



Circular 04 (11/2012)

November, 2012

Subject: Premium Reporting Requirements

Purpose: This Circular supersedes Circular 04 (03/2008) and communicates a change in the ceding commission retained by the insurers applicable **only to residential business**. Ceding commission on Commercial business will not change.

Intended Recipients: All primary insurer company personnel responsible for reporting premium to the Illinois Mine Subsidence Insurance Fund (IMSIF).

Background: Ceding commission has been 20% on residential and commercial business since 1994. The Illinois Department of Insurance has determined that rate is too high, and does not reflect current actual costs to primary insurers.

A new ceding commission of 15% applicable to residential business has been approved by the Department. The Ceding Commission for commercial business remains at 20% for the present time.

Effective Date: The new reporting requirement is effective with submission of the September 30, 2013 quarterly premium reports and remittance. These reports are due on or before November 15, 2013.

Reporting Requirements:

The following requirements apply to all insurers who have entered into Reinsurance Agreements with IMSIF. Failure to comply with these requirements violates the terms of the Reinsurance Agreement.

1. Frequency of Reporting

All insurers must report premiums and premium related data on a calendar quarterly basis.

2. Exempt Status

Insurers who have entered into a Reinsurance Agreement with the Fund, but who are not actively writing property insurance subject to mine subsidence coverage, may request an exempt status by so stating in writing to IMSIF. Companies holding an exempt status will be required to execute an Annual Verification Affidavit initiated each year by IMSIF. The exempt insurer will also be asked to submit the Exhibit of (IL) Premium and Losses page from the Annual Statement filed with the NAIC.

3. Report Due Dates, Payment Options, and Submission Address

Insurers must report quarterly by calendar quarter. The reports and remittances are due and must be received by the Fund at the P.O. Box address provided below within 45 days after the close of the quarter as follows:

Quarter Ending

March 31

June 30

September 30

December 31

Due Date

May 15

August 15

November 15

February 15

All reports should be posted by regular mail to:

Illinois Mine Subsidence Insurance Fund

P.O. Box 71915

Chicago, IL 60694-1915

Premium remittance and accompanying reports sent to any other IMSIF address may be subject to late or delinquent penalties. Most overnight services will not deliver to a P.O. Box address, so sufficient time should be allowed for normal mail delivery.

If preferred, IMSIF is prepared to accept payment in the form of a wire transfer. However, the required reports must still be received via mail, fax, or email by the due date. Furthermore, correspondence indicating the date and amount of the wire transfer is required in order to give proper credit on a timely basis. Wire transfer specifications must be requested in order to use this payment option.

4. Report Forms

IMSIF provides two forms for reporting the required information. The Premium Summary Report (IMSIF 13-1) is a summary sheet and certification. The Report of Premiums Written and Policy Count by Location (IMSIF 13-2) is a detailed listing of premiums written and net policy count by county and policy type. This report requires a separate form be submitted for each type of policy issued: Residential Structure (IMSIF 13-2R), Residential Living Unit (IMSIF 13-2L), and Commercial (IMSIF 13-2C) as well as for each policy term reported: Annual, Semi-annual, and All Other.

There is an additional reporting requirement included on the Residential Structure Form (IMSIF 13-2R) only. Insurers are required to provide a subtotal of the total adjusted gross premium and net policy count associated with those residential structure policies having a coverage amount greater than \$350,000. The premium reported should include the entire mine subsidence premium, not just that amount associated with coverage over \$350,000.

Line by line instructions for the completion of each form are included. All applicable forms must be completed and properly signed.

5. Forms Supply

Premium reporting forms, as well as all Circulars, are accessible from our website at www.imsif.com in the Primary Insurer section. If you do not have a password, you may request one directly from the website.

6. Data Format Options

Insurers may provide the report in a printed computer format as long as all of the required data is submitted in the order shown on the original form provided by IMSIF.

7. Late and Delinquent Premium Penalties

Premium is considered to be "Late Premium" when it is received by IMSIF after the published due date but within 60 days past the due date. The penalty for late reporting or remittance shall be 1% of the amount due for each month or portion of the month that the report OR payment is late, but no less than \$25.

