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Review of Nuclear Property, Liability and Accidental Outage Insurance

NPPD Board of Directors Meeting
Strategic Business Matters

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Objective

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

Nuclear Property Insurance

Summary of Nuclear Property Insurance Policies

All policies are purchased through Nuclear Electric Insurance Limited (NEIL) and European Mutual Association for Nuclear Insurance (EMANI)

Policy	Coverage Provided	Policy Limit	Deductible
Primary and Excess Property and Decontamination Liability	Physical damage to property <i>(Coverage required by NRC)</i>	\$2.1 Billion (min \$1.06B) Inc. EMANI 10% quota share limit (\$40M)	NEIL - \$5M / \$10M for Nat-Cat EMANI - \$5M/\$5M
Excess Non-Nuclear Property	Property and Decontamination Liability <i>(Excess of Primary)</i> (This covers property damage claims that do not involve nuclear contamination)	\$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 include Terrorism Coverage and are subject to a \$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>	\$500M	\$0
Workers Compensation	Not a substitute for Workers Compensation coverage. Covers radiation tort claims of workers at a nuclear facility when they elect to reject Workers Compensation as a remedy <i>(Coverage required by Price Anderson Act)</i>	\$500M	\$0
Secondary Financial Protection	Financial protection under Price Anderson Act. Excess of Nuclear Liability Insurance policy (95 reactors) <i>(Coverage required by Price Anderson Act)</i>	\$16.263B	\$0
Suppliers & Transporters	Covers shipments from a reactor facility to any other location <i>(Coverage required by Price Anderson Act)</i>	\$500M	\$0

Price-Anderson Act

Nuclear Liability Secondary Financial Protection (SFP)

The Price-Anderson Act was first passed in 1957.

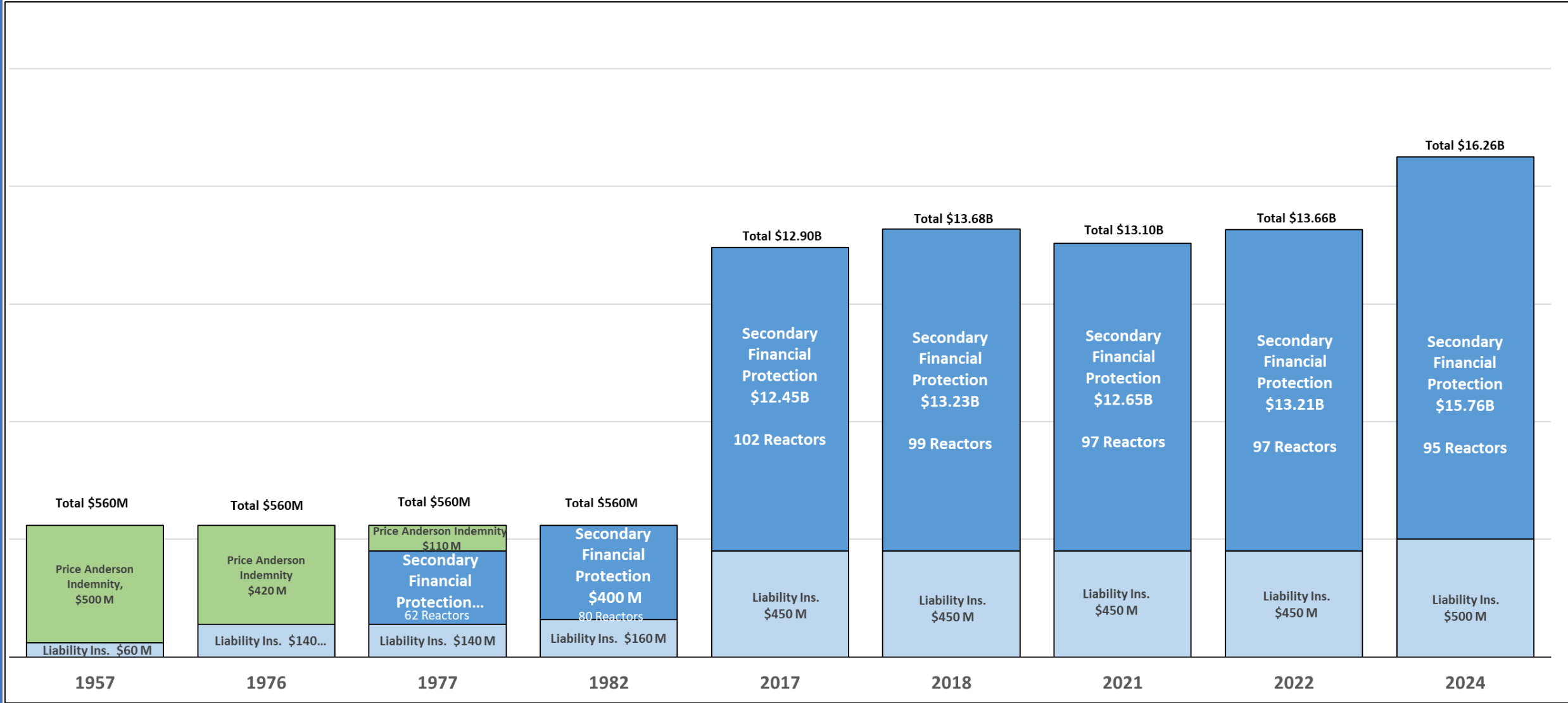
The Act (referred to as SFP) provides additional coverage for nuclear losses or damages above the \$500M primary layer of protection carried by all Reactors.

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 \$16.263 billion liability cap is at the discretion of Congress.

SFP Adjustment Summary (1/2024)	
95 Reactors in SFP	
Total SFP Assessment per reactor	\$158,026,000
Maximum total assessment per Reactor (including 5% Surcharge per Price Anderson Act)	\$165,927,300
Maximum annual assessment per Reactor	\$24,714,000
SFP Layer of Protection, in total from all reactors	\$15,763,093,500
Primary Layer of Protection required (by Price Anderson Act) to be carried by all Reactors (purchased from ANI)	\$500,000,000
Total Protection provided under SFP (Primary layer plus SFP layer)	\$16,263,093,500

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
- Majority 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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