

Following are examples of the proper loss deduction codes to be used for an original claim and a corrected claim:

Claim #1 – Indemnity amount \$1,500, producer premium amount of \$600

|                            |       |
|----------------------------|-------|
| Loss Deduction Code of “M” | \$600 |
| Loss Deduction Code of “E” | \$900 |

On the next example a corrected claim is processed for the same policy as #1 reducing the indemnity amount to \$1,100

Claim #2 – Indemnity amount \$1,100, producer premium amount \$600

|                            |       |
|----------------------------|-------|
| Loss Deduction Code of “M” | \$600 |
| Loss Deduction code of “E” | \$500 |

If the producer owed premium of \$150 on another policy when claim #2 processed the following codes should be used.

|                            |       |
|----------------------------|-------|
| Loss Deduction Code of “M” | \$600 |
| Loss Deduction Code of “P” | \$150 |
| Loss Deduction Code of “E” | \$350 |

|        |   |  |
|--------|---|--|
| Codes: | M | Indemnity applied to the premium on the indemnified policy |
|        | P | Indemnity applied to the premium on another policy         |
|        | E | Escrow   |
|        | F | Indemnity applied to the Administrative Fee                |
|        | R | Recovery of Prior Year Premium or Overpaid Indemnity       |
|        | O | Other  |