

KENTUCKY MINE SUBSIDENCE INSURANCE FUND

TABLE OF CONTENTS

Plan of Operation Page 1

Reinsurance Agreement..... Page 8

Insurance Premium Rates Page 13

Insurance Waiver Page 15

Loss Reporting Procedures..... Page 16

Quarterly Reporting eServices Setup Instructions..... Page 17

Claims Status Reporting Form..... Page 18

**PLAN OF OPERATION
for the
KENTUCKY MINE SUBSIDENCE INSURANCE FUND**

The Commissioner of the Kentucky Department of Insurance has designated the Department's Property and Casualty Division as administrator of the Kentucky Mine Subsidence Insurance Fund, hereinafter called the "Fund" or "KMSIF," pursuant to KRS 304, Subchapter 44.

The Administrator hereby establishes and adopts this plan of operation in order to provide insurance coverage for structural losses in Kentucky due to mine subsidence.

SECTION I

Purpose

The purpose of the fund is to ensure that mine subsidence insurance coverage is applied to like risks in a fair and reasonable manner, that all rates and coverage terms are uniform, and that all claims are investigated and settled satisfactorily.

SECTION II

Effective Date and Amendments

This plan of operation shall be effective as of the 1st day of January, 2025. Amendments to this plan proposed by the administrator shall become effective after the Commissioner has approved such amendments.

SECTION III

Definitions

The definitions established by KRS 304.44-010 are set forth here. Some definitions have been added to clarify certain terms in the statute.

1. "Department" means the Department of Insurance.
2. "Commissioner" means the Commissioner of Insurance of the Commonwealth of Kentucky.
3. "Mine Subsidence Insurance Fund" or "Fund" means the fund established by this subtitle and administered as determined by the department. KRS 304.44-010(3)
4. "Administrator" means the organization designated by the Commissioner to operate the fund. KRS 304.44-010(7)
5. "Mine subsidence" means the collapse of underground coal mines resulting in direct damage to a structure. It does not include loss caused by earthquake, landslide, water seepage, volcanic eruption, or collapse of storm, and sewer drains. KRS 304.44-010(2)

6. “Structure” means any dwelling, building, or fixture permanently affixed to realty, but does not include land, trees, plants, or crops. KRS 304.44-010(6)
7. “Permanently affixed to realty” as used in the statutory definition of “structure” means that the dwelling, building, or fixture was assembled or constructed at its present location upon a permanent foundation. It does not include any dwelling, building, or fixture designed to be mobile or portable from location regardless of the foundation type.
8. “Insurer” means any insurance company authorized by the commissioner under any provision of KRS Chapter 304 to write property insurance in this state. Insurer does not mean surplus lines carrier.
9. “Policy” means a contract of insurance providing mine subsidence insurance. KRS 304.44-010(4)
10. “Contract of insurance” as used in the statutory definition of “policy” includes an endorsement for attachment to a policy.
11. “Basic property insurance” means the coverage against the peril of fire for direct loss to a structure permanently affixed to realty at a fixed location.
12. “Premium” means the gross rate charged to policyholders for insurance provided by this subtitle. KRS 304.44-010(5)
13. “Gross rate” as used in the statutory definition of “premium” means only the applicable manual rate established by the administrator for the risk insured and does not include any municipal premium taxes or state insurance surcharges established or required by other authority.
14. “Eligible locations” means those counties of this state, which have underground coal-bearing stratum. They are:

Bath, Bell, Boyd, Breathitt, Breckinridge, Butler, Caldwell, Carter, Christian, Clay, Clinton, Crittenden, Daviess, Edmonson, Elliott, Estill, Floyd, Grayson, Greenup, Hancock, Harlan, Henderson, Hopkins, Jackson, Johnson, Knott, Knox, Laurel, Lawrence, Lee, Leslie, Letcher, Lewis, McCreary, McLean, Madison, Magoffin, Martin, Menifee, Montgomery, Morgan, Muhlenberg, Ohio, Owsley, Perry, Pike, Powell, Pulaski, Rockcastle, Rowan, Union, Warren, Wayne, Webster, Whitley, Wolfe.
15. “Qualified locations” means those eligible locations or counties where the fiscal courts have certified to the administrator its approval of the availability of mine subsidence insurance within that county. They are:

Bell, Boyd, Breathitt, Butler, Carter, Christian, Clay, Daviess, Edmonson, Elliott, Floyd, Greenup, Hancock, Harlan, Henderson, Hopkins, Jackson, Johnson, Knott, Knox, Laurel, Lawrence, Lee, Leslie, Letcher, McCreary, McLean, Martin, Morgan, Muhlenberg, Ohio, Owsley, Perry, Union, Webster, Whitley, Wolfe.

