

125 Broad Street
New York, N.Y. 10004
212 574 7000

Cable Address "KERODEN"
Telex No. 6720134 JANHNY UW

**JOHNSON
& HIGGINS**

Established 1845

20-317

February 2, 1988

Mr. Ira P. Dinitz
Office of Nuclear Reactor Regulation
U.S. Nuclear Regulatory Commission
Washington, DC 20555

Re: Baltimore Gas & Electric Company

Dear Ira:

Enclosed are two certified copies of each of the Amendment of Coverage Endorsements for Worker Claims for BG&Es facility form policies. Also enclosed are two certified copies of each Certificate of Insurance and Industry Retrospective Rating Plan Premium Endorsements to show participation in the Master Worker Policy by BG&E. The attached table lists the policy numbers and titles of the enclosed endorsements.

Please call me at (212) 574-7960 if you have any questions.

Sincerely,

Michael Grillo

Michael Grillo
Nuclear Advisory Group

MG/vvc
Enclosures

cc: Mr. Walter Moreau, BG&E
Mr. Tom Duffy, J&H Baltimore

8802110379 880202
PDR ADOCK 05000317
J PDR

msl
1/1

<u>Policy No.</u>	<u>Endorsement</u>	<u>Title</u>
NF-216	68	Amendment of Coverage Endorsement for Workers Claims
MF-76	54	Amendment of Coverage Endorsement for Workers Claims
MW-49	1	Industry Retrospective Rating Plan Premium Endorsement
MW-49	N/A 2	Certificate of Insurance
NW-121	1	Industry Retrospective Rating Plan Premium Endorsement
NW-121	N/A 2	Certificate f Insurance

Nuclear Energy Liability Insurance
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

AMENDMENT OF COVERAGE ENDORSEMENT

FOR WORKERS CLAIMS

(Facility Form)

PREAMBLE

1. The insurance and rating plan presently used by Nuclear Energy Liability Insurance Association ("NELIA") and Mutual Atomic Energy Liability Underwriters ("MAELU") do not make a distinction between workers claims arising from catastrophic events and those arising from lesser events;
2. NELIA and MAELU believe that the lack of such a distinction will adversely affect their ability to continue to attract from world markets very large amounts of nuclear energy liability insurance for the nuclear industry;
3. NELIA and MAELU want to avoid this potential loss of capacity and to continue to provide nuclear energy liability insurance for workers claims. Accordingly NELIA and MAELU desire to restructure their present insurance programs, including this policy, effective January 1, 1988.

NOW, THEREFORE, the Named Insured and the companies do hereby agree as follows:

1. DEFINITIONS

When used in reference to this endorsement:

"this policy" means the policy of which this endorsement forms a part;

"nuclear related employment" means all work performed at one or more than one nuclear facility in the United States of America or in connection with the transportation of nuclear material to or from any such facility. All of a worker's nuclear related employment shall be considered as having begun on the first day of such employment, regardless of the number of employers involved or interruptions in such employment;

"worker" refers to a person who is or was engaged in nuclear related employment;

"workers claims" means claims for damages because of bodily injury to a worker caused by the radioactive, toxic, explosive or other hazardous properties of nuclear material and arising out of or in the course of the worker's nuclear related employment;

"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.

2. APPLICATION OF THIS ENDORSEMENT

This endorsement applies only to such insurance as is afforded by this policy for workers claims which do not arise in whole or in part out of an extraordinary nuclear occurrence.

3. EXCLUSION OF NEW WORKERS CLAIMS

This policy does not apply to bodily injury to a worker which arises in whole or in part out of nuclear related employment that begins on or after January 1, 1988.

4. APPLICATION OF POLICY TO WORKERS CLAIMS NOT EXCLUDED

With respect to such insurance as is afforded by this policy for workers claims which are not excluded, Insuring Agreement IV does not apply and the following Insuring Agreement IV-A does apply:

IV-A APPLICATION OF POLICY TO WORKERS CLAIMS

This policy applies only to bodily injury (1) which is caused during the policy period by the nuclear energy hazard and (2) which is discovered and for which written claim is made against the insured not later than the close of December 31, 1997.

