
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1858 Session of
1984

Report of the Committee of Conference

To the Members of the House of Representatives and Senate:

We, the undersigned, Committee of Conference on the part of the House of Representatives and Senate for the purpose of considering House Bill No. 1858, entitled:
"An act amending the act of August 23, 1961 (P.L.1068, No.484), entitled, as reenacted and amended, 'An act to provide for the creation and administration of a Coal and Clay Mine Subsidence Insurance Fund within the Department of Environmental Resources for the insurance of compensation for damages to subscribers thereto; declaring false oaths by the subscribers to be misdemeanors; providing penalties for the violation thereof; and making an appropriation,' providing for applications for additional insurance; AND providing for automatic increases for inflation.~~7 and providing insurance availability for structures under construction,~~"

respectfully submit the following bill as our report:

JAMES J. MANDERINO

DAVID W. SWEET

JAMES L. WRIGHT, JR.

(Committee on the part of the House of Representatives.)

D. MICHAEL FISHER

STEWART J. GREENLEAF

J. WILLIAM LINCOLN

(Committee on the part of the Senate.)

AN ACT

1 Amending the act of August 23, 1961 (P.L.1068, No.484),
2 entitled, as reenacted and amended, "An act to provide for
3 the creation and administration of a Coal and Clay Mine
4 Subsidence Insurance Fund within the Department of
5 Environmental Resources for the insurance of compensation for
6 damages to subscribers thereto; declaring false oaths by the
7 subscribers to be misdemeanors; providing penalties for the
8 violation thereof; and making an appropriation," further
9 providing for applications for insurance; providing for
10 applications for additional insurance; providing for
11 automatic increases for inflation; and providing insurance
12 availability for structures under construction.

13 The General Assembly of the Commonwealth of Pennsylvania
14 hereby enacts as follows:

15 Section 1. Section 12 of the act of August 23, 1961
16 (P.L.1068, No.484), entitled, as reenacted and amended, "An act
17 to provide for the creation and administration of a Coal and
18 Clay Mine Subsidence Insurance Fund within the Department of
19 Environmental Resources for the insurance of compensation for
20 damages to subscribers thereto; declaring false oaths by the
21 subscribers to be misdemeanors; providing penalties for the
22 violation thereof; and making an appropriation," reenacted and
23 amended November 27, 1972 (P.L.1243, No.278), is amended to
24 read:

25 Section 12. Application for Insurance; Terms of Insurance;
26 Penalty for False Statement.--(a) Any owner of a structure
27 located within the anthracite or bituminous coal or clay mine
28 region and who desires to become a subscriber to said fund for
29 the purpose of insuring such a structure therein against damages
30 from coal or clay mine subsidences, shall make a written request
31 for an application for such insurance to the said board or any
32 of its agents. The board shall then send to the owner of the
33 structure an application in which application the applicant
34 shall state the name, address, date of ownership of the premises

1 to be insured, the condition of the premises, prior subsidence
2 experience, if any, nature of title whether it includes any
3 subsurface support, whether any agreement exists concerning
4 surface support. Thereupon, the board shall make such
5 investigation as may be necessary if such application complies
6 with the rules and regulations of the board and within [thirty]
7 sixty days after [such] the request for an application is
8 received shall issue a certificate showing the acceptance of the
9 application and the amount of premium payable by such applicant
10 for the year for which premium is sought. Policies may be issued
11 for one year, for two years or for three years as the board may
12 establish. [No] Except as provided in subsection (b), no
13 insurance shall become effective until the premiums have been
14 paid. All premiums shall be payable to the State Treasurer
15 whereupon a receipt shall be issued therefor. The receipt for
16 premium together with a certificate of the board shall be
17 evidence that the applicant has become a subscriber to the fund
18 and is insured.

19 (b) If the board fails to make the necessary investigations
20 or inspection and fails to approve or deny an application for
21 insurance within sixty days of receipt of the written request
22 for an application by the board or any of its agents, in
23 accordance with this section, the insurance requested by the
24 applicant shall be deemed granted. The insurance shall be
25 effective from the date the written request for an application
26 was received by the board or any of its agents, but the coverage
27 will be null and void if the applicant fails to remit the
28 premium payment within twenty days from the day the bill for the
29 premium was postmarked.

30 (1) The insurance may be subjected to later reductions, and

1 premiums adjusted accordingly, if the board determines that the
2 amount of insurance coverage requested is in excess of the
3 current market value of the structure or current statutory
4 limits, whichever is less.

5 (2) The insurance shall be void if, upon inspection of the
6 structure, the board determines that either (i) mine subsidence
7 damage occurred prior to the request by the applicant for
8 insurance, or (ii) the applicant by his unreasonable actions or
9 inactions is responsible for the failure of the board to inspect
10 the structure within sixty days of receipt of the written
11 request for an application in accordance with this section.

12 (c) Whoever shall knowingly furnish or make any false
13 certificate, application or statement herein required shall be
14 guilty of a misdemeanor, and upon conviction thereof, shall be
15 sentenced to pay a fine not exceeding one thousand five hundred
16 dollars (\$1,500) and shall undergo imprisonment not exceeding
17 one year.

18 Section 2. The act is amended by adding sections to read:

19 Section 12.1. Application for an Increase in Insurance.--(a)
20 Additions in the amount of insurance, up to the allowable
21 limits, may be made at any time by the subscriber by submitting
22 a written statement to the board or to any of its agents. Upon
23 receipt of the subscriber's written statement by the board or
24 any of its agents, the board shall have sixty days from the day
25 the request was received to reinspect the structure. If
26 reinspection occurs within the sixty-day period and the
27 structure passes the reinspection, the new amount of insurance
28 shall be effective from the date of premium payment after
29 reinspection. If reinspection does not occur within the sixty-
30 day period, the new amount of insurance shall be effective from

1 the date the subscriber's written request for additional
2 insurance was received by the board or any of its agents, but
3 the additional coverage will be null and void if the applicant
4 fails to remit the premium payment within twenty days from the
5 day the bill for additional premium is postmarked.

6 (b) The additional insurance may be subjected to later
7 reductions, and premiums adjusted accordingly, if the board
8 determines that the added insurance raises the total amount of
9 insurance in excess of the current market value of the structure
10 or current statutory limits, whichever is less.

11 (c) The additional insurance shall be void if, upon
12 reinspection of the structure, the board determines that either:

13 (1) Mine subsidence damage occurred prior to the request of
14 the subscriber for additional insurance.

15 (2) The subscriber's unreasonable actions or inactions are
16 responsible for the board's failure to reinspect the insured
17 structure within sixty days of receipt of the written request
18 for an increase in the amount of coverage by the board or any of
19 its agents.

20 Section 12.2. Automatic Inflation Protection Increase.--The
21 board shall make available to all subscribers an annual
22 inflation protection option on the anniversary date of each
23 policy to uniformly increase subscribers' coverage, and shall
24 allow thirty days for subscribers to elect this option. In any
25 case, the option shall not be made available more than once
26 annually. An inflation protection increase shall not be subject
27 to a reinspection of the structure.

28 Section 12.3. Insurance for Structures under Construction.--
29 The board shall make available mine subsidence insurance to
30 owners of structures under construction. Such insurance shall

1 have a term of no more than eighteen months, or until the
2 structure is eighty percent complete, whichever is first.

3 Section 3. (a) Insofar as it applies to section 12.3 of the
4 act, section 2 of this act shall take effect in nine months.

5 (b) The remainder of this act shall take effect in 60 days.