16. “Loss” or “mine subsidence insurance loss” is the amount paid or payable by the insurer to its policyholder for mine subsidence damage sustained within the scope of the statutory mine subsidence insurance coverage.
17. “Plan of Operation” refers to the formal operating procedures followed by the fund and the insurer, as established by the administrator and approved by the commissioner of insurance.
18. “Proof of reinsured claim” is the documentation required by the plan of operation to substantiate the fact that the loss in question was due to mine subsidence and was covered by the statutory mine subsidence insurance coverage.
19. “Statutory mine subsidence insurance coverage” is the coverage which the insurer makes available to policyholders on any permanent structure located in the state in accordance with Chapter 304, Subtitle 44 of the Kentucky Revised Statutes.
20. “Coal Mining Activity” - Pre-Aug. 3, 1977, means mined areas abandoned prior to Aug. 3, 1977. Post-Aug. 3, 1977, means active mines and mined areas abandoned after Aug. 3, 1977.
21. “Deductible” means two percent (2%) of the policy’s total insured value, but at no time shall the deductible be less than two hundred fifty dollars (\$250) nor more than five hundred dollars (\$500).

SECTION IV

Daily Operation

The Commissioner has designated the Kentucky Department of Insurance, Property and Casualty Division, as the administrator of the Kentucky Mine Subsidence Insurance Fund. The administrator shall have the authority to oversee and supervise the daily operations of the fund either directly through employees, or through a person engaged for that purpose. In either event, the administrator shall recover costs, whether incurred directly or indirectly, from the fund.

The Public Protection Cabinet receives and maintains an accounting of all monies received for and on behalf of the fund.

The administrator obtains periodic reports from the Public Protection Cabinet of all mine subsidence premium and claim transactions and provides the report to the Commissioner.

SECTION V

Income

The Fund was initially created utilizing federal grant monies as endowment funds. Today the Fund receives income from two sources, premium and the returns on investments.

1. Premium Income; and
2. Investment Income.

The fund primarily receives income from premium. As premiums are forwarded to the insurers, seventy percent (70%) of each premium dollar will be forwarded by the insurer to the Department and deposited into the Mine Subsidence Insurance Premium Account.

The Mine Subsidence Insurance Premium Account is held by the Kentucky State Treasury and invested according to their normal investment procedures. As interest is obtained, the Fund receives investment income which is considered by PPC in their accounting.

SECTION VI

Mandatory Insurer Participation

1. Every insurer writing a property insurance policy on any structure located in a county that has become a “qualified location” shall include in the policy an endorsement of coverage against loss or damage to the structure arising from coal mine subsidence.
2. Coverage for coal mine subsidence shall not be included in any policy:
 - (A) covering a structure in (1) an exempt location or (2) an eligible location which has not been “qualified” by approval of the fiscal court;
 - (B) if the applicant or insured has waived his right to the coverage in writing. A copy of the “Waiver Form” is attached as **Exhibit 2**.
3. No insurer nor any of its agents shall require, as a condition to the issuance of any policy of basic property insurance, that the applicant waive his right to obtain mine subsidence coverage.

SECTION VII

Coverage Forms

Insurers shall provide the mine subsidence coverage required by KRS Chapter 304, Subtitle 44, using forms filed with and approved by the Department in accordance with KRS Chapter 304, Subtitle 14. Such forms shall not be changed unless approved by the Department.

SECTION VIII

Structures

1. Dwelling Structures (one- to four-family units)
The estimated annual premium income for dwelling structures is in direct relation to the premium rate, number of participating dwellings and the average amount of coverage per dwelling structure.

A premium table was established that provides premium rates for insurance values of \$50,000 or less in \$10,000 increments up to \$500,000, the maximum coverage amount for the mine subsidence insurance. See Premium Table **Exhibit 1**.

The premium rate table was established by estimating loss frequency, average size and administrative cost including adjusting expense.

The number of dwelling structures expected to participate in the program was established by the number of households in the counties eligible for the mine subsidence insurance.

