



# THE POWER OF PEOPLE



## Review of Nuclear Property, Liability and Accidental Outage Insurance

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Strategic Business Matters

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# Objective

- ❑ This presentation gives an overview of the insurance protection on our Nuclear assets

# Nuclear Property Insurance

# Summary of Nuclear Property Insurance Policies

*All policies are purchased through Nuclear Electric Insurance Limited (NEIL)*

Policy	Cover Provided	Policy Limit	Deductible
Primary Property and Decontamination Liability	Physical damage to property <i>(Coverage required by NRC)</i>	\$1.5 Billion (min \$1.06B)	\$5M / \$10M for Natural Hazards e.g flood, earthquake, windstorm
Excess Nuclear Property	Property and Decontamination Liability <i>(Excess of Primary)</i>	\$600M	\$0
Excess Non-Nuclear Property	Property and Decontamination Liability <i>(Excess of Primary)</i>	\$600M	\$0
Accidental Outage	Covers cost of replacement power related to an Outage caused by accidental damage to property including when it is in transit to and from the unit	\$2M/week 1st year, \$1.6M/week 2nd & 3rd years	12 weeks

- All policies Includes Terrorism Coverage and are subject to \$3.24 Billion Industry Aggregate Limit for non-certified nuclear events and \$1.8276 Billion for non-nuclear events.

# 10 Largest Nuclear Property Claims in NEIL History

Amount Paid	Property	Accidental Outage	Accident Year	Plant	Reason
\$835M	\$345M	\$490M	2009	Crystal river	Containment Building Delamination
\$468M	\$300M	\$168M	2008	D.C. Cook	Turbine failure and resulting damage
\$400M	-	\$400M	2012	San Onofre	Steam Generator damage
\$183M	\$93M	\$90M	1993	Fermi	Turbine failure and resulting damage
\$173M	\$173M	-	2004	St. Lucie	Hurricanes Frances and Jeanne damage
\$144M	\$144M	-	1992	Turkey Point	Hurricane Andrew damage
\$103M	\$48M	\$55M	1982	St. Lucie	Thermal shield and core barrel damage
\$89M	\$71M	\$18M	1991	Salem	Turbine failure and resulting damage
\$62M	\$49M	\$13M	2011	South Texas Project	Main generator failure and resulting damage
\$55M	\$37.5M	\$17.5M	2001	San Onofre	Turbine failure and resulting damage

# Nuclear Liability Insurance

# Summary of Nuclear Liability Policies

*All policies are purchased through American Nuclear Insurers (ANI)*

Policy	Coverage Provided	Limit	Deductible
Nuclear Liability Insurance	Coverage for bodily injury and Off-Site Third-Party Damages and off site environmental clean up costs <i>(Coverage required by Price Anderson Act)</i>	\$450M	\$0
Workers Compensation	Not a substitute for Workers Compensation coverage. Covers radiation tort claims of workers at nuclear facility when they elect to reject Workers Compensation as a remedy	\$450M	\$0
Secondary Financial Protection	Financial protection under Price Anderson Act. Excess of Nuclear Liability Insurance policy (96 reactors) <i>(Coverage required by Price Anderson Act)</i>	\$13.66B	\$0
Suppliers & Transporters	Covers shipments from a reactor facility to any other location	\$450M	\$0

# Price-Anderson Act

## Nuclear Liability Secondary Financial Protection (SFP)

The Price-Anderson Act was first passed in 1957.

The Act (referred to as SFP) provides additional coverage for nuclear losses or damages above the \$450M primary layer of protection carried by all Reactors.

