

STATE OF WEST VIRGINIA  
DEPARTMENT OF ADMINISTRATION  
BOARD OF RISK AND INSURANCE MANAGEMENT

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Earl Ray Tomblin  
Governor

Mary Jane Pickens  
Executive Director  
Acting Cabinet Secretary

MEMORANDUM

**TO:** Mine Subsidence Companies

**FROM:** Melody Duke, Underwriting Manager

**DATE:** August 16, 2016

**RE:** Mine Subsidence Insurance Changes in West Virginia

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In March, 2016, the West Virginia Legislature passed House Bill 4734, amending W.Va. Code §33-30. The primary change is to expand the limits of available reinsurance from \$75,000 to \$200,000. The changes are effective October 1, 2016.

Due to this change a new Reinsurance Agreement will need to be executed between the carrier and West Virginia Board of Risk and Insurance Management (BRIM). The West Virginia Office of the Insurance Commissioner has reviewed the new policy forms, and the new rate schedule, and approved them. Carriers will continue to be required to file quarterly reports to BRIM regarding policies in force.

Two important items to note: BRIM makes no recommendation regarding whether new waivers should be executed between the carrier and the insured and BRIM makes no recommendation regarding whether carriers should automatically increase insured limits without prior consultation with the insured.

The new policy forms, rate schedule, reinsurance agreement, quarterly report and claim handling instructions can be found on BRIM's web page, [www.brim.wv.gov](http://www.brim.wv.gov), under Announcements and RFP's. Once you have the reinsurance agreement, please sign and return to BRIM by email to [BRIM.Underwriting@wv.gov](mailto:BRIM.Underwriting@wv.gov), fax or US Mail. BRIM will return a copy of the executed agreement for your records.

If you have any questions please contact Mr. Charles Mazingo, Ms. Melody Duke, Ms. Lori Bailey or Mr. Robert Fisher, at BRIM at 304-766-2646, 8:30 am to 4:30 pm, Eastern Time.

**COAL MINE SUBSIDENCE COVERAGE PART  
(DWELLING STRUCTURE)**

**FORM: WVMS-1  
(Ed. 04-2016)**

In consideration of an additional premium, the STRUCTURES are insured against direct loss which occurs within the effective policy dates caused by underground COAL MINE SUBSIDENCE for the limit of liability stated in the policy declarations applicable to COAL MINE SUBSIDENCE insurance.

COAL 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 mine.

PROPERTY COVERED. This coverage applies to:

STRUCTURE, meaning any dwelling building or fixture permanently affixed to realty located in West Virginia, including:

- (1) Cost of excavations, grading or filling; and
- (2) Basements, footings, foundations, septic systems; and
- (3) Underground pipes directly servicing the STRUCTURE.

PROPERTY NOT COVERED. This coverage does not apply to the following:

- (1) Driveways, sidewalks, parking lots, land; and
- (2) Trees, plants, crops or agricultural field drainage tile.

LIMIT OF LIABILITY. The limit of liability for loss under this coverage part shall not exceed the smallest of the following amounts (1), (2), (3), (4) or (5):

- (1) The Limit of Liability stated in the policy declarations applicable to COAL MINE SUBSIDENCE INSURANCE;
- (2) The replacement cost of the STRUCTURE or any part thereof identical with such STRUCTURE on the same premises and the same occupancy and use;
- (3) The amount actually and necessarily expended in repairing or replacing said STRUCTURE or any part thereof intended for the same occupancy and use;
- (4) The amount of fire insurance on the STRUCTURE; or
- (5) The amount available in the West Virginia Mine Subsidence Insurance Fund to reimburse the company.

SUPPLEMENTAL COVERAGE. The insured may apply up to 10% of the amount of COAL MINE SUBSIDENCE insurance applicable to the dwellings covered under this policy to cover loss to buildings located on the premises used exclusively for private purposes; provided however, that structures rented or leased to other than a tenant and structures used in whole or in part for business purposes are excluded.

PERILS NOT INSURED AGAINST. The insurance afforded by this coverage part does not insure against loss caused by:

- (1) Earthquake, landslide, volcanic eruption, collapse of storm and sewer drains and rapid transit tunnels or earth movement other than underground COAL MINE SUBSIDENCE;
- (2) Any ensuing loss covered by the policy to which this coverage part is attached.