Additional Living Expense up to \$50,000 is in addition to the maximum \$500,000 coverage limit for structures. This limit applies to residential risks only. See KRS 304.44-030 (2).

2. Non-Dwelling Structures (commercial structures)

The estimated annual premium income for the commercial structures is in direct relation to the premium rate, number of participating commercial structures and the average amount of coverage per structure.

A premium table was established providing premium rates for insurance values of \$50,000 or less in \$10,000 increments up to \$500,000 being the maximum coverage amount for the mine subsidence insurance. See Exhibit 1.

The premium rate table was established by estimating loss frequency, average size claim and administrative cost, including claim-adjusting expense.

3. Farm Dwellings and Outbuildings

Residential structure rates and minimum premium will apply to all farm dwellings. The following table shows the rates for outbuilding limits below \$50,000 that should be applied to outbuildings.

Mine Subsidence Limits/Outbuildings	Calculated Premium
Up to \$10,000	4.00
\$10,001 to \$20,000	7.00
\$20,001 to \$30,000	11.00
\$30,001 to \$40,000	14.00
\$40,001 to \$50,000	16.00

All outbuildings valued at greater than \$50,000 will be rated using the Calculated Premium Residential rates for structures. For farm outbuildings without a farm dwelling, rate the highest valued outbuilding using the rates and minimum premium for farm dwellings.

4. Mobile Homes

Mobile homes and attachments are ineligible for mine subsidence coverage.

SECTION IX

Reinsurance

1. Every insurer shall enter into a reinsurance agreement with the administrator acting on behalf of the fund whereby the insurer agrees to cede, and the fund agrees to accept, a one hundred percent (100%) quota share of all mine subsidence coverage written up to a maximum liability limit of \$550,000 for each risk assumed. The maximum liability limit

includes \$500,000 for structures and \$50,000 for ‘additional living expense.’ Cessions made by the insurer within the coverage limits shall relieve the insurer of all liability for loss stemming from claims made by its policyholders under such policies of mine subsidence insurance. The administrator’s acceptance of such cessions shall not create any legal liability. The fund shall be solely liable for the ceded coverage and shall be entitled to any profits earned and shall bear any losses incurred from such business.

2. In order for the fund to be liable to an insurer for reinsurance of a mine subsidence claim the insurer must provide mine subsidence coverage using policy and endorsement forms approved by the administrator as being in compliance with this plan.
3. A ceding commission of thirty percent (30%) will be allowed only on the gross rate portion of the premium charged policyholders. Any portion of the premium attributed to municipal taxes or state premium surcharge shall be subject to the rules and regulations otherwise governing such transactions.
4. Accounting for premiums and losses arising from business written by the insurer and ceded to the fund shall be provided through the Department’s eServices platform. A copy of “eServices account setup instructions for quarterly reporting” is attached as **Exhibit 4**.
5. An insurer may, but is not required to, write mine subsidence coverage in excess of the limits provided by the fund. The fund shall have no liability to the insurer or its insured for any amount of coverage written in excess of its statutory authority.
6. In the event of loss under a policy providing excess coverage, the insurer shall be liable under the terms of its policy to its insured for any covered excess portion regardless of whether or not the primary portion of the loss (within the limits of liability of the fund) is collectible from the fund.

SECTION X

Underwriting

1. The insurer may apply its own underwriting rules in determining acceptance, rejection, or cancellation of its policy of basic property insurance and its decision shall control the disposition of the mine subsidence coverage regardless of the fact that the structure may qualify for mine subsidence coverage under the administrator’s rules.
2. The administrator shall review the rating structure and adopt such changes subject to the Commissioner’s approval. The Commissioner shall maintain a rating structure, which is neither excessive, inadequate nor unfairly discriminatory. Rate structure is expected to cover all losses and expenses to be incurred during the succeeding year, and include a reserve for unexpected contingencies.
3. At the administrator’s discretion, an actuary will review and evaluate premium rates. The actuary will examine and analyze loss reserves, premium collections, claim adjustments, and any and all other aspects affecting the financial condition of the fund. No insurer shall use any classification plan or manual of rates for mine subsidence except those adopted and approved by the administrator for the use of all insurers.

