIDENT

Endorsement No. 1

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

Nuclear Energy Liability Insurance  
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

ANNUAL PREMIUM ENDORSEMENT

Calendar Year 1989

ANNUAL PREMIUM: It is agreed that the Annual Premium due the companies for the period designated above is: \$ 5,813.00.

THIS IS TO CERTIFY THAT THIS IS A TRUE COPY OF THE ORIGINAL  
CERTIFICATE BEARING THE NUMBER DESIGNATED HEREON, FOR  
INSURANCE COVERAGE UNDER THE MASTER POLICY-NUCLEAR ENERGY  
LIABILITY INSURANCE (SECONDARY FINANCIAL PROTECTION). NO  
INSURANCE IS AFFORDED BY THIS COPY.

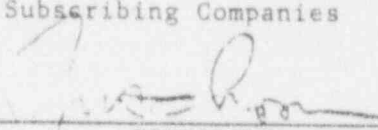
  
JOHN E. SMITH  
VICE PRESIDENT-UNDERWRITING  
AMERICAN NUCLEAR INSURERS

Effective Date of  
this Endorsement January 1, 1989 To form a part of Certificate No. N-116  
12:01 A.M. Standard Time

Issued to Houston Lighting & Power Company, San Antonio Public Service Board, Central  
Power & Light Company, Austin Electric Department

Date of Issue December 15, 1988

For the Subscribing Companies

By   
PRESIDENT

Endorsement No. 2

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

## NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

ENDORSEMENT TO CERTIFICATE NO. N-116  
Forming Part of Master Policy No. 1  
Nuclear Energy Liability Insurance  
(Secondary Financial Protection)

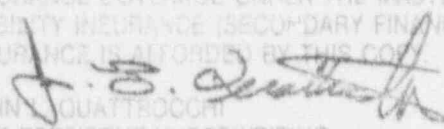
Effective January 1, 1988, it is agreed that Item 4 of the Certificate is amended to read as follows:

- Item 4. (a) Identification of primary financial protection applicable to the nuclear reactor and limit(s) of liability thereof:
- (1) Facility Form Policies
    - (i) Nuclear Energy Liability Insurance Association's Policy NF- 307 \$124,000,000
    - (ii) Mutual Atomic Energy Liability Underwriter's Policy MF- 130 \$ 36,000,000
  - (2) Master Worker Policies (Facility Worker Form)
    - (i) Nuclear Energy Liability Insurance Association's Master Worker Policy NMWP-1 \$124,000,000
    - (ii) Mutual Atomic Energy Liability Underwriter's Master Worker Policy MMWP-1 \$ 36,000,000
- (b) The following endorsements attached to the Facility Form policies identified in subsection (a)(1) above also apply to the insurance afforded by this Master Policy through this certificate as though they were attached hereto:
- (1) Waiver of Defenses Endorsement (Extraordinary Nuclear Occurrence) and
  - (2) Supplementary Endorsement - Waiver of Defenses - Reactor Construction at the Facility.
- (c) Sharing of limit(s) of liability provided under the primary financial protection.
- (1) The limit of liability provided under each Facility Form policy identified in subsection (a)(1) above is shared among all nuclear reactors on the location described in Item 3 of the Declarations of such policy.

(2) The limit of liability provided under each Master Worker Policy (Facility Worker Form) identified in subsection (a)(2) above is shared among all insureds under all Certificates of Insurance issued to be a part of the Master Worker Policies.

NOTE: This endorsement is to be attached to all outstanding and newly issued Certificates of Insurance which are part of Master Policy No. 1, Nuclear Energy Liability Policy (Secondary Financial Protection).

THIS IS TO CERTIFY THAT THIS IS A TRUE COPY OF THE ORIGINAL CERTIFICATE, BEARING THE NUMBER DESIGNATED HEREON, FOR INSURANCE COVERAGE UNDER THE MASTER POLICY-NUCLEAR ENERGY LIABILITY INSURANCE (SECONDARY FINANCIAL PROTECTION). NO INSURANCE IS AFFORDED BY THIS COPY.

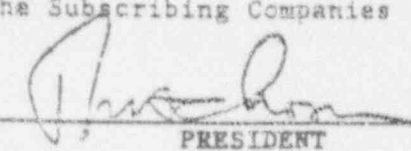
  
JOHN J. QUATTROCCHI  
VICE PRESIDENT-UNDERWRITING  
AMERICAN NUCLEAR INSURERS

Effective Date of  
this Endorsement January 1, 1988 To form a part of Certificate No. N-116  
12:01 A.M. Standard Time

Issued to Houston Lighting & Power Company, San Antonio Public Service Board,  
Central Power & Light Company, Austin Electric Department

Date of Issue July 15, 1989

For the Subscribing Companies

By   
PRESIDENT

Endorsement No. 3

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



Nuclear Energy Liability Insurance  
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

ENDORSEMENT TO CERTIFICATE NO. N-116  
Forming Part of Master Policy No. 1  
Nuclear Energy Liability Insurance  
(Secondary Financial Protection)

Effective July 1, 1989, it is agreed that Item 4. of the Certificate is amended to read as follows:

- Item 4. (a) Identification of primary financial protection applicable to the nuclear reactor and limit(s) of liability thereof:
- (1) Facility Form Policies
    - (i) Nuclear Energy Liability Insurance Association's  
Policy NF- 307 \$155,000,000
    - (ii) Mutual Atomic Energy Liability Underwriter's  
Policy MF-130 \$ 45,000,000
  - (2) Master Worker Policies (Facility Worker Form)
    - (i) Nuclear Energy Liability Insurance Association's  
Master Worker Policy NMWP-1 \$155,000,000
    - (ii) Mutual Atomic Energy Liability Underwriter's  
Master Worker Policy MMWP-1 \$ 45,000,000
- (b) The following endorsements attached to the Facility Form policies identified in subsection (a)(1) above also apply to the insurance afforded by this Master Policy through this certificate as though they were attached hereto:
- (1) Waiver of Defenses Endorsement (Extraordinary Nuclear Occurrence) and
  - (2) Supplementary Endorsement - Waiver of Defenses - Reactor Construction at the Facility.
- (c) Sharing of limit(s) of liability provided under the primary financial protection.
- (1) The limit of liability provided under each Facility Form policy identified in subsection (a)(1) above is shared among all nuclear reactors on the location described in Item 3 of the Declarations of such policy.

- (2) The limit of liability provided under each Master Worker Policy (Facility Worker Form) identified in subsection (a)(2) above is shared among all insureds under all Certificates of Insurance issued to be a part of the Master Worker Policies.

NOTE: This endorsement is to be attached to all outstanding and newly issued Certificates of Insurance which are part of Master Policy No. 1, Nuclear Energy Liability Policy (Secondary Financial Protection). The increase will be effective after the renewal of the Price-Anderson Act.

THIS IS TO CERTIFY THAT THIS IS A TRUE COPY OF THE ORIGINAL CERTIFICATE, BEARING THE NUMBER DESIGNATED HEREON, FOR INSURANCE COVERAGE UNDER THE MASTER POLICY-NUCLEAR ENERGY LIABILITY INSURANCE (SECONDARY FINANCIAL PROTECTION). NO INSURANCE IS AFFORDED BY THIS COPY.

JOHN B. GORDON  
VICE PRESIDENT-UNDERWRITING  
AMERICAN NUCLEAR INSURERS

Effective Date of this Endorsement July 1, 1989 To form a part of Certificate No. N-116  
12:01 A.M. Standard Time  
Issued to Houston Lighting & Power Company, San Antonio Public Service Board,  
Central Power & Light Company, Austin Electric Department  
Date of Issue July 15, 1989

For the Subscribing Companies

By

  
PRESIDENT

Endorsement No. 4

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

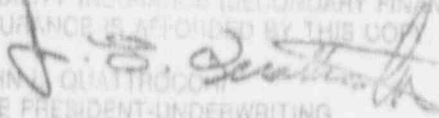
Nuclear Energy Liability Insurance  
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

ANNUAL PREMIUM ENDORSEMENT

Calendar Year 1990

ANNUAL PREMIUM: It is agreed that the Annual Premium due the companies for the period designated above is: \$ 5,813.00.

THIS IS TO CERTIFY THAT THIS IS A TRUE COPY OF THE ORIGINAL CERTIFICATE, BEARING THE NUMBER DESIGNATED HEREON, FOR INSURANCE COVERAGE UNDER THE MASTER POLICY NUCLEAR ENERGY LIABILITY INSURANCE (SECONDARY FINANCIAL PROTECTION). NO INSURANCE IS AFFORDED BY THIS COPY.


  
JOHN J. QUATTROCCHI  
VICE PRESIDENT-UNDERWRITING  
AMERICAN NUCLEAR INSURERS

Effective Date of  
this Endorsement January 1, 1990 To form a part of Certificate No. N-116  
12:01 A.M. Standard Time

Issued to Houston Lighting & Power Company, San Antonio Public Service Board,  
Central Power & Light Company, Austin Electric Department

Date of Issue December 15, 1989

For the Subscribing Companies

By   
PRESIDENT

Endorsement No. 5

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

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

ENDORSEMENT TO CERTIFICATE NO. N-116  
Forming Part of Master Policy No. 1  
Nuclear Energy Liability Insurance  
(Secondary Financial Protection)

It is agreed that effective August 20, 1988:

I.) Subparagraph (c) on Page 1 of the certificate is amended to read as follows:

(c) to bodily injury or property damage

(1) with respect to which the primary financial protection described in Item 4 of the Declarations would apply but for

(i) exhaustion of its limit of liability as described in Condition 6 of the Master Policy, or

(ii) the application of Insuring Agreement IV, "Application of Policy" of the primary financial protection, as amended by paragraph 3 of the Waiver of Defenses Endorsement attached thereto, and

(2) which is caused during the certificate period stated in Item 6 of the Declarations by a nuclear incident arising out of, or in connection with the nuclear reactor described in Item 3 of the Declarations, and

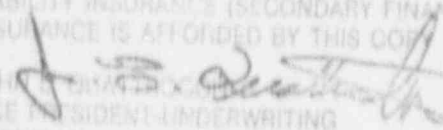
(3) which is discovered and for which written claim is made against the insured not later than ten (10) years after the end of the certificate period stated in Item 6 of the Declarations. However, this subparagraph (3) shall not operate to bar coverage for bodily injury or property damage caused by an extraordinary nuclear occurrence.

II.) Item 4.(b) of the certificate is deleted.

III.) Item 7. of the certificate is amended to read as follows:

Item 7. Maximum retrospective premium (exclusive of allowance for premium taxes) payable pursuant to Condition 3 of the Master Policy with respect to each nuclear incident: \$51,266,250.

THIS IS TO CERTIFY THAT THIS IS A TRUE COPY OF THE ORIGINAL CERTIFICATE, BEARING THE NUMBER DESIGNATED HEREON, FOR INSURANCE COVERAGE UNDER THE MASTER POLICY-NUCLEAR ENERGY LIABILITY INSURANCE (SECONDARY FINANCIAL PROTECTION). NO INSURANCE IS AFFORDED BY THIS COPY.

  
JOHN E. SMITH  
VICE PRESIDENT-LINDERWRITING  
AMERICAN NUCLEAR INSURERS

Effective Date of this Endorsement August 20, 1988 To form a part of Certificate No. N-116  
12:01 A. M. Standard time

Issued to Houston Lighting & Power Company, San Antonio Public Service Board,  
Central Power & Light Company, Austin Electric Department

Date of Issue March 23, 1990

For the Subscribing Companies,

By

  
President

Endorsement No. 6

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

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

ENDORSEMENT TO CERTIFICATE NO. N-116  
Forming Part of Master Policy No. 1  
Nuclear Energy Liability Insurance  
(Secondary Financial Protection)

It is agreed that effective August 20, 1988:

I.) Subparagraph (c) on Page 1 of the certificate is amended to read as follows:

(c) to bodily injury or property damage

(1) with respect to which the primary financial protection described in Item 4 of the Declarations would apply but for

(i) exhaustion of its limit of liability as described in Condition 6 of the Master Policy, or

(ii) the application of Insuring Agreement IV, "Application of Policy" of the primary financial protection, as amended by paragraph 3 of the Waiver of Defenses Endorsement attached thereto, and

(2) which is caused during the certificate period stated in Item 6 of the Declarations by a nuclear incident arising out of, or in connection with the nuclear reactor described in Item 3 of the Declarations, and

(3) which is discovered and for which written claim is made against the insured not later than ten (10) years after the end of the certificate period stated in Item 6 of the Declarations. However, this subparagraph (3) shall not operate to bar coverage for bodily injury or property damage caused by an extraordinary nuclear occurrence.

II.) Item 4.(b) of the certificate is deleted.

III.) Item 7. of the certificate is amended to read as follows:



Item 7. Maximum retrospective premium (exclusive of allowance for premium taxes) payable pursuant to Condition 2 of the Master Policy with respect to each nuclear incident: \$51,266,250.

THIS IS TO CERTIFY THAT THIS IS A TRUE COPY OF THE ORIGINAL CERTIFICATE, BEARING THE NUMBER DESIGNATED HEREON, FOR INSURANCE COVERAGE UNDER THE MASTER POLICY-NUCLEAR ENERGY LIABILITY INSURANCE (SECONDARY FINANCIAL PROTECTION). NO INSURANCE IS ACCORDED BY THIS COPY.

*J. S. Battrocchi*  
JOHN L. BATTROCCHI  
VICE PRESIDENT-UNDERWRITING  
AMERICAN NUCLEAR INSURERS

Effective Date of  
this Endorsement August 20, 1988 To form a part of Certificate No. N-116  
12:01 A. M. Standard time

Issued to Houston Lighting & Power Company, San Antonio Public Service Board,  
Central Power & Light Company, Austin Electric Department

Date of Issue March 23, 1990 For the Subscribing Companies,

By *W. S. Han*  
President

Endorsement No. 7

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

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

ENDORSEMENT TO CERTIFICATE NO. N-116  
FORMING PART OF MASTER POLICY NO. 1  
NUCLEAR ENERGY LIABILITY INSURANCE  
(Secondary Financial Protection)

1. In paragraph (c) on Pages 1 and 2 of the certificate, and in all endorsements to the certificate relating thereto, the words "bodily injury or property damage" are amended to read "bodily injury, property damage or environmental damage".
2. This endorsement applies to all claims for damages, costs, expenses or other relief or recovery for which coverage is sought under the policy, and which are first made in writing against any insured on or after the effective date of this endorsement stated below.

THIS IS TO CERTIFY THAT THIS IS A TRUE COPY OF THE ORIGINAL  
CERTIFICATE, BEARING THE NUMBER N-116, FOR  
INSURANCE COVERAGE UNDER THE MASTER POLICY-NUCLEAR ENERGY  
LIABILITY INSURANCE (SECONDARY FINANCIAL PROTECTION). NO  
INSURANCE IS AFFORDED BY THIS COPY.  
*[Signature]*  
JOHN L. QUATROCCO  
VICE PRESIDENT UNDERWRITING  
AMERICAN NUCLEAR INSURERS

Effective Date of  
this Endorsement January 1, 1990 To form a part of Certificate No. N-116  
12:01 A. M. Standard time

Issued to Houston Lighting & Power Company, San Antonio Public Service Board,  
Central Power & Light Company, Austin Electric Department

Date of Issue March 23, 1990

For the Subscribing Companies,

By

*[Signature]*  
PRESIDENT

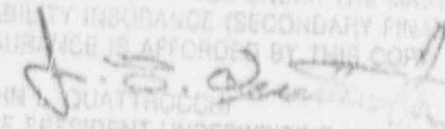
Endorsement No. 7

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

Nuclear Energy Liability Insurance  
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

It is agreed that the Named Insured is amended to read:

Houston Lighting & Power Company, San Antonio  
Public Service Board, Central Power & Light  
Company, City of Austin

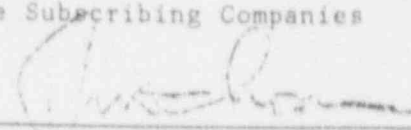
THIS IS TO CERTIFY THAT THIS IS A TRUE COPY OF THE ORIGINAL  
CERTIFICATE, BEARING THE NUMBER DESIGNATED HEREON, FOR  
INSURANCE COVERAGE UNDER THE MASTER POLICY-NUCLEAR ENERGY  
LIABILITY INSURANCE (SECONDARY FINANCIAL PROTECTION). NO  
INSURANCE IS AFFORDED BY THIS COPY.  
  
JOHN J. GUATTROCCHI  
VICE PRESIDENT-UNDERWRITING  
AMERICAN NUCLEAR INSURERS

Effective Date of  
this Endorsement August 22, 1987 To form a part of Certificate No. N-116  
12:01 A.M. Standard Time

Issued to Houston Lighting & Power Company, San Antonio Public Service Board,  
Central Power & Light Company, City of Austin

Date of Issue June 27, 1990

For the Subscribing Companies

By   
PRESIDENT

Endorsement No. 8

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

Nuclear Energy Liability Insurance

NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

ENDORSEMENT TO CERTIFICATE NO. N-116  
FORMING PART OF MASTER POLICY NO. 1  
NUCLEAR ENERGY LIABILITY INSURANCE  
(Secondary Financial Protection)

1. In paragraph (c) on Pages 1 and 2 of the certificate, and in all endorsements to the certificate relating thereto, the words "bodily injury or property damage" are amended to read "bodily injury, property damage or environmental damage".
2. This endorsement applies to all claims for damages, costs, expenses or other relief or recovery for which coverage is sought under the policy, and which are first made in writing against any insured on or after the effective date of this endorsement stated below.

THIS IS TO CERTIFY THAT THIS IS A TRUE COPY OF THE ORIGINAL  
ENDORSEMENT TO THE MASTER POLICY-NUCLEAR ENERGY  
LIABILITY INSURANCE (SECONDARY FINANCIAL PROTECTION). NO  
FURTHER ENDORSEMENTS ARE REQUIRED.  
JOHN L. KRYSTOCHAK  
VICE PRESIDENT-UNDERWRITING  
AMERICAN NUCLEAR INSURERS

Effective Date of  
this Endorsement January 1, 1990 To form a part of Certificate No. N-116  
12:01 A. M. Standard time

Issued to Houston Lighting & Power Company, San Antonio Public Service Board,  
Central Power & Light Company, Austin Electric Department

Date of Issue March 23, 1990 For the Subscribing Companies,  
By [Signature]  
PRESIDENT

Endorsement No. 8 Countersigned by \_\_\_\_\_

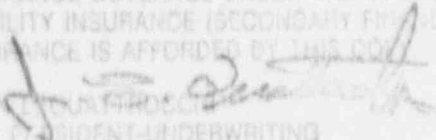
NUCLEAR ENERGY LIABILITY INSURANCE  
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

ANNUAL PREMIUM ENDORSEMENT

CALENDAR YEAR 1991

1. ANNUAL PREMIUM: It is agreed that the Advance Premium due the companies for the period designated above is: \$5,813.00

THIS IS TO CERTIFY THAT THIS IS A TRUE COPY OF THE ORIGINAL CERTIFICATE, BEARING THE NUMBER DESIGNATED HEREON, FOR INSURANCE COVERAGE UNDER THE MASTER POLICY-NUCLEAR ENERGY LIABILITY INSURANCE (SECONDARY FINANCIAL PROTECTION). NO INSURANCE IS AFFORDED BY THIS COPY.

  
JOHN E. H. PROSSER  
VICE PRESIDENT-UNDERWRITING  
AMERICAN NUCLEAR INSURERS


Effective Date of  
this Endorsement: January 1, 1991  
(12:01 A.M. Standard Time)

To form a part of Certificate No. N -011

Issued to: Houston Lighting & Power Company, San Antonio Public Service Board, Central  
Power & Light Company, City of Austin

Date of Issue: November 21, 1990

For the subscribing companies

By   
President

Endorsement No: 9

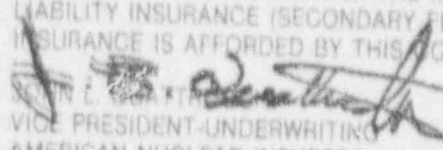
Countersigned by \_\_\_\_\_

Nuclear Energy Liability Insurance  
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

It is agreed that the Named Insured is amended to read:

Houston Lighting & Power Company, San Antonio  
Public Service Board, Central Power & Light  
Company, City of Austin

THIS IS TO CERTIFY THAT THIS IS A TRUE COPY OF THE ORIGINAL  
CERTIFICATE, BEARING THE NUMBER DESIGNATED HEREON, FOR  
INSURANCE COVERAGE UNDER THE MASTER POLICY-NUCLEAR ENERGY  
LIABILITY INSURANCE (SECONDARY FINANCIAL PROTECTION). NO  
INSURANCE IS AFFORDED BY THIS COPY.

  
J. B. SMITH  
VICE PRESIDENT-UNDERWRITING  
AMERICAN NUCLEAR INSURERS

Effective Date of  
this Endorsement August 22, 1987 To form a part of Certificate No. N-116  
12:01 A.M. Standard Time

Houston Lighting & Power Company, San Antonio Public Service Board,  
Issued to Central Power & Light Company, City of Austin

Date of Issue June 27, 1990

For the Subscribing Companies

By   
PRESIDENT

Endorsement No. 9

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



NUCLEAR ENERGY LIABILITY INSURANCE  
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

ANNUAL PREMIUM ENDORSEMENT

CALENDAR YEAR 1991

1. **ANNUAL PREMIUM:** It is agreed that the Advance Premium due the companies for the period designated above is: \$5,813.00

THIS IS TO CERTIFY THAT THIS IS A TRUE COPY OF THE ORIGINAL CERTIFICATE, BEARING THE NUMBER DESIGNATED HEREON, FOR INSURANCE COVERAGE UNDER THE MASTER POLICY-NUCLEAR ENERGY LIABILITY INSURANCE (SECONDARY FINANCIAL PROTECTION). NO INSURANCE IS AFFORDED BY THIS COPY.

  
JOHN J. TROUGH  
VICE PRESIDENT-UNDERWRITING  
AMERICAN NUCLEAR INSURERS

Effective Date of  
this Endorsement: January 1, 1991  
(12:01 A.M. Standard Time)

To form a part of Certificate No. N -0116

Issued to: Houston Lighting & Power Company, San Antonio Public Service Board, Central Power & Light Company, City of Austin

Date of Issue: November 21, 1990

For the subscribing companies

By

  
President

Endorsement No: 10

Counter Signed

  
HOWARD WARREN MARSH

NUCLEAR ENERGY LIABILITY INSURANCE

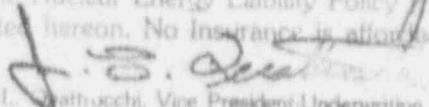
MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

NAMED INSURED ENDORSEMENT

It is agreed that the Named Insured is:

South Texas Project Participants: Houston Lighting and Power Company, Central Power and Light Company, City of Austin, City of San Antonio - City Public Service Board of San Antonio, Texas and all Participants under the South Texas Project Participation Agreement dated July 1, 1976 as same may be revised, amended, supplemented, extended or otherwise modified.

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

  
John L. Battocchi, Vice President-Underwriting  
American Nuclear Insurers

Effective Date of  
this Endorsement June 23, 1987 To form a part of Policy No. MF-130

Issued to See Above

Date of Issue June 16, 1987

For the Subscribing Companies

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

By 

Countersigned by

Authorized Representative

Endorsement No. 1

Liability Underwriters to discharge their obligations with respect to incurred losses whether such losses are incurred under this policy or under any other policy issued by American Nuclear Insurers or Mutual Atomic Energy Liability Underwriters.