Premium is considered to be "Delinquent Premium" when it is received by IMSIF 61 days or more past the due date. Reports of delinquent premium shall be accompanied by a complete bordereaux and must come with a certification of no known losses. These required reports shall be accompanied by a check for the full amount of the adjusted gross premium due without deduction of the ceding commission.

The bordereaux report shall include the following information: policy number, named insured, address of the property insured, effective date, coverage amount, county or zip code, and mine subsidence premium charged.

The bordereaux shall be accompanied by a signature attesting to the fact that all policies listed are, at the date of submission, free from known losses. This is accomplished by completing section (6) of the Premium Summary Report (IMSIF 13-1).

If a mine subsidence claim has been reported to the insurer prior to the date on which delinquent premium is reported to and received by IMSIF, reinsurance for that loss will not be provided by IMSIF, and the Fund's sole obligation is to return the premium to the insurer upon receipt of proof that the premium was paid to IMSIF.

Late and delinquent premium rules and penalties apply to any premium discovered during the premium self audit process.

8. Commission

The ceding commission approved by the Director of Insurance and retained by the insurer is 15% for residential policies and 20% for commercial policies.

Contact Information

All correspondence should be directed to:

Heidi Weber, CEO
Illinois Mine Subsidence Insurance Fund
180 North Stetson, Suite 1735
Chicago, IL 60601

hmweber@imsif.com

Illinois Mine Subsidence Insurance Fund

Premium Summary Report

(1) Company/Group Name _____ (2) NAIC Co. Number _____
 (3) For the Period Ending _____ (2a) AM Best Co. Number _____

Pursuant to the requirements established in the Plan of Operation and the Reinsurance Agreement between this company and the Illinois Mine Subsidence Insurance Fund, the undersigned certifies that the following is an accurate statement of the transactions:

(4) Premium Summation	Residential Structure	Residential Living Unit	Residential Subtotal	Commercial	Total
(4a) Gross Premium Written					
(4b) Cancellation & Return Premium					
(4c) Adjusted Gross Premium					
(4d) Commission Due Company 15% Residential 20% Commercial					
(4e) Net Premium Due IMSIF					

(5) If this report is filed on behalf of a group of insurers, the following companies constitute that group and are included in this report:

IMSIF Use Only
R:
P:
A:
CN:
V:

(6) Delinquent Report Certification

If this report is delinquent (61 days or more past the due date) you must attach a complete bordereaux report which shall include the following information on all policies being reinsured: policy number, named insured, address of the property insured, effective date, coverage amount, county or zip code, and mine subsidence premium charged.

I certify that all the policies listed on the accompanying bordereaux are, at the date of this submission, free from known loss.

 Signature

(7) Signature _____

(9) Name _____

(11) Preparer _____

(13) Address _____

(8) Title _____

(10) Date _____

(12) Phone _____

(14) Email _____

Instructions for Completion of the Premium Summary Report Form (13-1)

This form is used to summarize premium data from the *Report of Premiums Written and Policy Count by Location* forms (13-2R, 13-2L, 13-2C).

1. **Company/Group Name:** Use the name under which all reports are filed with IMSIF.
2. **NAIC Co. Number:** Use the number assigned by the National Association of Insurance Commissioners for your company or group.
- 2a. **AM Best Co. Number:** Use the number assigned by AM Best for your company or group.
3. **For the Period Ending:** Give the date for the end of the reporting quarter.
4. **Premium Summation:** The report requires sub-total reporting for each type of policy: Residential Structure, Residential Living Unit and Commercial. All policies issued must be consolidated into these three general categories for reporting purposes.
- 4a. **Gross Premium Written:** Enter the amount of gross premium written your company has recorded for Mine Subsidence coverage during the reporting period.
- 4b. **Cancellation & Return Premium:** This is equal to the premiums cancelled by your company during the reporting period.
- 4c. **Adjusted Gross Premium:** Subtract line 4b from line 4a. Enter this number on line 4c. This amount should be equal to the sum total of all premiums shown in block 12 for each type of policy for which a *Report of Premiums Written and Policy Count by Location* form (13-2) is being submitted.
- 4d. **Commission Due Company:** Under provisions of the Reinsurance Agreement, a 15% commission on residential policies and a 20% on commercial policies may be retained by the Insurer. Multiply line 4c by the applicable commission rate and enter the result on this line. If report is delinquent, no commission shall be deducted.
- 4e. **Net Premium Due IMSIF:** Subtract line 4d from line 4c. Enter the answer on this line. This is the amount that must be paid with the report. If this number is negative, IMSIF may accept the report as an invoice and remit the return premium to your company.
5. **Listing of Companies with the Group:** List those companies of the Group for whom this report applies. If the report is for one company only, leave blank.
6. **Delinquent Report Certification:** To be completed only if report is 61 days or more past the quarterly report due date. This section must be signed by the person responsible for submitting this report.
7. **Signature:** This report must be signed by the person responsible for its submission.
8. **Title:** Give the title of the signer of line 7.
9. **Name:** Print or type the name of the signer of line 7.
10. **Date:** Signature date.
11. **Preparer:** Give the name of the person IMSIF should contact if there is a question about the report.
12. **Phone:** Give the telephone number of the individual identified on line 11.
13. **Address:** Please give the address IMSIF should use if we are writing to your company about the report.
14. **Email:** Give the email address of the individual identified on line 11.