SECTION XI

Claims Procedures

1. The insured will report a claim directly to the insurer.
2. The insurer will undertake all claims adjusting tasks and shall retain a licensed professional civil engineer to investigate suspected mine subsidence claims.
3. After the insurer has made a payment to its insured, the insurer shall remit to the administrator a “proof of reinsured loss,” including a copy of their complete claim file, draft and settlement papers, including any subrogation receipt, for reimbursement from the fund.
4. Right of Subrogation KRS 304.44-110.
 - A. All insurers issuing mine subsidence coverage shall retain the right of subrogation.
 - B. The administrator shall retain the right of subrogation.
 - C. The insurer shall include in its claim reports an itemized list of losses in subrogation and shall remit to the fund all monies, less expenses, recovered as the result of subrogation actions.

SECTION XII

Quarterly Statements

The insurer shall submit quarterly a statement of mine subsidence premium transactions to the administrator through their eServices portal.



KENTUCKY MINE SUBSIDENCE REINSURANCE AGREEMENT

This reinsurance agreement is entered into between

("The insurer")

and the **KENTUCKY MINE SUBSIDENCE INSURANCE FUND** ("the Fund").

This agreement is effective as of _____.

I. DEFINITIONS. As used in the agreement:

1. "Department" means the Department of Insurance.
2. "Commissioner" means the Commissioner of Insurance of the Commonwealth of Kentucky.
3. "Mine Subsidence Insurance Fund" or "Fund" means the fund established by this subtitle and administered as determined by the Department. KRS 304.44-010(3).
4. "Administrator" means the organization designed by the Commissioner of the Department to operate the fund. KRS 304.44-010(7).
5. "Mine Subsidence" means the collapse of underground coal mines resulting in damage to a structure. It does not include loss caused by earthquake, landslide, water seepage, volcanic eruption or collapse of storm and sewer drains. KRS 304-44-010(2).
6. "Structure" means any dwelling, building or fixture permanently affixed to realty, but does not include land, trees, plants or crops. KRS 304.44-010-(6).
7. "Permanently affixed to realty" as used in the statutory definition of "structure" means that the dwelling, building or fixture was assembled or constructed at its present location upon a permanent foundation. It does not include any dwelling, building or fixture designed to be mobile or portable from location regardless of foundation type.
8. "Insurer" means any insurance company authorized by the Commissioner under any provision of KRS Chapter 304 to write property insurance in this state. Insurer does not mean a surplus lines carrier.
9. "Policy" means a contract of insurance providing mine subsidence insurance. KRS 304.44-010(4).
10. "Contract of insurance" as used in the statutory definition of "policy" includes an endorsement for attachment to a "policy."
11. "Basic property insurance" means the coverage against the peril of fire for direct loss to structures permanently affixed to realty at a fixed location.

12. "Premium" means the gross rate charged policyholders for insurance provided by this subtitle. KRS 304.44-010(5)
13. "Gross rate" as used in the statutory definition of "premium" means only the applicable manual rate established by the Administrator for the risk insured and does not include any municipal premium taxes or state insurance surcharges established or required by other authority.
14. "Eligible locations" means those counties of this state, which have underground coal-bearing stratum. They are:

Bath, Bell, Boyd, Breathitt, Breckinridge, Butler, Caldwell, Carter, Christian, Clay, Clinton, Crittenden, Daviess, Edmonson, Elliott, Estill, Floyd, Grayson, Greenup, Hancock, Harlan, Henderson, Hopkins, Jackson, Johnson, Knott, Knox, Laurel, Lawrence, Lee, Leslie, Letcher, Lewis, McCreary, McLean, Madison, Magoffin, Martin, Menifee, Montgomery, Morgan, Muhlenberg, Ohio, Owsley, Perry, Pike, Powell, Pulaski, Rockcastle, Rowan, Union, Warren, Webster, Whitley, Wolfe.
15. "Qualified locations," means those eligible locations or counties where the fiscal courts have certified to the Administrator approval of the availability of mine subsidence insurance within that county. They are:

Bell, Boyd, Breathitt, Butler, Carter, Christian, Clay, Daviess, Elliott, Edmonson, Floyd, Greenup, Hancock, Harlan, Henderson, Hopkins, Jackson, Johnson, Knott, Knox, Laurel, Lawrence, Lee, Leslie, Letcher, McCreary, McLean, Martin, Morgan, Muhlenberg, Ohio, Owsley, Perry, Union, Webster, Whitley, Wolfe.
16. "Loss" or "mine subsidence insurance loss" is the amount paid or payable by the insurer to its policyholder for mine subsidence damage sustained within the scope of the statutory mine subsidence insurance coverage.
17. "Plan of Operation" refers to the formal operating procedures followed by the Fund and the insurer, as established by the Administrator and approved by the Commissioner of Insurance.
18. "Proof of reinsured claim" is the documentation required by the plan of operation to substantiate the fact that the loss in question was due to mine subsidence and was covered by the statutory mine subsidence insurance coverage.
19. "Statutory mine subsidence insurance coverage" is the coverage which the insurer makes available to policyholders on any permanent structure located in the state in accordance with Chapter 304, Subtitle 44 of the Kentucky Revised Statutes.
20. "Coal Mining Activity" - Pre-Aug. 3, 1977, means mined areas abandoned prior to Aug. 3, 1977. Post-Aug. 3, 1977, means active mines and mined areas abandoned after Aug. 3, 1977.
21. "Deductible" means two percent (2%) of the policy's total insured value, but at no time shall the deductible be less than two hundred fifty dollars (\$250) nor more than five hundred dollars (\$500).

II. REINSURANCE

As of the effective date of this agreement, the insurer agrees to cede, and the fund agrees to accept, a 100 percent quota share of all mine subsidence coverage written up to the maximum liability limit referenced in KRS 304.44-050 and as set forth in KRS 304.44-030¹ for each risk assumed. The maximum liability limit includes \$500,000 for structures and \$50,000 for “additional living expense.” Cessions made by the insurer within the coverage limits shall relieve the insurer of all liability for losses stemming from claims made by its policyholders under such policies of mine subsidence insurance.

Acceptance of such cessions by the administrator shall not create any legal liability. The fund alone shall be liable for the ceded coverage and it alone shall be entitled to any profits earned and shall bear any losses incurred from such coverage. The fund shall pay insurers for losses which occurred in qualified locations, and in no event shall the fund have any liability to the insurer for any losses occurring in exempt locations or in locations which are not qualified locations.

Claims supervision and handling shall be subject to the supervision and approval of the “insurer.” The insurer shall retain a licensed professional civil engineer to investigate all mine subsidence claims on their behalf. Refer to **Exhibit 3** in the “Plan of Operation.”

The “Mine Subsidence Insurance Fund” may retain a contractor to audit claims processing. When a contractor is retained, the fund may from time-to-time review:

- (1) the performance of company claims adjusting methods;
- (2) the procedures and standards used by the insurers’ engineers for claims processing, and;
- (3) the application of those procedures and standards to the claims of insureds.

In order for the fund to be liable to an insurer for reinsurance of a mine subsidence claim, the insurer must provide the mine subsidence insurance coverage using policy and endorsement forms approved by the administrator as being in compliance with this plan.

A ceding commission of 30 percent will be allowed only on the gross rate portion of the premium charged policyholders. Any portion of the premium attributed to municipal taxes or state premium surcharge shall be subject to the rules and regulations otherwise governing such transactions.

Accounting for premiums and losses arising from business written by the insurer and ceded to the fund shall be reported to the Fund as prescribed by the administrator.

An insurer may, but is not required to, write mine subsidence coverage in excess of the limits provided by the fund. The fund shall have no liability to the insurer or its insured for any amount of coverage written in excess of its statutory authority.

In the event of loss under a policy providing excess coverage, the insurer shall be liable under the terms of its policy to its insured for any covered excess portion without regard as to whether or

¹ The maximum liability limit may be \$500,000.00 as referenced in KRS 304.44-030 or a different amount established by the Department of Insurance in compliance with KRS 304.44-030(1)(d)(2.).

not the primary portion of the loss (within the limits of liability of the fund) is collectible from the fund.

III. ESTABLISHMENT OF REASONABLE RULES AND PROCEDURES

The fund shall establish reasonable rules and procedures covering the content and timely submission of the following:

1. Reports of reinsured policies in force;
2. Premiums;
3. Proof of reinsured claims;
4. Periodic status reports on open claims;
5. Pleadings and other relevant documents regarding claims in litigation.

The fund shall establish reasonable rules and procedures governing the fund's reimbursement of insurers.

Such rules and procedures shall be contained either in the plan of operation or in periodic bulletins or circulars prepared by the fund. The plan of operation and all such bulletins and circulars shall be distributed to the insurers.