**COAL MINE SUBSIDENCE COVERAGE PART  
(DWELLING STRUCTURE)**

**FORM: WVMS-1  
(Ed. 04-2016)**

DEDUCTIBLE. The following deductible provisions apply:

- (1) The sum of \$250 shall be deducted from each loss separately occurring to the STRUCTURES insured.
- (2) No other deductible provision contained in the policy to which this coverage part is attached applies to loss caused by COAL MINE SUBSIDENCE.

**ARBITRATION PROVISION.**

(1) In the event that the Insured and the Company, through the West Virginia Board of Risk and Insurance Management (hereinafter BRIM), as called for by statute, are unable to reach agreement as to: (1) whether the insured STRUCTURE has sustained damage, in total and/or in part, during the effective policy dates, due to COAL MINE SUBSIDENCE; and/or (2) the cost of repair of COAL MINE SUBSIDENCE damage to the insured STRUCTURE; and/or (3) the method of repair of COAL MINE SUBSIDENCE damage to the insured structure; and/or (4) the materials necessary to effect repair of COAL MINE SUBSIDENCE damage to the insured STRUCTURE, then either the Insured or BRIM may request that such issues(s) in dispute will be submitted to binding arbitration.

(2) A request for binding arbitration shall be made in writing and dispatched to the other party via certified mail, return receipt requested. At such time as the parties have mutually indicated their written consent to binding arbitration of the issue(s) in dispute, the arbitration process shall thereby commence as provided for herein.

(3) If the Insured and BRIM mutually consent to binding arbitration, then both the Insured and BRIM shall agree to submit to the findings and decision of the QUALIFIED ARBITRATOR or QUALIFIED ARBITRATION PANEL. Any award in an arbitration initiated under this clause shall be limited to monetary damages for COAL MINE SUBSIDENCE in an amount not to exceed two hundred thousand dollars (\$200,000.00) per insured STRUCTURE or an amount not to exceed the LIMIT OF LIABILITY as declared for COAL MINE SUBSIDENCE insurance coverage on the Policy Declarations, whichever is less. In no event can the QUALIFIED ARBITRATOR or QUALIFIED ARBITRATION PANEL award punitive damages, attorney fees, injunctive relief, consequential damages, incidental damages, and/or any other types or sorts of damages other than monetary damages for COAL MINE SUBSIDENCE to the insured structure. Moreover, each party shall bear its own costs and expenses and an equal share of the ADMINISTRATIVE FEES of arbitration, except that if the Insured is the prevailing party in the arbitration BRIM agrees to pay all of the ADMINISTRATIVE FEES of the arbitration; however in no circumstance shall BRIM pay the expenses, legal fees, or expert fees of the Insured. ADMINISTRATIVE FEES shall mean only those fees charged by the QUALIFIED ARBITRATOR or QUALIFIED ARBITRATION PANEL according to the fee schedule as mutually agreed to in writing by the parties at the time the QUALIFIED ARBITRATOR or QUALIFIED ARBITRATION PANEL is selected.

(4) Judgment upon the award rendered by the ARBITRATOR or QUALIFIED ARBITRATION PANEL shall be final and not appealable, but, if necessary, may be entered by the Circuit Court of Kanawha County, West Virginia as provided herein.

(5) Selection of an Arbitrator

(a) Within ten (10) days of their mutual written consent to binding arbitration, the Insured and BRIM shall select a QUALIFIED ARBITRATOR by mutual agreement to resolve the issue(s) in controversy between the parties. Said QUALIFIED ARBITRATOR shall be a professional registered engineer who can produce evidence of at least five (5) years experience in investigating and determining the existence of subsidence caused by underground coal mines, and if requested by mutual agreement of the parties, shall also be qualified to determine the cost of adequate repairs to structures damaged by COAL MINE SUBSIDENCE.

- (b) If the parties are unable to agree upon a single QUALIFIED ARBITRATOR, then within thirty (30) days after the mutual written consent to binding arbitration, each party shall select one (1) QUALIFIED ARBITRATOR and the two (2) selected shall select a third QUALIFIED ARBITRATOR within ten (10) days of their appointment. Those three (3) QUALIFIED ARBITRATORS shall be hereinafter referred to as the QUALIFIED ARBITRATION PANEL and will resolve the issue(s) in controversy between the parties.
- (c) Prior to the commencement of hearings, each of the QUALIFIED ARBITRATOR(S) appointed shall provide an oath or undertaking of impartiality.