5. AVAILABILITY OF SUPPLEMENTAL INSURANCE

NELIA and MAELU are offering to make insurance under one or more Master Worker Policies available to all holders of Nuclear Energy Liability Policies (Facility Form). THIS OFFER IS CONTINGENT ON SUFFICIENT SUPPORT FROM POLICYHOLDERS, AND MAY BE WITHDRAWN OR MODIFIED BY NELIA OR MAELU AS THEY DEEM NECESSARY OR APPROPRIATE.

The Master Worker Policies will provide, under their separate terms and conditions, coverage for new workers claims. Premiums will be subject to a separate Industry Retrospective Rating Plan.

COVERAGE UNDER THE NEW MASTER WORKER POLICIES IS NOT AUTOMATIC. A WRITTEN REQUEST MUST BE SUBMITTED TO NELIA OR MAELU THROUGH REGULAR MARKET CHANNELS.

It is understood and agreed that all of the provisions of this endorsement shall remain in full force and effect without regard to this Section 5, and without regard to whether or not the Named Insureds become insureds under the Master Worker Policies, or whether or not NELIA or MAELU terminate such policies or withdraw or modify their offer to underwrite such policies.

Executed for the companies

Date 1/4/88 By J. S. Quattrocchi
(Signature of Authorized Officer)

John L. Quattrocchi, Vice President-Liability Underwriting
(Print or Type Name and Title of Officer)

Executed for the Named Insured

Baltimore Gas and Electric Company
(Named Insured - Print or Type)
Date 11/25/87 By E. A. Crooke
(Signature of Authorized Officer)

E. A. Crooke
Vice President, Finance and Accounting, and Secretary
(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 Nuclear Energy Liability Policy (Facility Form) as designated hereon. No Insurance is offered hereunder.

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

Effective Date of this Endorsement January 1, 1988 To form a part of Policy No NF-216
12:01 A.M. Standard Time

Issued to Baltimore Gas & Electric Company

Date of Issue October 19, 1987 For the subscribing companies
By [Signature]
General Manager

Endorsement No 68 Countersigned by _____

Nuclear Energy Liability Insurance
MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

AMENDMENT OF COVERAGE ENDORSEMENT

FOR WORKERS CLAIMS

(Facility Form)

PREAMBLE

1. The insurance and rating plan presently used by Mutual Atomic Energy Liability Underwriters ("MAELU") and Nuclear Energy Liability Insurance Association ("NELIA") do not make a distinction between workers claims arising from catastrophic events and those arising from lesser events;
2. MAELU and NELIA believe that the lack of such a distinction will adversely affect their ability to continue to attract from world markets very large amounts of nuclear energy liability insurance for the nuclear industry;
3. MAELU and NELIA want to avoid this potential loss of capacity and to continue to provide nuclear energy liability insurance for workers claims. Accordingly MAELU and NELIA desire to restructure their present insurance programs, including this policy, effective January 1, 1988.

NOW, THEREFORE, the Named Insured and the companies do hereby agree as follows:

1. DEFINITIONS

When used in reference to this endorsement:

"this policy" means the policy of which this endorsement forms a part;

"nuclear related employment" means all work performed at one or more than one nuclear facility in the United States of America or in connection with the transportation of nuclear material to or from any such facility. All of a worker's nuclear related employment shall be considered as having begun on the first day of such employment, regardless of the number of employers involved or interruptions in such employment;

"worker" refers to a person who is or was engaged in nuclear related employment;

"workers claims" means claims for damages because of bodily injury to a worker caused by the radioactive, toxic, explosive or other hazardous properties of nuclear material and arising out of or in the course of the worker's nuclear related employment;

"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.

2. APPLICATION OF THIS ENDORSEMENT

This endorsement applies only to such insurance as is afforded by this policy for workers claims which do not arise in whole or in part out of an extraordinary nuclear occurrence.

3. EXCLUSION OF NEW WORKERS CLAIMS

This policy does not apply to bodily injury to a worker which arises in whole or in part out of nuclear related employment that begins on or after January 1, 1988.

4. APPLICATION OF POLICY TO WORKERS CLAIMS NOT EXCLUDED

With respect to such insurance as is afforded by this policy for workers claims which are not excluded, Insuring Agreement IV does not apply and the following Insuring Agreement IV-A does apply:

IV-A APPLICATION OF POLICY TO WORKERS CLAIMS

This policy applies only to bodily injury (1) which is caused during the policy period by the nuclear energy hazard and (2) which is discovered and for which written claim is made against the insured not later than the close of December 31, 1997.

