



**Some
answers to
frequently
asked
questions.**



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American Nuclear Insurers (ANI) is a joint underwriting association created by U.S. insurance companies that pool their assets in order to share the loss potential represented by nuclear power stations. ANI's members include many of the financially strongest insurance companies in the U.S. ANI provides its customers with insurance coverage for claims of "bodily injury" and "property damage" (terms defined in ANI's insurance policies), sustained by people who live or work or own homes and businesses near insured nuclear facilities due to the release or threatened release of nuclear material from one of those facilities. ANI's insurance satisfies the requirements of the Price-Anderson Act, a law designed to ensure that funds would be available in the event of a nuclear accident involving a commercial nuclear power plant.

Safe operation is the No. 1 job of nuclear energy facility operators. Layer upon layer of safety precautions and strict oversight by the independent Nuclear Regulatory Commission make the likelihood of an accident extremely low. However, if a nuclear accident was to occur, ANI is prepared to respond to the immediate financial needs of the public.

Following are typical questions that have been asked of ANI about its response to a serious nuclear accident. It should be noted that our response to any claim will always depend on all applicable terms, conditions, and exclusions of the appropriate nuclear liability insurance policy.

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What is ANI's role in the event of a nuclear emergency that requires an evacuation of the area around a nuclear plant?

ANI is prepared to provide emergency financial assistance to evacuees who live and work within the evacuation zone for immediate, reasonable out-of-pocket living expenses. These expenses may include: food, lodging, transportation (mileage allowance), lost wages and emergency medical treatment (including reimbursement for prescribed medicines). In some cases, "per diem" reimbursements would be set. Depending on the circumstances of the accident, we anticipate providing financial assistance within one to three days of the emergency.

How do I file a claim for emergency financial assistance?

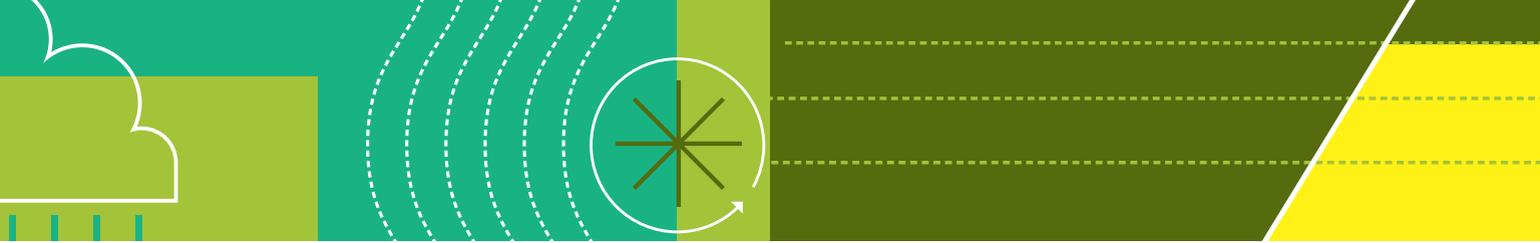
Claims may be submitted by telephone, and/or at a claims office near the site of the accident. The claims office(s) would be located where it best serves the needs of evacuees and claims response staff with consideration for the circumstances of the accident and local conditions.

Notice of the appropriate telephone numbers and claims office addresses would be established at the time of the event.

Regarding evacuation claims, evacuees would be required to verify that they live or work within the evacuation zone by presenting items such as drivers' licenses, utility bills or pay stubs. Evacuees should keep receipts to streamline the compensation process.

Do claimants have to hire a lawyer?

Claimants do not need to hire a lawyer to receive emergency assistance funds or make claims for damages.



Will ANI reimburse only those evacuees who go to public shelters?

No, evacuees who stay at motels or hotels, or with friends or relatives would also be reimbursed.

What if the accident contaminates my house or business?

If a home or business sustains property damage due to a nuclear incident, ANI would expect to pay to decontaminate the property or in the case of a total loss ANI would expect to reimburse the property owner on a fair basis, depending on the circumstances.

If a nuclear accident is caused by a terrorist act, would ANI's policy still apply?

The ANI policy would respond to a nuclear accident caused by terrorists. On the other hand, the policy does contain a traditional "war exclusion." The policy would not respond to bodily injury or property damage caused by "war" as referenced in the ANI policy.

Are additional expenses incurred by local government agencies (police, fire, etc.) due to a nuclear emergency evacuation reimbursable?

Yes, ANI's policy has a provision covering specified expenses incurred by State or local government agencies where an evacuation is initiated by an authorized government official because of a nuclear event that poses an imminent danger of bodily injury or property damage to the public.

This coverage applies to those additional costs of providing emergency food, shelter, transportation and police services to the public, over and above normal day-to-day expenses incurred by the State or local government during the time the evacuation order is in effect, plus an additional 30 days thereafter.

Does "property damage" include loss of business revenue if the loss is caused by the nuclear energy hazard?

Yes, to the extent that loss of revenue by a business results from radioactive contamination of property or loss of use of property while evacuated or withdrawn from use because of contamination or imminent danger of contamination.

Is loss of business by stores, restaurants, etc. due to the evacuation covered?

Reimbursement for a business's loss of revenue depends on the location of the business and its proximity to the nuclear event. To make a claim the business should be located in an area that was actually contaminated, or is in imminent danger of contamination. "Reasonableness" would also be a factor in determining coverage. For example, ANI would have to evaluate whether a claim for lost revenue based on the inability of the work force to attend to normal production is reasonable if the business is located well outside the danger zone.

If dairy farmers are required to dump their milk due to contamination, would their loss be covered?

Yes, their loss would be covered if the milk exceeded allowable contamination levels and they are required by health authorities to dispose of the milk.



In the aftermath of an accident, consumers could boycott certain agricultural products (e.g. milk, corn etc.) due solely to the proximity of such products to the affected area even if the products are not contaminated. Could ANI coverage apply to product boycotts?

ANI does not normally reimburse for crop loss unless contamination is imminent and the insured nuclear power station is legally liable. “Reasonableness” would be a factor in determining any possible reimbursement. For example, assume the potential danger zone is five miles around the site, claims for the inability to sell crops produced beyond 50 miles would be considered unreasonable.

Is there coverage for loss of farm animals or pets left behind?

Monetary damages for injuries sustained by farm animals or pets caused by the “nuclear energy hazard” could be recovered. However, ANI does not contemplate paying for the loss of an animal left behind e.g. that simply wanders off or is killed by an automobile.

If there is a vehicle accident during evacuation, how is it covered?

The ANI policy covers an insured’s liability for “bodily injury” or offsite “property damage” caused by the “nuclear energy hazard.” Thus injury or damage sustained as a result of an automobile accident would not be covered under the ANI policy. Presumably, coverage for such injury or damage could be available under an automobile liability policy. Health insurance policies might also apply in the case of injury.

What about losses during the evacuation period such as a fire caused by a stove being left on, or burglary or looting losses?

ANI would not provide reimbursement for fire damage, burglary, or looting. Losses of this type may be covered under another policy (e.g. Homeowner’s Insurance Policy) depending on the scope of the contract.

Will ANI cover costs if members of the general public self-evacuate outside of the designated evacuation zone (i.e., to 15 or 18 miles, if the designated evacuation zone is only 10 miles)?

Evacuation claims made by evacuees who live and work outside of the designated evacuation area would not be covered.

This brochure is intended to provide useful material regarding ANI’s role in Emergency Response as well as describing how our insurance coverage would apply in certain situations. We hope that you find this information beneficial. As referenced earlier, any actual response to a nuclear incident would depend upon the fact pattern associated with a particular event.