IV. CONDITIONS

The fund's obligations to provide reinsurance and to pay the insurer's losses and the authorized fees are conditioned upon the insurer's compliance with the following requirements, in accordance with the fund's plan of operation, bulletins and circulars:

1. Remittance to the fund of the mine subsidence insurance premiums collected from its policyholders, less its ceding commissions.
2. Timely submission of proofs of reinsured claims.
3. Timely submission of reports of its statutory mine subsidence insurance coverage.
4. Cooperation in the fund's examination and audit of the insurer's mines subsidence insurance books and records.

5. Assistance to the fund in the development of loss reserves for reported claims not yet paid or settled.
6. Timely submission of status reports on open claims.
7. Timely submission of pleadings and other relevant documents regarding claims in litigation.
8. Adjustment of insured's loss in the customary manner.

V. DISPUTE RESOLUTION

If the insurer disagrees with the administrator's determination of the fund's obligation to pay any reinsured claim or claims, the insurer may request an administrative hearing pursuant to KRS Chapter 13B.

This agreement shall terminate upon the repeal of the legislation authorizing the statutory mine subsidence insurance coverage.

INSURER: _____

By: _____ Date: _____
 Authorized Representative of the above-referenced Insurer

Printed Name: _____

Printed Title: _____

AND

By: _____ Date: _____
 Administrator of the Kentucky Mine Subsidence Fund

Printed Name: _____

Printed Title: _____

COMMONWEALTH OF KENTUCKY**COAL MINE SUBSIDENCE RATES**

Mine Subsidence Limits/Structures	Calculated Premium Residential	Calculated Premium Commercial
Up to \$50,000	16.00	21.00
\$50,001 to \$60,000	19.00	24.00
\$60,001 to \$70,000	21.00	26.00
\$70,001 to \$80,000	23.00	28.00
\$80,001 to \$90,000	26.00	31.00
\$90,001 to \$100,000	27.00	32.00
\$100,001 to \$110,000	29.00	34.00
\$110,001 to \$120,000	31.00	36.00
\$120,001 to \$130,000	32.00	37.00
\$130,001 to \$140,000	34.00	39.00
\$140,001 to \$150,000	35.00	40.00
\$150,001 to \$160,000	36.00	41.00
\$160,001 to \$170,000	37.00	42.00
\$170,001 to \$180,000	38.00	43.00
\$180,001 to \$190,000	39.00	44.00
\$190,001 to \$200,000	40.00	45.00
\$200,001 to \$210,000	41.00	46.00
\$210,001 to \$220,000	42.00	47.00
\$220,001 to \$230,000	42.00	47.00
\$230,001 to \$240,000	43.00	48.00
\$240,001 to \$250,000	43.00	48.00
\$250,001 to \$260,000	44.00	49.00
\$260,001 to \$270,000	44.00	49.00
\$270,001 to \$280,000	45.00	50.00
\$280,001 to \$290,000	45.00	50.00
\$290,001 to \$300,000	46.00	51.00
\$300,001 to \$310,000	46.00	51.00

\$310,001 to \$320,000	46.00	51.00
\$320,001 to \$330,000	47.00	52.00
\$330,001 to \$340,000	47.00	52.00
\$340,001 to \$350,000	47.00	52.00
\$350,001 to \$360,000	48.00	53.00
\$360,001 to \$370,000	48.00	53.00
\$370,001 to \$380,000	48.00	53.00
\$380,001 to \$390,000	48.00	53.00
\$390,001 to \$400,000	48.00	53.00
400,001 to \$410,000	49.00	54.00
\$410,001 to \$420,000	49.00	54.00
\$420,001 to \$430,000	49.00	54.00
\$430,001 to \$440,000	49.00	54.00
\$440,001 to \$450,000	49.00	54.00
\$450,001 to \$460,000	49.00	54.00
\$460,001 to \$470,000	49.00	54.00
\$470,001 to \$480,000	49.00	54.00
\$480,001 to \$490,000	50.00	55.00
\$490,001 to \$500,000	50.00	55.00

NOTE: A commercial structure is defined for rating purposes as a building that is not principally used for residential purposes or house of more than four family units.

A total limit of \$550,000 is the maximum amount of insurance reinsured by the Kentucky Mine Subsidence Insurance Fund. This amount includes a maximum limit of \$500,000 for structures, and a maximum limit of \$50,000 for additional living expense.

