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 or *Subsequent* Year Premium or Overpaid Indemnity
- **O** Other
- **V** Void Check