(6) Applicable law

This arbitration agreement shall be governed by the laws of the state of West Virginia. Furthermore, the parties hereto consent to the personal jurisdiction and venue of the Circuit Court of Kanawha County, West Virginia and further consent that any process, notice of motion, or other application to the court or a judge thereof may be served outside the State of West Virginia by registered or certified mail or by personal service, provided that a reasonable time for appearance is allowed.

(7) Arbitration Mechanism

- (a) Thirty (30) days after selection of a QUALIFIED ARBITRATOR or a QUALIFIED ARBITRATION PANEL, both the Insured and BRIM shall make written submissions to the QUALIFIED ARBITRATOR or a QUALIFIED ARBITRATION PANEL in which the respective party presents the facts of the case, with a copy to be provided to the other party. These written submissions may be made by the party or the party's designated representative.
- (b) Upon receipt of these materials, the QUALIFIED ARBITRATOR or QUALIFIED ARBITRATION PANEL may request additional materials from either party. Any request for additional materials shall be made within thirty (30) days from the date the written submission, required by paragraph (7)(a), was made.
- (c) After due consideration of the facts, as presented by the parties, the ARBITRATOR or QUALIFIED ARBITRATION PANEL, by majority opinion, shall issue a written decision with regard to all of the issues presented by the parties. Upon receipt of the written decision, the parties shall have thirty (30) days to resolve the claim in accordance with the decision.

(8) Duration of Arbitration

The award of the ARBITRATOR or QUALIFIED ARBITRATION PANEL shall be made within nine (9) months of the filing of the notice of intention to arbitrate (demand), and each QUALIFIED ARBITRATOR shall agree to comply with this schedule before accepting appointment. However, this time limit may be extended by agreement of the parties.

**OTHER PROVISIONS.**

- (1) In the event of loss to any STRUCTURE insured by this coverage part in excess of the deductible amount, this company shall be liable for no greater proportion of such excess than the amount provided by this COAL MINE SUBSIDENCE coverage part shall bear to all COAL MINE SUBSIDENCE insurance, whether collectible or not.

**COAL MINE SUBSIDENCE COVERAGE PART  
(DWELLING STRUCTURE)**

**FORM: WVMS-1  
(Ed. 04-2016)**

- (2) The insurance afforded by this coverage part shall not be subject to the provisions of West Virginia Code Section 33-17-9, commonly known as the West Virginia Valued Policy Law. It is further agreed that no co-insurance clause shall be applicable to this coverage part.
- (3) All claims shall be paid within 120 days after Proof of Loss is presented to the company unless otherwise agreed by the company and the insured.
- (4) The insurance afforded by this coverage part shall become effective no earlier than 30 calendar days after the application date.
- (5) Acceptance by the Insured of payment from the Company shall be proof of the Insured's agreement with the Company and BRIM as to the extent and scope of any and all covered damages under this coverage part, and the repair thereof; further, any and all such repairs to the insured STRUCTURE required by the Company and BRIM must be completed not later than 12 months after issuance of the settlement check by the Company to the insured. Failure by the insured to comply with this policy condition shall result in the right of the Company or BRIM to deny any further claim for damage to the insured structure caused directly or indirectly by such failure to complete the agreed on repairs.
- (6) In the event of any payment under this policy, the Company or BRIM shall be subrogated to all of the Insured's rights to recovery therefore against any person or organization and the Insured shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The Insured shall do nothing after loss to impair or prejudice such rights. At the request of the Company or BRIM, the Insured will bring suit or transfer those rights to the Company or BRIM and help the Company or BRIM enforce them.
- (7) Except as modified by this coverage part, this insurance is subject to all the provisions of the policy to which the coverage part is attached except:
  - (a) Coverage for additional living expense;
  - (b) Coverage provided under any extensions of coverage;
  - (c) Coverage for indirect or consequential loss.