5. AVAILABILITY OF SUPPLEMENTAL INSURANCE

MAELU and NELIA are offering to make insurance under one or more Master Worker Policies available to all holders of Nuclear Energy Liability Policies (Facility Form). THIS OFFER IS CONTINGENT ON SUFFICIENT SUPPORT FROM POLICYHOLDERS, AND MAY BE WITHDRAWN OR MODIFIED BY MAELU OR NELIA AS THEY DEEM NECESSARY OR APPROPRIATE.

The Master Worker Policies will provide, under their separate terms and conditions, coverage for new workers claims. Premiums will be subject to a separate Industry Retrospective Rating Plan.

COVERAGE UNDER THE NEW MASTER WORKER POLICIES IS NOT AUTOMATIC. A WRITTEN REQUEST MUST BE SUBMITTED TO MAELU OR NELIA THROUGH REGULAR MARKET CHANNELS.

It is understood and agreed that all of the provisions of this endorsement shall remain in full force and effect without regard to this Section 5, and without regard to whether or not the Named Insureds become insureds under the Master Worker Policies, or whether or not MAELU or NELIA terminate such policies or withdraw or modify their offer to underwrite such policies.

Executed for the companies

Date 1/4/88 By J. S. Quattrocchi
(Signature of Authorized Officer)

John L. Quattrocchi, Vice President-Liability Underwriting
(Print or Type Name and Title of Officer)

Executed for the Named Insured

Baltimore Gas and Electric Company
(Named Insured - Print or Type)
Date 11/25/87 By E. A. Crooke
(Signature of Authorized Officer)

E. A. Crooke
Vice President, Finance and Accounting, and Secretary
(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 Nuclear Energy Liability Policy (Facility Form) as designated hereon. No Insurance is afforded hereunder.

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

Effective Date of this Endorsement January 1, 1988 To form a part of Policy No. MF-76
12:01 A.M. Standard Time
Issued to Baltimore Gas & Electric Company
Date of Issue October 19, 1987

For the Subscribing Companies

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

By J. S. Quattrocchi

Countersigned by _____
Authorized Representative

Endorsement No. 54

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

NUCLEAR ENERGY LIABILITY POLICY
(Facility Worker Form)

herein called the
MASTER WORKER POLICY

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

Certificate No. MW-49

Date of Issue Jan. 15, 19 88

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

1
DECLARATIONS

Item 1. Named Insureds and Addresses:

Baltimore Gas and Electric Company
Gas and Electric Building
Baltimore, Maryland 21203

Item 2. Certificate Coverage Period:

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

Item 3. Description of the Facility:

Location: All of the premises including the land and all buildings and structures known as the Calvert Cliffs Nuclear Power Plant. The Calvert Cliffs Nuclear Power Plant consists of approximately one thousand one hundred thirty-five (1,135) acres and is located on the western shore of the Chesapeake Bay in Calvert County, Maryland approximately ten and one-half (10½) miles southeast of Prince Frederick, Maryland.

Type: Power Reactor (Operating)

Operator of the Facility: Baltimore Gas and Electric Company

Item 4. Amount of Insurance Available:

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

Item 5. Advance Premium: \$ 9,675.00

2

APPLICATION OF CERTIFICATE

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

3

INDUSTRY RETROSPECTIVE RATING PLAN

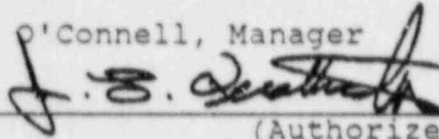
All insurance under the Master Worker Policy is subject to the Industry Retrospective Rating Plan in use by the companies. No insurance is provided under this Certificate unless and until the first Named Insured has accepted in writing the Industry Retrospective Rating Plan Premium Endorsement and a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

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

For the Subscribing Companies of
MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

