

ABSTRACT

# Nuclear Liability Insurance Impact due to Liquid Effluent Releases<sup>1</sup>

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This paper presents an overview of American Nuclear Insurers (ANI) – Engineering Rating Factor (ERF) program including insights into the financial impact on nuclear liability insurance premiums resulting from radioactive effluent releases from nuclear power plants. Direct and indirect impacts will be presented. A detailed description of each performance indicator area will be included as well as an evaluation of each indicator area with respect to industry performance, type of plant and class of plant. Trends with respect to time are also presented. The relative insurance risk associated with tritiated drinking water will be discussed as well.

The ANI – ERF measures and evaluates individual nuclear plant performance based on select engineering plant performance indicators on a comparative basis. The ERF is used to redistribute a portion of total power reactor nuclear liability insurance premium based on the results of those performance indicators. The best plant performers are eligible to receive a credit of up to 20 percent. Those plants with the highest perceived nuclear insurance risk can be assessed a surcharge of up to 30 percent. Effluent releases have a direct financial impact on nuclear liability insurance premiums via the ERF program. There is also an indirect financial impact. Performance information also plays an important part in the development of insurance risk profiles that support loss control strategies at each nuclear power plant facility.

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