- (4) Reserve Premium Refunds. A portion of the reserve premium for this policy for the first calendar year of any group of ten consecutive calendar years shall be returnable to the named insured provided there is a reserve for refunds at the end of the tenth calendar year.
- (5) Computation of Reserve Premium Refunds. The reserve premium refund due the named insured for any calendar year shall be determined by multiplying any industry reserve premium refund for such calendar year by the policy refund ratio for such calendar year. The reserve premium refund for any calendar year shall be finally determined as soon as practicable after July 1 of the tenth calendar year thereafter.
- (6) Final Premium. The final premium for this policy shall be the sum of standard premiums for each calendar year, or portion thereof, during which this policy remains in force less the sum of all refunds of reserve premiums due the named insured under the provisions of this Condition 1.
- (7) Reserve Premium Refund Agreement. Each member of Mutual Atomic Energy Liability Underwriters subscribing this policy for any calendar year, or portion thereof, thereby agrees for itself, severally and not jointly, and in the respective proportion of its liability assumed under this policy for that calendar year, to return to the named insured that portion of any reserve premium refund due the named insured for that calendar year, determined in accordance with the provisions of this Condition 1.

Effective Date of  
this Endorsement June 23, 1987

To Form a Part  
of Policy No. MF-130

Issued to See Endorsement No. 1

Date of Issue June 16, 1987

This is to certify that this is a true copy of the original  
Endorsement having the endorsement number and being made part  
of the Nuclear Energy Liability Policy (Facility Form) as des-  
ignated herein. No Insurance is afforded hereunder.

For the Subscribing Companies

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

BY

Countersigned by

Authorized Representative

Endorsement No. 2

NUCLEAR ENERGY LIABILITY INSURANCE

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

INDUSTRY CREDIT RATING PLAN  
PREMIUM ENDORSEMENT

It is agreed that Condition 1 of the policy is replaced by the following:

CONDITION 1. PREMIUM

(1) Definitions: With reference to the premium for this 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 Credit Rating Plan), premiums and minimum premiums applicable to this insurance;

"reserve premium" means that portion of the standard premium paid to the companies and specifically allocated under the Industry Credit Rating Plan for incurred losses. The amount of the "reserve premium" for this policy for any calendar year during which this policy is in force is the amount designated as such in the Standard Premium Endorsement for that calendar year;

"industry reserve premium," for any calendar year, is the sum of the reserve premiums for that calendar year for all Nuclear Energy Liability Policies issued by American Nuclear Insurers and Mutual Atomic Energy Liability Underwriters and subject to the Industry Credit Rating Plan;

"policy refund ratio", for any calendar year, is the ratio of the named insured's reserve premium for that calendar year to the industry reserve premium for that calendar year;

"incurred losses" means the sum of:

- (1) All losses and expenses paid by American Nuclear Insurers and Mutual Atomic Energy Liability Underwriters, and
- (2) All reserves for unpaid losses and expenses as estimated by American Nuclear Insurers and Mutual Atomic Energy Liability Underwriters

because of obligations assumed and the expenses incurred in connection with such obligations by members of American Nuclear Insurers and Mutual Atomic Energy Liability Underwriters under all Nuclear Energy

Liability Policies issued by American Nuclear Insurers and Mutual Atomic Energy Liability Underwriters and subject to the Industry Credit Rating Plan;

"reserve for refunds," at the end of any calendar year, is the amount by which (1) the sum of all industry reserve premiums for the period from January 1, 1957 through the end of such calendar year exceeds (2) the total for the same period of (a) all incurred losses, valued as of the next following July 1, and (b) all reserve premium refunds made under the Industry Credit Rating Plan by members of American Nuclear Insurers and Mutual Atomic Energy Liability Underwriters;

"industry reserve premium refund," for any calendar year, is determined by multiplying the reserve for refunds at the end of the ninth calendar year thereafter by the ratio of the industry reserve premium for the calendar year for which the premium refund is being determined to the sum of such amount and the total industry reserve premiums for the next nine calendar years thereafter, provided that the industry reserve premium refund for any calendar year shall in no event be greater than the industry reserve premium for such calendar year.

- (2) Payment of Advance and Standard Premiums. The named insured shall pay the companies the advance premium stated in the declarations, for the period from the effective date of this policy through December 31 following. Thereafter, at the beginning of each calendar year while this policy is in force, the named insured shall pay the advance premium for such year to the companies. The advance premium for each calendar year shall be stated in the Advance Premium Endorsement for such calendar year issued to the named insured as soon as practicable prior to or after the beginning of such year.

As soon as practicable after each December 31 and after the termination of this policy, the standard premium for the preceding calendar year shall be finally determined and stated in the Standard Premium Endorsement for that calendar year. If the standard premium so determined exceeds the advance premium previously paid for such calendar year, the named insured shall pay the excess to the companies; if less, the companies shall return to the named insured the excess portion paid by such insured.

The named insured 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 policy period and at such other times during the policy period as the company may direct.

- (3) Use of Reserve Premiums. All reserve premiums paid or payable for this policy may be used by the members of Mutual Atomic Energy

3. The waivers set forth in paragraph 1. above shall be effective only with respect to bodily injury or property damage to which the policy applies under its terms other than this endorsement; provided, however that with respect to bodily injury or property damage resulting from an extraordinary nuclear occurrence, Insuring Agreement IV, "Application of Policy," shall not operate to bar coverage for bodily injury or property damage (a) which is caused during the policy period by the nuclear energy hazard and (c) 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. Such waivers shall not apply to, or prejudice the prosecution or defense of any claim or portion of claim which is not within the protection afforded under (a) the provisions of the policy applicable to the financial protection required of the named insured; (b) the agreement of indemnification between the named insured and the Nuclear Regulatory Commission made pursuant to Section 170 of the Atomic Energy Act of 1954, as amended; and (c) the limit of liability provisions of Subsection 170 e. of the Atomic Energy Act of 1954 as amended.

Such waivers shall not preclude a defense based upon the failure of the claimant to take reasonable steps to mitigate damages.

4. Subject to all of the limitations stated in this endorsement and in the Atomic Energy Act of 1954, as amended, the waivers set forth in paragraph 1. above shall be judicially enforceable in accordance with their terms against any insured in an action to recover damages because of bodily injury or property damage to which the policy applies as proof of financial protection.
5. As used herein: "extraordinary nuclear occurrence" means an event which the Nuclear Regulatory Commission has determined to be an extraordinary nuclear occurrence as defined in the Atomic Energy Act of 1954, as amended. "financial protection" and "nuclear incident" have meanings given them in the Atomic Energy Act of 1954, as amended. "claimant" means the person or organization actually sustaining the bodily injury or property damage and also include his assignees, legal representatives and other persons or organizations entitled to bring an action for damages on account of such injury or damage.

Effective Date of this Endorsement June 23, 1987 To form a part of Policy No. MF-130

Issued to See Endorsement No. 1

Date of Issue June 16, 1987

This is to certify that this is a true copy of the original Endorsement having the endorsement number and being made part of the Nuclear Energy Liability Policy (Facility Form) as designated herein. No Insurance is afforded hereunder.

For the Subscribing Companies

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

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

By: [Signature]

Endorsement No. 3

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

AUTHORIZED REPRESENTATIVE



MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

WAIVER OF DEFENSES ENDORSEMENT  
(Extraordinary Nuclear Occurrence)

The named insured, acting for himself and every other insured under the policy, and the members of the Mutual Atomic Energy Liability Underwriters agree as follows:

1. With respect to any extraordinary nuclear occurrence to which the policy applies as proof of financial protection and which
  - (a) arises out of or results from or occurs in the course of the construction, possession, or operation of the facility, or
  - (b) arises out of or results from or occurs in the course of the transportation of nuclear material to or from the facility,
 the insureds and the companies agree to waive
  - (1) any issue or defense as to the conduct of the claimant or the fault of of the insureds, including but not limited to:
    - (i) negligence,
    - (ii) contributory negligence,
    - (iii) assumption or risk, and
    - (iv) unforeseeable intervening causes, whether involved the conduct of a third person, or an act of God,
  - (2) any issue or defense as to charitable or governmental immunity, and
  - (3) any issue or defense based on any statute of limitations if suit is instituted within three years from the date on which the claimant first knew, or reasonably could have known, of his bodily injury or property damage and the cause thereof, but in no event more than twenty years after the date of the nuclear incident.

The waiver of any such issue or defense shall be effective regardless of whether such issue or defense may otherwise be deemed jurisdictional or relating to an element in the cause of action.

2. The waivers set forth in paragraph 1. above do not apply to
  - (a) bodily injury or property damage which is intentionally sustained by the claimant or which results from a nuclear incident intentionally and wrongfully caused by the claimant;
  - (b) bodily injury sustained by any claimant who is employed at the site of and in connection with the activity where the extraordinary nuclear occurrence takes place if benefits therefor are either payable or required to be provided under any workers' compensation or occupational disease law;
  - (c) any claim for punitive or exemplary damages, provided, with respect to any claim for wrongful death under any state law which provides for damages only punitive in nature, this exclusion does not apply to the extent that the claimant has sustained actual damages, measured by the pecuniary injuries resulting from such death but not to exceed the maximum amount otherwise recoverable under such law.

NUCLEAR ENERGY LIABILITY INSURANCE

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

Supplementary Endorsement  
Waiver of Defenses  
Reactor Construction at the Facility

It is agreed that in construing the application of paragraph 2 (b) of the Waiver of Defenses Endorsement with respect to an extraordinary nuclear occurrence occurring at the facility, a claimant who is employed at the facility in connection with the construction of a nuclear reactor with respect to which no operating license has been issued by the Nuclear Regulatory Commission shall not be considered as employed in connection with the activity where the extraordinary nuclear occurrence takes place if:

- (1) the claimant is employed exclusively in connection with the construction of a nuclear reactor, including all related equipment and installations at the facility, and
- (2) no operating license has been issued by the Nuclear Regulatory Commission with respect to the nuclear reactor, and
- (3) the claimant is not employed in connection with the possession, storage, use or transfer of nuclear material at the facility.

Effective Date of this Endorsement June 23, 1987 To Form a Part of Policy No. MF-130

Issued to See Endorsement No. 1

Date June 16, 1987

For the Subscribing Companies  
Mutual Atomic Energy Liability Underwriters

By J. E. Reardon

Endorsement No. 4 Countersigned by [Signature]  
Authorized Representative

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

ADVANCE PREMIUM ENDORSEMENT  
and  
STANDARD PREMIUM ENDORSEMENT

Calendar Year 1987

1. ADVANCE PREMIUM

It is agreed that the Advance Premium due the companies for the calendar year designated above is \$ 49,101.00.

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 Credit Rating Plan, the Standard Premium and Reserve Premium are:

Standard Premium \$ 49,101.00

Reserve Premium \$ 36,646.00

Effective Date of  
this Endorsement June 23, 1987

To form a part  
of Policy No. MF-130

Issued to See Endorsement No. 1

Date of Issue June 16, 1987

This is to certify that this is a true copy of the original  
Endorsement having the endorsement number and being made part  
of the Nuclear Energy Liability Policy (Policy Form) as described  
herein. No insurance is provided hereunder.

*J. S. [Signature]*  
John L. [Signature], Vice President-Underwriting  
American Nuclear Insurers

For the Subscribing Companies

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

By *[Signature]*

Endorsement No. 5 Countersigned by

AUTHORIZED REPRESENTATIVE

the limit of liability of each such policy being as determined by Condition 3 thereof, but in no event shall such total aggregate liability of such members exceed \$36,000,000; (2) the total liability of the companies under this policy shall not exceed that proportion of the total aggregate liability of the members of Mutual Atomic Energy Liability Underwriters, as stated in clause (1) above, which (a) the limit of liability of this policy, as determined by Condition 3, bears to (b) the sum of the limits of liability of all such policies issued by such members, the limit of liability of each such policy being as determined by Condition 3 thereof.

The provisions of this condition shall not operate to increase the limit of the companies' liability under this policy.

The second paragraph of Condition 12, "OTHER INSURANCE", is amended to read:

If the insured has other valid and collectible insurance (other than such concurrent insurance or any other nuclear energy liability insurance issued by Nuclear Energy Liability Insurance Association or Mutual Atomic Energy Liability Underwriters to any person or organization) applicable to loss or expense covered by this policy, the insurance afforded by this policy shall be excess insurance over such other insurance; provided, with respect to any person who is not employed at and in connection with the facility, such insurance as is afforded by this policy for bodily injury to an employee of the insured arising out of and in the course of his employment shall be primary insurance under such other insurance.

VI. Paragraph (c) of Condition 16, "COMPANY REPRESENTATION", is amended to read:

(c) Mutual Atomic Energy Liability Underwriters is the agent of the companies with respect to all matters pertaining to this insurance. All notices or other communications required by this policy to be given to the companies may be given to such agent, at its office at One East Wacker Drive, Chicago, Illinois 60601, with the same force and effect as if given directly to the companies. Any requests, demands or agreements made by such agent shall be deemed to have been made directly by the companies.

Effective Date of  
This Endorsement June 23, 1987 To Form a Part  
12:01 A.M. Standard Time of Policy No. MF-130

Issued to See Endorsement No. 1

Date of Issue June 16, 1987

For the Subscribing Companies

By J. S. Smith

Endorsement No. 6 Countersigned by \_\_\_\_\_

This is to certify that this is a true copy of the original  
Endorsement having the endorsement number and being made part  
of the Nuclear Energy Liability Policy (Facility Form) as des-  
ignated herein. No insurance is afforded hereunder.  
John S. Smith, Vice President  
American Nuclear Insurers

NUCLEAR ENERGY LIABILITY INSURANCE

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

AMENDMENT OF DEFINITION OF INSURED  
(Tennessee Valley Authority)

It is agreed that regardless of the provisions of the second paragraph of Insuring Agreement II, part (b) of the Definition of Insured includes as an insured the Tennessee Valley Authority with respect to its legal responsibility for damages because of bodily injury or property damage caused by the nuclear energy hazard.

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

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

Effective Date of this Endorsement June 23, 1987 To form a part of Policy No. MF-130

Issue to See Endorsement No. 1

Date of Issue June 16, 1987

For the Subscribing Companies

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

By *J. S. DeLoach*

Endorsement No. 7

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

ATTACHMENT 1  
ST-HL-AE-3826  
PAGE 58 OF 171

Named Insureds

Houston Lighting and Power Company  
Central Power and Light Company  
City of Austin, Texas  
City of San Antonio, Texas

This is to certify that this is a true and correct copy of the original  
Endorsement having the endorsement number and being made part  
of the Nuclear Energy Liability Policy (Facility Form) as des-  
ignated herein. No further action is required hereunder.

*J. S. Smith*  
John L. Smith, Vice President/Underwriting  
American Nuclear Insurance

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

To form a part  
of Policy No MF-130

Issued to See Endorsement No. 1

Date of Issue October 19, 1987

For the Subscribing Companies

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

By *J. S. Smith*

Endorsement No 8

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

Authorized Representative

ME-64 (1/1/88)



## MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

ADVANCE PREMIUM AND STANDARD PREMIUM CALENDAR YEAR 1988  
ENDORSEMENT

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

\$ 164,986.00

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 Credit Rating Plan, the Standard Premium is said Advance Premium and the Reserve Premium is:

\$ 124,380.00

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

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

GOLD COPY

FILE COPY

Effective Date of This Endorsement January 1, 1988 To form a part of Policy No. 11F-177  
12:01 A.M. Standard Time  
Issued to See Endorsement No. 1  
Date of Issue December 15, 1987

For the subscribing companies  
MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

By *J. S. Quattrocchi*

Endorsement No. 1

Countersigned by \_\_\_\_\_  
Authorized Representative

NUCLEAR ENERGY LIABILITY INSURANCE

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

ADVANCE PREMIUM AND STANDARD PREMIUM ENDORSEMENT

CALENDAR YEAR 1987

It is agreed that Items 1 and 2 of Endorsement No. 5  
are amended to read:

1. ADVANCE PREMIUM: It is agreed that the Advance  
Premium due the companies for the period designated above  
is: \$ 9,868.00.

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 Credit Rating  
Plan, the Standard Premium is said Advance Premium and the  
Reserve Premium is: \$ 7,084.00.

Return Premium: \$ 39,233.00.

This is to certify that this is a true copy of the original  
Endorsement having the endorsement number and being made part  
of the Nuclear Energy Liability Policy (Facility Form) as des-  
ignated hereon. No insurance is afforded hereunder.

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

Effective Date of  
this Endorsement January 1, 1987 To form a part of Policy No. MF-130  
12:01 A.M. Standard Time  
Issued to See Endorsement No. 1  
Date of Issue July 14, 1988

For the Subscribing Companies

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

By

Countersigned by

Authorized Representative

Endorsement No. 10

Nuclear Energy Liability Insurance  
MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

ATTACHMENT 1  
ST-HL-AE-3826  
PAGE 61 OF 171

ADVANCE PREMIUM AND STANDARD PREMIUM ENDORSEMENT

CALENDAR YEAR 1989

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

\$ 162,864.00

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 Credit Rating Plan, the Standard Premium is said Advance Premium and the Reserve Premium is:

\$ 123,101.00

This is to certify that this is a true copy of the original Endorsement having the endorsement number and being made part of the Nuclear Energy Liability Policy (Facility Form) as designated herein. No Insurance is afforded hereunder.

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

Effective Date of  
this Endorsement January 1, 1989  
12:01 A.M. Standard Time

To form a part of Policy No. MF-130

Issued to See Endorsement No. 1

Date of Issue December 15, 1988

For the Subscribing Companies

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

By *J. S. Quattrone*

Countersigned by *James A. Brown*

Authorized Representative

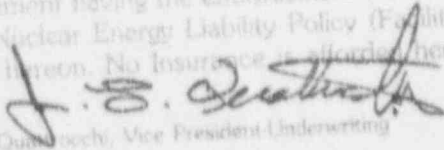
Endorsement No. 11

Nuclear Energy Liability Insurance  
MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

AMENDMENT OF CONDITION 4

It is agreed that with respect to bodily injury or property damage caused after the effective date of this endorsement by the nuclear energy hazard, the figure "\$36,000,000" stated in Condition 4 of this policy is amended to read "\$45,000,000."

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

  
John L. Quinlan, Vice President-Underwriting  
American Nuclear Insurers

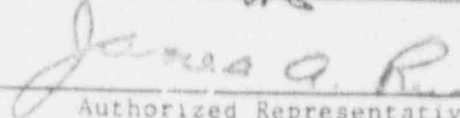
Effective Date of this Endorsement August 31, 1988 To form a part of Policy No. MF-130  
12:01 A.M. Standard Time  
Issued to See Endorsement No. 1

Date of Issue December 15, 1988 For the Subscribing Companies

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

By 

Endorsement No. 12

Countersigned by   
Authorized Representative

NUCLEAR ENERGY LIABILITY INSURANCE

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

ADVANCE PREMIUM AND STANDARD PREMIUM ENDORSEMENT

CALENDAR YEAR 1988

It is agreed that Items 1 and 2 of Endorsement No. 9

are amended to read:

1. ADVANCE PREMIUM: It is agreed that the Advance Premium due the companies for the period designated above is: \$ 129,026.00.

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 Credit Rating Plan, the Standard Premium is said Advance Premium and the Reserve Premium is: \$ 97,385.00.

Return Premium: \$ 35,520.00.

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

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

Effective Date of this Endorsement January 1, 1988 To form a part of Policy No. MF-130  
12:01 A.M. Standard Time  
Issued to See Endorsement No. 1  
Date of Issue February 20, 1989

For the Subscribing Companies

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

By *J. S. Quattrocchi*

Countersigned by \_\_\_\_\_  
Authorized Representative

Endorsement No. 13

NUCLEAR ENERGY LIABILITY INSURANCE

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

ADVANCE PREMIUM AND STANDARD PREMIUM ENDORSEMENT

CALENDAR YEAR 1989

It is agreed that Items 1 and 2 of Endorsement No. 11  
are amended to read:

1. ADVANCE PREMIUM: It is agreed that the Advance  
Premium due the companies for the period designated above  
is: \$ 207,777.00.

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 Credit Rating  
Plan, the Standard Premium is said Advance Premium and the  
Reserve Premium is: \$ 157,236.00.

Additional Premium: \$ 44,913.00.

This is to certify that this is a true copy of the original  
Endorsement having the endorsement number and being made part  
of the Nuclear Energy Liability Policy (Facility Form) as des-  
ignated herein. No insurance is afforded hereunder.

*J. S. [Signature]*  
John L. [Signature], Vice President-Underwriting  
American Nuclear Insurance

Effective Date of  
this Endorsement January 1, 1989 To form a part of Policy No. MF-130

12:01 A.M. Standard Time

Issued to See Endorsement No. 1

Date of Issue February 20, 1989

For the Subscribing Companies

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

By *J. S. [Signature]*

Countersigned by

Authorized Representative

Endorsement No. 14



# Nuclear Energy Liability Insurance

## MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

CHANGES IN SUBSCRIBING COMPANIES AND THEIR PROPORTIONATE LIABILITY ENDORSEMENT  
CALENDAR YEAR 1989

1. 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 below.
  - b. The policy shall be binding on such companies only.
  - c. Each such company shall be liable for its proportion, as designated below, of any obligation assumed or expense incurred under the policy because of such bodily injury or property damage.
2. 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 effective date that another "Changes In Subscribing Companies And In Their Proportionate Liability Endorsement" changes the Companies and/or their proportions as listed in this endorsement, or to the time of the termination or cancellation of the policy, if sooner.

Liberty Insurance Company	33.333%
American Motorists Insurance Company	33.333%
Arkwright Insurance Company	33.333%
TX-89	

John L. Quattrone, Vice President Underwriters  
American Nuclear Insurers

Effective Date of this Endorsement January 1, 1989 To form a part of Policy No. MF-130  
12:01 A.M. Standard time

Issued to See Endorsement No. 1

Date of issue March 13, 1989 For the Subscribing Companies

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

By J. S. Quattrone

Endorsement No. 15 Countersigned by James A. Russo

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

NUCLEAR ENERGY LIABILITY INSURANCE

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

Increase of Limit of Liability Endorsement

It is agreed that:

1. The limit of liability stated in Item 4 of the declarations of the policy is amended to read \$45,000,000.00. This amended limit applies with respect to obligations assumed or expenses incurred because of bodily injury or property damage caused during the period from the effective date of this endorsement to the date of termination of the policy, by the nuclear energy hazard.
2. The limit of liability stated in Item 4 of the declarations and the amended limit of liability stated in paragraph 1 above shall not be cumulative, and each payment made by the companies after the effective date of this endorsement for any loss or expense covered by the policy shall reduce by the amount of such payment both the limit of liability stated in Item 4 of the declarations and the amended limit of liability stated in paragraph 1 above, regardless of which limit of liability applies with respect to the bodily injury or property damage out of which such loss or expense arises.

Effective Date of this Endorsement July 1, 1989 To form a part of Policy No. MF-130  
12:01 A.M. Standard Time  
Issued to See Endorsement No. 1  
Date of Issue July 19, 1989

For the Subscribing Companies

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

By

James A. Pruss  
AUTHORIZED REPRESENTATIVE

Endorsement No. 16

ME-12

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

John L. Quattrone, Vice President Underwriting  
American Nuclear Insurers

NUCLEAR ENERGY LIABILITY INSURANCE

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

ADVANCE PREMIUM AND STANDARD PREMIUM ENDORSEMENT

CALENDAR YEAR 1989

It is agreed that Items 1 and 2 of Endorsement No. 14

are amended to read:

1. ADVANCE PREMIUM: It is agreed that the Advance Premium due the companies for the period designated above is: \$ 216,282.00.

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 Credit Rating Plan, the Standard Premium is said Advance Premium and the Reserve Premium is: \$ 163,699.00.  
Additional Premium is: \$ 8,505.00.

This is to certify that this is a true copy of the original Endorsement having the endorsement number and being made part of the Nuclear Energy Liability Policy (Facility Form) as designated herein. No Insurance is afforded hereunder.

