

INDIANA DEPARTMENT OF INSURANCE

August 5, 2016

Bulletin 232

MINE SUBSIDENCE INSURANCE

This Bulletin is directed to all insurance companies writing property and casualty insurance, Class 3(a) under IC 27-1-5-1, in the state of Indiana. The purpose of this Bulletin is to provide guidance on changes to the Mine Subsidence law that go into effect January 1, 2017. This Bulletin supplements, and does not replace, Bulletin 217.

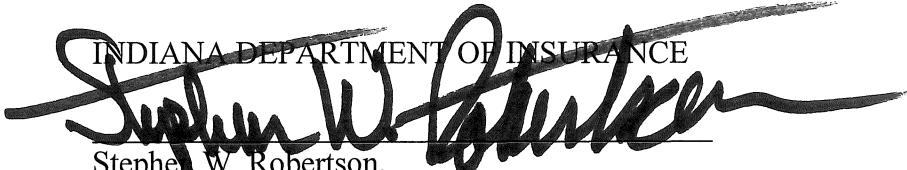
On March 22, 2016, Governor Pence signed into law SEA 336 (Pub. Law 101-2016), which made the following changes to Indiana's Mine Subsidence law:

- Allows mine subsidence caused by the collapse of underground coal mines abandoned on or after August 3, 1977, to be insured;
- Removes the exclusion of public buildings from the definition of structure for purposes of the act;
- Requires insurers to offer up to \$15,000 of coverage for additional living expenses caused by mine subsidence, subject to waiver by the insured.

Because of these changes, the Department has added rates for additional living expenses in connection with dwelling coverage and updated its reporting forms required to be used by insurers writing mine subsidence coverage. Insurers writing mine subsidence coverage should begin using the new forms beginning with the first quarter of 2017 (due May 15, 2017), but may begin using them earlier. Mine subsidence rates for dwelling and non-dwelling structures will remain unchanged. Both rating information and reporting information can be found on the Department's web site at <http://www.in.gov/idoi/2575.htm>.

Additional living expense rates are effective as of January 1, 2017. Although additional living expense coverage on existing policies need not be offered until renewal, the coverage must be made available as of January 1, 2017; therefore, if an insured requests the additional coverage be added mid-term, the insurer must accommodate the request. Furthermore, insurers are encouraged to notify policyholders prior to January 1, 2017, that coverage will be available beginning January 1, 2017.

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INDIANA DEPARTMENT OF INSURANCE
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