**COAL MINE SUBSIDENCE COVERAGE PART  
(NON-DWELLING STRUCTURE)**

**FORM: WVMS-2  
(Ed. 04-2016)**

In consideration of an additional premium, the STRUCTURES are insured against direct loss which occurs within the effective policy dates caused by underground COAL MINE SUBSIDENCE for the limit of liability stated in the policy declarations applicable to COAL MINE SUBSIDENCE insurance.

COAL 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 mine.

PROPERTY COVERED. This coverage applies to:

STRUCTURE, meaning any building or fixture permanently affixed to realty located in West Virginia, including:

- (1) Cost of excavations, grading or filling; and
- (2) Basements, footings, foundations, septic systems; and
- (3) Underground pipes directly servicing the STRUCTURE.

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- (1) Driveways, sidewalks, parking lots, land; and
- (2) Trees, plants, crops or agricultural field drainage tile.

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- (1) The Limit of Liability stated in the policy declarations applicable to COAL MINE SUBSIDENCE INSURANCE;
- (2) The replacement cost of the STRUCTURE or any part thereof identical with such STRUCTURE on the same premises and the same occupancy and use;
- (3) The amount actually and necessarily expended in repairing or replacing said STRUCTURE or any part thereof intended for the same occupancy and use;
- (4) The amount of fire insurance on the STRUCTURE; or
- (5) The amount available in the West Virginia Mine Subsidence Insurance Fund to reimburse the company.

PERILS NOT INSURED AGAINST. The insurance afforded by this coverage part does not insure against loss caused by:

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**COAL MINE SUBSIDENCE COVERAGE PART  
(NON-DWELLING STRUCTURE)**

**FORM: WVMS-2  
(Ed. 04-2016)**

- (2) Any ensuing loss covered by the policy to which this coverage part is attached.

DEDUCTIBLE. The following deductible provisions apply:

- (1) The sum of \$250 shall be deducted from each loss separately occurring to the STRUCTURES insured.
- (2) No other deductible provision contained in the policy to which this coverage part is attached applies to loss caused by COAL MINE SUBSIDENCE.

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- (2) A request for binding arbitration shall be made in writing and dispatched to the other party via certified mail, return receipt requested. At such time as the parties have mutually indicated their written consent to binding arbitration of the issue(s) in dispute, the arbitration process shall thereby commence as provided for herein.
- (3) If the Insured and BRIM mutually consent to binding arbitration, then both the Insured and BRIM shall agree to submit to the findings and decision of the QUALIFIED ARBITRATOR or QUALIFIED ARBITRATION PANEL. Any award in an arbitration initiated under this clause shall be limited to monetary damages for COAL MINE SUBSIDENCE in an amount not to exceed two hundred thousand dollars (\$200,000.00) per insured STRUCTURE or an amount not to exceed the LIMIT OF LIABILITY as declared for COAL MINE SUBSIDENCE insurance coverage on the Policy Declarations, whichever is less. In no event can the QUALIFIED ARBITRATOR or QUALIFIED ARBITRATION PANEL award punitive damages, attorney fees, injunctive relief, consequential damages, incidental damages, and/or any other types or sorts of damages other than monetary damages for COAL MINE SUBSIDENCE to the insured structure. Moreover, each party shall bear its own costs and expenses and an equal share of the ADMINISTRATIVE FEES of arbitration, except that if the Insured is the prevailing party in the arbitration BRIM agrees to pay all of the ADMINISTRATIVE FEES of the arbitration; however in no circumstance shall BRIM pay the expenses, legal fees, or expert fees of the Insured. ADMINISTRATIVE FEES shall mean only those fees charged by the QUALIFIED ARBITRATOR or QUALIFIED ARBITRATION PANEL according to the fee schedule as mutually agreed to in writing by the parties at the time the QUALIFIED ARBITRATOR or QUALIFIED ARBITRATION PANEL is selected.

**COAL MINE SUBSIDENCE COVERAGE PART  
(NON-DWELLING STRUCTURE)**

**FORM: WVMS-2  
(Ed. 04-2016)**

(4) Judgment upon the award rendered by the ARBITRATOR or QUALIFIED ARBITRATION PANEL shall be final and not appealable, but, if necessary, may be entered by the Circuit Court of Kanawha County, West Virginia as provided herein.