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

Effective Date of this Endorsement January 1, 1989 To form a part of Policy No. MF-130  
12:01 A.M. Standard Time  
Issued to See Endorsement No. 1  
Date of Issue July 19, 1989

For the Subscribing Companies

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

By

Countersigned by

*James A. Ruess*  
Authorized Representative

Endorsement No. 17

Nuclear Energy Liability Insurance  
MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

ADVANCE PREMIUM AND STANDARD PREMIUM ENDORSEMENT  
CALENDAR YEAR 1990

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

\$ 230,222.00

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 Credit Rating Plan, the Standard Premium is said Advance Premium and the Reserve Premium is:

\$ 174,293.00

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

*J. B. Quattrocchi*  
John B. Quattrocchi, Vice President-Underwriting  
American Nuclear Insurers

Effective Date of this Endorsement January 1, 1990 To form a part of Policy No. MF-130  
12:01 A.M. Standard Time

Issued to See Endorsement No. 1

Date of Issue December 15, 1989

For the Subscribing Companies

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

By *J. B. Quattrocchi*

Endorsement No. 18

Countersigned by \_\_\_\_\_  
Authorized Representative

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

WAIVER OF DEFENSES ENDORSEMENT  
(Extraordinary Nuclear Occurrence)

Effective August 20, 1988, the named insured, acting for himself and every other insured under the policy, and the members of Nuclear Energy Liability Insurance Association agree as follows:

1. With respect to any extraordinary nuclear occurrence to which the policy applies as proof of financial protection and which
  - (a) arises out of or results from or occurs in the course of the construction, possession, or operation of the facility, or
  - (b) arises out of or results from or occurs in the course of the transportation of nuclear material to or from the facility,

the insureds and the companies agree to waive

- (1) any issue or defense as to the conduct of the claimant or the fault of the insureds, including but not limited to:
  - (i) negligence,
  - (ii) contributory negligence,
  - (iii) assumption of risk, and
  - (iv) unforeseeable intervening causes, whether involving the conduct of a third person, or an act of God,
- (2) any issue or defense as to charitable or governmental immunity, and
- (3) any issue or defense based on any statute of limitations if suit is instituted within three years from the date on which the claimant first knew, or reasonably could have known, of his bodily injury or property damage and the cause thereof.

The waiver of any such issue or defense shall be effective regardless of whether such issue or defense may otherwise be deemed jurisdictional or relating to an element in the cause of action.

2. The waivers set forth in paragraph 1. above do not apply to



- (a) bodily injury or property damage which is intentionally sustained by the claimant or which results from a nuclear incident intentionally and wrongfully caused by the claimant;
  - (b) bodily injury sustained by any claimant who is employed at the site of and in connection with the activity where the extraordinary nuclear occurrence takes place if benefits therefor are either payable or required to be provided under any workmen's compensation or occupational disease law;
  - (c) any claim for punitive or exemplary damages, provided, with respect to any claim for wrongful death under any State law which provides for damages only punitive in nature, this exclusion does not apply to the extent that the claimant has sustained actual damages, measured by the pecuniary injuries resulting from such death but not to exceed the maximum amount otherwise recoverable under law.
3. The waivers set forth in paragraph 1. above shall be effective only with respect to bodily injury or property damage to which the policy applies under its terms other than this endorsement; provided, however, that with respect to bodily injury or property damage resulting from an extraordinary nuclear occurrence, Insuring Agreement IV, "Application of Policy", shall not operate to bar coverage for bodily injury or property damage (a) which is caused during the policy period by the nuclear energy hazard and (b) which is discovered and for which written claim is made against the insured not later than twenty (20) years after the date of the extraordinary nuclear occurrence.

Such waivers shall not apply to, or prejudice the prosecution or defense of any claim or portion of claim which is not within the protection afforded under

- (a) the provisions of the policy applicable to the financial protection required of the named insured;
- (b) the agreement of indemnification between the named insured and the Nuclear Regulatory Commission made pursuant to Section 170 of the Atomic Energy Act of 1954, as amended; and
- (c) the limit of liability provisions of Subsection 170e. of the Atomic Energy Act of 1954, as amended.

Such waivers shall not preclude a defense based upon the failure of the claimant to take reasonable steps to mitigate damages.



4. Subject to all of the limitations stated in this endorsement and in the Atomic Energy Act of 1954, as amended, the waivers set forth in paragraph 1. above shall be judicially enforceable in accordance with their terms against any insured in an action to recover damages because of bodily injury or property damage to which the policy applies as proof of financial protection.

5. As used herein:

"extraordinary nuclear occurrence" means an event which the Nuclear Regulatory Commission has determined to be an extraordinary nuclear occurrence as defined in the Atomic Energy Act of 1954, as amended.

"Financial protection" and "nuclear incident" have the meanings given them in the Atomic Energy Act of 1954, as amended.

"claimant" means the person or organization actually sustaining the bodily injury or property damage and also includes his assignees, legal representatives and other persons or organizations entitled to bring an action for damages on account of such injury or damage.

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

*J. E. Smith*  
John E. Smith, Vice President-Underwriting  
American Nuclear Insurers

Effective Date of this Endorsement August 20, 1988 To form a part of Policy No. MF-130  
12:01 A.M. Standard time

Issued to See Endorsement No. 1

Date of issue February 16, 1990 For the Subscribing Companies

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

By *J. E. Smith*

Endorsement No. 19

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

# Nuclear Energy Liability Insurance

## MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

### SUPPLEMENTARY ENDORSEMENT WAIVER OF DEFENSES REACTOR CONSTRUCTION AT THE FACILITY

Effective August 20, 1988, it is agreed that in construing the application of paragraph 2(b) of the WAIVER OF DEFENSES ENDORSEMENT ME-33b with respect to an extraordinary nuclear occurrence occurring at the facility, a claimant who is employed at the facility in connection with the construction of a nuclear reactor with respect to which no operating license has been issued by the Nuclear Regulatory Commission shall not be considered as employed in connection with the activity where the extraordinary nuclear occurrence takes place if:

- (1) the claimant is employed exclusively in connection with the construction of a nuclear reactor, including all related equipment and installations at the facility, and
- (2) no operating license has been issued by the Nuclear Regulatory Commission with respect to the nuclear reactor, and
- (3) the claimant is not employed in connection with the possession, storage, use or transfer of nuclear material at the facility.

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

*J. S. Smith*  
John L. Smith, Vice President Underwriting  
American Nuclear Insurers

Effective Date of this Endorsement August 20, 1988 To form a part of Policy No. MF-130  
12:01 A.M. Standard time

Issued to See Endorsement No. 1  
Date of issue February 16, 1990 For the Subscribing Companies

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

By

Endorsement No. 20

Countersigned by

Nuclear Energy Liability Insurance  
MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

Restriction of Companies Obligation to Defend,  
Investigate, Negotiate or Settle Any Claim or Suit  
(Section 170 O. of the Atomic Energy  
Act of 1954, as amended)

Effective August 20, 1988, it is agreed that whenever, pursuant to subsection 170 O. of the Atomic Energy Act of 1954, as amended, an appropriate U.S. District Court determines that liability from a single nuclear incident may exceed the limit of liability under the applicable limit of liability under subsection 170 e.(1) (A), (B) and (C) of the Atomic Energy Act of 1954, as amended, the companies obligations under Insuring Agreement I, to defend, investigate, negotiate or settle any claim or suit under the policy do not include any obligation that would necessitate or result in the companies incurring legal costs, including costs of initiating, prosecuting, investigating, settling, or defending claims or suits, which are not authorized for payment by a court pursuant to such subsection 170 O.

This is to certify that this is a true copy of the original  
Endorsement having the endorsement number and being made part  
of the Nuclear Energy Liability Policy (Facility Form) as des-  
ignated hereon. No Insurance is afforded hereunder.

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

Effective Date of this Endorsement August 20, 1988 To form a part of Policy No. MF-130  
12:01 A.M. Standard time

Issued to See Endorsement No. 1

Date of issue February 16, 1990 For the Subscribing Companies

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

By *J. S. Santucci*

Endorsement No. 21

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

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

WAIVER OF DEFENSES ENDORSEMENT  
(Extraordinary Nuclear Occurrence)

The named insured, acting for himself and every other insured under the policy, and the members of Nuclear Energy Liability Insurance Association agree as follows:

1. With respect to any extraordinary nuclear occurrence to which the policy applies as proof of financial protection and which
  - (a) arises out of or results from or occurs in the course of the construction, possession, or operation of the facility, or
  - (b) arises out of or results from or occurs in the course of the transportation of nuclear material to or from the facility,

the insureds and the companies agree to waive

- (1) any issue or defense as to the conduct of the claimant or the fault of the insureds, including but not limited to:
  - (i) negligence,
  - (ii) contributory negligence,
  - (iii) assumption of risk, and
  - (iv) unforeseeable intervening causes, whether involving the conduct of a third person, or an act of God,
- (2) any issue or defense as to charitable or governmental immunity, and
- (3) any issue or defense based on any statute of limitations if suit is instituted within three years from the date on which the claimant first knew, or reasonably could have known, of his bodily injury or property damage and the cause thereof.

The waiver of any such issue or defense shall be effective regardless of whether such issue or defense may otherwise be deemed jurisdictional or relating to an element in the cause of action.

2. The waivers set forth in paragraph 1. above do not apply to
  - (a) bodily injury, property damage or environmental damage which is intentionally sustained by the claimant or which results from a nuclear incident intentionally and wrongfully caused by the claimant;

- (b) bodily injury sustained by any claimant who is employed at the site of and in connection with the activity where the extraordinary nuclear occurrence takes place if benefits therefor are either payable or required to be provided under any workmen's compensation or occupational disease law;
  - (c) any claim for punitive or exemplary damages, provided, with respect to any claim for wrongful death under any State law which provides for damages only punitive in nature, this exclusion does not apply to the extent that the claimant has sustained actual damages, measured by the pecuniary injuries resulting from such death but not to exceed the maximum amount otherwise recoverable under law.
3. The waivers set forth in paragraph 1. above shall be effective only with respect to bodily injury, property damage or environmental damage to which the policy applies under its terms other than this endorsement: provided, however, that with respect to bodily injury, property damage or environmental damage resulting from an extraordinary nuclear occurrence, the provisions of COVERAGES A and C of the policy providing coverage for bodily injury, property damage or environmental damage caused during the policy period by the nuclear energy hazard and which is discovered and for which written claim is made against the insured not later than ten (10) years after the end of the policy period shall not operate to bar coverage for bodily injury, property damage or environmental damage (a) which is caused during the policy period by the nuclear energy hazard and (b) which is discovered and for which written claim is made against the insured not later than twenty (20) years after the date of the extraordinary nuclear occurrence.

Such waivers shall not apply to, or prejudice the prosecution or defense of any claim or portion of claim which is not within the protection afforded under

- (a) the provisions of the policy applicable to the financial protection required of the named insured;
- (b) the agreement of indemnification between the named insured and the Nuclear Regulatory Commission made pursuant to Section 170 of the Atomic Energy Act of 1954, as amended; and
- (c) the limit of liability provisions of Subsection 170e, of the Atomic Energy Act of 1954, as amended.

Such waivers shall not preclude a defense based upon the failure of the claimant to take reasonable steps to mitigate damages.



4. Subject to all of the limitations stated in this endorsement and in the Atomic Energy Act of 1954, as amended, the waivers set forth in paragraph 1. above shall be judicially enforceable in accordance with their terms against any insured in an action to recover damages because of bodily injury, property damage or environmental damage to which the policy applies as proof of financial protection.

5. As used herein:

"extraordinary nuclear occurrence" means an event which the Nuclear Regulatory Commission has determined to be an extraordinary nuclear occurrence as defined in the Atomic Energy Act of 1954, as amended.

"Financial protection" and "nuclear incident" have the meanings given them in the Atomic Energy Act of 1954, as amended.

"claimant" means the person or organization actually sustaining the bodily injury, property damage or environmental damage and also includes his assignees, legal representatives and other persons or organizations entitled to bring an action for damages on account of such injury or damage.

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

*J. B. Quattrone*  
John L. Quattrone, Vice President Underwriting  
American Nuclear Insurers

Effective Date of  
this Endorsement

January 1, 1990

12:01 A.M. Standard time

To form a part of Policy No. MF-130

Issued to

See Endorsement No. 1

Date of issue

February 16, 1990

For the Subscribing Companies

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

By

Endorsement No.

22

Countersigned by



Nuclear Energy Liability Insurance

ATTACHMENT  
ST-HL-AE-3826  
PAGE 77 OF 171

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

SUPPLEMENTARY ENDORSEMENT  
WAIVER OF DEFENSES  
REACTOR CONSTRUCTION AT THE FACILITY

It is agreed that in construing the application of paragraph 2(b) of the WAIVER OF DEFENSES ENDORSEMENT NE-33c with respect to an extraordinary nuclear occurrence occurring at the facility, a claimant who is employed at the facility in connection with the construction of a nuclear reactor with respect to which no operating license has been issued by the Nuclear Regulatory Commission shall not be considered as employed in connection with the activity where the extraordinary nuclear occurrence takes place if:

- (1) the claimant is employed exclusively in connection with the construction of a nuclear reactor, including all related equipment and installations at the facility, and
- (2) no operating license has been issued by the Nuclear Regulatory Commission with respect to the nuclear reactor, and
- (3) the claimant is not employed in connection with the possession, storage, use or transfer of nuclear material at the facility.

This is to certify that this is a true copy of the original Endorsement having the endorsement number and being made part of the Nuclear Energy Liability Policy (Facility Form) as designated herein. No further endorsement hereunder.

*J. S. Santolucito*  
John L. Santolucito, Vice President-Underwriting  
American Nuclear Insurance

Effective Date of this Endorsement January 1, 1990 To form a part of Policy No. MF-130  
12:01 A.M. Standard time

Issued to See Endorsement No. 1

Date of issue February 16, 1990 For the Subscribing Companies

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

By *J. S. Santolucito*

Endorsement No. 23

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

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

**AMENDATORY ENDORSEMENT**  
**(Facility Form)**

It is agreed that:

1. INSURING AGREEMENT I is replaced by the following:

**I COVERAGE A - LIABILITY**

To pay on behalf of the insured all sums which the insured shall become legally obligated to pay as covered damages because of bodily injury or property damage, or as covered environmental cleanup costs because of environmental damage. This Coverage applies only to bodily injury, property damage or environmental damage caused during the policy period by the nuclear energy hazard, and which is discovered and for which written claim is made against the insured, not later than ten (10) years after the end of the policy period.

The companies shall have the right and duty to defend any claim or suit against the insured alleging such injury or damage, and seeking damages or costs which are payable under the terms of this policy; but the companies may make such investigation, negotiation and settlement of the claim or suit as they deem expedient.

The companies' duty to defend shall be limited, as described in INSURING AGREEMENT IV, if the claim or suit also seeks any of the following, which in no event shall be construed as covered by this policy:

- (1) damages for on-site property damage;
- (2) recovery of on-site cleanup costs or any other cleanup costs except covered environmental cleanup costs;
- (3) performance of an insured's environmental protection obligations or on-site cleanup obligations; or
- (4) any other relief or recovery except payment of covered damages or covered environmental cleanup costs.

The companies' duty to defend claims or suits ends when the limit of their liability has been exhausted pursuant to CONDITION 3.

Subject to INSURING AGREEMENT IV, the companies shall pay, with respect to any claim or suit they defend, the costs incurred in the defense, including

- (1) costs taxed against the insured in any such suit and interest on any judgment therein;
- (2) premiums on appeal bonds and bonds to release attachments in any such suit, but without obligation to apply for or furnish such bonds;

- (3) reasonable expenses, other than loss of earnings, incurred by the insured at the companies' request.

**COVERAGE B - DAMAGE TO PROPERTY OF AN INSURED AWAY FROM THE FACILITY**

With respect to property damage caused during the policy period by the nuclear energy hazard to the property of an insured which is away from the facility, to pay to such insured those sums which such insured would have been legally obligated to pay as covered damages therefor, had such property belonged to another.

**COVERAGE C - SUBROGATION - OFFSITE EMPLOYEES**

With respect to bodily injury caused during the policy period by the nuclear energy hazard to any employee of an insured, and which is discovered and for which written claim is made against the insured, not later than ten (10) years after the end of the policy period, to pay to the workmen's compensation carrier of such insured as follows:

All sums which such carrier would have been entitled to recover and retain as damages from another person or organization, had such person or organization alone been legally responsible for such bodily injury, by reason of the rights acquired by subrogation by the payment of the benefits required of such carrier under the applicable workmen's compensation or occupational disease law. An employer who is a duly qualified self-insurer under such law shall be deemed to be a workmen's compensation carrier within the meaning of this Coverage.

This Coverage does not apply to bodily injury to any person who is employed at and in connection with the facility; nor shall it constitute workmen's compensation insurance as required under the laws of any state.

2. INSURING AGREEMENT II is replaced by the following:

**II DEFINITION OF INSURED**

The unqualified word "insured" includes (a) the named insured and (b) any other person or organization with respect to his legal responsibility for covered damages or covered environmental cleanup costs because of bodily injury, property damage or environmental damage caused by the nuclear energy hazard.

Subdivision (b) above does not include as an insured the United States of America or any of its agencies, except the Tennessee Valley Authority.

Subject to CONDITION 3 and the other provisions of this policy, the insurance applies separately to each insured against whom claim is made or suit is brought.

3. INSURING AGREEMENT III is replaced by the following:

III DEFINITIONS      Wherever used in this policy:

"bodily injury" means bodily injury, sickness or disease, including death resulting therefrom, sustained by any person.

"covered damages" means damages because of bodily injury or property damage to which this policy applies; but covered damages do not include environmental cleanup costs or on-site cleanup costs.

"covered environmental cleanup costs" means only those environmental cleanup costs which are incurred directly for monitoring, testing for, cleaning up, neutralizing or containing environmental damage as the result of an extraordinary nuclear occurrence or a transportation incident; but covered environmental cleanup costs do not include on-site cleanup costs.

"disposal site" means any structure, basin, excavation, premises or place prepared as a dump or site for the disposal of waste materials of a general nature, but which may also be used for the disposal of waste materials containing small amounts of nuclear material.

"environment" includes land, the atmosphere, and all watercourses, bodies of water and natural resources, whether on, above or below the surface of the ground.

"environmental cleanup costs" include all loss, cost or expense arising out of any governmental decree, order or directive (other than an award of covered damages in an action at law) requiring or requesting a person or organization to undertake or pay for monitoring, testing for, cleaning up, neutralizing or containing contamination of the environment, whether the contamination is on, above or below the surface of the ground.

"environmental damage" means contamination of the environment by nuclear material.

"environmental protection obligations" include all obligations of any person or organization

- (1) relating to the protection of the environment from contamination or imminent danger of contamination, and
- (2) imposed by any governmental laws, regulations or ordinances.

"extraordinary nuclear occurrence" means an event which the United States Nuclear Regulatory Commission has determined to be an extraordinary nuclear occurrence as



defined in the Atomic Energy Act of 1954, or in any law amendatory thereof.

"governmental" refers to federal, state and local governments and authorities, including courts, agencies and political subdivisions thereof.

"indemnified nuclear facility" means

- (1) "the facility" as defined in any Nuclear Energy Liability Policy (Facility Form) issued by Nuclear Energy Liability Insurance Association or Mutual Atomic Energy Liability Underwriters, or
- (2) any other nuclear facility,

if financial protection is required pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, with respect to any activities or operations conducted thereat.

"insured shipment" means a shipment of source material, special nuclear material, spent fuel, waste, or tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its source material content, herein called "material,"

- (1) to the facility from any location except an indemnified nuclear facility, but only if the transportation of the material is not by predetermination to be interrupted by removal of the material from a transporting conveyance for any purpose other than the continuation of its transportation, or
- (2) from the facility to any other location, but only until the material is removed from a transporting conveyance for any purpose other than the continuation of its transportation.

"nuclear energy hazard" means the radioactive, toxic, explosive or other hazardous properties of nuclear material, but only if

- (1) the nuclear material is at the facility or has been discharged or dispersed therefrom without intent to relinquish possession or custody thereof to any other person or organization, or
- (2) the nuclear material is in an insured shipment which is away from any other nuclear facility and is in the course of transportation, including handling and temporary storage incidental thereto, within
  - (a) the territorial limits of the United States of America, its territories or possessions, or Puerto Rico; or
  - (b) international waters or airspace, provided that the nuclear material is in the course of transportation between two points located within

the territorial limits described in (a) above and there is no deviation in the course of the transportation for the purpose of going to any other country, state or nation, except for the purpose of going to or returning from a port or place of refuge as the result of an emergency.

"nuclear facility" means "the facility" as defined in any Nuclear Energy Liability Policy (Facility Form) issued by Nuclear Energy Liability Insurance Association or Mutual Atomic Energy Liability Underwriters. The term "nuclear facility" also means

- (1) any nuclear reactor,
- (2) any equipment or device designed or used for
  - (a) separating the isotopes of uranium or plutonium,
  - (b) processing or utilizing spent fuel, or
  - (c) handling, processing or packaging waste,
- (3) any equipment or device used for the processing, fabricating or alloying of special nuclear material if at any time the total amount of such material in the custody of the insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235,
- (4) any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste,

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

"nuclear material" means source material, special nuclear material or byproduct material.

"nuclear reactor" means any apparatus designed or used to sustain nuclear fission or a self-sustaining chain reaction or to contain a critical mass of fissionable material.

"on-site cleanup costs" include all loss, cost or expense arising out of on-site cleanup obligations.

"on-site cleanup obligations" include all obligations of any person or organization, imposed by common law or otherwise, to undertake or pay for monitoring, testing for, cleaning up, neutralizing or containing contamination by nuclear material at the facility, whether the material is on, above or below the surface of the ground.

"on-site property damage" includes all property damage to any property at the facility, whether the property is on, above or below the surface of the ground, other than aircraft, watercraft or vehicles licensed for highway use.



provided such aircraft, watercraft or vehicles are not used in connection with the operation of the facility.

"property damage" means physical injury to or destruction or radioactive contamination of property, and loss of use of property so injured, destroyed or contaminated, and loss of use of property while evacuated or withdrawn from use because possibly so contaminated or because of imminent danger of contamination.

"source material," "special nuclear material," and "byproduct material" have the meanings given them in the Atomic Energy Act of 1954, or in any law amendatory thereof.

"spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in any nuclear reactor.

"the facility" means the facility described in the declarations and includes the location designated in Item 3 of the declarations and all property and operations at such location.

"transportation incident" means a discharge or dispersal of nuclear material from an insured shipment caused by collision or upset of the transporting conveyance, or an accident that breaks open, punctures or ruptures the shipping containers or containment thereon; but only if both the discharge or dispersal and the collision, upset or accident take place away from any nuclear facility and away from any disposal site, and both occur in the course of the transportation, including handling and temporary storage incidental thereto.

"waste" means any waste material

- (1) containing byproduct material and
- (2) resulting from the operation by any person or organization of any nuclear facility included within the definition of nuclear facility under paragraph (1) or (2) thereof.

4. INSURING AGREEMENT IV is replaced by the following and INSURING AGREEMENT IV-A added by the "Amendment of Coverage Endorsement for Workers Claims (Facility Form)" continues to apply:

#### IV LIMITED DEFENSE OF PARTIALLY COVERED CLAIMS OR SUITS

The following provisions apply with respect to any partially covered claim or suit for which the companies' duty to defend has been limited by INSURING AGREEMENT I:

- (1) The companies will defend the claim or suit unless the companies and the first named insured mutually agree on a different defense arrangement. By making

such a defense, the companies shall not be considered as having waived their rights under this policy to deny payment or reimbursement of the items not covered.