ADDITIONAL INFORMATION

This form with payment of amounts due is due 45 days after the last day of the quarterly reporting period. Send all reports and payments to:

Illinois Mine Subsidence Insurance Fund
P.O. Box 71915
Chicago, IL 60694-1915

All other correspondence and questions should be directed to:

Illinois Mine Subsidence Insurance Fund
180 North Stetson, Suite 1735
Chicago, IL 60601

Phone: (312) 819-0060 OR (800)
433-6743 Fax: (312) 819-0065

Website: www.imsif.com

Comments:

Illinois Mine Subsidence Insurance Fund
Report of Premiums Written and Policy Count by Location

Residential Structure

(1) Page _____ of _____
 (2) Company/Group Name _____ (3) NAIC Co. Number _____
 (4) For the Period Ending _____ (3a) AM Best Co. Number _____
 (5) Policy Term (check one) ☐ Annual ☐ Semi-Annual ☐ All Other

(6) County	(7) Net Issued (#)	(8) Adjusted Gross Premium (AGP) (\$)
Bond		
Bureau		
Christian		
Clinton		
Douglas		
Franklin		
Fulton		
Gallatin		
Grundy		
Jackson		
Jefferson		
Knox		
LaSalle		
Logan		
McDonough		
Macoupin		
Madison		
Marion		
(10) Column Totals		

(6) County	(7) Net Issued (#)	(8) Adjusted Gross Premium (AGP) (\$)
Marshall		
Menard		
Mercer		
Montgomery		
Peoria		
Perry		
Putnam		
Randolph		
Rock Island		
St. Clair		
Saline		
Sangamon		
Tazewell		
Vermilion		
Washington		
Williamson		
(9) Other		
(10) Column Totals		

(11) Total Policy Count

(12) Total Adjusted Gross Premium

(11a) Count of Policies
w/Coverage > \$350,000

(12a) Total AGP of Policies
w/Coverage > \$350,000

**Instructions for Completion
of the
Report of Premiums Written and Policy Count by Location**

Residential Structure -- Form (13-2R)

This form lists each of the 34 counties in which the coverage is mandatory unless waived by the insured. Space is also provided to summarize policies that are written in all other counties where coverage is an option of the policyholder.

This report requires a separate form for each category of policy issued by your company. Companies must consolidate their reporting into three general categories:

Residential Structure (13-2R)
Residential Living Unit (13-2L)
Commercial (13-2C)

The detailed instructions for form (13-2R) follow. The numbers refer to the numbered sections of the report.

1. **Page ____ of ____:** Number all pages of this report.
2. **Company/Group Name:** Use the name under which all reports are filed with IMSIF. If the report is for a group of companies, list those companies in block 5 of the Summary Report.
3. **NAIC Co. Number:** Use the number assigned by the National Association of Insurance Commissioners for your company or group.
- 3a. **AM Best Co. Number:** Use the number assigned by AM Best for your company or group.
4. **For the Period Ending:** Give the date for the end of the reporting quarter.
5. **Policy Term:** Specify the term of the policies for which this report applies. Use a separate report for each policy term group.
6. **County:** This column lists each of the 34 mandatory counties. If your company writes mine subsidence coverage in other counties, combine and report a single figure in block (9), Other.
7. **Net Issued:** The number should be equal to the number of mine subsidence endorsements issued by your company during the reporting period for each of the listed counties, less the number of cancelled policies that contained the endorsement. If only the endorsement was cancelled, count that as a cancelled policy.
8. **Adjusted Gross Premium (AGP):** This block should contain the adjusted gross mine subsidence premiums written for the county. AGP is defined as "gross premium written less cancellation and return premium".

