

**DRAFT**  
**(Provided for format review)**

ANNUAL REPORT ON THE  
COAL AND CLAY MINE SUBSIDENCE FUND  
JUNE 9, 2003 THROUGH JUNE 30, 2003  
AND  
STATE FISCAL YEAR 2003-2004

Act 155 of 2002 amended the Coal and Clay Mine Subsidence Insurance (MSI) Act, the Act of August 23, 1961 (P.L. 1068 No. 484), as amended, (52 P.S. §§ 3201-3225) (Act) was amended to provide that insurance producers (insurance agents and brokers licensed in Pennsylvania with property authority) may submit MSI applications and be paid commissions for those that become policies. Section 20 of the Act was amended to provide that the Department of Environmental Protection shall make an annual report on the Coal and Clay Mine Subsidence Insurance Program and on experience with Mine Subsidence Insurance sales through Producers to the Environmental Resources and Energy Committee of the Senate and House.

Following is statistical and financial information that demonstrates the activities of the MSI Program and the insurance producers from June 9, 2003, the initial date that insurance producers were permitted to submit MSI applications, through June 30, the ending date of the first fiscal year in which applications from insurance producers were submitted.

<b>STATISTICAL / FINANCIAL SUMMARY AS OF JUNE 9, 2003</b>	
POLICIES IN FORCE	53,250
APPROXIMATE UNDERWRITTEN COVERAGE	\$ 5,134,000,000
APPROXIMATE FUND VALUE (RESERVES FOR LOSSES)	\$ 39,900,000

<b>STATISTICAL / FINANCIAL SUMMARY AS OF JUNE 30, 2004</b>	
POLICIES IN FORCE	
UNDERWRITTEN COVERAGE	\$
FUND VALUE (RESERVES FOR LOSSES)	\$

<b>INSURANCE PRODUCER INFORMATION AS OF JUNE 30, 2004</b>	
REGISTERED INSURANCE PRODUCERS	
PRODUCER APPLICATIONS PENDING PAYMENT	
PRODUCER POLICIES CREATED	
PREMIUMS FROM PRODUCER APPLICATIONS	
ESTIMATED LIFETIME PREMIUMS <sup>1</sup>	\$
COMMISSIONS PAID AND PENDING <sup>2</sup>	\$

:	550	
PRODUCER APPLICATIONS:		672
:	117	
PRODUCER APPLICATIONS REJECTED:		28
:	527	

ESTIMATED LIFETIME PREMIUMS\*

PAPER APPLICATIONS:		1170
PAPER APPLICATIONS PENDING PAYMENT:		31
PAPER APPLICATIONS REJECTED:		25
PAPER POLICIES CREATED:		1114

\*CURRENT POLICY LIFE IS 5 YEARS