- (2) As soon as practicable, the first named insured, acting on behalf of all insureds, and the companies shall endeavor to reach an equitable arrangement for handling the defense and sharing the costs thereof.
  - (3) The companies' share of defense costs shall not exceed the portion of the total defense costs that represents the costs which would be reasonably and necessarily incurred in the defense of the claim or suit in the absence of any claim or demand for the items not covered.
  - (4) The companies shall have a right to contribution from the first named insured for all defense costs as they are incurred in excess of the amount of the companies' share, including reimbursement by the first named insured of all such excess costs paid by the companies.
  - (5) If the companies and the first named insured cannot agree on the companies' share of defense costs, the dispute shall be submitted, as a condition precedent to any right of recovery on this policy, to arbitration for a final and binding resolution, as provided in Condition 19.
5. In EXCLUSIONS (d) and (e), and in all endorsements to this policy relating thereto, the words "bodily injury or property damage" are replaced by "bodily injury, property damage or environmental damage."
  6. EXCLUSION (f) is replaced by the following exclusion:  
[This policy does not apply:]  
(f) to on-site property damage:
  7. In CONDITION 3, and in all endorsements to this policy modifying the dollar amount of the limit of liability stated in Item 4 of the declarations, the words "bodily injury or property damage" are replaced by "bodily injury, property damage or environmental damage."
  8. In CONDITION 4, and in all endorsements to this policy modifying the dollar amount of the total aggregate liability of the companies with respect to a common occurrence:
    - (a) the words "bodily injury or property damage" are replaced by "bodily injury, property damage or environmental damage"; and
    - (b) the words "bodily injury and property damage" are replaced by "bodily injury, property damage and environmental damage."

9. In CONDITIONS 5, 11, 15 and 18, and in all endorsements to this policy relating thereto, the words "bodily injury or property damage" are replaced by "bodily injury, property damage or environmental damage."
10. CONDITION 19, DECLARATIONS, and CONDITION 20, MUTUAL POLICY CONDITION, are renumbered CONDITIONS 20 and 21.
11. The following CONDITION is added to the policy:

19 ARBITRATION OF DISPUTES RELATING TO THE APPLICATION OF INSURING AGREEMENT IV

All such disputes subject to paragraph (5) of INSURING AGREEMENT IV shall be submitted to a Board of Arbitration (the "Board") for a final and binding resolution of the dispute.

There shall be two parties to the arbitration: the first named insured, acting on behalf of all insureds as their duly authorized representative, and Nuclear Energy Liability Insurance Association, acting on behalf of the companies as their duly authorized representative.

Except to the extent the parties mutually agree otherwise, the following principles will apply:

- (a) The arbitration will take place in New York, New York, and will be governed by the laws of the State of New York.
- (b) Either party may begin the process of arbitration by giving notice to the other party in writing of its intention to do so and the name of the arbitrator that it has appointed.
- (c) The other party shall then appoint in writing an arbitrator, and the arbitrators shall appoint in writing an umpire before they begin the arbitration. The umpire shall act as chairman of the Board.
- (d) If a party fails to name its arbitrator within thirty (30) days of the other party's written request that it do so, the requesting party may appoint an arbitrator for the party in default.
- (e) If the two arbitrators fail to agree on the selection of an umpire within thirty (30) days after they have both been appointed, each of them shall name two, of whom the other shall decline one. The choice shall be made by drawing lots.
- (f) The arbitrators and umpire shall be executive officers or former executive officers of insurance companies licensed to do business in the United States or of organizations designated as the first named insured under a Nuclear Energy Liability Policy issued by Nuclear Energy Liability Insurance Association or Mutual Atomic Energy Liability Underwriters; provided that the current employees of the following shall not be eligible for service



without the consent of both parties:

- (1) any party or likely party to the underlying claim or suit;
  - (2) American Nuclear Insurers, MAERP Reinsurance Association or their members; or
  - (3) any other insurer or reinsurer which has casualty insurance or reinsurance in force on any of the foregoing which may be materially affected by the Board's decision.
- (g) Within thirty (30) days after the appointment of the umpire, each party shall submit its case in writing to the Board.
- (h) The Board shall determine its rules of procedure, and the nature and extent of any discovery, testimony, examination or cross-examination of witnesses and oral argument permitted. The decision of any two members of the Board shall be final and binding on all parties. All discovery, submissions of evidence, hearing of witnesses and argument shall be completed within sixty (60) days of the appointment of the umpire, provided the Board may grant one extension of thirty (30) days.
- (i) The arbitrators and the umpire are not to be bound by any strict rules of legal procedure, evidence or legal precedents. They shall, however, be governed by the terms of this policy, and shall have no power to add to or change its provisions. Subject to this admonition, they shall interpret the relevant provisions of this policy as an honorable business agreement, and shall be entitled to decide, in accordance with such provisions together with the other materials submitted to them, what they think is the fair and right thing to be done between the parties from a business point of view, without favoring the interest of either party.
- (j) The Board shall make its award in writing within thirty (30) days after the close of the period, including any extension granted, described in paragraph (h) above.
- (k) If the Board fails to make an award within the time prescribed by paragraph (j) above, then unless an extension is agreed to by the parties, a new arbitration shall be commenced and completed in accordance with the procedure set out in paragraphs (a) through (j) above.
- (l) The award of the Board signed by any two members shall be final, not subject to appeal and binding on all parties, including all insurers subscribing the policy and all insureds thereunder. The award shall be treated as a matter involving interstate commerce, and may be filed or confirmed in any court of competent jurisdiction, state or federal, and judgment thereon entered and enforced, in accordance with the law and practice of the forum.

- (m) Unless the Board decides otherwise, each party shall pay the expenses of the arbitrator appointed by or for it and one half of the other costs of arbitration.
  - (n) If an arbitrator or umpire is unable or unwilling to act, a new arbitrator or umpire, as the case may be, shall be appointed to act in his or her place, in accordance with the provisions set forth above.
  - (o) All materials relevant to the arbitration shall be submitted to the Board in triplicate and the filing party shall send simultaneously a copy thereof to the opposing party.
12. This endorsement applies to all claims for damages, costs, expenses or other relief or recovery for which coverage is sought under this policy, and which are first made in writing against any insured on or after the effective date of this endorsement stated below.

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

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

10

Effective Date of  
this Endorsement January 1, 1990 To form a part of Policy No. MF-130  
12:01 A.M. Standard Time  
Issued to See Endorsement No. 1

Date of Issue February 16, 1990

For the Subscribing Companies

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

By *J. S. Deutch*

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

Endorsement No. 24

ME-71 (1/1/90)

Authorized Representative

# Nuclear Energy Liability Insurance

## MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

CHANGES IN SUBSCRIBING COMPANIES AND IN THEIR PROPORTIONATE LIABILITY ENDORSEMENT  
CALENDAR YEAR 1990

1. It is agreed that with respect to bodily injury, property damage or environmental 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 below.
  - b. The policy shall be binding on such companies only.
  - c. Each such company shall be liable for its proportion, as designated below, of any obligation assumed or expense incurred under the policy because of such bodily injury, property damage or environmental damage.
2. 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 effective date that another "Changes In Subscribing Companies And In Their Proportionate Liability Endorsement" changes the Companies and/or their proportions as listed in this endorsement, or to the time of the termination or cancellation of the policy, if sooner.

American Motorists Insurance Company	33.33%
Arkwright Insurance Company	33.33%
Liberty Insurance Corporation	33.34%

This is to certify that this is a true copy of the original Endorsement having the endorsement number and being made part of the Nuclear Energy Liability Policy (Facility Form) as designated hereon. No Insurance is attached hereunder.

John J. Quattrocchi, Vice President Underwriting  
American Nuclear Insurers

Effective Date of this Endorsement January 1, 1990 To form a part of Policy No. MF-130  
12:01 A.M. Standard time

Issued to See Endorsement No. 1

Date of issue April 1, 1990 For the Subscribing Companies

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

By J. S. Quattrocchi

Endorsement No. 25 Countersigned by \_\_\_\_\_



NUCLEAR ENERGY LIABILITY INSURANCE

ATTACHMENT  
ST-HL-AE-3826  
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MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

ADVANCE PREMIUM AND STANDARD PREMIUM ENDORSEMENT

CALENDAR YEAR 1989

It is agreed that Items 1 and 2 of Endorsement No. 17  
are amended to read:

1. ADVANCE PREMIUM: It is agreed that the Advance  
Premium due the companies for the period designated above  
is: \$ 211,642.00.

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 Credit Rating  
Plan, the Standard Premium is said Advance Premium and the  
Reserve Premium is: \$ 160,173.00.

Return Premium: \$ 4,640.00

This is to certify that this is a true copy of the original  
Endorsement having the endorsement number and being made part  
of the Nuclear Energy Liability Policy (Facility Form) as des-  
ignated hereon. No Insurance is afforded hereunder.  
*J. S. Quatrochi*  
John L. Quatrochi, Vice President-Underwriting  
American Nuclear Insurers

Effective Date of  
this Endorsement January 1, 1989 To form a part of Policy No. MF-130  
12:01 A.M. Standard Time  
Issued to See Endorsement No. 1  
Date of Issue May 7, 1990

For the Subscribing Companies

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

By

Countersigned by

Authorized Representative

Endorsement No. 26

NUCLEAR ENERGY LIABILITY INSURANCE  
MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS  
ADVANCE PREMIUM AND STANDARD PREMIUM ENDORSEMENT  
CALENDAR YEAR 1991

1. **ADVANCE PREMIUM:** It is agreed that the Advance Premium due the companies for the period designated above is: \$181,521.00
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 Credit Rating Plan, the Standard Premium is said Advance Premium and the Reserve Premium is: \$137,280.00

This is to certify that this is a true copy of the original Endorsement having the endorsement number and being made part of the Nuclear Energy Liability Policy (Facility Form) as designated herein. No Insurance is afforded hereunder.

  
John L. Quattrone, Vice President-Underwriting  
American Nuclear Insurers

Effective Date of  
this Endorsement: January 1, 1991  
(12:01 A.M. Standard Time)

To form a part of Policy No. MF-0130

Issued to: See Endorsement No. 1

Date of Issue: December 11, 1990

For the subscribing companies

By

  
Countersigned by

Endorsement No: 27

HOWARD WARREN MARSH

NUCLEAR ENERGY LIABILITY INSURANCE  
MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS  
ADVANCE PREMIUM AND STANDARD PREMIUM ENDORSEMENT

CALENDAR YEAR 1990

It is agreed that Items 1 and 2 of Endorsement No. 18 are amended to read:

1. **ADVANCE PREMIUM:** It is agreed that the Advance Premium due the companies for the period designated above is: \$211,715.00
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 Credit Rating Plan, the Standard Premium is said Advance Premium and the Reserve Premium is: \$160,229.00

RETURN PREMIUM: \$18,507.00

This is to certify that this is a true copy of the original Endorsement having the endorsement number and being made part of the Nuclear Energy Liability Policy (Facility Form) as designated herein. No Insurance Company Hereunder.

*J. E. G. [Signature]*  
John L. G. [Signature], Vice President Underwriting  
American Nuclear Insurers

Effective Date of  
this Endorsement: January 1, 1990  
(12:01 A.M. Standard Time)

To form a part of Policy No. MF-0130

Issued to: See Endorsement No. 1

Date of Issue: January 16, 1991

For the subscribing companies

By *[Signature]*  
Countersigned *[Signature]*

Endorsement No: 28

HOWARD WARREN MARSH

ATTACHMENT 1  
ST-HL-AE-3826  
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**Nuclear Energy Liability Insurance**  
**MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS**

CHANGES IN SUBSCRIBING COMPANIES AND IN THEIR PROPORTIONATE LIABILITY ENDORSEMENT  
CALENDAR YEAR 1991

1. It is agreed that with respect to bodily injury, property damage or environmental 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 below.
  - b. The policy shall be binding on such companies only.
  - c. Each such company shall be liable for its proportion, as designated below, of any obligation assumed or expense incurred under the policy because of such bodily injury, property damage or environmental damage.
2. 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 effective date that another "Changes In Subscribing Companies And In Their Proportionate Liability Endorsement" changes the Companies and/or their proportions as listed in this endorsement, or to the time of the termination or cancellation of the policy, if sooner.

American Motorists Insurance Company	33.33%
Arkwright Insurance Company	33.33%
Liberty Insurance Corporation	33.34%

This is to certify that this is a true copy of the original Endorsement having the endorsement number and being made by the Nuclear Energy Liability Policy (Facility Form) as designated herein. No insurance is afforded by under.  
John L. Quarmby, Vice President Underwriting  
American Nuclear Insurers

Effective Date of this Endorsement January 1, 1991 To form a part of Policy No. MF-130  
12:01 A.M. Standard time

Issued to See Endorsement No. 1

Date of issue April 1, 1991 For the Subscribing Companies

By \_\_\_\_\_

Endorsement No. 29 Countersigned by \_\_\_\_\_

ATTACHMENT 1  
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**Nuclear Energy Liability Insurance**  
**NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION**

Named Insured Endorsement

It is agreed that the Named Insured is:

South Texas Project Participants: Houston Lighting and Power Company, Central Power and Light Company, City of Austin, City of San Antonio - City Public Service Board of San Antonio, Texas and all Participants under the South Texas Project Participation Agreement dated July 1, 1976 as same may be revised, amended, supplemented, extended or otherwise modified.

This is to certify that this is a true copy of the original Endorsement being the endorsement number and being made part of the Nuclear Energy Liability Policy (Facility Form) as does appear on the face hereof and is attached hereto.

*J. S. [Signature]*  
J. S. [Signature], Vice President-Underwriting  
American Nuclear Insurers

Effective Date of this Endorsement November 13, 1986 To form a part of Policy No NF-307  
12:01 A.M. Standard Time

Issued to See Above

Date of Issue December 10, 1986 For the subscribing companies

By [Signature]  
General Manager

Endorsement No 1

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

# Nuclear Energy Liability Insurance

## NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

As soon as practicable after each December 31 and after the termination of this policy, the standard premium for the preceding calendar year shall be finally determined and stated in the Standard Premium Endorsement for that calendar year. If the standard premium so determined exceeds the advance premium previously paid for such calendar year, the named insured shall pay the excess to the companies; if less, the companies shall return to the named insured the excess portion paid by such insured.

The named insured 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 policy period and at such other times during the policy period as the company may direct.

- (3) *Use of Reserve Premiums* All reserve premiums paid or payable for this policy may be used by the members of Nuclear Energy Liability Insurance Association to discharge their obligations with respect to incurred losses whether such losses are incurred under this policy or under any other policy issued by Nuclear Energy Liability Insurance Association or Mutual Atomic Energy Liability Underwriters.
- (4) *Reserve Premium Refunds* A portion of the reserve premium for this policy for the first calendar year of any group of ten consecutive calendar years shall be returnable to the named insured provided there is a reserve for refunds at the end of the tenth calendar year.
- (5) *Computation of Reserve Premium Refunds* The reserve premium refund due the name insured for any calendar year shall be determined by multiplying any industry reserve premium refund for such calendar year by the policy refund ratio for such calendar year. The reserve premium refund for any calendar year shall be finally determined as soon as practicable after July 1 of the tenth calendar year thereafter.
- (6) *Final Premium* The final premium for this policy shall be the sum of the standard premiums for each calendar year, or portion thereof, during which this policy remains in force less the sum of all refunds of reserve premiums due the named insured under the provisions of this Condition 1.
- (7) *Reserve Premium Refund Agreement* Each member of Nuclear Energy Liability Insurance Association subscribing this policy for any calendar year, or portion thereof, thereby agrees for itself, severally and not jointly, and in the respective proportion of its liability assumed under this policy for that calendar year, to return to the named insured that portion of any reserve premium refund due the named insured for that calendar year, determined in accordance with the provisions of this Condition 1.

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

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

Effective Date of this Endorsement November 13, 1986 To form a part of Policy No. NF-307  
12:01 A.M. Standard Time

Issued to See Endorsement No. 1

Date of Issue December 10, 1986

For the subscribing companies

By *[Signature]*

General Manager

Endorsement No. 2

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



ATTACHMENT 1  
ST-HL-AE-3826  
PAGE 95 OF 171

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

**INDUSTRY CREDIT RATING PLAN  
PREMIUM ENDORSEMENT**

It is agreed that Condition 1 of the policy is replaced by the following:

**CONDITION 1. PREMIUM**

- (1) Definitions: With reference to the premium for this 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 Credit Rating Plan), premiums and minimum premiums applicable to this insurance;

"*reserve premium*" means that portion of the *standard premium* paid to the companies and specifically allocated under the Industry Credit Rating Plan for *incurred losses*. The amount of the "*reserve premium*" for this policy for any calendar year during which this policy is in force is the amount designated as such in the Standard Premium Endorsement for that calendar year;

"*industry reserve premium*", for any calendar year, is the sum of the *reserve premiums* for that calendar year for all Nuclear Energy Liability Policies issued by Nuclear Energy Liability Insurance Association and Mutual Atomic Energy Liability Underwriters and subject to the Industry Credit Rating Plan;

"*policy refund ratio*", for any calendar year, is the ratio of the named insured's *reserve premium* for that calendar year to the *industry reserve premium* for that calendar year;

"*incurred losses*" means the sum of:

- (1) all losses and expenses paid by Nuclear Energy Liability Insurance Association and Mutual Atomic Energy Liability Underwriters, and
- (2) all reserves for unpaid losses and expenses as estimated by Nuclear Energy Liability Insurance Association and Mutual Atomic Energy Liability Underwriters

because of obligations assumed and the expenses incurred in connection with such obligations by members of Nuclear Energy Liability Insurance Association and Mutual Atomic Energy Liability Underwriters under all Nuclear Energy Liability Policies issued by Nuclear Energy Liability Insurance Association and Mutual Atomic Energy Liability Underwriters and subject to the Industry Credit Rating Plan;

"*reserve for refunds*", at the end of any calendar year, is the amount by which (1) the sum of all *industry reserve premiums* for the period from January 1, 1957 through the end of such calendar year exceeds (2) the total for the same period of (a) all *incurred losses*, valued as of the next following July 1, and (b) all *reserve premium refunds* made under the Industry Credit Rating Plan by members of Nuclear Energy Liability Insurance Association and Mutual Atomic Energy Liability Underwriters;

"*industry reserve premium refund*", for any calendar year, is determined by multiplying the *reserve for refunds* at the end of the ninth calendar year thereafter by the ratio of the *industry reserve premium* for the calendar year for which the premium refund is being determined to the sum of such amount and the total *industry reserve premiums* for the next nine calendar years thereafter, provided that the *industry reserve premium refund* for any calendar year shall in no event be greater than the *industry reserve premium* for such calendar year.

- (2) *Payment of Advance and Standard Premiums* The named insured shall pay the companies the *advance premium* stated in the declarations, for the period from the effective date of this policy through December 31 following. Thereafter, at the beginning of each calendar year while this policy is in force, the named insured shall pay the *advance premium* for such year to the companies. The *advance premium* for each calendar year shall be stated in the Advance Premium Endorsement for such calendar year issued to the named insured as soon as practicable prior to or after the beginning of such year.

3. The waivers set forth in paragraph 1. above shall be effective only with respect to bodily injury or property damage to which the policy applies under its terms other than this endorsement; provided, however, that with respect to bodily injury or property damage resulting from an extraordinary nuclear occurrence, Insuring Agreement IV, "Application of Policy", shall not operate to bar coverage for bodily injury or property damage (a) which is caused during the policy period by the nuclear energy hazard and (b) 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.

Such waivers shall not apply to, or prejudice the prosecution or defense of any claim or portion of claim which is not within the protection afforded under

- (a) the provisions of the policy applicable to the financial protection required of the named insured;
- (b) the agreement of indemnification between the named insured and the Nuclear Regulatory Commission made pursuant to Section 170 of the Atomic Energy Act of 1954, as amended; and
- (c) the limit of liability provisions of Subsection 170a. of the Atomic Energy Act of 1954, as amended.

Such waivers shall not preclude a defense based upon the failure of the claimant to take reasonable steps to mitigate damages.

4. Subject to all of the limitations stated in this endorsement and in the Atomic Energy Act of 1954, as amended, the waivers set forth in paragraph 1. above shall be judicially enforceable in accordance with their terms against any insured in an action to recover damages because of bodily injury or property damage to which the policy applies as proof of financial protection.

5. As used herein:

"extraordinary nuclear occurrence" means an event which the Nuclear Regulatory Commission has determined to be an extraordinary nuclear occurrence as defined in the Atomic Energy Act of 1954, as amended.

"financial protection" and "nuclear incident" have the meanings given them in the Atomic Energy Act of 1954, as amended.

"claimant" means the person or organization actually sustaining the bodily injury or property damage and also includes his assignees, legal representatives and other persons or organizations entitled to bring an action for damages on account of such injury or damage.

Effective Date of this Endorsement November 13, 1986 To form a part of Policy No. NF-307  
12:01 A.M. Standard Time  
Issued to See Endorsement No. 1  
Date of Issue December 10, 1986

For the subscribing companies

By [Signature]  
General Manager

Endorsement No. 3

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

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

ATTACHMENT 1  
ST-HL-AE-3826  
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WAIVER OF DEFENSES ENDORSEMENT  
(Extraordinary Nuclear Occurrence)

The named insured, acting for himself and every other insured under the policy, and the members of Nuclear Energy Liability Insurance Association agree as follows:

1. With respect to any extraordinary nuclear occurrence to which the policy applies as proof of financial protection and which
  - (a) arises out of or results from or occurs in the course of the construction, possession, or operation of the facility, or
  - (b) arises out of or results from or occurs in the course of the transportation of nuclear material to or from the facility,

the insureds and the companies agree to waive

- (1) any issue or defense as to the conduct of the claimant or the fault of the insureds, including but not limited to:
  - (i) negligence,
  - (ii) contributory negligence,
  - (iii) assumption of risk, and
  - (iv) unforeseeable intervening causes, whether involving the conduct of a third person, or an act of God,
- (2) any issue or defense as to charitable or governmental immunity, and
- (3) any issue or defense based on any statute of limitations if suit is instituted within three years from the date on which the claimant first knew, or reasonably could have known, of his bodily injury or property damage and the cause thereof, but in no event more than twenty years after the date of the nuclear incident.

The waiver of any such issue or defense shall be effective regardless of whether such issue or defense may otherwise be deemed jurisdictional or relating to an element in the cause of action.

2. The waivers set forth in paragraph 1. above do not apply to
  - (a) bodily injury or property damage which is intentionally sustained by the claimant or which results from a nuclear incident intentionally and wrongfully caused by the claimant;
  - (b) bodily injury sustained by any claimant who is employed at the site of and in connection with the activity where the extraordinary nuclear occurrence takes place if benefits therefor are either payable or required to be provided under any workmen's compensation or occupational disease law;
  - (c) any claim for punitive or exemplary damages, provided, with respect to any claim for wrongful death under any State law which provides for damages only punitive in nature, this exclusion does not apply to the extent that the claimant has sustained actual damages, measured by the pecuniary injuries resulting from such death but not to exceed the maximum amount otherwise recoverable under such law.

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

**SUPPLEMENTARY ENDORSEMENT**  
**WAIVER OF DEFENSES**  
**REACTOR CONSTRUCTION AT THE FACILITY**

It is agreed that in construing the application of paragraph 2(b) of the WAIVER OF DEFENSES ENDORSEMENT (NE-33a) with respect to an extraordinary nuclear occurrence occurring at the facility, a claimant who is employed at the facility in connection with the construction of a nuclear reactor with respect to which no operating license has been issued by the Nuclear Regulatory Commission shall not be considered as employed in connection with the activity where the extraordinary nuclear occurrence takes place if:

- (1) the claimant is employed exclusively in connection with the construction of a nuclear reactor, including all related equipment and installations at the facility, and
- (2) no operating license has been issued by the Nuclear Regulatory Commission with respect to the nuclear reactor, and
- (3) the claimant is not employed in connection with the possession, storage, use or transfer of nuclear material at the facility.

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

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

Effective Date of this Endorsement December 13, 1986 To form a part of Policy No. NE-307  
12:01 A.M. Standard Time  
Issued to See Endorsement No. 1

Date of Issue December 10, 1986

For the subscribing companies

By *Richardson*  
General Manager

Endorsement No. 4

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

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

ATTACHMENT 1  
ST-HL-AE-3826  
PAGE 99 OF 171

ADVANCE PREMIUM AND STANDARD PREMIUM ENDORSEMENT

CALENDAR YEAR 1986

It is agreed that Item 5 of the Declarations "Advance Premium" is amended to read:

ADVANCE PREMIUM: It is agreed that the Advance Premium due the companies for the period designated above is: \$ 125.00.

