



# B U L L E T I N

December 31, 2018

Bulletin No. 15-2018

To: NISS Member Companies

RE: Homeowners Statistical Plan – Personal Flood Policies Coding

NISS is updating its Homeowners Statistical Plan in order to provide the necessary coding for NISS member companies who may write Personal Flood coverages as a stand-alone policy.

We are establishing the following Subline Codes for Personal Flood coverages written as a stand-alone Personal Flood Policy:

Description	Subline Code
Personal Flood – Combined Dwelling and Personal Property	50
Personal Flood – Dwelling only	51
Personal Flood – Personal Property only	52
Personal Flood – Loss of Use	53

Only the following coding fields (in addition to the amount fields) are required to be reported for these Personal Flood Policies: Company Number, Transaction Code, State Code, Line Code, Call Year, Calendar/Accident Year, Term of Policy, ZIP Code, Subline Code, Amount of Insurance, and Annual Statement Line of Business Code.

This new coding applies to all new and renewal policies effective on or after January 1, 2019. The attached pages set forth the changes as they will appear in the 1<sup>st</sup> Quarter 2019 revisions to the NISS Statistical Plan for Homeowners, Mobilehome and Dwelling Policies.

Please let us know if you have any questions.

Very truly yours,

Theresa A. Szwast

Attachments

b. Premiums for additional coverages such as outbuildings, TV antennas or trees and shrubs should be added to premiums of the principal dwelling and the amount of insurance increased to reflect the increased liability, with all other coding based on that for the principal dwelling. Rental value premiums should be added premiums of the principal dwelling, but the amount of insurance should not be increased.

**5. New Jersey Property - Liability Insurance Guaranty Association Assessment Surcharge:**

Premium for New Jersey Property - Liability Insurance Guaranty Association Assessment Surcharge must not be included in the statistical reports made to National Independent Statistical Service. However, this information is to be reported directly to the New Jersey Department of Insurance on the reconciliation form prescribed by the Department.

**6. Personal Flood Policies**

Premiums for Personal Flood policies which are written as stand-alone policies should be reported using the Line of Business Codes provided for this coverage.

When a policy provides Loss of Use coverage beyond the underlying Dwelling and Personal Property coverage, the additional premium for Loss of Use coverage must be reported separately (under Subline Code 53) from the underlying coverage.

When a policy insures more than one dwelling, each dwelling must be reported separately.

**B. MINIMUM PREMIUMS - COMPREHENSIVE DWELLING POLICIES AND OTHER DWELLING POLICIES**

When a minimum premium is involved, the difference between the minimum premium and the developed premium should be coded as Fire.

**C. EXPOSURE**

Exposure is the unit by which the company measures its hazard. The number of months for which the policy is issued and in force will determine the exposure. The exposure for a Homeowner or Mobilehome Policy issued for one (1) year will be recorded as twelve (12) months. The exposure for a Snowmobile or Watercraft insured for one (1) year will be recorded as twelve (12) months. The exposure for a Dwelling Policy issued for one (1) year insuring the building and contents will be recorded separately as twelve (12) months for the building and twelve (12) months for the contents, except for Seasonal Dwellings and Line of Business 30 where only one exposure is to be recorded. Exposure to be canceled shall be computed pro rata for both pro rata and short rate cancellations.

**D. Changes in coverage by endorsement**

All changes to the policy which affect the Premiums must be reported.

Changes by Endorsement must be submitted on a coverage basis. For example, if the change is limited to extended coverage, it is not necessary to file changes for any other coverages.

**1. Endorsements Effective as of the Policy Effective Date**

All original records affected by the change must be offset. These entries must be identical to the original entry except that the exposure and premium field(s) shall be shown as a credit, and the accounting date shall be the month and year recorded. New Records must be reported with the revised codes. All unchanged codes on the new record shall be identical to those codes on the original record.

SUBLINE OF BUSINESS (LOB) CODES

Description	Code
Snowmobile Endorsement - Homeowners or Mobilehome Policies.....	43
Watercraft Endorsement - Homeowners or Mobilehome Policies.....	44
Earthquake Assumption Endorsement on Homeowners Policies - property damage and time element.....	60
Earthquake Assumption Endorsement on Mobilehome Policies - property damage and time element.....	60
Earthquake Assumption Endorsement on Dwelling Policies (including Comprehensive Dwelling Policies) and separate Earthquake policies on Dwellings - property damage and time element.....	60
Personal Flood - Combined Dwelling and Personal Property.....	50
Personal Flood Dwelling only*.....	51
Personal Flood - Personal Property only.....	52
Personal Flood - Loss of Use.....	53

\* These sublines should be used when policy covers Dwelling only (with no Personal Property coverage) or Personal Property only (with no Dwelling coverage.)

ZIP CODE (Earthquake and Personal Flood only)

Report the five-digit postal ZIP code applicable to the location of the insured.
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AMOUNT OF INSURANCE CODES

For Combined Dwelling and Personal Property (Subline Code 50), report the total Amount of Insurance on the dwelling and personal property combined.

For Dwellings (Subline Code 51), report the Amount of Insurance on the dwelling.

For Personal Property (Subline Code 52), report the Amount of Insurance on the personal property.

For Loss of Use (Subline Code 53, report the Amount of Insurance on the Loss of Use.

The Amount of Insurance (limit of liability) must be reported to the nearest thousand dollars of coverage. Policies for amounts under \$1,500 must be reported as 001. Policies for amounts \$998,500 and over must be reported as 999.