(5) Selection of an Arbitrator

- (a) Within ten (10) days of the mutual written consent to binding arbitration, the Insured and BRIM shall select a QUALIFIED ARBITRATOR by mutual agreement to resolve the issue(s) in controversy between the parties. Said QUALIFIED ARBITRATOR shall be a professional registered engineer who can produce evidence of at least five (5) years experience in investigating and determining the existence of subsidence caused by underground coal mines, and, if requested by mutual agreement of the parties, shall also be qualified to determine the cost of adequate repairs to structures damaged by COAL MINE SUBSIDENCE.
- (b) If the parties are unable to agree upon a single QUALIFIED ARBITRATOR, then within thirty (30) days after the mutual written consent to binding arbitration, each party shall select one (1) QUALIFIED ARBITRATOR and the two (2) selected shall select a third QUALIFIED ARBITRATOR within ten (10) days of their appointment. Those three (3) QUALIFIED ARBITRATORS shall be hereinafter referred to as the QUALIFIED ARBITRATION PANEL and will resolve the issue(s) in controversy between the parties.
- (c) Prior to the commencement of hearings, each of the QUALIFIED ARBITRATOR(S) appointed shall provide an oath or undertaking of impartiality.

(6) Applicable law

This arbitration agreement shall be governed by the laws of the state of West Virginia. Furthermore, the parties hereto consent to the personal jurisdiction and venue of the Circuit Court of Kanawha County, West Virginia and further consent that any process, notice of motion, or other application to the court or a judge thereof may be served outside the State of West Virginia by registered or certified mail or by personal service, provided that a reasonable time for appearance is allowed.

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- (b) Upon receipt of these materials, the QUALIFIED ARBITRATOR or QUALIFIED ARBITRATION PANEL may request additional materials from either party. Any request for additional materials shall be made within thirty (30) days from the date the written submission, required by paragraph (7)(a), was made.
- (c) After due consideration of the facts, as presented by the parties, the ARBITRATOR or QUALIFIED ARBITRATION PANEL, by majority opinion, shall issue a written decision with

**COAL MINE SUBSIDENCE COVERAGE PART  
(NON-DWELLING STRUCTURE)**

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(Ed. 04-2016)**

regard to all of the issues presented by the parties. Upon receipt of the written decision, the parties shall have thirty (30) days to resolve the claim in accordance with the decision.

**Duration of Arbitration**

The award of the ARBITRATOR or QUALIFIED ARBITRATION PANEL shall be made within nine (9) months of the filing of the notice of intention to arbitrate (demand), and each QUALIFIED ARBITRATOR shall agree to comply with this schedule before accepting appointment. However, this time limit may be extended by agreement of the parties.

**OTHER PROVISIONS.**

- (1) In the event of loss to any STRUCTURE insured by this coverage part in excess of the deductible amount, this company shall be liable for no greater proportion of such excess than the amount provided by this COAL MINE SUBSIDENCE coverage part shall bear to all COAL MINE SUBSIDENCE insurance, whether collectible or not.
- (2) The insurance afforded by this coverage part shall not be subject to the provisions of West Virginia Code Section 33-17-9, commonly known as the West Virginia Valued Policy Law. It is further agreed that no co-insurance clause shall be applicable to this coverage part.
- (3) All claims shall be paid within 120 days after Proof of Loss is presented to the company unless otherwise agreed by the company and the insured.
- (4) The insurance afforded by this coverage part shall become effective no earlier than 30 calendar days after the application date.
- (5) Acceptance by the Insured of payment from the Company shall be proof of the Insured's agreement with the Company and BRIM as to the extent and scope of any and all covered damages under this coverage part, and the repair thereof; further, any and all such repairs to the insured STRUCTURE required by the Company and BRIM must be completed not later than 12 months after issuance of the settlement check by the Company to the insured. Failure by the insured to comply with this policy condition shall result in the right of the Company or BRIM to deny any further claim for damage to the insured structure caused directly or indirectly by such failure to complete the agreed on repairs.
- (6) In the event of any payment under this policy, the Company or BRIM shall be subrogated to all of the Insured's rights to recovery therefore against any person or organization and the Insured shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The Insured shall do nothing after loss to impair or prejudice such rights. At the request of the Company or BRIM, the Insured will bring suit or transfer those rights to the Company or BRIM and help the Company or BRIM enforce them.
- (7) Except as modified by this coverage part, this insurance is subject to all the provisions of the policy to which the coverage part is attached.

