

Indiana Mine Subsidence Insurance Fund Common Q & A

General

Q1: Are buildings under construction covered by the Indiana Mine Subsidence Insurance Fund?

A1: Buildings under construction are NOT covered by the Indiana Mine Subsidence Insurance Fund.

Policy Detail Report

Q1: What is the distinction between a dwelling structure and a non-dwelling structure?

A1: "Dwelling Structures" includes residences, including farm residences, of up to four (4) family units. "Non-Dwelling Structures" are structures other than residences, including appurtenant structures, commercial buildings or residential housing consisting of more than four (4) family units.

Q2: What policy activity should be reported in a quarterly report?

A2: Any policy that has mine subsidence written premium activity during the quarter should be included. This activity may consist of policies that are written, reinstated, cancelled, or have otherwise changing exposure such as mid-term increases or decreases in mine subsidence limits.

Q3: What are appropriate values to input for "Limit of Insurance" in columns (3) and (4) in scenarios with a) more than one dwelling or non-dwelling structure on a single policy or b) structures in more than one location on a single policy?

A3: If multiple "Dwellings" exist for a single POLICY NUMBER/COUNTY combination, input the SUM of all limits. If multiple "Non-Dwellings" exist for a single POLICY NUMBER/COUNTY combination, input the SUM of all limits.

Q4: What "Limit of Insurance" should be input in columns (3) and (4) for a structure that has an insurance amount of \$750,000 but a mine subsidence limit of \$500,000?

A4: \$500,000 -- Note that this answer is a change from previous guidance.

Q5: How should counts and premium in columns (9), (10), and (11) be recorded when a policy has refunded premium?

A5: Example: Mine Subsidence coverage for a single dwelling structure was written on an annual policy effective 02/15/2016 for \$100. It was cancelled on 05/15/2016 with a refunded premium of \$75. Q1 2016 Report --> Adjusted Gross Written Premium = \$100, Number of Dwelling Structures = 1, Number of Non-Dwelling Structures = 0 (fully earned or written values reported). Q2 2016 Report --> Adjusted Gross Written Premium = -\$75, Dwelling Structures Count = -1 and Non-Dwelling Structures = 0

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Q6: If mine subsidence coverage on an in-force policy is increased or decreased mid-term, how should these changes be reported for Limits, Premium and Number of Dwellings or Number of Non-Dwellings?

A6: (1) If the change involves adding a new structure or cancelling a currently insured structure, include the limit and the Adjusted Gross Written Premium for that Dwelling or Non-Dwelling, and a Dwelling or Non-Dwelling count of "1" (or "-1" if a cancellation).

(2) If the change is an increase or decrease to the limit on a currently insured structure, include the new limit and the Adjusted Gross Written Premium for that Dwelling or Non-Dwelling, and a Dwelling or Non-Dwelling count of "0" (zero).

Paid Loss Detail Report

Q1: For determining which losses get reported, does IDOI want the date of loss, claim report date, or paid loss date to fall within the reporting period?

A1: Within a reporting period, the company should report

(1). All claims with a "Claim Report Date" during the period and

(2). All claims with a "Paid Loss Date" during the period.

If a claim has been reported but has not been resolved (i.e. no payment has been made), the "Paid Loss Date" and "Paid Loss Amount" should be left blank.

Example: A company reports a potential mine subsidence claim to the IDOI on 02/01/2016. After going through proper procedures, mine subsidence is determined to be the cause of loss and two loss payments are subsequently made by the company on 10/01/2016 and 04/15/2017. When should this policy's claim's activity be reported in the Paid Loss Detail Report?

This claim should be reported three times to reflect claim activity in the following reports:

Q1Q2 2016 (policy's claim is reported to IDOI), Q3Q4 2016 (claim is updated with paid loss # 1), Q1Q2 2017 (claim is updated with additional paid loss # 2).

Q2: What are the definitions of the Claim Information dates shown in the report?

A2: "Date of Loss" → date of event triggering claim report. "Claim Report Date" → date claim reported to IDOI. "Paid Loss Date" → date of loss payment.

Q3: Should the Paid Loss Amount entry include any expense payments?

A3: The paid loss amount should only include loss payments for which reimbursement is expected by the Indiana Mine Subsidence Insurance Fund. The adjustment of losses, taxes and expenses necessarily incurred

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by the insurer in the sale of policies and the administration of the mine subsidence program should not be included in the paid loss amount; these expenses are borne by the company in exchange for the ceding commission. If the IDOI finds it necessary to review the ceding commission percentage in the future for adequacy, additional expense reporting may be requested or required.

Q4: What should a company report if more than one payment is made for a single policy on various dates in the reporting period?

A4: The Company should enter one row of complete data for each unique paid loss date on the same policy.