

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