Additional living expense premium is included in the premium for residential structures.

FARM DWELLINGS AND OUTBUILDINGS

Mine Subsidence Limits/Outbuildings	Calculated Premium
Up to \$10,000	4.00
\$10,001 to \$20,000	7.00
\$20,001 to \$30,000	11.00
\$30,001 to \$40,000	14.00
\$40,001 to \$50,000	16.00

KENTUCKY MINE SUBSIDENCE INSURANCE FUND WAIVER FORM

WAIVER OF INSURANCE

I (WE) DO NOT DESIRE COAL MINE SUBSIDENCE INSURANCE COVERAGE AND
HEREBY WAIVE ANY RIGHT TO SUCH COVERAGE, UNDER THIS POLICY OR ANY
FUTURE POLICY COVERING MY (OUR) INTEREST IN THE PROPERTY DESCRIBED
IN THE POLICY (IN THE APPLICATION), UNLESS I (WE) REQUEST COAL MINE
SUBSIDENCE COVERAGE, IN WRITING, AT SOME FUTURE DATE.

_____*
Signature of Named Insured(s)

Policy Number (If Renewal)

Date Signed

*IF INSURED IS A CORPORATION, AN OFFICER OF THE CORPORATION MUST SIGN WITH HIS TITLE.

KENTUCKY MINE SUBSIDENCE INSURANCE FUND

Claim Procedures

1. Insured will notify the authorized agent or insurance company of potential mine subsidence damage.
2. The insurer will supervise and handle all claim adjustment activity.
3. The insurer shall retain a licensed professional civil engineer to investigate suspected mine subsidence damage and to confirm mine subsidence as the cause of loss.
4. If the professional engineer confirms the cause of loss as mine subsidence, the insurer will adjust the claim in their customary manner.
5. To apply for reimbursement in accordance with the reinsurance agreement on file with the Department of Insurance, the insurer shall submit “proof of a reinsured claim” which shall consist of:
 - A. The insured declarations showing mine subsidence coverage effective date;
 - B. The complete insurer claim file which shall include investigative reports from a licensed professional civil engineer, property damage estimate(s), and insurer notes;
 - C. A copy of the draft paid to the insured for mine subsidence damage including applicable subrogation receipts and;
 - D. A written request for reimbursement that contains the insurer’s NAIC and FEIN numbers.
6. At the end of each quarter reinsured companies shall complete the Kentucky Mine Subsidence Insurance Fund Claim Status Report and submit to the fund (refer to **Exhibit 5**, p. 18).

Quarterly Reporting eServices Setup Instructions

The Kentucky Department of Insurance requires the submission and payment of Mine Subsidence Quarterly Reports to be made via our eServices system.

If you do not have a Mine Subsidence Quarterly Reporting eServices account, please contact the DOI Information Systems Help Desk at DOI.ISHelpDesk@ky.gov, and provide the following information:

1. Type of Account Requested (Mine Subsidence Quarterly Reporting)
2. User First and Last Name
3. User E-Mail Address
4. Company Name
5. Company DOI ID

After sending this information, you will receive an email invite with further instructions.

Once your account is created, please submit your reports and payments via this eServices account.

KENTUCKY MINE SUBSIDENCE INSURANCE FUND CLAIMS STATUS REPORT

Companies reinsured with the Kentucky Mine Subsidence Insurance Fund (KMSIF) are required to report their total number of incurred mine subsidence claims and status of each claim. The report is due **no later than 45 days after the end of each quarter** using this form or a supplemental report with identical content. If a supplemental report is provided, please use this form as the cover sheet.

This report is not required if the company has no pending claims.

Insurer: _____

NAIC _____

Reporting Year: _____

Quarter _____

Insurer Claim No.	Insured Name	Claim Street Address	Claim City & Zip Code	Claim County	Claim Occurrence Date (mm/dd/yyyy)	Claim Reserve Amount	Sent to KMSIF for Reimbursement (Y/N)	Closed: No Mine Subsidence (Y/N)	Date Closed (mm/dd/yyyy)

Quarter	Report due no later than:
1Q	May 15
2Q	August 15
3Q	November 15
4Q	February 15

Prepared By: _____

Title: _____

Signature: _____

Date Prepared: _____

Telephone: _____

Email: _____