9. **Other:** See comments in number 6.
10. **Column Totals:** Please provide column totals.
11. **Total Policy Count:** This is the total number of policies that contain the mine subsidence endorsement that are reported on the page.
 - 11a. **Count of Policies w/Coverage >\$350,000:** Of the net policy count shown in (11) above, provide the number of those policies with coverage greater than \$350,000.
12. **Total Adjusted Gross Premium:** This is the total mine subsidence premium reported on this page. This amount, summed for all policy types and terms submitted, should be equal to the AGP reported on form 13-1 in block 4c.
 - 12a. **Total AGP of Policies w/Coverage >\$350,000:** Of the total AGP dollars shown in (12) above, provide the premium dollars associated with policies that have coverage greater than \$350,000. **The premium reported should include the entire mine subsidence premium, not just the amount associated with coverage over \$350,000.**

ADDITIONAL INFORMATION

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**Illinois Mine Subsidence Insurance Fund
P.O. Box 71915
Chicago, IL 60694-1915**

All other correspondence and questions should be directed to:

Illinois Mine Subsidence Insurance Fund
180 North Stetson, Suite 1735
Chicago, IL 60601

Phone: (312) 819-0060 OR (800) 433-6743
Fax: (312) 819-0065

Website: www.imsif.com

Illinois Mine Subsidence Insurance Fund

Report of Premiums Written and Policy Count by Location

Residential Living Unit

(1) Page _____ of _____

(2) Company/Group Name _____ (3) NAIC Co. Number _____

(4) For the Period Ending _____ (3a) AM Best Co. Number _____

(5) Policy Term (check one) ☐ Annual ☐ Semi-Annual ☐ All Other

(6) County	(7) Net Issued (#)	(8) Adjusted Gross Premium (AGP) (\$)
Bond		
Bureau		
Christian		
Clinton		
Douglas		
Franklin		
Fulton		
Gallatin		
Grundy		
Jackson		
Jefferson		
Knox		
LaSalle		
Logan		
McDonough		
Macoupin		
Madison		
Marion		
(10) Column Totals		

(6) County	(7) Net Issued (#)	(8) Adjusted Gross Premium (AGP) (\$)
Marshall		
Menard		
Mercer		
Montgomery		
Peoria		
Perry		
Putnam		
Randolph		
Rock Island		
St. Clair		
Saline		
Sangamon		
Tazewell		
Vermilion		
Washington		
Williamson		
(9) Other		
(10) Column Totals		

(11) Total Policy Count

(12) Total Adjusted Gross Premium

**Instructions for Completion
of the
Report of Premiums Written and Policy Count by Location

Residential Living Unit -- Form (13-2L)**

This form lists each of the 34 counties in which the coverage is mandatory unless waived by the insured. Space is also provided to summarize policies that are written in all other counties where coverage is an option of the policyholder.

This report requires a separate form for each category of policy issued by your company. Companies must consolidate their reporting into three general categories:

**Residential Structure (13-2R)
Residential Living Unit (13-2L)
Commercial (13-2C)**

The detailed instructions for form (13-2L) follow. The numbers refer to the numbered sections of the report.

1. **Page ____ of ____:** Number all pages of this report.
2. **Company/Group Name:** Use the name under which all reports are filed with IMSIF. If the report is for a group of companies, list those companies in block 5 of the Summary Report.
3. **NAIC Co. Number:** Use the number assigned by the National Association of Insurance Commissioners for your company or group.
- 3a. **AM Best Co. Number:** Use the number assigned by AM Best for your company or group.
4. **For the Period Ending:** Give the date for the end of the reporting quarter.
5. **Policy Term:** Specify the term of the policies for which this report applies. Use a separate report for each policy term group.
6. **County:** This column lists each of the 34 mandatory counties. If your company writes mine subsidence coverage in other counties, combine and report a single figure in block (9), Other.
7. **Net Issued:** The number should be equal to the number of mine subsidence endorsements issued by your company during the reporting period for each of the listed counties, less the number of cancelled policies that contained the endorsement. If only the endorsement was cancelled, count that as a cancelled policy.

