

**Marsh &  
McLennan**

M & M Nuclear Consultants  
2121 San Jacinto Street  
1300 San Jacinto Tower  
Dallas, Texas 75201  
Telephone 214 979-9900

February 17, 1988

Mr. Ira Dinitz  
Senior Insurance Indemnity Analyst  
Office of Nuclear Reactor Regulation  
Mail Stop 12E4  
U. S. Nuclear Regulatory Commission  
Washington, D.C. 20555

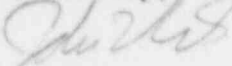
RE: Nuclear Liability Insurance  
Arkansas Power & Light Company  
ANI Policy NF-210, End. 72  
MAELU Policy MF-74, End 61

Dear Mr. Dinitz:

Enclosed are two certified copies of the captioned endorsements.

Please do not hesitate to call with any questions.

Sincerely,



John L. Samuels  
Nuclear Consultant

JS:bp

Enclosures

cc: D. Hunter - AP&L  
M. Wilson - AP&L  
R. Herget - M&M Little Rock

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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 1/15/88 By J. L. 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

ARKANSAS POWER & LIGHT COMPANY  
(Named Insured - Print or Type)  
Date 11/19/87 By Henry L. Warren  
(Signature of Authorized Officer)

HENRY L. WARREN, Vice-President, Administrative Services  
(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 provided hereunder.  
J. L. 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-210  
12:01 A.M. Standard Time

Issued to Arkansas Power & Light Company

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

Endorsement No 72 Countersigned by R. F. Henry, Jr.

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

1. DEFINITIONS

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

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

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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.

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Executed for the companies

Date 1/15/88 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

ARKANSAS POWER & LIGHT COMPANY  
(Named Insured - Print or Type)  
Date 11/19/87 By Henry L. Warren  
(Signature of Authorized Officer)

HENRY L. WARREN, Vice-President, Administrative Services  
(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 (Factory Form) as designated hereon. No Insurance is provided 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-74  
12:01 A.M. Standard Time

Issued to Arkansas Power & Light Company

Date of Issue October 19, 1987

For the Subscribing Companies

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

By J. S. Quattrocchi  
Countersigned by R. P. Aug. Jr.  
Authorized Representative

Endorsement No. 61