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:  
\$ 83.75.

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

*J. S. [Signature]*  
John S. [Name], Vice President-Underwriting  
American Nuclear Insurance

Effective Date of this Endorsement November 13, 1986 To form a part of Policy No NF-307  
12:01 A.M. Standard Time

Issued to See Endorsement No. 1

Date of Issue December 10, 1986

For the subscribing companies

By [Signature]  
General Manager

Endorsement No 5

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

AMENDATORY ENDORSEMENT  
(Indemnified Nuclear Facility)

It is agreed that:

1. In Insuring Agreement III, "DEFINITIONS"

- A. The first sentence of the definition of "nuclear facility" is amended to read:

"nuclear facility" means "the facility" as defined in any Nuclear Energy Liability Policy (Facility Form) issued by Nuclear Energy Liability Insurance Association or by Mutual Atomic Energy Liability Underwriters.

- B. The definition of "indemnified nuclear facility" is replaced by the following:

"indemnified nuclear facility" means

- (1) "the facility" as defined in any Nuclear Energy Liability Policy (Facility Form) issued by Nuclear Energy Liability Insurance Association or by Mutual Atomic Energy Liability Underwriters, or

- (2) any other nuclear facility,

if financial protection is required pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, with respect to any activities or operations conducted thereat;

- C. Solely with respect to an "insured shipment" to which this policy applies as proof of financial protection required by the Nuclear Regulatory Commission, Subdivision (2) of the definition of "nuclear energy hazard" is amended to read:

- (2) the nuclear material is in an insured shipment which is away from any other nuclear facility and is in the course of transportation, including the handling and temporary storage incidental thereto, within

- (a) the territorial limits of the United States of America, its territories or possessions, or Puerto Rico; or

- (b) international waters or airspace, provided that the nuclear material is in the course of transportation between two points located within the territorial limits described in (a) above and there are no deviations in the course of the transportation for the purpose of going to any other country, state or nation, except a

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

John  
American Nuclear Insurance

COPY



Neither the right to make such inspections and examinations nor the making thereof nor any advice or report resulting therefrom shall constitute an undertaking, on behalf of or for the benefit of the insured or others, to determine or warrant that such facility or operations are safe or healthful, or are in compliance with any law, rule or regulation. In consideration of the issuance or continuation of this policy, the insured agrees that neither the companies nor any persons or organizations making such inspections or examinations on their behalf shall be liable with respect to injury to or destruction of property at the facility, or any consequential loss or expense resulting therefrom, or any loss resulting from interruption of business or manufacture, arising out of the making of or a failure to make any such inspection or examination, or any report thereon, or any such suspension of insurance, but this provision does not limit the contractual obligations of the companies under this policy or any policy affording the insured property insurance through American Nuclear Insurers.

IV. Condition 4 is replaced by the following:

- 4 LIMITATION OF LIABILITY; COMMON OCCURRENCE Any occurrence or series of occurrences resulting in bodily injury or property damage arising out of the radioactive, toxic, explosive or other hazardous properties of
- (a) nuclear material discharged or dispersed from the facility over a period of days, weeks, months or longer and also arising out of the properties of other nuclear material so discharged or dispersed from one or more other nuclear facilities insured under any Nuclear Energy Liability Policy (Facility Form) issued by Nuclear Energy Liability Insurance Association, or
  - (b) source material, special nuclear material, spent fuel, waste, or tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its source material content in the course of transportation for which insurance is afforded under this policy and also arising out of such properties of other source material, special nuclear material, spent fuel, waste, or tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its source material content in the course of transportation for which insurance is afforded under one or more other Nuclear Energy Liability Policies (Facility Form) issued by Nuclear Energy Liability Insurance Association,

shall be deemed to be a common occurrence resulting in bodily injury or property damage caused by the nuclear energy hazard.

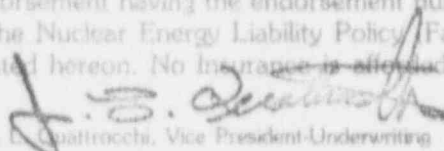
With respect to such bodily injury and property damage (1) the total aggregate liability of the members of the Nuclear Energy Liability Insurance Association under all Nuclear Energy Liability Policies (Facility Form), including this policy, applicable to such common occurrence shall be the sum of the limits

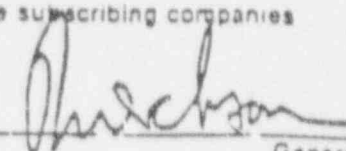
Nuclear Energy Liability Insurance  
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

AMENDMENT OF DEFINITION OF INSURED  
(Tennessee Valley Authority)

It is agreed that regardless of the provisions of the second paragraph of Insuring Agreement II, part (b) of the Definition of Insured includes as an insured the Tennessee Valley Authority with respect to its legal responsibility for damages because of bodily injury or property damage caused by the nuclear energy hazard.

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

  
John C. Quattrocchi, Vice President-Underwriting  
American Nuclear Insurers

Effective Date of this Endorsement December 13, 1986 To form a part of Policy No NF-307  
12:01 A.M. Standard Time  
issued to See Endorsement No. 1  
Date of Issue December 10, 1986  
For the subscribing companies  
By  General Manager  
Endorsement No 7  
Countersigned by \_\_\_\_\_

Nuclear Energy Liability Insurance

ATTACHMENT  
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NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

ADVANCE PREMIUM AND STANDARD PREMIUM CALENDAR YEAR 1987  
ENDORSEMENT

1. ADVANCE PREMIUM: It is agreed that the Advance Premium due the companies for the period designated above is:  
\$ 125.00
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 Credit Rating Plan, the Standard Premium is said Advance Premium and the Reserve Premium is:  
\$ 33.75

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

*J. S. [Signature]*  
John S. [Name], Vice President/Underwriting  
American Nuclear Insurance

GOLD COPY

FILE COPY

Effective Date of This Endorsement January 1, 1987 To form a part of Policy No. NF-307  
Issued to See Endorsement No. 1  
Date of Issue December 15, 1986

For the subscribing companies

By *[Signature]*  
General Manager

Endorsement No. 0

Countersigned by [Signature]

# Nuclear Energy Liability Insurance

## NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

ATTACHMENT 1  
ST-HL-AE-3826  
PAGE 104 OF 171

CHANGES IN SUBSCRIBING COMPANIES AND IN THEIR PROPORTIONATE LIABILITY ENDORSEMENT  
CALENDAR YEAR 1987

1. 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 below.
  - b. The policy shall be binding on such companies only.
  - c. Each such company shall be liable for its proportion of any obligation assumed or expense incurred under the policy because of such bodily injury or property damage as designated below.
2. 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 31<sup>st</sup> of the Calendar Year designated in the caption above, or to the time of the termination or cancellation of the policy, if sooner.

Aetna Casualty & Surety Co.	10.961359%
Alliant Insurance Company	1.525059%
Allstate Insurance Company	5.337705%
American Home Assurance Co.	1.000820%
Continental Casualty Company	5.147073%
Continental Insurance Company	9.531616%
Federal Insurance Company	1.906323%
Fireman's Fund Insurance Co.	3.050117%
Gen Accident Ins. Co of Amer.	1.525059%
General Ins. Co. of America	1.906323%
Hanover Insurance Company	.571897%
Hartford Accid. & Indemnity Co.	9.055036%
Hartford Steam Bldg. Insp. & Ins.	.667213%
Highlands Insurance Company	.381265%
Home Indemnity Company	1.429742%
Ins. Co. of North America	6.481499%
Motors Insurance Corporation	.190632%
Ohio Casualty Insurance Co.	.190632%
Pacific Indemnity Company	.571897%
Providence Washington Ins. Co.	.190632%
Reliance Insurance Company	.571897%
Royal Ins. Co. of America	4.003279%
St Paul Fire & Marine Ins. Co.	5.779972%
State Farm Fire & Casualty Co.	.953162%
Transamerica Insurance Co.	.953162%
Travelers Indemnity Company	12.391102%
U.S. Fidelity & Guaranty Co.	9.531616%
U.S. Fire Insurance Company	2.573537%
Universal Underwriters Ins Co.	.190632%
Zurich Insurance Co.	1.429742%
NE-87	

This is to certify that this is a true copy of the original Endorsement having the endorsement number and being made part of the Nuclear Energy Liability Policy Form as designated herein. No Insurance is afforded hereunder.

John J. [Signature], Vice President-Underwriting  
American Nuclear Insurance

Effective Date of this Endorsement January 1, 1987 To form a part of Policy No. NF-307  
12:01 A.M. Standard time

Issued to See Endorsement No. 1

Date of Issue February 27, 1987 For the Subscribing Companies

By [Signature] General Manager

Endorsement No. 9 Countersigned by \_\_\_\_\_

Nuclear Energy Liability Insurance  
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

ATTACHMENT 1  
ST-HL-AE-3826  
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ADVANCE PREMIUM AND STANDARD PREMIUM ENDORSEMENT

CALENDAR YEAR 1987

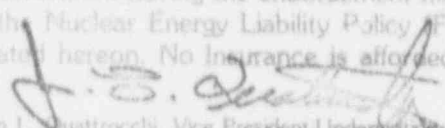
It is agreed that Items 1 and 2 of Endorsement No. 8  
are amended to read:

1. ADVANCE PREMIUM: It is agreed that the Advance  
Premium due the companies for the period designated above  
is: \$ 3,060.81.

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 Credit Rating  
Plan, the Standard Premium is said Advance Premium and the  
Reserve Premium is: \$ 2,050.74.

Additional Premium: \$2,935.81.

This is to certify that this is a true copy of the original  
Endorsement having the endorsement number and being made part  
of the Nuclear Energy Liability Policy (Facility Form) as des-  
ignated hereon. No Insurance is afforded hereunder.

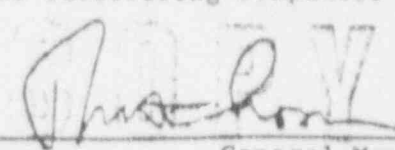
  
John L. Quattrocchi, Vice President-Underwriting  
American Nuclear Insurers

Effective Date of  
this Endorsement January 1, 1987 To form a part of Policy No NF-307  
12:01 A.M. Standard Time

Issued to See Endorsement No. 1

Date of Issue March 5, 1987

For the subscribing companies

By   
General Manager

Endorsement No 10

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

Nuclear Energy Liability Insurance  
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

INCREASE OF LIMIT OF LIABILITY ENDORSEMENT

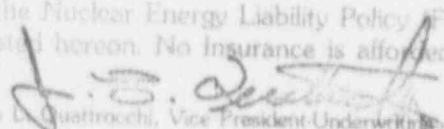
It is agreed that:

1. The limit of liability stated in Item 4 of the declarations of the policy is amended to read \$ 124,000,000.00.

This amended limit applies with respect to obligations assumed or expenses incurred because of bodily injury or property damage caused, during the period from the effective date of this endorsement to the date of termination of the policy, by the nuclear energy hazard.

2. The limit of liability stated in Item 4 of the declarations and the amended limit of liability stated in paragraph 1 above shall not be cumulative, and each payment made by the companies after the effective date of this endorsement for any loss or expense covered by the policy shall reduce by the amount of such payment both the limit of liability stated in Item 4 of the declarations and the amended limit stated in paragraph 1 above, regardless of which limit of liability applies with respect to bodily injury or property damage out of which such loss or expense arises.

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

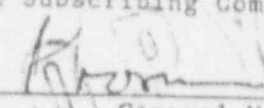
  
John L. Quattrocchi, Vice President-Underwriting  
American Nuclear Insurers

Effective Date of this Endorsement June 23, 1987 To form a part of Policy No NF-307  
12:01 A.M. Standard Time

Issued to See Endorsement No. 1

Date of Issue June 16, 1987

For the Subscribing Companies

By   
General Manager

Endorsement No 11

Countersigned by 



Nuclear Energy Liability Insurance  
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

ADVANCE PREMIUM AND STANDARD PREMIUM ENDORSEMENT

CALENDAR YEAR 1987

It is agreed that Items 1 and 2 of Endorsement No. 10  
are amended to read:

1. ADVANCE PREMIUM: It is agreed that the Advance  
Premium due the companies for the period designated above  
is: \$ 170,518.00.

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 Credit Rating  
Plan, the Standard Premium is said Advance Premium and the  
Reserve Premium is: \$ 127,265.00.  
Additional Premium: \$ 167,457.19.

Effective Date of  
this Endorsement January 1, 1987 To form a part of Policy No. NF-307  
12:01 A.M. Standard Time

Issued to See Endorsement No. 1

Date of Issue June 16, 1987

For the Subscribing Companies

By [Signature]  
General Manager

Endorsement No. 12

NE-36

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

This is to certify that this is a true copy of the original  
Endorsement having the endorsement number and being made part  
of the Nuclear Energy Liability Policy (Form) as does  
this document. No insurance is altered hereunder.

Named Insureds

ATTACHMENT 1  
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Houston Lighting and Power Company  
Central Power and Light Company  
City of Austin, Texas  
City of San Antonio, Texas

This is to certify that this is a true copy of the original  
Endorsement having the endorsement number and being made part  
of the Nuclear Energy Liability Policy (Facility Form) as des-  
ignated hereon. No insurance is afforded hereunder.

  
John A. Quattrocchi, Vice President-Underwriting  
American Nuclear Insurers

Effective Date of  
this Endorsement February 1, 1988 To form a part of Policy No NF-307  
12:01 A.M. Standard Time

Issued to See Endorsement No. 1

Date of Issue October 19, 1987

For the subscribing companies

By 

General Manager

Endorsement No 13  
NE-64 (1/1/88)

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

NUCLEAR ENERGY LIABILITY INSURANCE

ATTACHMENT 1  
ST-HL-AE-3826  
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NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

ADVANCE PREMIUM AND STANDARD PREMIUM CALENDAR YEAR 1988  
ENDORSEMENT

1. ADVANCE PREMIUM: It is agreed that the Advance Premium due the companies for the period designated above is:  
\$ 566,768.00
  
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 Credit Rating Plan, the Standard Premium is said Advance Premium and the Reserve Premium is:  
\$ 428,419.00

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

*J. S. Smith*  
John S. Smith, Vice President-Underwriting  
American Nuclear Insurance

GREEN COPY

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Effective Date of This Endorsement January 1, 1988 To form a part of Policy No. NF-307  
12:01 A.M. Standard Time  
Issued to See Endorsement No. 1  
Date of Issue December 15, 1987  
For the subscribing companies  
By *[Signature]* General Manager  
Endorsement No. 14 Countersigned by \_\_\_\_\_

Nuclear Energy Liability Insurance  
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

CHANGES IN SUBSCRIBING COMPANIES AND IN THEIR PROPORTIONATE LIABILITY ENDORSEMENT  
CALENDAR YEAR 1988

1. 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 below.
  - b. The policy shall be binding on such companies only.
  - c. Each such company shall be liable for its proportion of any obligation assumed or expense incurred under the policy because of such bodily injury or property damage as designated below.
2. 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 31, 1988, or to the time of the termination or cancellation of the policy, if sooner.

Aetna Casualty & Surety Co.	12.730961%
Allianz Insurance Company	1.493766%
Allstate Insurance Company	5.455641%
American Home Assurance Co.	0.682380%
Continental Casualty Company	5.264677%
Continental Insurance Company	10.184769%
Federal Insurance Company	2.121827%
Gen Accident Ins. Co of Amer.	1.697461%
General Ins. Co. of America	1.697461%
Hanover Insurance Company	0.586473%
Hartford Accid. & Indemnity Co.	10.184769%
Highlands Insurance Company	0.339492%
Home Indemnity Company	1.591370%
Ins. Co. of North America	7.638577%
Motors Insurance Corporation	0.169746%
Ohio Casualty Insurance Co.	0.169746%
Pacific Indemnity Company	0.594112%
Providence Washington Ins. Co.	0.190964%
Reliance Insurance Company	0.509238%
Royal Ins. Co. of America	3.564669%
St Paul Fire & Marine Ins. Co.	5.905468%
State Farm Fire & Casualty Co.	0.848731%
Tokio Marine & Fire Co.	0.509238%
Transamerica Insurance Co.	0.848731%
Travelers Indemnity Company	12.670701%
U.S. Fidelity & Guaranty Co.	8.487307%
U.S. Fire Insurance Company	2.291573%
Universal Underwriters Ins Co.	0.169746%
Zurich Insurance Company	1.400406%
NE-88	

This is to certify that this is a true copy of the original  
Endorsement having the endorsement number and being made part  
of the Nuclear Energy Liability Policy (Facility Form) as des  
ignated herein. No insurance is afforded hereunder.

John J. Jastrzebski, Vice President-Underwriting  
American Nuclear Insurers

Effective Date of this Endorsement January 1, 1988 To form a part of Policy No. NF-307  
12:01 A.M. Standard time

Issued to See Endorsement No. 1

Date of Issue March 1, 1988 For the Subscribing Companies,

By [Signature]  
General Manager

Endorsement No. 15 Countersigned by \_\_\_\_\_

Nuclear Energy Liability Insurance  
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

ATTACHMENT 1  
ST-HL-AE-3826  
PAGES 171 OF 171

ADVANCE PREMIUM AND STANDARD PREMIUM ENDORSEMENT

CALENDAR YEAR 1987

It is agreed that Items 1 and 2 of Endorsement No. 12  
are amended to read:

1. ADVANCE PREMIUM: It is agreed that the Advance  
Premium due the companies for the period designated above  
is: \$ 35,383.00.

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 Credit Rating  
Plan, the Standard Premium is said Advance Premium and the  
Reserve Premium is: \$ 25,401.00.  
Return Premium: \$ 135,135.00.

This is to certify that this is a true copy of the original  
Endorsement having the endorsement number and being made part  
of the Nuclear Energy Liability Policy (Facility Form) as des-  
ignated herein. No insurance is afforded hereunder.

*J. S. Smith*  
J. S. Smith, Secretary  
American Nuclear Insurance

Effective Date of  
this Endorsement January 1, 1987 To form a part of Policy No NF-307  
12:01 A.M. Standard Time

Issued to See Endorsement No. 1

Date of Issue July 14, 1988

For the Subscribing Companies

By *[Signature]*  
General Manager

Endorsement No 16

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

Nuclear Energy Liability Insurance  
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

ADVANCE PREMIUM AND STANDARD PREMIUM ENDORSEMENT  
CALENDAR YEAR 1989

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

\$ 560,975.00

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 Credit Rating Plan, the Standard Premium is said Advance Premium and the Reserve Premium is:

\$ 424,016.00

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

*J. S. Smith*  
John L. Smith, Vice President Underwriter  
American Nuclear Insurance

Effective Date of  
this Endorsement

January 1, 1989

12:01 A.M. Standard Time

To form a part of Policy No. NF-307

Issued to

See Endorsement No. 1

Date of Issue

December 15, 1988

For the Subscribing Companies

By

*Michael*

General Manager

Countersigned by

*James A. Russo*  
Authorized Representative

Endorsement No. 17



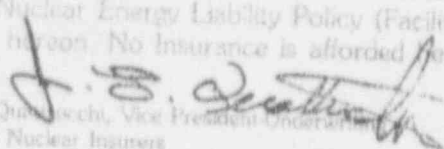
Nuclear Energy Liability Insurance  
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

ATTACHMENT 1  
ST-HL-AE-3824  
PAGE 113 OF 171

AMENDMENT OF CONDITION 4

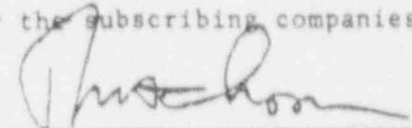
It is agreed that with respect to bodily injury or property damage caused after the effective date of this endorsement by the nuclear energy hazard, the figure "\$124,000,000" stated in Condition 4 of this policy is amended to read "\$155,000,000."

This is to certify that this is a true copy of the original Endorsement having the endorsement number and being made part of the Nuclear Energy Liability Policy (Facility Form) as designated herein. No Insurance is afforded hereunder.

  
John L. Quasipochi, Vice President Underwriting  
American Nuclear Insurers

Effective Date of this Endorsement August 31, 1988 To form a part of Policy No NE-307  
12:01 A.M. Standard Time

Issued to See Endorsement No. 1

Date of Issue December 15, 1988 For the subscribing companies  
By   
General Manager

Endorsement No 18

Countersigned by 

ADVANCE PREMIUM AND STANDARD PREMIUM ENDORSEMENT

CALENDAR YEAR 1988

It is agreed that Items 1 and 2 of Endorsement No. 14  
are amended to read:

1. ADVANCE PREMIUM: It is agreed that the Advance  
Premium due the companies for the period designated above  
is: \$ 444,423.00.

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 Credit Rating  
Plan, the Standard Premium is said Advance Premium and the  
Reserve Premium is: \$ 335,437.00.

Return Premium: \$ 122,345.00.

This is to certify that this is a true copy of the original  
Endorsement having the endorsement number and being made part  
of the Nuclear Energy Liability Policy (Facility Form) as des-  
ignated hereon. No insurance is afforded hereunder.

*J. S. [Signature]*  
John J. Guadagnoli, Vice President Underwriting  
American Nuclear Insurers

Effective Date of  
this Endorsement January 1, 1988 To form a part of Policy No NF-307  
12:01 A.M. Standard Time

Issued to See Endorsement No. 1

Date of Issue February 20, 1989

For the Subscribing Companies

By *[Signature]*  
PRESIDENT

Endorsement No 19

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

ADVANCE PREMIUM AND STANDARD PREMIUM ENDORSEMENT

CALENDAR YEAR 1989

It is agreed that Items 1 and 2 of Endorsement No. 17  
are amended to read:

1. ADVANCE PREMIUM: It is agreed that the Advance  
Premium due the companies for the period designated above  
is: \$ 715,677.00.

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 Credit Rating  
Plan, the Standard Premium is said Advance Premium and the  
Reserve Premium is: \$ 541,590.00.

Additional Premium: \$ 154,702.00.

This is to certify that this is a true copy of the original  
Endorsement having the endorsement number and being made part  
of the Nuclear Energy Liability Policy (Facility Form) as des-  
ignated hereon. No insurance is afforded hereunder.

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

Effective Date of  
this Endorsement January 1, 1989 To form a part of Policy No. NF-307  
12:01 A.M. Standard Time

Issued to See Endorsement No. 1

Date of Issue February 20, 1989  
For the Subscribing Companies  
By *Krom*  
PRESIDENT

Endorsement No. 20 Countersigned by \_\_\_\_\_

# Nuclear Energy Liability Insurance

## NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

CHANGES IN SUBSCRIBING COMPANIES AND IN THEIR PROPORTIONATE LIABILITY ENDORSEMENT  
CALENDAR YEAR 1989

1. 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 below.
  - b. The policy shall be binding on such companies only.
  - c. Each such company shall be liable for its proportion of any obligation assumed or expense incurred under the policy because of such bodily injury or property damage as designated below.
2. 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 31, 1989, or to the time of the termination or cancellation of the policy, if sooner.