8. **Adjusted Gross Premium (AGP):** This block should contain the adjusted gross mine subsidence premiums written for the county. AGP is defined as "gross premium written less cancellation and return premium".
9. **Other:** See comments in number 6.
10. **Column Totals:** Please provide column totals.
11. **Total Policy Count:** This is the total number of policies that contain the mine subsidence endorsement that are reported on the page.
12. **Total Adjusted Gross Premium:** This is the total mine subsidence premium reported on this page. This amount, summed for all policy types and terms submitted, should be equal to the AGP reported on form 13-1 in block 4c.

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Illinois Mine Subsidence Insurance Fund
Report of Premiums Written and Policy Count by Location

Commercial

(1) Page _____ of _____

(2) Company/Group Name _____ (3) NAIC Co. Number _____

(4) For the Period Ending _____ (3a) AM Best Co. Number _____

(5) Policy Term (check one) ☐ Annual ☐ Semi-Annual ☐ All Other

(6) County	(7) Net Issued (#)	(8) Adjusted Gross Premium (AGP) (\$)
Bond		
Bureau		
Christian		
Clinton		
Douglas		
Franklin		
Fulton		
Gallatin		
Grundy		
Jackson		
Jefferson		
Knox		
LaSalle		
Logan		
McDonough		
Macoupin		
Madison		
Marion		
(10) Column Totals		

(11) Total Policy Count

(6) County	(7) Net Issued (#)	(8) Adjusted Gross Premium (AGP) (\$)
Marshall		
Menard		
Mercer		
Montgomery		
Peoria		
Perry		
Putnam		
Randolph		
Rock Island		
St. Clair		
Saline		
Sangamon		
Tazewell		
Vermilion		
Washington		
Williamson		
(9) Other		
(10) Column Totals		

(12) Total Adjusted Gross Premium

**Instructions for Completion
of the
Report of Premiums Written and Policy Count by Location

Commercial -- Form (13-2C)**

This form lists each of the 34 counties in which the coverage is mandatory unless waived by the insured. Space is also provided to summarize policies that are written in all other counties where coverage is an option of the policyholder.

This report requires a separate form for each category of policy issued by your company. Companies must consolidate their reporting into three general categories:

**Residential Structure (13-2R)
Residential Living Unit (13-2L)
Commercial (13-2C)**

The detailed instructions for form (13-2C) follow. The numbers refer to the numbered sections of the report.

1. **Page ____ of ____:** Number all pages of this report.
2. **Company/Group Name:** Use the name under which all reports are filed with IMSIF. If the report is for a group of companies, list those companies in block 5 of the Summary Report.
3. **NAIC Co. Number:** Use the number assigned by the National Association of Insurance Commissioners for your company or group.
- 3a. **AM Best Co. Number:** Use the number assigned by AM Best for your company or group.
4. **For the Period Ending:** Give the date for the end of the reporting quarter.
5. **Policy Term:** Specify the term of the policies for which this report applies. Use a separate report for each policy term group.
6. **County:** This column lists each of the 34 mandatory counties. If your company writes mine subsidence coverage in other counties, combine and report a single figure in block (9), Other.
7. **Net Issued:** The number should be equal to the number of mine subsidence endorsements issued by your company during the reporting period for each of the listed counties, less the number of cancelled policies that contained the endorsement. If only the endorsement was cancelled, count that as a cancelled policy.

8. **Adjusted Gross Premium (AGP):** This block should contain the adjusted gross mine subsidence premiums written for the county. AGP is defined as "gross premium written less cancellation and return premium".
9. **Other:** See comments in number 6.
10. **Column Totals:** Please provide column totals.
11. **Total Policy Count:** This is the total number of policies that contain the mine subsidence endorsement that are reported on the page.
12. **Total Adjusted Gross Premium:** This is the total mine subsidence premium reported on this page. This amount, summed for all policy types and terms submitted, should be equal to the AGP reported on form 13-1 in block 4c.

ADDITIONAL INFORMATION

This form with payment of amounts due is due 45 days after the last day of the quarterly reporting period. Send all reports and payments to:

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