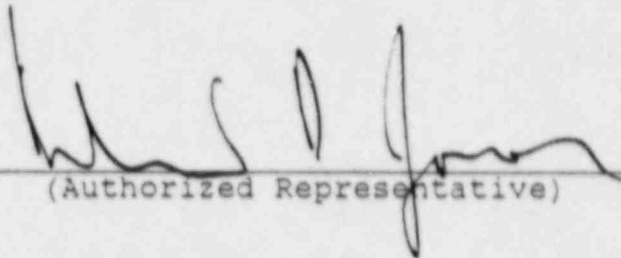
J. Michael O'Connell, Manager

By



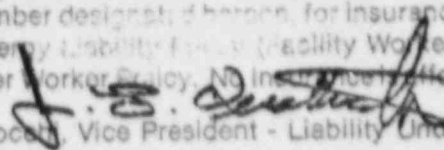
(Authorized Agent)

Countersigned by:



(Authorized Representative)

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


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

Nuclear Energy Liability Insurance
MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

INDUSTRY RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT

It is agreed that:

1. DEFINITIONS

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

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

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

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

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

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

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

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

"incurred losses" means the sum of all:

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

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

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

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

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

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

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

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

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

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

2. PAYMENT OF ADVANCE AND STANDARD PREMIUMS

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

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

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

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

3. SPECIAL RESERVE ACCOUNT; USE OF RESERVE PREMIUMS

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

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

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

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

4. PAYMENT OF RESERVE PREMIUM CHARGES AND REFUNDS

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

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

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

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

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

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

5. FINAL PREMIUM

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

6. RESERVE PREMIUM CHARGE AGREEMENT

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

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

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

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

7. RESERVE PREMIUM REFUND AGREEMENT

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

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

Baltimore Gas and Electric Company
(First Named Insured - Print or Type)

Date 11/25/87 By

E. A. Crooke
(Signature of Authorized Officer)

E. A. Crooke

Vice President, Finance and Accounting, and Secretary
(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.

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

Effective Date of
this Endorsement January 1, 1988
12:01 A.M. Standard Time
Issued to Baltimore Gas & Electric Company

To form a part of
of Certificate No. MW-49

Date of Issue October 19, 1987

For the Subscribing Companies

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

By

Endorsement No. 1

Countersigned by

Authorized Representative

Nuclear Energy Liability Insurance
MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

ADVANCE PREMIUM AND STANDARD PREMIUM ENDORSEMENT

CALENDAR YEAR 1988

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

\$ 9,675.00 .

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:

\$ 7,740.00

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 afforded hereunder.

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

Effective Date of this Endorsement January 1, 1988 To form a part of Certificate No. MW-49
12:01 A.M. Standard Time

Issued to Baltimore Gas and Electric Company

Date of Issue January 15, 1988

For the Subscribing Companies

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

By

Countersigned by

Endorsement No. 2

NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

NUCLEAR ENERGY LIABILITY POLICY
(Facility Worker Form)

herein called the
MASTER WORKER POLICY

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

Certificate No. NW-121

Date of Issue Jan. 15, 19 88

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

1

DECLARATIONS

Item 1. Named Insureds and Addresses:

Baltimore Gas and Electric Company
Gas and Electric Building
Baltimore, Maryland 21203

Item 2. Certificate Coverage Period:

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

Item 3. Description of the Facility:

Location: All of the premises including the land and all buildings and structures known as the Calvert Cliffs Nuclear Power Plant. The Calvert Cliffs Nuclear Power Plant consists of approximately one thousand one hundred thirty-five (1,135) acres and is located on the western shore of the Chesapeake Bay in Calvert County, Maryland approximately ten and one-half (10½) miles southeast of Prince Frederick, Maryland.

Type: Power Reactor (Operating)

Operator of the Facility: Baltimore Gas and Electric Company

Item 4. Amount of Insurance Available:

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

Item 5. Advance Premium: \$33,325.00

2

APPLICATION OF CERTIFICATE

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

3

INDUSTRY RETROSPECTIVE RATING PLAN

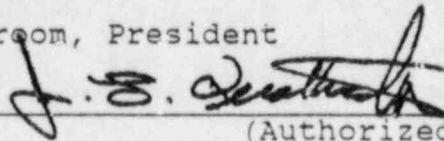
All insurance under the Master Worker Policy is subject to the Industry Retrospective Rating Plan in use by the companies. No insurance is provided under this Certificate unless and until the first Named Insured has accepted in writing the Industry Retrospective Rating Plan Premium Endorsement and a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

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

For the Subscribing Companies of
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