Aetna Casualty & Surety Co.	12.950797%
Allianz Insurance Company	1.519560%
Allstate Insurance Company	5.549848%
American Home Assurance Co.	0.694163%
Continental Casualty Company	5.355586%
Continental Insurance Company	10.360636%
Federal Insurance Company	2.158466%
General Ins. Co. of America	1.726773%
Hanover Insurance Company	0.596600%
Hartford Accid. & Indemnity Co.	10.360636%
Highlands Insurance Company	0.345355%
Home Indemnity Company	1.618849%
Ins. Co. of North America	7.770477%
Motors Insurance Corporation	0.172677%
Ohio Casualty Insurance Co.	0.172677%
Pacific Indemnity Company	0.604370%
Providence Washington Ins. Co.	0.194262%
Reliance Insurance Company	0.518032%
Royal Ins. Co. of America	3.626223%
St. Paul Fire & Marine Ins. Co.	6.007442%
State Farm Fire & Casualty Co.	0.863386%
Tokio Marine & Fire Ins. Co.	0.518032%
Transamerica Insurance Co.	0.863386%
Travelers Indemnity Company	12.889495%
U.S. Fire Insurance Company	2.331143%
U.S. Fidelity & Guaranty Co.	8.633864%
Universal Underwriters Ins. Co.	0.172677%
Zurich Insurance Company	1.424588%
Total	100.000000%

This is to certify that this is a true copy of the original  
Endorsement having the endorsement number and being made part  
of the Nuclear Energy Liability Policy (Facility Form) as des-  
ignated hereon. No insurance is provided hereunder.  
*John L. Quattrone, Vice President-Underwriting*  
American Nuclear Insurers

Effective Date of this Endorsement January 1, 1989 To form a part of Policy No. NF-307  
12:01 A. M. Standard time

Issued to See Endorsement No. 1

Date of Issue March 13, 1989 For the Subscribing Companies,  
By *James A. Russo*  
President

Endorsement No. 21 Countersigned by *James A. Russo*

Nuclear Energy Liability Insurance  
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

INCREASE OF LIMIT OF LIABILITY ENDORSEMENT  
(After Prior Increase)

It is agreed that:

1. The limit of the companies' liability stated in Item 4 of the declarations as amended by the Increase of Limit of Liability Endorsement(s) listed below is further amended to read \$ 155,000,000.00; but in the event that any payments have heretofore been made by the companies for loss or expense covered by the policy, each of those limits of liability including the limit of liability as amended by this endorsement is reduced in accordance with Condition 3 of the policy by the total amount of those payments, except to the extent that any such reduced limit of liability may have been previously restored in accordance with a Restoration of Limit of Liability Endorsement.
2. The increase in the limit of liability provided by this endorsement applies only with respect to obligations assumed or expenses incurred because of bodily injury or property damage caused, during the period from the effective date of this endorsement to the date of termination of the policy, by the nuclear energy hazard.
3. The original limit of liability stated in Item 4 of the declarations, the limit(s) of liability stated in the Increase of Limit of Liability Endorsement(s) listed below and the amended limit of liability stated in paragraph 1 above shall not be cumulative; and each payment made by the companies after the effective date of this endorsement for any loss or expense covered by the policy shall reduce by the amount of such payment each of those limits of liability, regardless of which limit of liability applies with respect to the bodily injury or property damage out of which such loss or expense arises.

Previous Increase of Limit of Liability Endorsement(s)

Endorsement No. (s) 11

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

John B. Smith, Vice President Underwriting  
American Nuclear Insurance

Effective Date of  
this Endorsement

July 1, 1989

12:01 A.M. Standard Time

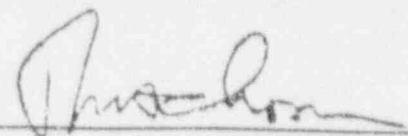
To form a part of Policy No NF-307

Issued to See Endorsement No. 1

Date of Issue July 19, 1989

For the subscribing companies

By



PRESIDENT

Endorsement No 22

Countersigned by

Nuclear Energy Liability Insurance  
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

ATTACHMENT 1  
ST-HL-AE-3826  
118 OF 171

ADVANCE PREMIUM AND STANDARD PREMIUM ENDORSEMENT

CALENDAR YEAR 1989

It is agreed that Items 1 and 2 of Endorsement No. 20  
are amended to read:

1. ADVANCE PREMIUM: It is agreed that the Advance  
Premium due the companies for the period designated above  
is: \$ 744,972.00.

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 Credit Rating  
Plan, the Standard Premium is said Advance Premium and the  
Reserve Premium is: \$ 563,854.00.

Additional Premium is: \$ 29,295.00.

This is to certify that this is a true copy of the original  
Endorsement having the endorsement number and being made part  
of the Nuclear Energy Liability Policy (Facility Form) as des-  
ignated hereon. No Insurance is afforded hereunder.

  
John E. Quattrocchi, Vice President-Underwriting  
American Nuclear Insurers

Effective Date of  
this Endorsement January 1, 1989 To form a part of Policy No NF-307  
12:01 A.M. Standard Time

Issued to See Endorsement No. 1

Date of Issue July 19, 1989 For the Subscribing Companies  
By 

PRESIDENT

Endorsement No 23 Countersigned by 

NE-36

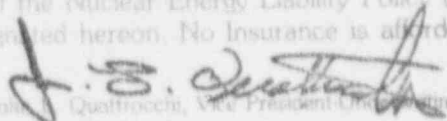


Nuclear Energy Liability Insurance  
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

ADVANCE PREMIUM AND STANDARD PREMIUM ENDORSEMENT  
CALENDAR YEAR 1990

1. ADVANCE PREMIUM: It is agreed that the Advance Premium due the companies for the period designated above is:  
  
\$ 792,986.00
  
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 Credit Rating Plan, the Standard Premium is said Advance Premium and the Reserve Premium is:  
  
\$ 600,344.00

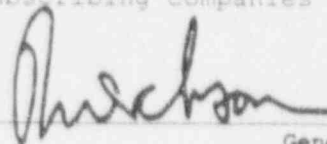
This is to certify that this is a true copy of the original Endorsement having the endorsement number and being made part of the Nuclear Energy Liability Policy (Facility Form) as designated hereon. No Insurance is afforded hereunder.

  
John Quattrocchi, Vice President/Underwriting  
American Nuclear Insurers

Effective Date of this Endorsement January 1, 1990 To form a part of Policy No. NF-307  
12:01 A.M. Standard Time  
Issued to See Endorsement No. 1  
Date of Issue December 15, 1989

For the Subscribing Companies

By



General Manager

Countersigned by

Authorized Representative

Endorsement No. 24

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

WAIVER OF DEFENSES ENDORSEMENT  
(Extraordinary Nuclear Occurrence)

Effective August 20, 1988, the named insured, acting for himself and every other insured under the policy, and the members of Nuclear Energy Liability Insurance Association agree as follows:

1. With respect to any extraordinary nuclear occurrence to which the policy applies as proof of financial protection and which
  - (a) arises out of or results from or occurs in the course of the construction, possession, or operation of the facility, or
  - (b) arises out of or results from or occurs in the course of the transportation of nuclear material to or from the facility,

the insureds and the companies agree to waive

- (1) any issue or defense as to the conduct of the claimant or the fault of the insureds, including but not limited to:
  - (i) negligence,
  - (ii) contributory negligence,
  - (iii) assumption of risk, and
  - (iv) unforeseeable intervening causes, whether involving the conduct of a third person, or an act of God,
- (2) any issue or defense as to charitable or governmental immunity, and
- (3) any issue or defense based on any statute of limitations if suit is instituted within three years from the date on which the claimant first knew, or reasonably could have known, of his bodily injury or property damage and the cause thereof.

The waiver of any such issue or defense shall be effective regardless of whether such issue or defense may otherwise be deemed jurisdictional or relating to an element in the cause of action.

2. The waivers set forth in paragraph 1. above do not apply to

- (a) bodily injury or property damage which is intentionally sustained by the claimant or which results from a nuclear incident intentionally and wrongfully caused by the claimant;
  - (b) bodily injury sustained by any claimant who is employed at the site of and in connection with the activity where the extraordinary nuclear occurrence takes place if benefits therefor are either payable or required to be provided under any workmen's compensation or occupational disease law;
  - (c) any claim for punitive or exemplary damages, provided, with respect to any claim for wrongful death under any State law which provides for damages only punitive in nature, this exclusion does not apply to the extent that the claimant has sustained actual damages, measured by the pecuniary injuries resulting from such death but not to exceed the maximum amount otherwise recoverable under law.
3. The waivers set forth in paragraph 1. above shall be effective only with respect to bodily injury or property damage to which the policy applies under its terms other than this endorsement; provided, however, that with respect to bodily injury or property damage resulting from an extraordinary nuclear occurrence, Insuring Agreement IV, "Application of Policy", shall not operate to bar coverage for bodily injury or property damage (a) which is caused during the policy period by the nuclear energy hazard and (b) which is discovered and for which written claim is made against the insured not later than twenty (20) years after the date of the extraordinary nuclear occurrence.

Such waivers shall not apply to, or prejudice the prosecution or defense of any claim or portion of claim which is not within the protection afforded under

- (a) the provisions of the policy applicable to the financial protection required of the named insured;
- (b) the agreement of indemnification between the named insured and the Nuclear Regulatory Commission made pursuant to Section 170 of the Atomic Energy Act of 1954 as amended; and
- (c) the limit of liability provisions of Subsection 170e. of the Atomic Energy Act of 1954, as amended.

Such waivers shall not preclude a defense based upon the failure of the claimant to take reasonable steps to mitigate damages.

4. Subject to all of the limitations stated in this endorsement and in the Atomic Energy Act of 1954, as amended, the waivers set forth in paragraph 1. above shall be judicially enforceable in accordance with their terms against any insured in an action to recover damages because

of bodily injury or property damage to which the policy applies as proof of financial protection.

5. As used herein:

"extraordinary nuclear occurrence" means an event which the Nuclear Regulatory Commission has determined to be an extraordinary nuclear occurrence as defined in the Atomic Energy Act of 1954, as amended.

"financial protection" and "nuclear incident" have the meanings given them in the Atomic Energy Act of 1954, as amended.

"claimant" means the person or organization actually sustaining the bodily injury or property damage and also includes his assignees, legal representatives and other persons or organizations entitled to bring an action for damages on account of such injury or damage.

This is to certify that this is a true copy of the original Endorsement having the endorsement number and being made part of the Nuclear Energy Liability Policy (Endorsement Form) as designated herein. No Insurance is afforded hereunder.

*J. S. C...*  
John L. C... Vice President-Underwriting  
American Nuclear Insurers

Effective Date of this Endorsement August 20, 1988 To form a part of Policy No. NF-307  
12:01 A.M. Standard time

Issued to See Endorsement No. 1

Date of issue February 16, 1990 For the Subscribing Companies  
By *[Signature]*  
President

Endorsement No. 25 Countersigned by \_\_\_\_\_

Nuclear Energy Liability Insurance  
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

SUPPLEMENTARY ENDORSEMENT  
WAIVER OF DEFENSES  
REACTOR CONSTRUCTION AT THE FACILITY

Effective August 20, 1988, it is agreed that in construing the application of paragraph 2(b) of the WAIVER OF DEFENSES ENDORSEMENT NE-33b with respect to an extraordinary nuclear occurrence occurring at the facility, a claimant who is employed at the facility in connection with the construction of a nuclear reactor with respect to which no operating license has been issued by the Nuclear Regulatory Commission shall not be considered as employed in connection with the activity where the extraordinary nuclear occurrence takes place if:

- (1) the claimant is employed exclusively in connection with the construction of a nuclear reactor, including all related equipment and installations at the facility, and
- (2) no operating license has been issued by the Nuclear Regulatory Commission with respect to the nuclear reactor, and
- (3) the claimant is not employed in connection with the possession, storage, use or transfer of nuclear material at the facility.

This is to certify that this is a true copy of the original Endorsement having the endorsement number and being made part of the Nuclear Energy Liability Policy (Facility Form) as designated herein. No Insurance is afforded hereunder.

*J. E. DeLoach*  
John L. DeLoach, Vice President-Underwriting  
American Nuclear Insurers

Effective Date of  
this Endorsement August 20, 1988  
12:01 A. M. Standard time

To form a part of Policy No. NF-307

Issued to See Endorsement No. 1

Date of Issue February 16, 1990

For the Subscribing Companies,

by *[Signature]*  
President

Endorsement No. 26

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



Nuclear Energy Liability Insurance  
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

Restriction of Companies Obligation to Defend,  
Investigate, Negotiate or Settle Any Claim or Suit  
(Section 170 O. of the Atomic Energy  
Act of 1954, as amended)

Effective August 20, 1988, it is agreed that whenever, pursuant to subsection 170 O. of the Atomic Energy Act of 1954, as amended, an appropriate U.S. District Court determines that liability from a single nuclear incident may exceed the limit of liability under the applicable limit of liability under subsection 170 e.(1) (A), (B) and (C) of the Atomic Energy Act of 1954, as amended, the companies obligations under Insuring Agreement I, to defend, investigate, negotiate or settle any claim or suit under the policy do not include any obligation that would necessitate or result in the companies incurring legal costs, including costs of initiating, prosecuting, investigating, settling, or defending claims or suits, which are not authorized for payment by a court pursuant to such subsection 170 O.

This is to certify that this is a true copy of the original  
Endorsement having the endorsement number and being made part  
of the Nuclear Energy Liability Policy (Facility Form) as des-  
ignated hereon. No insurance is afforded hereunder.

*J. S. Gentry*  
John L. Gentry, Vice President Underwriting  
American Nuclear Insurers

Effective Date of  
this Endorsement August 20, 1988 To form a part of Policy No. NF-307  
12:01 A.M. Standard time

Issued to See Endorsement No. 1

Date of issue February 16, 1990 For the Subscribing Companies

By *[Signature]*  
PRESIDENT

Endorsement No. 27 Countersigned by \_\_\_\_\_



## Nuclear Energy Liability Insurance

# NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

### WAIVER OF DEFENSES ENDORSEMENT (Extraordinary Nuclear Occurrence)

The named insured, acting for himself and every other insured under the policy, and the members of Nuclear Energy Liability Insurance Association agree as follows:

1. With respect to any extraordinary nuclear occurrence to which the policy applies as proof of financial protection and which
  - (a) arises out of or results from or occurs in the course of the construction, possession, or operation of the facility, or
  - (b) arises out of or results from or occurs in the course of the transportation of nuclear material to or from the facility,

the insureds and the companies agree to waive

- (1) any issue or defense as to the conduct of the claimant or the fault of the insureds, including but not limited to:
  - (i) negligence,
  - (ii) contributory negligence,
  - (iii) assumption of risk, and
  - (iv) unforeseeable intervening causes, whether involving the conduct of a third person, or an act of God,
- (2) any issue or defense as to charitable or governmental immunity, and
- (3) any issue or defense based on any statute of limitations if suit is instituted within three years from the date on which the claimant first knew, or reasonably could have known, of his bodily injury or property damage and the cause thereof.

The waiver of any such issue or defense shall be effective regardless of whether such issue or defense may otherwise be deemed jurisdictional or relating to an element in the cause of action.

2. The waivers set forth in paragraph 1. above do not apply to
  - (a) bodily injury, property damage or environmental damage which is intentionally sustained by the claimant or which results from a nuclear incident intentionally and wrongfully caused by the claimant;

- (b) bodily injury sustained by any claimant who is employed at the site of and in connection with the activity where the extraordinary nuclear occurrence takes place if benefits therefor are either payable or required to be provided under any workmen's compensation or occupational disease law;
  - (c) any claim for punitive or exemplary damages, provided, with respect to any claim for wrongful death under any State law which provides for damages only punitive in nature, this exclusion does not apply to the extent that the claimant has sustained actual damages, measured by the pecuniary injuries resulting from such death but not to exceed the maximum amount otherwise recoverable under law.
3. The waivers set forth in paragraph 1. above shall be effective only with respect to bodily injury, property damage or environmental damage to which the policy applies under its terms other than this endorsement; provided, however, that with respect to bodily injury, property damage or environmental damage resulting from an extraordinary nuclear occurrence, the provisions of COVERAGES A and C of the policy providing coverage for bodily injury, property damage or environmental damage caused during the policy period by the nuclear energy hazard and which is discovered and for which written claim is made against the insured not later than ten (10) years after the end of the policy period shall not operate to bar coverage for bodily injury, property damage or environmental damage (a) which is caused during the policy period by the nuclear energy hazard and (b) which is discovered and for which written claim is made against the insured not later than twenty (20) years after the date of the extraordinary nuclear occurrence.

Such waivers shall not apply to, or prejudice the prosecution or defense of any claim or portion of claim which is not within the protection afforded under

- (a) the provisions of the policy applicable to the financial protection required of the named insured;
- (b) the agreement of indemnification between the named insured and the Nuclear Regulatory Commission made pursuant to Section 170 of the Atomic Energy Act of 1954, as amended; and
- (c) the limit of liability provisions of Subsection 170e. of the Atomic Energy Act of 1954, as amended.

Such waivers shall not preclude a defense based upon the failure of the claimant to take reasonable steps to mitigate damages.

Subject to all of the limitations stated in this endorsement and in the Atomic Energy Act of 1954, as amended, the waivers set forth in paragraph 1. above shall be judicially enforceable in accordance with their terms against any insured in an action to recover damages because of bodily injury, property damage or environmental damage to which the policy applies as proof of financial protection.

5. As used herein:

"extraordinary nuclear occurrence" means an event which the Nuclear Regulatory Commission has determined to be an extraordinary nuclear occurrence as defined in the Atomic Energy Act of 1954, as amended.

"Financial protection" and "nuclear incident" have the meanings given them in the Atomic Energy Act of 1954, as amended.

"claimant" means the person or organization actually sustaining the bodily injury, property damage or environmental damage and also includes his assignees, legal representatives and other persons or organizations entitled to bring an action for damages on account of such injury or damage.

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

*J. S. Scattolone*  
John L. Scattolone, Vice President-Underwriting  
American Nuclear Ins.

Effective Date of this Endorsement January 1, 1990 To form a part of Policy No. NF-307  
12:01 A. M. Standard time

Issued to See Endorsement No. 1

Date of Issue February 16, 1990

For the Subscribing Companies,

By *[Signature]*  
President

Endorsement No. 28

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

Nuclear Energy Liability Insurance  
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

SUPPLEMENTARY ENDORSEMENT  
WAIVER OF DEFENSES  
REACTOR CONSTRUCTION AT THE FACILITY

It is agreed that in construing the application of paragraph 2(b) of the WAIVER OF DEFENSES ENDORSEMENT NE-33c with respect to an extraordinary nuclear occurrence occurring at the facility, a claimant who is employed at the facility in connection with the construction of a nuclear reactor with respect to which no operating license has been issued by the Nuclear Regulatory Commission shall not be considered as employed in connection with the activity where the extraordinary nuclear occurrence takes place if:

- (1) the claimant is employed exclusively in connection with the construction of a nuclear reactor, including all related equipment and installations at the facility, and
- (2) no operating license has been issued by the Nuclear Regulatory Commission with respect to the nuclear reactor, and
- (3) the claimant is not employed in connection with the possession, storage, use or transfer of nuclear material at the facility.

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

*J. B. Santilli*  
John L. Santilli, Vice President-Underwriting  
American Nuclear Insurers

Effective Date of this Endorsement January 1, 1990 To form a part of Policy No. NF-307  
12:01 A. M. Standard time

Issued to See Endorsement No. 1

Date of Issue February 16, 1990 For the Subscribing Companies,  
By *[Signature]*  
President

Endorsement No. 29 Countersigned by \_\_\_\_\_



# Nuclear Energy Liability Insurance

## NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

### AMENDATORY ENDORSEMENT (Facility Form)

It is agreed that:

1. INSURING AGREEMENT I is replaced by the following:

#### I COVERAGE A - LIABILITY

To pay on behalf of the insured all sums which the insured shall become legally obligated to pay as covered damages because of bodily injury or property damage, or as covered environmental cleanup costs because of environmental damage. This Coverage applies only to bodily injury, property damage or environmental damage caused during the policy period by the nuclear energy hazard, and which is discovered and for which written claim is made against the insured, not later than ten (10) years after the end of the policy period.

The companies shall have the right and duty to defend any claim or suit against the insured alleging such injury or damage, and seeking damages or costs which are payable under the terms of this policy; but the companies may make such investigation, negotiation and settlement of the claim or suit as they deem expedient.

The companies' duty to defend shall be limited, as described in INSURING AGREEMENT IV, if the claim or suit also seeks any of the following, which in no event shall be construed as covered by this policy:

- (1) damages for on-site property damage;
- (2) recovery of on-site cleanup costs or any other cleanup costs except covered environmental cleanup costs;
- (3) performance of an insured's environmental protection obligations or on-site cleanup obligations; or
- (4) any other relief or recovery except payment of covered damages or covered environmental cleanup costs.

The companies' duty to defend claims or suits ends when the limit of their liability has been exhausted pursuant to CONDITION 3.

Subject to INSURING AGREEMENT IV, the companies shall pay, with respect to any claim or suit they defend, the costs incurred in the defense, including

- (1) costs taxed against the insured in any such suit and interest on any judgment therein;
- (2) premiums on appeal bonds and bonds to release attachments in any such suit, but without obligation to apply for or furnish such bonds;

- (3) reasonable expenses, other than loss of earnings, incurred by the insured at the companies' request.

**COVERAGE B - DAMAGE TO PROPERTY OF AN INSURED AWAY FROM THE FACILITY**

With respect to property damage caused during the policy period by the nuclear energy hazard to the property of an insured which is away from the facility, to pay to such insured those sums which such insured would have been legally obligated to pay as covered damages therefor, had such property belonged to another.

**COVERAGE C - SUBROGATION - OFFSITE EMPLOYEES**

With respect to bodily injury caused during the policy period by the nuclear energy hazard to any employee of an insured, and which is discovered and for which written claim is made against the insured, not later than ten (10) years after the end of the policy period, to pay to the workmen's compensation carrier of such insured as follows:

All sums which such carrier would have been entitled to recover and retain as damages from another person or organization, had such person or organization alone been legally responsible for such bodily injury, by reason of the rights acquired by subrogation by the payment of the benefits required of such carrier under the applicable workmen's compensation or occupational disease law. An employer who is a duly qualified self-insurer under such law shall be deemed to be a workmen's compensation carrier within the meaning of this Coverage.

This Coverage does not apply to bodily injury to any person who is employed at and in connection with the facility; nor shall it constitute workmen's compensation insurance as required under the laws of any state.

2. INSURING AGREEMENT II is replaced by the following:

**II DEFINITION OF INSURED**

The unqualified word "insured" includes (a) the named insured and (b) any other person or organization with respect to his legal responsibility for covered damages or covered environmental cleanup costs because of bodily injury, property damage or environmental damage caused by the nuclear energy hazard.

Subdivision (b) above does not include as an insured the United States of America or any of its agencies, except the Tennessee Valley Authority.

Subject to CONDITION 3 and the other provisions of this policy, the insurance applies separately to each insured against whom claim is made or suit is brought.



3. INSURING AGREEMENT III is replaced by the following:

III DEFINITIONS      Wherever used in this policy:

"bodily injury" means bodily injury, sickness or disease, including death resulting therefrom, sustained by any person.

"covered damages" means damages because of bodily injury or property damage to which this policy applies; but covered damages do not include environmental cleanup costs or on-site cleanup costs.

"covered environmental cleanup costs" means only those environmental cleanup costs which are incurred directly for monitoring, testing for, cleaning up, neutralizing or containing environmental damage as the result of an extraordinary nuclear occurrence or a transportation incident; but covered environmental cleanup costs do not include on-site cleanup costs.

"disposal site" means any structure, basin, excavation, premises or place prepared as a dump or site for the disposal of waste materials of a general nature, but which may also be used for the disposal of waste materials containing small amounts of nuclear material.

"environment" includes land, the atmosphere, and all watercourses, bodies of water and natural resources, whether on, above or below the surface of the ground.

"environmental cleanup costs" include all loss, cost or expense arising out of any governmental decree, order or directive (other than an award of covered damages in an action at law) requiring or requesting a person or organization to undertake or pay for monitoring, testing for, cleaning up, neutralizing or containing contamination of the environment, whether the contamination is on, above or below the surface of the ground.

"environmental damage" means contamination of the environment by nuclear material.

"environmental protection obligations" include all obligations of any person or organization

- (1) relating to the protection of the environment from contamination or imminent danger of contamination, and
- (2) imposed by any governmental laws, regulations or ordinances.

"extraordinary nuclear occurrence" means an event which the United States Nuclear Regulatory Commission has determined to be an extraordinary nuclear occurrence as

defined in the Atomic Energy Act of 1954, or in any law amendatory thereof.

