Title 115
Legislative Rule

~~WEST VIRGINIA ADMINISTRATIVE REGULATION~~
STATE BOARD OF RISK AND INSURANCE MANAGEMENT

SERIES ~~II - 1983~~ # 1.

MINE SUBSIDENCE INSURANCE

FILED IN THE OFFICE OF
A. JAMES MANCHIN
SECRETARY OF STATE
THIS DATE 8-3-84
Administrative Law Division

Section 1. General

~~1:01. Identification of Rule - This regulation is a Legislative Rule, as defined by the provisions of Chapter 29A, Article 1, Section 2 of the Code of West Virginia of 1931, as amended.~~

~~1:02. Reference - This Regulation relates~~ to making available to the citizens of West Virginia insurance for structural loss caused by the subsidence of man-made underground coal mines ~~in accordance with the provisions of Chapter 33, Article 30, of the Code of West Virginia of 1931, as amended.~~

1:03. Authority - This Regulation is promulgated under the Authority vested in the Board of Risk and Insurance Management by Chapter 33, Article 30, Section 15 of the Code of West Virginia of 1931, as amended.

1:04. ~~Applicability and~~ Scope - This Regulation shall apply to all Insurance Companies licensed by the Insurance Commissioner of West Virginia to write on a direct basis fire insurance in the State of West Virginia; provided however, Farm Mutual Insurance Companies authorized to transact insurance by the provisions of Chapter 33, Article 22 of the Code of West Virginia of 1931, as amended, may participate in the program on an optional basis.

1:05. Effective Date - This Regulation shall become effective August 3, 1984 pursuant to Enrolled S.B. 425, Chapter 33, Article 30, WV Code.

1:06. Filing Date - ~~This Regulation was filed in the Office of the Secretary of State on October 21, 1983.~~ Aug 3, 1984

Section 2. Definitions

2:01. Board - Means the State Board of Risk and Insurance Management.

2:02. Mine Subsidence - Means loss to a structure caused by lateral or vertical movement, including collapse which results therefrom of structures from collapse of man-made underground coal mines. It does not include loss caused by earthquake, landslide, volcanic eruption or collapse of storm and sewer drains and rapid transit tunnels.

2:03. Mine Subsidence Insurance Fund or Fund - Means the fund established within the office of the State Board of Risk and Insurance Management.

2:04. Policy - Means a contract of insurance providing mine subsidence insurance.

2:05. Premiums - Means the gross rate charged policyholders for insurance provided by this regulation.

2:06. Structure - Means any dwelling, building or fixture permanently affixed to realty, but does not include land, trees, plants, crops or industrial and commercial buildings.

Section 3. Implementation of Insurance Coverage

3:01. Date Coverage to be Offered - On and after February 28, 1983 all insurance policies issued in the State of West Virginia by Insurance Companies subject to this regulation, that provide fire insurance on structures eligible for mine subsidence insurance, shall include coverage for mine subsidence insurance if such insurance is requested by the insured.

3:02. Amount of Insurance - Each policy issued pursuant to this regulation shall provide $50,000 of Mine Subsidence Insurance.

3:03. Premium Rate - The premium rate will be established from time to time by the Board with the approval of the Insurance Commissioner of West Virginia.

3:04. Coverage Form - Each policy issued pursuant to this regulation shall include coverage Form 33-30, Coal Mine Subsidence Coverage Part. ~~Refer to Appendix A for coverage part wording.~~ This form has been approved by the Insurance Commissioner of West Virginia.

3:05. Structures Eligible for Mine Subsidence Insurance - In establishing permanent regulations the Board has determined that only dwelling structures which are owner-occupied and contain four (4) or less family units are eligible for mine subsidence insurance.

3:06. Exemption of Certain Mobile Home Forms - Insurance Companies whose mobile home policy forms currently provide subsidence insurance are exempt from the provisions of these regulations; provided, however, this exemption applies only to mobile home policy forms.

3:07. Loss Deductible - The sum of $250 shall be deducted from each loss caused by mine subsidence.

3:08. Ceding Commission - The Board has established a ceding commission of 30 percent of the gross premium as is required by Section 9 of the Mine Subsidence Law.

3:09. Reinsurance Agreement - Each Insurance Company subject to this Regulation shall enter into a Reinsurance Agreement with the Board. ~~Refer to Appendix C for the wording of the Reinsurance Agreement.~~

Section 4. Miscellaneous Provisions

4:01. Administration of Claims - All mine subsidence claims shall be reported to the Board for assignment to qualified independent adjusting firms. The selected adjusting firm will send all reports simultaneously to the insurer and the Board with all settlement authority, coverage questions and related matters being resolved by the Board. The Board will reimburse the insurer for all sums expended in accordance with the provisions of the Reinsurance Agreement.

4:02. Fund Reporting - Quarterly, each Insurance Company subject to this regulation shall complete the West Virginia Mine Subsidence Fund Report. ~~Refer to Appendix B for report format.~~ The following information will be required:

A. Policy Count by County;

B. The amount of gross premiums less cancellations during the quarter rounded to the nearest dollar;

C. The net premiums due the State.

The completed report, along with the net premiums due the State, if any, shall be returned to the Board within forty-five days after the quarter ends.

4:03. Advisory Committee - The Board will appoint an Advisory Committee to be made up of the following:

A. A representative of the State Department of Mines;

B. A representative of the State Department of Natural Resources;

C. A representative of Insurance Agents licensed to do business in West Virginia;

D. A representative of Insurance Companies licensed to do business in West Virginia;

E. A representative of an Adjusting Agency.