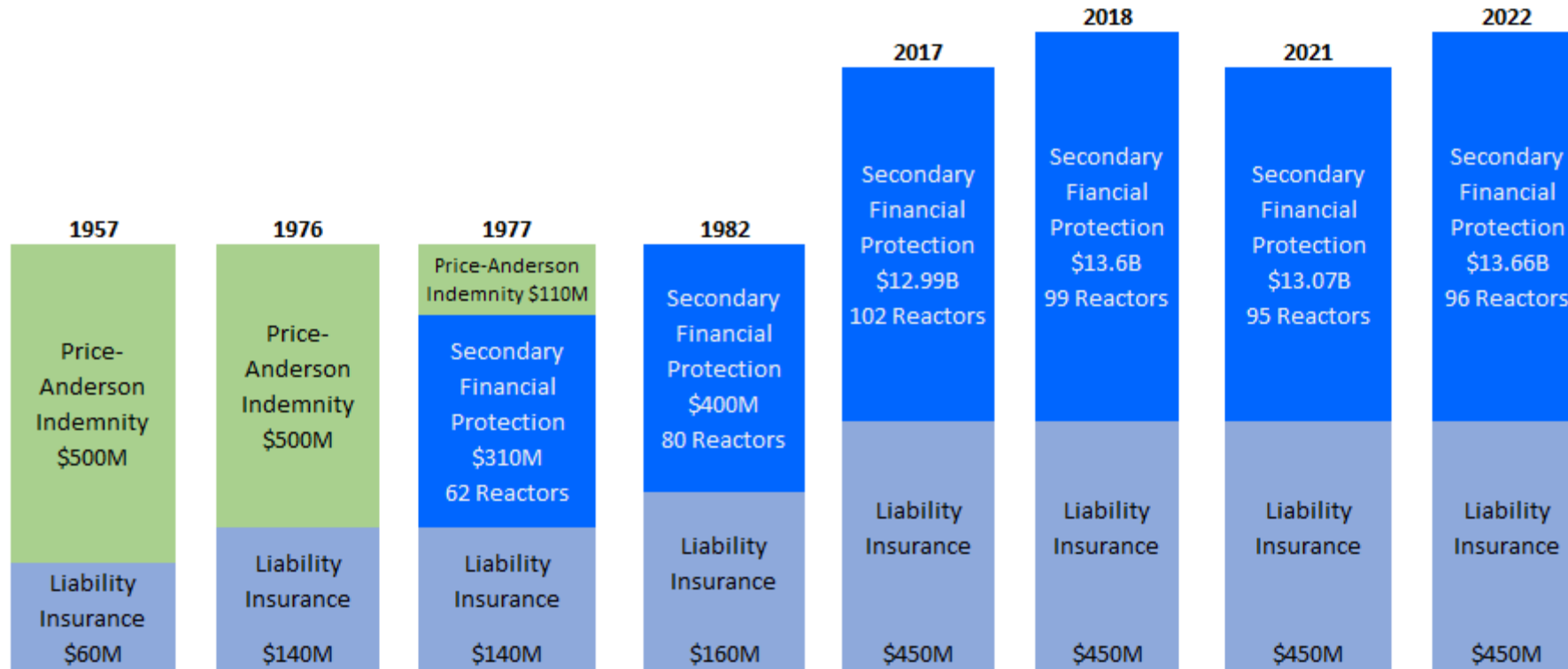
The Act provides compensation to the public in the event of a nuclear accident and limits the potential liability of Nuclear Companies, to encourage the commercial use of Nuclear Energy

Funding in excess of the \$13.66 billion liability cap is at the discretion of Congress.

<b>SFP Adjustment Summary (8/2022)</b>	
<b>96 Reactors in SFP</b>	
<b>Maximum Total SFP Assessment</b>	<b>\$131,056,000</b>
<b>Maximum total assessment per Reactor (including 5% Surcharge per Price Anderson Act)</b>	<b>\$137,608,800</b>
<b>Maximum annual assessment per Reactor</b>	<b>\$20,496,000</b>
<b>SFP Layer of Protection</b>	<b>\$13,210,444,800</b>
<b>Primary Layer of Protection required to be carried by all Reactors</b>	<b>\$450,000,000</b>
<b>Total Protection provided under SFP</b>	<b>\$13,660,444,800</b>



# Evolution of Nuclear Liability Capacity



# Accidental Outage Insurance

# Accidental Outage Insurance

- Covers prolonged accidental outage of a nuclear unit as well as an outage from a non-nuclear event
- Amount of coverage: \$280 million / \$2M weekly
- NPPD's policy has a 12 Week deductible of any covered Outage
- NPPD Energy Manager (Kirk Helgoth) reviews the adequacy of the amount of coverage annually before the policy is renewed
- Partial Outages are excluded
- One outage lasting 13 weeks will recover the cost of the premium
- Most of the US nuclear operating units purchase this coverage

# Largest Accidental Outage Insurance Claims

Loss year	Property	Deductible weeks	Claim Amount Paid
2009	Containment bldg. – concrete delamination	12	\$490,000,000
2012	Steam Generators	12	\$400,000,000
2008	Main turbine generator	12	\$167,800,000
1993	General plant	21	\$90,000,000
1983	Containment Bldg – Reactor thermal shield	26	\$55,000,000
2011	480V 1B4A Class 1E switch gear, BT 1B4a beaker	8	\$36,642,857
1981	Generator stator core damage	26	\$30,857,143
1991	Turbine generator	21	\$18,000,000
2001	Turbine and feedwater Platforms	12	\$17,500,000
1989	Thermal shield	21	\$12,946,362
1983	Thermal shield	26	\$9,717,500
2009	Turbine	8	\$3,214,286
1982	Steam generator tubes, reactor split pin assemblies	26	\$1,642,857
1982	Piping system – stress corrosion	26	\$1,450,000



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## Questions

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