STATE OF WEST VIRGINIA  
 COAL MINE SUBSIDENCE RATES  
 EFFECTIVE OCTOBER 1, 2016

THE FOLLOWING ANNUAL PREMIUM RATES PER STRUCTURE HAVE BEEN APPROVED BY  
 THE WEST VIRGINIA INSURANCE COMMISSIONER:

AMOUNT OF COAL MINE SUBSIDENCE INSURANCE ON THE STRUCTURE	PREMIUM DWELLING STRUCTURE	PREMIUM NON-DWELLING (1) STRUCTURE
\$10,000 or LESS	\$10.00	\$20.00
\$10,001 to \$15,000	\$11.00	\$22.00
\$15,001 to \$20,000	\$12.00	\$24.00
\$20,001 to \$25,000	\$13.00	\$26.00
\$25,001 to \$30,000	\$14.00	\$28.00
\$30,001 to \$35,000	\$15.00	\$30.00
\$35,001 to \$40,000	\$16.00	\$32.00
\$40,001 to \$45,000	\$17.00	\$34.00
\$45,001 to \$50,000	\$18.00	\$36.00
\$50,001 to \$55,000	\$19.00	\$38.00
\$55,001 to \$60,000	\$20.00	\$40.00
\$60,001 to \$65,000	\$21.00	\$42.00
\$65,001 to \$70,000	\$22.00	\$44.00
\$70,001 to \$75,000 (2)	\$23.00	\$46.00
\$75,001 to \$80,000	\$24.00	\$48.00
\$80,001 to \$85,000	\$25.00	\$50.00
\$85,001 to \$90,000	\$26.00	\$52.00
\$90,001 to \$95,000	\$27.00	\$54.00
\$95,001 to \$100,000	\$28.00	\$56.00
\$100,001 to \$105,000	\$29.00	\$58.00

\$105,001 to \$110,000	\$30.00	\$60.00
\$110,000 to \$115,000	\$31.00	\$62.00
\$115,001 to \$120,000	\$32.00	\$64.00
\$120,001 to \$125,000	\$33.00	\$66.00
\$125,001 to \$130,000	\$34.00	\$68.00
\$130,001 to \$135,000	\$35.00	\$70.00
\$135,001 to \$140,000	\$36.00	\$72.00
\$140,001 to \$145,000	\$37.00	\$74.00
\$145,001 to \$150,000	\$38.00	\$76.00
\$150,001 to \$155,000	\$39.00	\$78.00
\$155,001 to \$160,000	\$40.00	\$80.00
\$160,001 to \$165,000	\$41.00	\$82.00
\$165,001 to \$170,000	\$42.00	\$84.00
\$170,001 to \$175,000	\$43.00	\$86.00
\$175,001 to \$180,000	\$44.00	\$88.00
\$180,001 to \$185,000	\$45.00	\$90.00
\$185,001 to \$190,000	\$46.00	\$92.00
\$190,001 to \$195,000	\$47.00	\$94.00
\$195,001 to \$200,000	\$48.00	\$96.00

NOTE: (1) A NON-DWELLING STRUCTURE IS DEFINED, FOR RATING PURPOSES, AS A BUILDING THAT IS NOT USED PRINCIPALLY FOR RESIDENTIAL PURPOSES OR WHICH HOUSES MORE THAN FOUR FAMILY UNITS.

(2) \$200,000 IS THE MAXIMUM AMOUNT OF INSURANCE REINSURED BY THE WEST VIRGINIA COAL MINE SUBSIDENCE FUND.

WEST VIRGINIA BOARD OF RISK AND INSURANCE MANAGEMENT  
AS MANAGER AND TRUSTEE OF THE  
WEST VIRGINIA MINE SUBSIDENCE FUND

REINSURANCE AGREEMENT

INSURANCE COMPANY:

NAIC #:

GROUP #:

ASSURED: Various provided with Mine Subsidence Coverage on or in connection with policies issued or renewed on or after the date of this Reinsurance Agreement.

REINSURANCE DATE:

AMOUNT: 100% - but not to exceed \$200,000 per loss plus allocated loss adjustment expense.

