Ohio Sunset Review Committee
Agency Questionnaire

Agency Name Mine Subsidence Insurance Fund

Point of Contact Ben Bruns, ODNR Legislative Director

Agency's primary purpose and its various goals and objectives

The Ohio Legislature enacted Ohio Revised Code sections 3929.51, 3929.52, 3929.53 and 3929.56 in January of 1985, authorizing the establishment of the Mine Subsidence Insurance Governing Board, the Mine Subsidence Insurance Fund (MSIF), and the Ohio Mine Subsidence Insurance Underwriting Association (OMSIUA). The Governing Board originally consisted of the Director of Natural Resources or their designee as chairperson, the Treasurer of State or their designee, and one representative from an Ohio domiciled insurance company.

Mine subsidence insurance provides coverage for loss caused by the collapse or lateral or vertical movement of structures resulting from the caving in of underground mines, including underground coal mines, clay mines, limestone mines and salt mines. It does not include the loss caused by earthquake, landslide, volcano eruption, or collapse of strip mines, any surface mines, or storm and sewer drains, or rapid transit tunnels.

In December 2004, the Ohio General Assembly passed House Bill 425, legislation initiated by the Ohio Department of Insurance and the Ohio Department of Natural Resources. This legislation allowed the Mine Subsidence Insurance Governing Board to review and make changes to the coverage amounts, limits, and structure types. In addition, the legislation provided the Governing Board the flexibility to increase coverage up to a maximum limit of $300,000.

Agency's past and anticipated workload, number of staff required to complete workload, and total number of staff

Key Personnel:

Ohio Department of Natural Resources (ODNR)
Division of Mineral Resources Management (DMRM):

- Benny McCament, Chief
- Jennifer Woodman, Assistant Chief
- Chad Kinney, Abandoned Mine Lands (AML) Emergency Program Administrator
- Ashley Miller, Program Administrator
- Shanda Lumney, Business Administrator

Ohio FAIR Plan (OFP):

- Shawn Brace, President & General Manager
- Shelley Knodell, Vice President - Accounting
- Katy Nelson, Accounting & HR Administrator

Since the inception of the program, the Governing Board has entered into a contract with the Ohio FAIR Plan Underwriting Association (OFPUA) for administrative duties. The contract provides for the Ohio FAIR Plan Underwriting Association to perform administrative and claim services for the Ohio Mine Subsidence Insurance Underwriting Association. The Ohio FAIR Plan Underwriting Association personnel are trained to handle mine subsidence insurance claims and necessary administrative duties.

Agency's past and anticipated budgets and its sources of funding

The Board oversees the Mine Subsidence Insurance Fund. The board may employ, compensate, and prescribe the duties and powers of such employees and consultants as are necessary to carry out sections 3929.50 to 3929.61 of the Revised Code, and is authorized to enter into a contract with the Ohio FAIR Plan Underwriting Association for administrative and claims adjusting services.

The revenues generated in the fund are primarily from insurance premiums assumed by the Ohio Mine Subsidence Insurance Underwriting Association on policies written by members of the association. Additionally, interest income is derived from the State Treasury Account for reserves. In 2023, approximately $921,500 in premium revenue was deposited into the fund and premiums are projected to increase to $924,000 in 2024. The Ohio Fair Plan anticipates spending approximately $644,847 on claims for fiscal year 2024.

- The fund is more than adequate to address the current subsidence liabilities;
- The fund balance as of December 31, 2023 was $13,105,150.

The primary expenditures generated are for administrative expenses of the Ohio FAIR Plan (monthly), adjustment services of the Ohio FAIR Plan (on a case by case basis), and engineering consultant services (on a claim by claim basis). These services are facilitated by the Ohio FAIR Plan and Ohio FAIR Plan submits proper documentation to ODNR to receive reimbursement for program expenses.

Number of members of its governing board or other governing entity and their compensation, if any

Currently the Governing Board consists of three members: the Director of the Ohio Department of Natural Resources or designee as the chairperson, the Treasurer of State or designee, and a representative from the industry. The representative from member companies shall be an Ohio domiciled member,elected every three years by members of the association. There is no compensation for governing board members.

Additional notes

The Mine Subsidence Insurance Governing Board plays a vital rule in administering the Mine Subsidence Insurance Fund. ODNR recommends that the Mine Subsidence Insurance Governing Board be retained by the Sunset Review Committee.