"governmental" refers to federal, state and local governments and authorities, including courts, agencies and political subdivisions thereof.

"indemnified nuclear facility" means

- (1) "the facility" as defined in any Nuclear Energy Liability Policy (Facility Form) issued by Nuclear Energy Liability Insurance Association or Mutual Atomic Energy Liability Underwriters, or
- (2) any other nuclear facility.

if financial protection is required pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, with respect to any activities or operations conducted thereat.

"insured shipment" means a shipment of source material, special nuclear material, spent fuel, waste, or tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its source material content, herein called "material."

- (1) to the facility from any location except an indemnified nuclear facility, but only if the transportation of the material is not by predetermination to be interrupted by removal of the material from a transporting conveyance for any purpose other than the continuation of its transportation, or
- (2) from the facility to any other location, but only until the material is removed from a transporting conveyance for any purpose other than the continuation of its transportation.

"nuclear energy hazard" means the radioactive, toxic, explosive or other hazardous properties of nuclear material, but only if

- (1) the nuclear material is at the facility or has been discharged or dispersed therefrom without intent to relinquish possession or custody thereof to any other person or organization, or
- (2) the nuclear material is in an insured shipment which is away from any other nuclear facility and is in the course of transportation, including handling and temporary storage incidental thereto, within
  - (a) the territorial limits of the United States of America, its territories or possessions, or Puerto Rico; or
  - (b) international waters or airspace, provided that the nuclear material is in the course of transportation between two points located within

the territorial limits described in (a) above and there is no deviation in the course of the transportation for the purpose of going to any other country, state or nation, except for the purpose of going to or returning from a port or place of refuge as the result of an emergency.

"nuclear facility" means "the facility" as defined in any Nuclear Energy Liability Policy (Facility Form) issued by Nuclear Energy Liability Insurance Association or Mutual Atomic Energy Liability Underwriters. The term "nuclear facility" also means

- (1) any nuclear reactor,
- (2) any equipment or device designed or used for
  - (a) separating the isotopes of uranium or plutonium,
  - (b) processing or utilizing spent fuel, or
  - (c) handling, processing or packaging waste
- (3) any equipment or device used for the processing, fabricating or alloying of special nuclear material if at any time the total amount of such material in the custody of the insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235,
- (4) any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste,

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

"nuclear material" means source material, special nuclear material or byproduct material.

"nuclear reactor" means any apparatus designed or used to sustain nuclear fission or a self-sustaining chain reaction or to contain a critical mass of fissionable material.

"on-site cleanup costs" include all loss, cost or expense arising out of on-site cleanup obligations.

"on-site cleanup obligations" include all obligations of any person or organization, imposed by common law or otherwise, to undertake or pay for monitoring, testing for, cleaning up, neutralizing or containing contamination by nuclear material at the facility, whether the material is on, above or below the surface of the ground.

"on-site property damage" includes all property damage to any property at the facility, whether the property is on, above or below the surface of the ground, other than aircraft, watercraft or vehicles licensed for highway use.

provided such aircraft, watercraft or vehicles are not used in connection with the operation of the facility.

"property damage" means physical injury to or destruction or radioactive contamination of property, and loss of use of property so injured, destroyed or contaminated, and loss of use of property while evacuated or withdrawn from use because possibly so contaminated or because of imminent danger of contamination.

"source material," "special nuclear material," and "byproduct material" have the meanings given them in the Atomic Energy Act of 1954, or in any law amendatory thereof.

"spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in any nuclear reactor.

"the facility" means the facility described in the declarations and includes the location designated in Item 3 of the declarations and all property and operations at such location.

"transportation incident" means a discharge or dispersal of nuclear material from an insured shipment caused by collision or upset of the transporting conveyance, or an accident that breaks open, punctures or ruptures the shipping containers or containment thereon; but only if both the discharge or dispersal and the collision, upset or accident take place away from any nuclear facility and away from any disposal site, and both occur in the course of the transportation, including handling and temporary storage incidental thereto.

"waste" means any waste material

- (1) containing byproduct material and
- (2) resulting from the operation by any person or organization of any nuclear facility included within the definition of nuclear facility under paragraph (1) or (2) thereof.

4. INSURING AGREEMENT IV is replaced by the following and INSURING AGREEMENT IV-A added by the "Amendment of Coverage Endorsement for Workers Claims (Facility Form)" continues to apply:

#### IV LIMITED DEFENSE OF PARTIALLY COVERED CLAIMS OR SUITS

The following provisions apply with respect to any partially covered claim or suit for which the companies' duty to defend has been limited by INSURING AGREEMENT I:

- (1) The companies will defend the claim or suit unless the companies and the first named insured mutually agree on a different defense arrangement. By making



such a defense, the companies shall not be considered as having waived their rights under this policy to deny payment or reimbursement of the items not covered.

- (2) As soon as practicable, the first named insured, acting on behalf of all insureds, and the companies shall endeavor to reach an equitable arrangement for handling the defense and sharing the costs thereof.
  - (3) The companies' share of defense costs shall not exceed the portion of the total defense costs that represents the costs which would be reasonably and necessarily incurred in the defense of the claim or suit in the absence of any claim or demand for the items not covered.
  - (4) The companies shall have a right to contribution from the first named insured for all defense costs as they are incurred in excess of the amount of the companies' share, including reimbursement by the first named insured of all such excess costs paid by the companies.
  - (5) If the companies and the first named insured cannot agree on the companies' share of defense costs, the dispute shall be submitted, as a condition precedent to any right of recovery on this policy, to arbitration for a final and binding resolution, as provided in Condition 19.
5. In EXCLUSIONS (d) and (e), and in all endorsements to this policy relating thereto, the words "bodily injury or property damage" are replaced by "bodily injury, property damage or environmental damage."
6. EXCLUSION (f) is replaced by the following exclusion:  
[This policy does not apply:]  
(f) to on-site property damage:
7. In CONDITION 3, and in all endorsements to this policy modifying the dollar amount of the limit of liability stated in Item 4 of the declarations, the words "bodily injury or property damage" are replaced by "bodily injury, property damage or environmental damage."
8. In CONDITION 4, and in all endorsements to this policy modifying the dollar amount of the total aggregate liability of the companies with respect to a common occurrence:
- (a) the words "bodily injury or property damage" are replaced by "bodily injury, property damage or environmental damage"; and
  - (b) the words "bodily injury and property damage" are replaced by "bodily injury, property damage and environmental damage."

9. In CONDITIONS 5, 11, 15 and 18, and in all endorsements to this policy relating thereto, the words "bodily injury or property damage" are replaced by "bodily injury, property damage or environmental damage."
10. CONDITION 19, DECLARATIONS, is renumbered CONDITION 20.
11. The following CONDITION is added to the policy:

19 ARBITRATION OF DISPUTES RELATING TO THE APPLICATION OF INSURING AGREEMENT IV

All such disputes subject to paragraph (5) of INSURING AGREEMENT IV shall be submitted to a Board of Arbitration (the "Board") for a final and binding resolution of the dispute.

There shall be two parties to the arbitration: the first named insured, acting on behalf of all insureds as their duly authorized representative, and Nuclear Energy Liability Insurance Association, acting on behalf of the companies as their duly authorized representative.

Except to the extent the parties mutually agree otherwise, the following principles will apply:

- (a) The arbitration will take place in New York, New York, and will be governed by the laws of the State of New York.
- (b) Either party may begin the process of arbitration by giving notice to the other party in writing of its intention to do so and the name of the arbitrator that it has appointed.
- (c) The other party shall then appoint in writing an arbitrator, and the arbitrators shall appoint in writing an umpire before they begin the arbitration. The umpire shall act as chairman of the Board.
- (d) If a party fails to name its arbitrator within thirty (30) days of the other party's written request that it do so, the requesting party may appoint an arbitrator for the party in default.
- (e) If the two arbitrators fail to agree on the selection of an umpire within thirty (30) days after they have both been appointed, each of them shall name two, of whom the other shall decline one. The choice shall be made by drawing lots.
- (f) The arbitrators and umpire shall be executive officers or former executive officers of insurance companies licensed to do business in the United States or of organizations designated as the first named insured under a Nuclear Energy Liability Policy issued by Nuclear Energy Liability Insurance Association or Mutual Atomic Energy Liability Underwriters; provided that the current employees of the following shall not be eligible for service without the consent of both parties:



- (1) any party or likely party to the underlying claim or suit;
  - (2) American Nuclear Insurers, MAERP Reinsurance Association or their members; or
  - (3) any other insurer or reinsurer which has casualty insurance or reinsurance in force on any of the foregoing which may be materially affected by the Board's decision.
- (g) Within thirty (30) days after the appointment of the umpire, each party shall submit its case in writing to the Board.
- (h) The Board shall determine its rules of procedure, and the nature and extent of any discovery, testimony, examination or cross-examination of witnesses and oral argument permitted. The decision of any two members of the Board shall be final and binding on all parties. All discovery, submissions of evidence, hearing of witnesses and argument shall be completed within sixty (60) days of the appointment of the umpire, provided the Board may grant one extension of thirty (30) days.
- (i) The arbitrators and the umpire are not to be bound by any strict rules of legal procedure, evidence or legal precedents. They shall, however, be governed by the terms of this policy, and shall have no power to add to or change its provisions. Subject to this admonition, they shall interpret the relevant provisions of this policy as an honorable business agreement, and shall be entitled to decide, in accordance with such provisions together with the other materials submitted to them, what they think is the fair and right thing to be done between the parties from a business point of view, without favoring the interest of either party.
- (j) The Board shall make its award in writing within thirty (30) days after the close of the period, including any extension granted, described in paragraph (h) above.
- (k) If the Board fails to make an award within the time prescribed by paragraph (j) above, then unless an extension is agreed to by the parties, a new arbitration shall be commenced and completed in accordance with the procedure set out in paragraphs (a) through (j) above.
- (l) The award of the Board signed by any two members shall be final, not subject to appeal and binding on all parties, including all insurers subscribing the policy and all insureds thereunder. The award shall be treated as a matter involving interstate commerce, and may be filed or confirmed in any court of competent jurisdiction, state or federal, and judgment thereon entered and enforced, in accordance with the law and practice of the forum.

- (m) Unless the Board decides otherwise, each party shall pay the expenses of the arbitrator appointed by or for it and one half of the other costs of arbitration.
- (n) If an arbitrator or umpire is unable or unwilling to act, a new arbitrator or umpire, as the case may be, shall be appointed to act in his or her place, in accordance with the provisions set forth above.
- (o) All materials relevant to the arbitration shall be submitted to the Board in triplicate and the filing party shall send simultaneously a copy thereof to the opposing party.

12. This endorsement applies to all claims for damages, costs, expenses or other relief or recovery for which coverage is sought under this policy, and which are first made in writing against any insured on or after the effective date of this endorsement stated below.

This is to certify that this is a true copy of the original Endorsement having the endorsement number and being made part of the Nuclear Energy Liability Policy (Facility Form) as designated herein. No Insurance is afforded hereunder.

*J. E. Quattrone*  
John L. Quattrone, Vice President Underwriting  
American Nuclear Insurers

10

Effective Date of this Endorsement January 1, 1990 To form a part of Policy No NF-307  
12:01 A.M. Standard Time

Issued to See Endorsement No. 1

Date of Issue February 16, 1990 For the subscribing companies  
By *[Signature]*  
PRESIDENT

Endorsement No 30 Countersigned by \_\_\_\_\_

# Nuclear Energy Liability Insurance

## NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

CHANGES IN SUBSCRIBING COMPANIES AND IN THEIR PROPORTIONATE LIABILITY ENDORSEMENT  
CALENDAR YEAR 1990

1. It is agreed that with respect to bodily injury, property damage or environmental 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 below.
  - b. The policy shall be binding on such companies only.
  - c. Each such company shall be liable for its proportion of any obligation assumed or expense incurred under the policy because of such bodily injury, property damage or environmental damage as designated below.
2. 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 31, 1990, 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 endorsement number and being made part of the Nuclear Energy Liability Policy (Facility Form) designated herein. No insurance is afforded hereunder.

John L. Quigley, Vice President Underwriting  
American Nuclear Insurers

Aetna Casualty & Surety Co.	12.917337%
Allianz Insurance Company	1.515634%
Allstate Insurance Company	5.535510%
American Home Assurance Co.	0.692369%
Continental Casualty Company	5.341750%
Continental Insurance Company	10.333870%
Federal Insurance Company	2.755699%
General Ins. Co. of America	1.722312%
Hanover Insurance Company	0.595059%
Hartford Fire Insurance Co.	10.333870%
Highlands Insurance Company	0.344462%
Home Indemnity Company	1.614667%
Ins. Co. of North America	7.750403%
Motors Insurance Corporation	0.430578%
Ohio Casualty Insurance Co.	0.172231%
Providence Washington Ins. Co.	0.193760%
Reliance Insurance Company	0.516694%
Royal Ins. Co. of America	3.616855%
St. Paul Fire & Marine Ins. Co.	5.991922%
State Farm Fire & Casualty Co.	0.861156%
Tokio Marine & Fire Ins. Co.	0.516694%
Transamerica Insurance Co.	0.861156%
Travelers Indemnity Company	12.856195%
U. S. Fire Insurance Company	2.325121%
U.S. Fidelity & Guaranty Co.	8.611558%
Universal Underwriters Ins. Co.	0.172231%
Zurich Insurance Company	1.420907%
Total	100.000000%

NE-90

Effective Date of  
this Endorsement

January 1, 1990

12:01 A. M. Standard time

To form a part of Policy No. NF-307

Issued to See Endorsement No. 1

Date of Issue April 1, 1990

For the Subscribing Companies,

By

John L. Quigley  
President

Endorsement No. 31 Countersigned by

Nuclear Energy Liability Insurance  
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

ATTACHMENT/  
ST-HL-AE-3826  
PAGE 140 OF 171

ADVANCE PREMIUM AND STANDARD PREMIUM ENDORSEMENT

CALENDAR YEAR 1989

It is agreed that Items 1 and 2 of Endorsement No. 23  
are amended to read:

1. ADVANCE PREMIUM: It is agreed that the Advance  
Premium due the companies for the period designated above  
is: \$ 728,989.00.

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 Credit Rating  
Plan, the Standard Premium is said Advance Premium and the  
Reserve Premium is: \$ 551,707.00.

Return Premium: \$ 15,983.00

*I hereby certify that this is a true copy of the original  
Endorsement having the endorsement number and being made part  
of the Nuclear Energy Liability Policy (Facility Form) as des-  
ignated herein. No Insurance is afforded hereunder.*

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

Effective Date of  
this Endorsement January 1, 1989 To form a part of Policy No. NF-307  
12:01 A.M. Standard Time

Issued to See Endorsement No. 1

Date of Issue May 7, 1990

For the Subscribing Companies

By *From*  
PRESIDENT

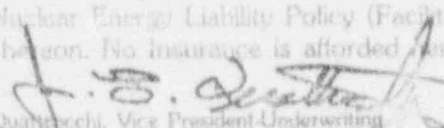
Endorsement No. 32

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

NUCLEAR ENERGY LIABILITY INSURANCE  
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION  
ADVANCE PREMIUM AND STANDARD PREMIUM ENDORSEMENT  
CALENDAR YEAR 1991

1. **ADVANCE PREMIUM:** It is agreed that the Advance Premium due the companies for the period designated above is: **\$625,239.00**
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 Credit Rating Plan, the Standard Premium is said Advance Premium and the Reserve Premium is: **\$472,857.00**

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

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

Effective Date of  
this Endorsement: January 1, 1991  
(12:01 A.M. Standard Time)

To form a part of Policy No. NF-0307

Issued to: See Endorsement No. 1

Date of Issue: December 11, 1990

For the subscribing companies

By

  
President

Endorsement No: 33

Countersigned by

  
HOWARD WARREN MARSH



NUCLEAR ENERGY LIABILITY INSURANCE  
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION  
ADVANCE PREMIUM AND STANDARD PREMIUM ENDORSEMENT

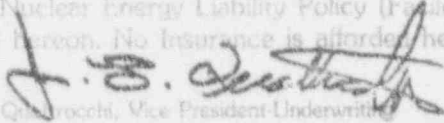
CALENDAR YEAR 1990

It is agreed that Items 1 and 2 of Endorsement No. 24 are amended to read:

1. **ADVANCE PREMIUM:** It is agreed that the Advance Premium due the companies for the period designated above is: \$729,241.00
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 Credit Rating Plan, the Standard Premium is said Advance Premium and the Reserve Premium is: \$551,898.00

RETURN PREMIUM: \$63,745.00

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

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

Effective Date of  
this Endorsement: January 1, 1990  
(12:01 A.M. Standard Time)

To form a part of Policy No. NF-0307

Issued to: See Endorsement No. 1

Date of Issue: January 16, 1991

For the subscribing companies

By

  
President

Endorsement No: 34

Countersigned by

  
HOWARD WARREN MARSH



# Nuclear Energy Liability Insurance

ATTACHMENT I  
ST-HL-AE-3826  
PAGE 143 OF 171

## NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

CHANGES IN SUBSCRIBING COMPANIES AND IN THEIR PROPORTIONATE LIABILITY ENDORSEMENT  
CALENDAR YEAR 1991

1. It is agreed that with respect to bodily injury, property damage or environmental 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 below.
  - b. The policy shall be binding on such companies only.
  - c. Each such company shall be liable for its proportion of any obligation assumed or expense incurred under the policy because of such bodily injury, property damage or environmental damage as designated below.
2. 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 31, 1991, or to the time of the termination or cancellation of the policy, if sooner.

Aetna Casualty & Surety Co.	12.360226%
Allianz Insurance Company	1.450267%
Allstate Insurance Company	5.296769%
American Home Assurance Co.	0.662508%
Continental Casualty Company	5.111366%
Continental Insurance Company	9.888181%
Federal Insurance Company	2.636848%
Gen. Accident Ins. Co. of Amer.	1.648030%
General Ins. Co. of America	1.648030%
Hanover Insurance Company	0.618011%
Hartford Fire Insurance Co.	9.888181%
Highlands Insurance Company	0.329606%
Home Indemnity Company	1.545028%
Ins. Company of North America	7.416136%
Maryland Casualty Company	2.801651%
Motors Insurance Corporation	0.412008%
Ohio Casualty Insurance Co.	0.164803%
Reliance Insurance Company	0.494409%
Royal Ins. Co. of America	3.460863%
St. Paul Fire & Marine Ins. Co.	5.733498%
State Farm Fire & Casualty Co.	0.824015%
Tokio Marine & Fire Ins. Co.	0.494409%
Transamerica Insurance Co.	0.824015%
Travelers Indemnity Company	12.301721%
U. S. Fidelity & Guaranty Co.	8.240151%
U. S. Fire Insurance Company	2.224842%
Universal Underwriters Ins. Co.	0.164803%
Zurich Insurance Company	1.359625%
Total	100.000000%

NE-91

Effective Date of  
this Endorsement

January 1, 1991

To form a part of Policy No.

NF-307

12:01 A. M. Standard time

Issued to See Endorsement No. 1

Date of Issue April 1, 1991

For the Subscribing Companies,

By

President

Endorsement No. 35 Countersigned by

This is to certify that this is a true copy of the original Endorsement having the endorsement number and being made part of the Nuclear Energy Liability Policy (Facility Form) as designated hereon. No insurance is afforded in excess of the amount insured hereon.

John L. Quattrochi, Vice President-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;

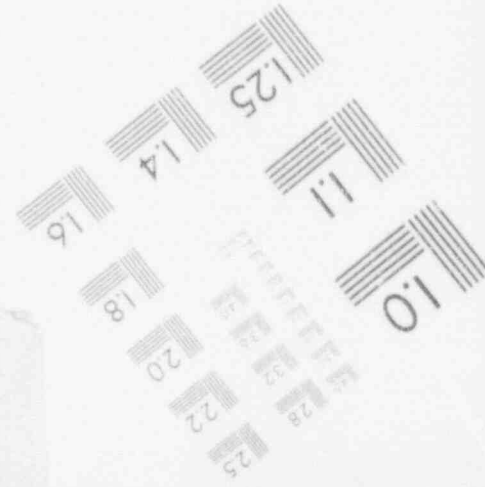
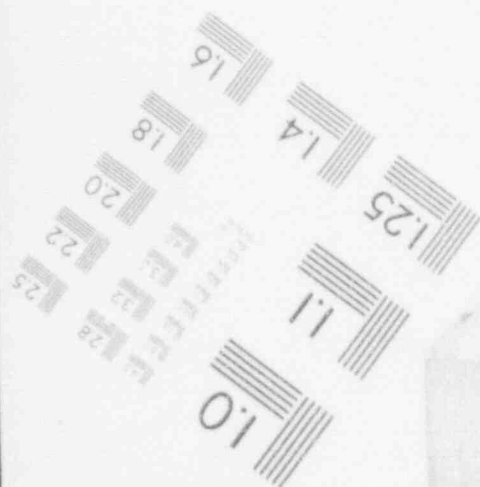
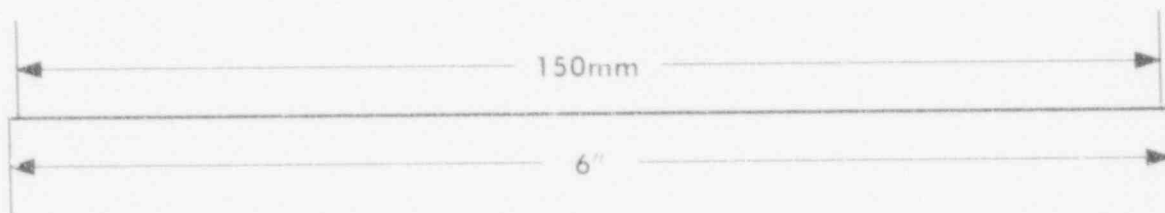
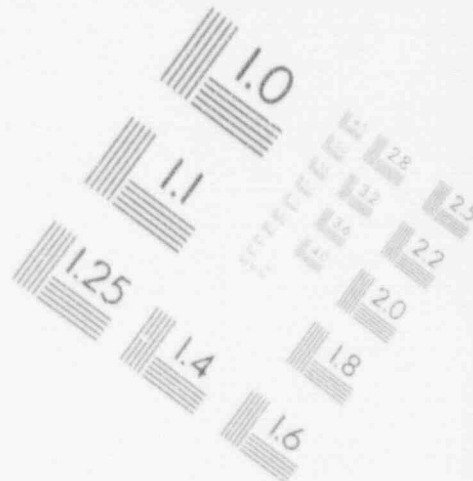
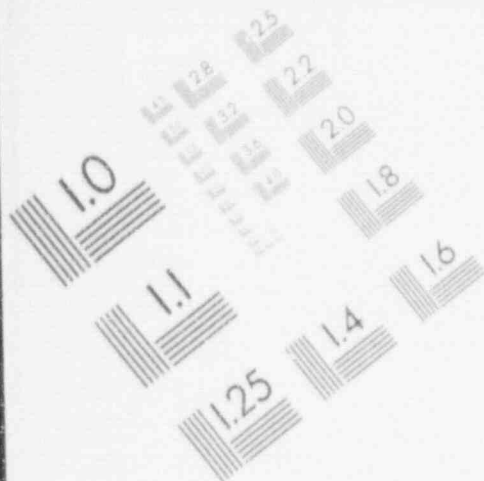
"reserve premium refund" means the portion of an industry reserve premium refund returnable to the Named Insureds under this Certificate.