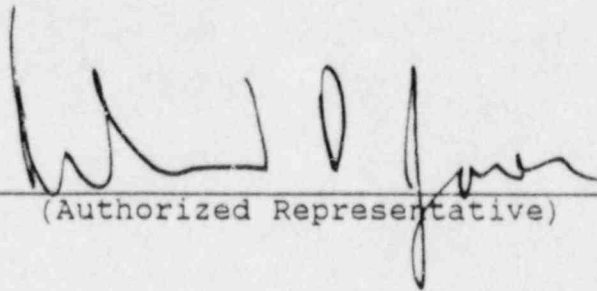
Burt C. Proom, President

By



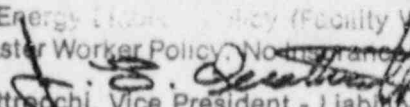
(Authorized Agent)

Countersigned by:



(Authorized Representative)

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


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

Nuclear Energy Liability Insurance
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

INDUSTRY RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT

It is agreed that:

1. DEFINITIONS

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

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

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

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

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

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

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

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

"incurred losses" means the sum of all:

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

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

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

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

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

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

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

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

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

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

2. PAYMENT OF ADVANCE AND STANDARD PREMIUMS

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

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

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

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

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

3. SPECIAL RESERVE ACCOUNT; USE OF RESERVE PREMIUMS

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

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

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

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

4. PAYMENT OF RESERVE PREMIUM CHARGES AND REFUNDS

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

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

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

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

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

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

5. FINAL PREMIUM

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

6. RESERVE PREMIUM CHARGE AGREEMENT

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

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

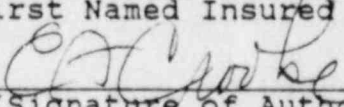
- (1) That the insurance provided by the Master Worker Policy applies collectively to all claims covered by the policy through any and all Certificates issued to form a part of the policy.
- (2) That the right of each Named Insured under a Certificate to receive reserve premium refunds and the obligation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

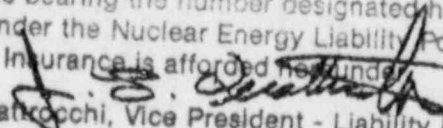
Overdue reserve premium charges shall bear interest from the due date until paid at an annual rate equal to the sum of (a) 3% plus (b) a rate of interest equal to Moody's Average Public Utility Bond Yield described in the issue of Moody's Bond Survey current on the due date. Any reserve premium refund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

7. RESERVE PREMIUM REFUND AGREEMENT

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

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

Baltimore Gas and Electric Company
 (First Named Insured - Print or Type)
 Date 11/25/87 By 
 (Signature of Authorized Officer)
 E. A. Crooke
 Vice President, Finance and Accounting, and Secretary
 (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 for Under

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

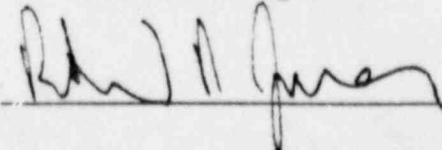
Effective Date of this Endorsement January 1, 1988 To form a part of of Certificate No. NW-121
12:01 A.M. Standard Time
 Issued to Baltimore Gas & Electric Company
 Date of Issue October 19, 1987

For the subscribing companies

By 

General Manager

Endorsement No. 1

Countersigned by 

Nuclear Energy Liability Insurance
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

ADVANCE PREMIUM AND STANDARD PREMIUM ENDORSEMENT

CALENDAR YEAR 1988

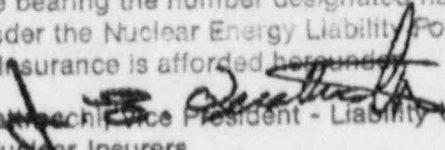
1. ADVANCE PREMIUM: It is agreed that the Advance Premium due the companies for the period designated above is:

\$ 33,325.00 .

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:

\$ 26,660.00

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. Quatrecchi, Vice President - Liability Underwriting
American Nuclear Insurers

Effective Date of this Endorsement January 1, 1988 To form a part of Certificate No. NW-121
12:01 A.M. Standard Time

Issued to _____

Date of Issue January 15, 1988

For the Subscribing Companies

By _____


PRESIDENT

Endorsement No. 2

Countersigned by _____