Endorsement Premiums - revised May 2010

At the last Data Quality Forum, IBC undertook to provide additional information to help you code the correct coverage on endorsement premium transactions.

Companies have 2 options for reporting the endorsement premium:

1. Blend the premium with the most obvious coverage.
2. Report the premium on a separate record using transaction type 4(debit) or M (credit) on the selected coverage, making sure that the exposure on this separate transaction is coded as '00000' (zeros).

After an extensive review of all the endorsements, we concluded that they are self explanatory with only two possible exceptions:

Loss of Use – OPCF 20

When reporting the loss of use, you must add the applicable premium to the controlling coverage, which will be either Collision or Comprehensive.

If the Loss of Use is reported on a separate transaction, the same coverage code and deductible amount used in the original policy must be reported. The exposure must be coded as '00000' (zeros), because this record does not reflect a new coverage on the vehicle, but rather an endorsement on a vehicle already reported to IBC with Physical Damage coverage.

When a loss occurs and there are payments for both Collision and Loss of Use, report the first payment to IBC with claim count '1'. All subsequent payments for Collision or Loss of Use must be reported with claim count '0' (zero).

When reporting the loss amount for the Loss of Use, please report the same coverage code and deductible amount that was on the controlling coverage on the premium record.

Loss Forgiveness

Since Third Party Liability and Accident Benefits are mandatory, IBC suggests that the premium for any type of loss forgiveness endorsement be blended with one of these two coverages.

Please note that loss payments or reserves reported on these endorsements should follow the same coverage code originally reported with the endorsement premium.

IBC encourages you to disseminate this TIPS bulletin to others within your organization who would benefit from this information.