## 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.

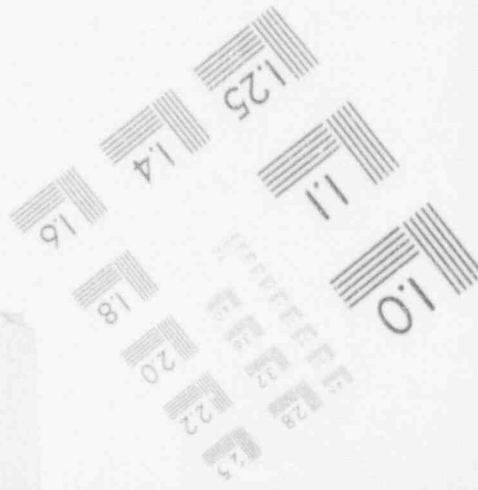
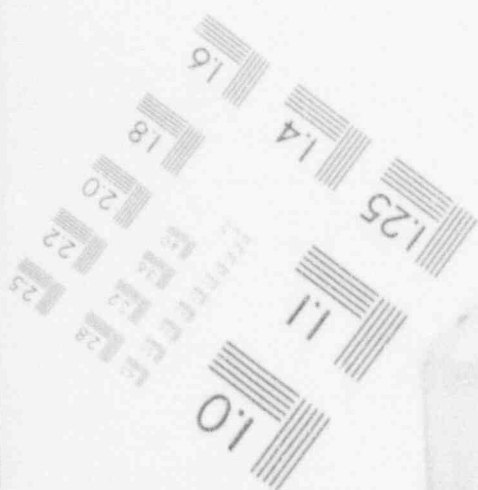
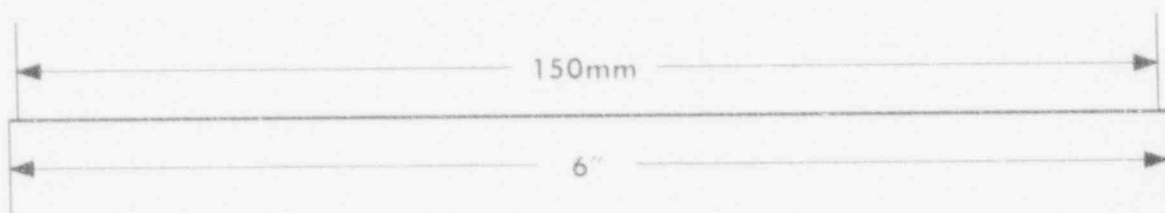
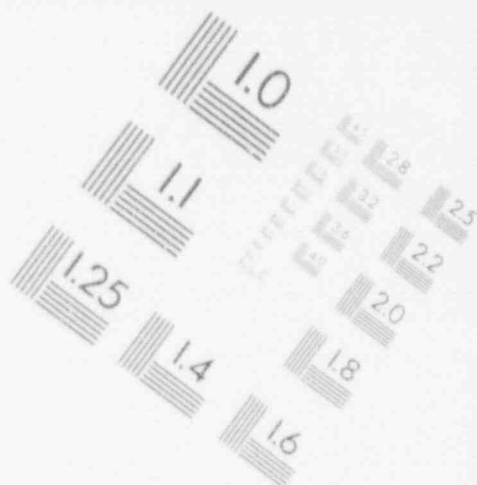
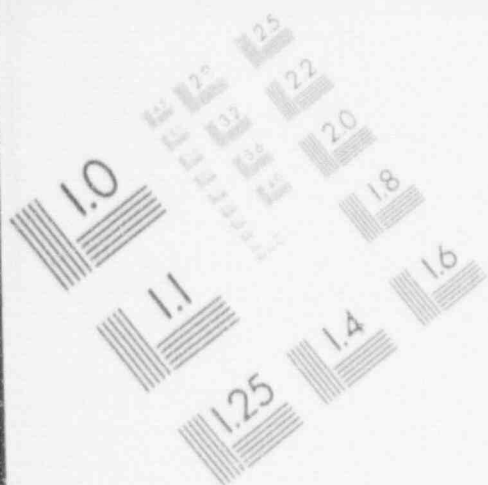
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## IMAGE EVALUATION TEST TARGET (MT-3)



1

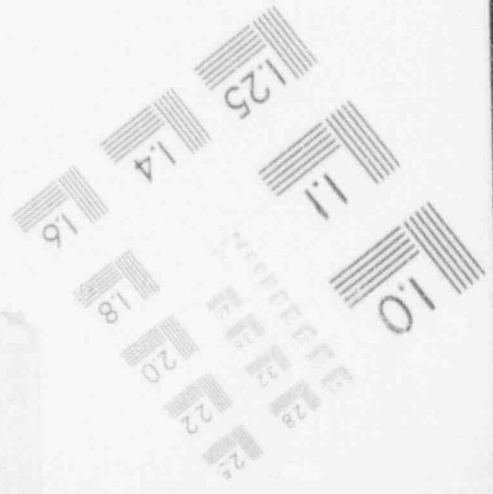
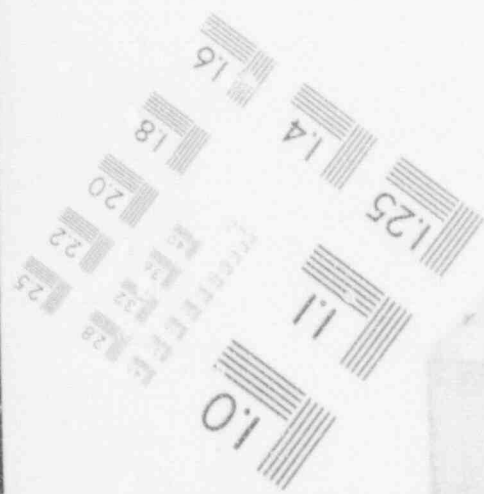
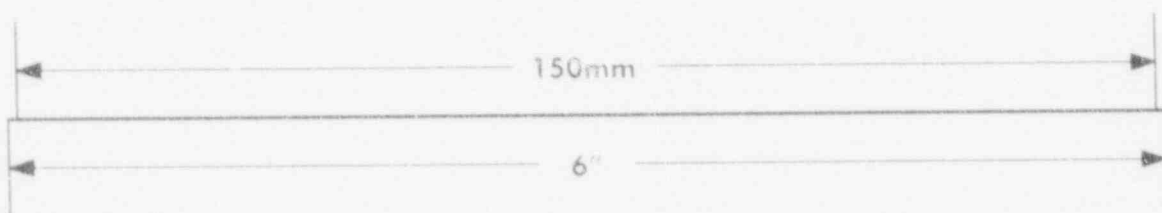
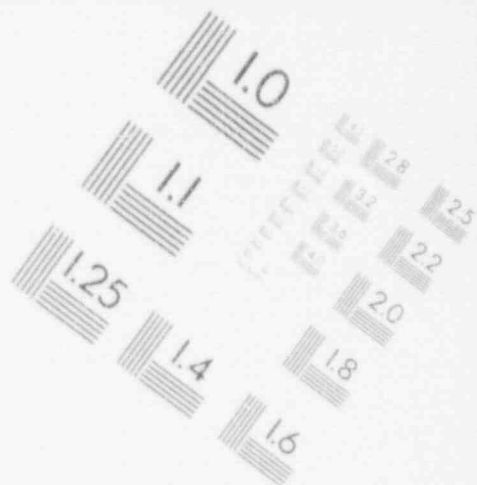
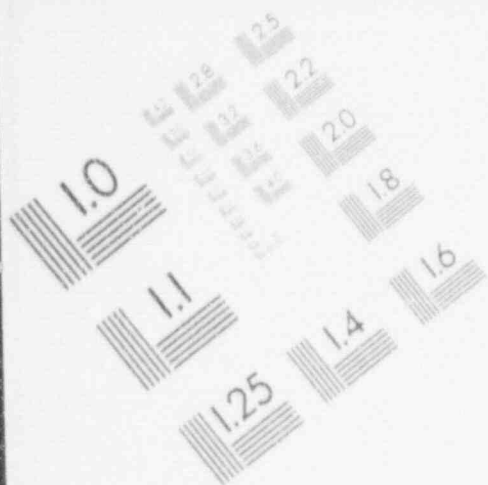
IMAGE EVALUATION  
TEST TARGET (MT-3)





1

IMAGE EVALUATION  
TEST TARGET (MT-3)





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.

HOUSTON LIGHTING &amp; POWER COMPANY

(First Named Insured - Print or Type)

Date Nov. 30, 1987 By

(Signature of Authorized Officer)

J. H. Goldberg, Group Vice President-Nuclear

(Print or Type Name and Title of Officer)

[illegible]

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

To form a part of  
of Certificate No. MW-100

Issued to See Endorsement No. 1

Date of Issue    October 19, 1987

For the Subscribing Companies

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

By

Countersigned by

Authorized Representative

Endorsement No. 1

ME-W-1 (1/1/88)



Nuclear Energy Liability Insurance  
MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

ATTACHMENT I  
ST-HL-AE-3826  
PAGE 50 OF 111

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:

\$ 4,837.00

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:

\$ 3,870.00

This is to certify that this is a true copy of the original Endorsement having the endorsement number and being a part of the Certificate of Insurance bearing the number designated herein 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, Underwriting  
American Nuclear Insurers

Effective Date of this Endorsement February 1, 1988 To form a part of Certificate No. MW-100  
12:01 A.M. Standard Time

Issued to Houston Lighting & Power Company, et al

Date of Issue April 6, 1988

For the Subscribing Companies

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

By

Countersigned by

Endorsement No. 2

ATTACHMENT 1  
ST-HL-AE-3826  
PAGE 151 OF 171

Nuclear Energy Liability Insurance  
MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

CHANGES IN SUBSCRIBING COMPANIES AND IN THEIR PROPORTIONATE LIABILITY ENDORSEMENT  
CALENDAR YEAR 1988

1. 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 below.
  - b. The policy shall be binding on such companies only.
  - c. Each such company shall be liable for its proportion, as designated below, of any obligation assumed or expense incurred under the policy because of such bodily injury or property damage.
2. 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 effective date that another "Changes In Subscribing Companies And In Their Proportionate Liability Endorsement" changes the Companies and/or their proportions as listed in this endorsement, or to the time of the termination or cancellation of the policy, if sooner.

SUBSCRIBING COMPANIES

PROPORTION OF 100%

Liberty Insurance Corporation	50%
American Motorists Insurance Company	50%

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

*J. B. Quattrone*  
John B. Quattrone, Vice President, Underwriting  
American Nuclear Insurers

Effective Date of this Endorsement February 1, 1988 To form a part of Certificate No. MW-100  
12:01 A.M. Standard Time  
Issued to Houston Lighting & Power Company, et al  
Date of Issue April 6, 1988

For the Subscribing Companies

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

By *J. B. Quattrone*

Endorsement No. 3

Countersigned by *James G. Russo*  
Authorized Representative



NUCLEAR ENERGY LIABILITY INSURANCE

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

AMENDATORY ENDORSEMENT - TEXAS

It is agreed that with respect to this Certificate, Section VI POLICY PERIOD; DISCOVERY PERIOD; APPLICATION OF POLICY, B. Discovery Period is amended to read:

B. Discovery Period

The discovery period for claims made under this policy begins at 12:01 a.m. on February 1, 1988 and ends at the close of December 31, 1997, Eastern Standard Time.

This is to certify that this is a true copy of the original endorsement having the endorsement number and being a part of the Certificate of Insurance bearing the number 152 of 171 for insurance coverage under the Nuclear Energy Liability Policy (Facility Workers) issued by Mutual Atomic Energy Liability Underwriters, Inc. to the Houston Lighting & Power Company, et al. on June 14, 1988.

Effective Date of this Endorsement February 1, 1988 To form a part of Certificate No. MW-100

Issued to Houston Lighting & Power Company, et al

Date of Issue June 14, 1988

For the Subscribing Companies

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

By J. S. Smith

Countersigned by

Authorized Representative

Endorsement No. 4

ME-W-10 (1/1/88)

Nuclear Energy Liability Insurance  
MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

ATTACHMENT  
ST-HL-AE-3826  
PAGE 153 OF 171

ADVANCE PREMIUM AND STANDARD PREMIUM ENDORSEMENT

CALENDAR YEAR 1989

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

\$ 5,197.00

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:

\$ 4,158.00

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. Gustafson, President  
American Nuclear Insurers

Effective Date of this Endorsement January 1, 1989 To form a part of Certificate No. MW-100  
12:01 A.M. Standard Time

Issued to Houston Lighting & Power Company

Date of Issue December 15, 1988

For the Subscribing Companies

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

By

Countersigned by

Endorsement No. 5

ME-W-2

# Nuclear Energy Liability Insurance

## MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

SUBSCRIBING COMPANIES AND THEIR PROPORTIONATE LIABILITY ENDORSEMENT  
(FACILITY WORKER FORM)  
CALENDAR YEAR 1989

1. 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 Certificate means the subscribing companies listed below.
  - b. The Certificate shall be binding on such companies only.
  - c. Each such company shall be liable for its proportion, as designated below, of any obligation assumed or expense incurred under the Certificate because of such bodily injury or property damage.
2. 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 effective date that another "Changes In Subscribing Companies And In Their Proportionate Liability Endorsement" changes the Companies and/or their proportions as listed in this endorsement, or to the time of the termination or cancellation of the Certificate, if sooner.

Liberty Insurance Company	33.333%
American Motorists Insurance Company	33.333%
Arkwright Insurance Company	33.333%
TX-89	

Effective Date of  
this Endorsement

January 1, 1989  
12:01 A.M. Standard time

To form a part of Policy No. MW-100

Issued to Houston Lighting & Power Company

Date of issue March 13, 1989 For the Subscribing Companies

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

By

Endorsement No. 6 Countersigned by

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. Gattocchi, Vice President  
American Nuclear Insurers

Nuclear Energy Liability Insurance  
MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

ADVANCE PREMIUM AND STANDARD PREMIUM ENDORSEMENT

CALENDAR YEAR 1989

It is agreed that Items 1 and 2 of Endorsement No. 5  
are amended to read:

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

\$ 5,019.00

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:

\$ 4,015.00

Return Premium: \$179.00

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 herein for insurance coverage under the Nuclear Energy Liability Policy (Facility Workers Form No. Insurance is attached hereunder.  
John Quattrocchi, Vice President Underwriting  
American Nuclear Insurers

Effective Date of  
this Endorsement January 1, 1989 To form a part of Certificate No. MW-100  
12:01 A.M. Standard Time

Issued to Houston Lighting & Power Company

Date of Issue August 11, 1989 For the Subscribing Companies

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

By J. E. Quattrocchi

Endorsement No. 7

Countersigned by \_\_\_\_\_  
Authorized Representative

Nuclear Energy Liability Insurance  
MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

ATTACHMENT 1  
ST-HL-AE-3826  
PAGE 156 OF 171

ADVANCE PREMIUM AND STANDARD PREMIUM ENDORSEMENT

CALENDAR YEAR 1990

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

\$ 5,197.00

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:

\$ 4,158.00

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-Underwriting  
American Nuclear Insurers

Effective Date of this Endorsement January 1, 1990 To form a part of Certificate No. MW-100  
12:01 A.M. Standard Time

Issued to Houston Lighting & Power Company

Date of Issue December 15, 1989

For the Subscribing Companies

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

By *J. S. Quattrocchi*

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

Endorsement No. 8

ME-W-2



# Nuclear Energy Liability Insurance

## MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

SUBSCRIBING COMPANIES AND THEIR PROPORTIONATE LIABILITY ENDORSEMENT  
(FACILITY WORKER FORM)  
CALENDAR YEAR 1990

1. It is agreed that with respect to bodily injury caused, during the effective period of this endorsement, by the nuclear energy hazard:
  - a. The word "companies" wherever used in the Certificate means the subscribing companies listed below.
  - b. The Certificate shall be binding on such companies only.
  - c. Each such company shall be liable for its proportion, as designated below, of any obligation assumed or expense incurred under the Certificate because of such bodily injury.
2. 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 effective date that another "Changes In Subscribing Companies And In Their Proportionate Liability Endorsement" changes the Companies and/or their proportions as listed in this endorsement, or to the time of the termination or cancellation of the Certificate, if sooner.

American Motorists Insurance Company	33.33%
Arkwright Insurance Company	33.33%
Liberty Insurance Corporation	33.34%

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). The insurance is afforded hereunder.

*J. B. Smith*  
John B. Smith, Vice President Underwriting  
American Nuclear Insurers

Effective Date of  
this Endorsement January 1, 1990 To form a part of Certificate No. MW-100

12:01 A.M. Standard time

Issued to Houston Lighting & Power Company

Date of issue April 1, 1990 For the Subscribing Companies  
MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

By *J. B. Smith*

Endorsement No. 9 Countersigned by \_\_\_\_\_

(TX)



NUCLEAR ENERGY LIABILITY INSURANCE  
MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS  
ADVANCE PREMIUM AND STANDARD PREMIUM ENDORSEMENT  
CALENDAR YEAR 1991

1. **ADVANCE PREMIUM:** It is agreed that the Advance Premium due the companies for the period designated above is: \$5,197.00
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 Retrospective Rating Plan, the Standard Premium is said Advance Premium and the estimated Reserve Premium element of the Standard Premium is: \$4,158.00

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-Underwriting  
American Nuclear Insurers

Effective Date of  
this Endorsement: January 1, 1991  
(12:01 A.M. Standard Time)

To form a part of Certificate No. MW-0100

Issued to: Houston Lighting & Power Company

Date of Issue: November 29, 1990

For the subscribing companies

By

Countersigned by

Endorsement No: 10

*Howard Warren Marsh*  
HOWARD WARREN MARSH

# Nuclear Energy Liability Insurance

## MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

SUBSCRIBING COMPANIES AND THEIR PROPORTIONATE LIABILITY ENDORSEMENT  
(FACILITY WORKER FORM)  
CALENDAR YEAR 1991

1. It is agreed that with respect to bodily injury caused, during the effective period of this endorsement, by the nuclear energy hazard:
  - a. The word "companies" wherever used in the Certificate means the subscribing companies listed below.
  - b. The Certificate shall be binding on such companies only.
  - c. Each such company shall be liable for its proportion, as designated below, of any obligation assumed or expense incurred under the Certificate because of such bodily injury.
2. 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 effective date that another "Changes In Subscribing Companies And Their Proportionate Liability Endorsement" changes the Companies and/or their proportions as listed in this endorsement, or to the time of the termination or cancellation of the Certificate, if sooner.

American Motorists Insurance Company	33.33%
Arkwright Insurance Company	33.33%
Liberty Insurance Corporation	33.34%

Effective Date of this Endorsement January 1, 1991 To form a part of Certificate No. MV-100  
12:01 A.M. Standard time

Issued to Houston Lighting & Power Company

Date of issue April 1, 1991 For the Subscribing Companies

By J. B. [Signature]

Endorsement No. 11 Countersigned by \_\_\_\_\_

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

John L. Quatrecchi,  
American Nuclear Insurance

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.

ATTACHMENT 1  
ST-HL-AE3824  
PAGE 165 OF 171

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.

HOUSTON LIGHTING & POWER COMPANY

(First Named Insured - Print or Type)

Date Nov. 30, 1987 by

*J. H. Goldberg*

(Signature of Authorized Officer)

J. H. Goldberg, Group Vice President-Nuclear

(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. [Signature]*  
John S. [Signature] Underwriting  
American Nuclear Insurers

Effective Date of  
this Endorsement

February 1, 1988

12:01 A.M. Standard Time

To form a part of  
of Certificate No.

NW-199

Issued to See Endorsement No. 1

Date of Issue October 19, 1987

For the subscribing companies

By

*[Signature]*

General Manager

Endorsement No. 1

Countersigned by

*James E. [Signature]*

NE-W-1 (1/1/83)

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:

\$ 16,663.00

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:

\$ 13,330.00

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. Seligson, Jr.  
President  
American Nuclear Insurers

Effective Date of this Endorsement February 1, 1988 To form a part of Certificate No. NW-199  
12:01 A.M. Standard Time

Issued to Houston Lighting & Power Company, et al

Date of Issue April 6, 1988

For the Subscribing Companies

By [Signature]  
PRESIDENT

Endorsement No. 2

Countersigned by James E. Russe

Nuclear Energy Liability Insurance  
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

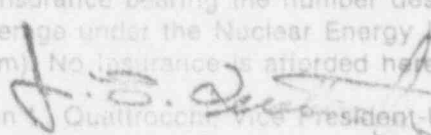
AMENDATORY ENDORSEMENT - TEXAS

It is agreed that with respect to this Certificate, Section VI POLICY PERIOD; DISCOVERY PERIOD; APPLICATION OF POLICY, B. Discovery Period is amended to read:

B. Discovery Period

The discovery period for claims made under this policy begins at 12:01 a.m. on February 1, 1988 and ends at the close of December 31, 1997, Eastern Standard Time.

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 Quattrocchi, Vice President-Underwriting  
American Nuclear Insurers

Effective Date of this Endorsement February 1, 1988 To form a part of Certificate No. NW-199  
12:01 A.M. Standard Time

Issued to Houston Lighting & Power Company, et al

Date of Issue June 14, 1988

For the Subscribing Companies

By 

PRESIDENT

Endorsement No. 3

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

Nuclear Energy Liability Insurance  
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

ATTACHMENT 1  
ST-HL-AE-3826  
PAGE 168 OF 171

ADVANCE PREMIUM AND STANDARD PREMIUM ENDORSEMENT

CALENDAR YEAR 1989

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

\$ 17,903.00

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:

\$ 14,322.00

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. Quatrochi*  
John L. Quatrochi, Vice President-Underwriting  
American Nuclear Insurers

Effective Date of this Endorsement January 1, 1989 To form a part of Certificate No. NW-199  
12:01 A.M. Standard Time

Issued to Houston Lighting & Power Company

Date of Issue December 15, 1988

For the Subscribing Companies

By

*Richardson*  
PRESIDENT

Endorsement No. 4

Countersigned by

*James A. Roney*

Nuclear Energy Liability Insurance  
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

ADVANCE PREMIUM AND STANDARD PREMIUM ENDORSEMENT

CALENDAR YEAR 1989

It is agreed that Items 1 and 2 of Endorsement No. 4  
are amended to read:

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

\$ 17,287.00

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 Indus-  
try Retropective Rating Plan, the Standard Premium is  
said Advance Premium and the estimated Reserve Premium  
element of the Standard Premium is:

\$ 13,830.00

Return Premium: \$616.00

Effective Date of  
this Endorsement at January 1, 1989 To form a part of Certificate No. NW-199  
12:01 A.M. Standard Time

Issued to Houston Lighting & Power Company

Date of Issue August 11, 1989

For the Subscribing Companies

By [Signature]  
PRESIDENT

Endorsement No. 5

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

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 herein for insurance  
coverage under the Nuclear Energy Liability Policy (Facility Workers  
Policy) issued by the American Nuclear Insurers  
[Signature]  
John J. [Signature]  
American Nuclear Insurers



Nuclear Energy Liability Insurance  
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

ADVANCE PREMIUM AND STANDARD PREMIUM ENDORSEMENT

CALENDAR YEAR 1990

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

\$ 17,903.00

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:

\$ 14,322.00 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 coverage is provided hereunder.

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

Effective Date of this Endorsement January 1, 1990 To form a part of Certificate No. NW-199  
12:01 A.M. Standard Time

Issued to Houston Lighting & Power Company

Date of Issue December 15, 1989

For the Subscribing Companies

By

*Quattrocchi*  
PRESIDENT

Endorsement No. 6

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

NUCLEAR ENERGY LIABILITY INSURANCE  
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION  
ADVANCE PREMIUM AND STANDARD PREMIUM ENDORSEMENT  
CALENDAR YEAR 1991

1. **ADVANCE PREMIUM:** It is agreed that the Advance Premium due the companies for the period designated above is: \$17,903.00
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 Retrospective Rating Plan, the Standard Premium is said Advance Premium and the estimated Reserve Premium element of the Standard Premium is: \$14,322.00

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. Quatrocchi, Vice President-Underwriting  
American Nuclear Insurers

Effective Date of  
this Endorsement: January 1, 1991  
(12:01 A.M. Standard Time)

To form a part of Certificate No. NW-0199

Issued to: Houston Lighting & Power Company

Date of Issue: November 29, 1990

For the subscribing companies

By

President

Endorsement No: 7

Countersigned by

HOWARD WARREN MARSH