In consideration of the provisions and stipulations herein or added hereto, and of premiums ceded by the above named insurance company, the West Virginia Board of Risk and Insurance Management (hereinafter BRIM), as Manager and Trustee of the West Virginia Mine Subsidence Fund (hereinafter Fund) and not otherwise, does reinsure, for all West Virginia mine subsidence losses and allocated loss adjustment expense reasonably incurred, the above-named insurance company, for coverages provided pursuant to W.Va. Code § 33-30-1, et seq.

It is understood and agreed that BRIM shall reimburse the named insurance company from the Fund for all amounts paid policyholders for claims resulting from subsidence and shall pay from the Fund all costs of administration incurred by BRIM; however no such reimbursement will be made by BRIM from the Fund for claims paid by the named insurance company without the expressed consent and approval of BRIM. The named insurance company is not required to pay any claim for any loss insured under the Mine Subsidence Insurance Law, except to the extent that the amount available in the Fund is sufficient to reimburse the insurer for such claim under this section, and without moral obligation.

It is further understood and agreed that the above-named insurance company shall charge and obtain premiums from all its insureds who request mine subsidence insurance under the West Virginia Mine Subsidence Insurance Law in accordance with rates approved by the West Virginia Insurance Commissioner and shall deposit such premiums with BRIM as Manager and Trustee of the Fund, less 30 percent of such premiums, which amounts shall be retained by the above-named insurance company as a ceding commission. Such deposits shall be made in accordance with the directions of BRIM as promulgated from time to time.

It is further understood and agreed that any and all claims by the above-named insurance company for reinsurance hereunder shall be made in accordance with the directions of BRIM as promulgated from time to time.

This agreement shall remain in effect unless and until terminated by one of the following:

- (1) It may be terminated, upon written notice thereof by the above-named insurance company, accompanied by written approval of the West Virginia Insurance Commissioner.
- (2) It may be terminated, upon sixty days written notice, by BRIM pursuant to an opinion of the West Virginia Attorney General that any future amendments to the West Virginia Mine Subsidence Insurance Law require or make desirable such cancellation.
- (3) It will terminate upon repeal of the West Virginia Mine Subsidence Insurance Law; provided, however, that the obligations hereunder will continue as to any coverages provided under the West Virginia Mine Subsidence Insurance Law.

Any prior Reinsurance Agreement shall be superseded as of the effective date of this Reinsurance Agreement.

WEST VIRGINIA BOARD OF RISK AND INSURANCE MANAGEMENT, AS MANAGER AND TRUSTEE OF THE WEST VIRGINIA MINE SUBSIDENCE FUND.

By: \_\_\_\_\_  
Title: Executive Director  
West Virginia Board of Risk and Insurance Management

Date: \_\_\_\_\_

(NAME OF INSURANCE COMPANY)

By: \_\_\_\_\_

Date: \_\_\_\_\_

Title:

Note: Please verify proper spelling of Company Name, 'NAIC' number and 'GROUP' number if applicable.

Return one copy of signed agreement to the address provided on the Board's website at <http://www.brim.wv.gov>

WEST VIRGINIA MINE SUBSIDENCE FUND REPORT  
CALENDAR QUARTER ENDING \_\_\_\_\_

THIS REPORT MUST BE COMPLETED AND RETURNED EVEN IF NO MINE SUBSIDENCE PREMIUMS TRANSACTED DURING THE REPORTING PERIOD. CHECKS SHOULD BE MADE OUT TO THE WEST VIRGINIA BOARD OF RISK AND INSURANCE MANAGEMENT AND MAILED ALONG WITH A SIGNED COPY OF THIS REPORT TO THE ADDRESS PROVIDED ON THE BOARD'S WEBSITE AT: [HTTP://WWW.BRIM.WV.GOV](http://www.brim.wv.gov) REPORT IS DUE BY 15<sup>TH</sup> OF THE SECOND MONTH FOLLOWING THE END OF THE QUARTER (QUARTER ENDING MARCH 31, REPORT DUE MAY 15; QUARTER ENDING JUNE 30, REPORT DUE AUGUST 15; QUARTER ENDING SEPTEMBER 30, REPORT DUE NOVEMBER 15; QUARTER ENDING DECEMBER 31, REPORT DUE FEBRUARY 15).

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

NAIC CO. # :  
  
QUARTER # :  
GROUP # :

PART I-POLICY COUNT BY COUNTY-INDICATE IN THE APPROPRIATE BLOCKS THE NUMBER OF POLICIES ISSUED DURING THE REPORTING PERIOD WITH MINE SUBSIDENCE COVERAGE.

CO COUNTY # NAME	# POLICIES	CO COUNTY # NAME	# POLICIES	CO COUNTY # NAME	# POLICIES
01 BARBOUR	_____	02 BERKELEY	_____	03 BOONE	_____
04 BRAXTON	_____	05 BROOKE	_____	06 CABELL	_____
07 CALHOUN	_____	08 CLAY	_____	09 DODDRIDGE	_____
10 FAYETTE	_____	11 GILMER	_____	12 GRANT	_____
13 GREENBRIER	_____	14 HAMPSHIRE	_____	15 HANCOCK	_____
16 HARDY	_____	17 HARRISON	_____	18 JACKSON	_____
19 JEFFERSON	_____	20 KANAWHA	_____	21 LEWIS	_____
22 LINCOLN	_____	23 LOGAN	_____	24 MCDOWELL	_____
25 MARION	_____	26 MARSHALL	_____	27 MASON	_____
28 MERCER	_____	29 MINERAL	_____	30 MINGO	_____
31 MONONGALIA	_____	32 MONROE	_____	33 MORGAN	_____
34 NICHOLAS	_____	35 OHIO	_____	36 PENDLETON	_____
37 PLEASANTS	_____	38 POCAHONTAS	_____	39 PRESTON	_____
40 PUTNAM	_____	41 RALEIGH	_____	42 RANDOLPH	_____
43 RITCHIE	_____	44 ROANE	_____	45 SUMMERS	_____
46 TAYLOR	_____	47 TUCKER	_____	48 TYLER	_____
49 UPSHUR	_____	50 WAYNE	_____	51 WEBSTER	_____
52 WETZEL	_____	53 WIRT	_____	54 WOOD	_____
55 WYOMING	_____	99 POLICIES WITH MORE THAN ONE COUNTY	_____		_____

PART II-PREMIUM TRANSACTIONS - COMPLETE FOR PREMIUM TRANSACTIONS OCCURRING DURING THE REPORTING QUARTER. ROUND TO NEAREST DOLLAR. INDICATE "0" IF NO TRANSACTIONS.

\_\_\_\_\_  
PREPARED BY (PLEASE PRINT)

\_\_\_\_\_  
TITLE

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
DATE PREPARED

ADJUSTING GROSS PREMIUMS \$ \_\_\_\_\_  
(THE AMOUNT OF GROSS PREMIUMS LESS  
CANCELLATIONS)  
LESS CEDING COMMISSION \$ \_\_\_\_\_  
(30%)

PREMIUMS DUE STATE \$ \_\_\_\_\_

STATE OF WEST VIRGINIA - BOARD OF RISK AND INSURANCE MANAGEMENT  
COAL MINE SUBSIDENCE INSURANCE

The following procedures apply to the handling of Coal Mine Subsidence claims:

- 1) The insured should report the possibility of Coal Mine Subsidence damage directly to the Company or his/her Authorized Agent.
- 2) Upon notice of a potential Coal Mine Subsidence claim, the Company shall immediately forward a completed ACCORD claim form (or other appropriate Company claim form) to the Board at the address provided on the board's website at <http://www.brim.wv.gov>  
In addition to the claim form, the Company is required to furnish the Board with a copy of the policy declaration page, or other documentation, showing the amount of Coal Mine Subsidence Insurance purchased by the insured applicable to the damaged structure.
- 3) The board will then assign the claim to an independent adjusting firm for investigation. The adjusting cost of the independent firm will be paid directly by the Board.
- 4) The adjusting firm will report directly back to the Board with copies of all correspondence to the Company.
- 5) All payment authorizations will come from the Board. No reinsurance will be available for claims paid by the Company without prior approval from the Board.
- 6) After the Company has made an authorized payment to its insured, the Company should remit to the Board a copy of the draft and settlement papers, including subrogation receipt, if available, for reimbursement from the West Virginia Coal Mine Subsidence fund.