
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1156 Session of
2013

INTRODUCED BY MILLER, GINGRICH, HESS, HAGGERTY, V. BROWN, COHEN,
KORTZ, ROCK, WATSON, MURT AND CLYMER, APRIL 9, 2013

REFERRED TO COMMITTEE ON INSURANCE, APRIL 9, 2013

AN ACT

1 Establishing the Flood Insurance Premium Assistance Program to
2 provide premium assistance to eligible Pennsylvania residents
3 who purchase flood insurance; and imposing powers and duties
4 on the Insurance Department.

5 The General Assembly of the Commonwealth of Pennsylvania
6 hereby enacts as follows:

7 Section 1. Short title.

8 This act shall be known and may be cited as the Flood
9 Insurance Premium Assistance Program Act.

10 Section 2. Legislative findings.

11 The General Assembly finds and declares as follows:

12 (1) Pennsylvania is the most flood-prone state in the
13 nation.

14 (2) Many communities in this Commonwealth frequently are
15 subject to flooding which adversely affects means of
16 livelihood and economic resources and causes significant
17 damage and disruption in the life of the community but which
18 is not often of sufficient magnitude to qualify for Federal
19 disaster assistance programs.

1 (3) The Commonwealth needs a proactive program to
2 protect its citizens against the economic damages incurred by
3 continued flooding, while maintaining its ability to obtain
4 Federal disaster assistance in the future.

5 Section 3. Definitions.

6 The following words and phrases when used in this act shall
7 have the meanings given to them in this section unless the
8 context clearly indicates otherwise:

9 "Department." The Insurance Department of the Commonwealth.

10 "FEMA." The Federal Emergency Management Agency, which
11 administers the National Flood Insurance Program.

12 "Net book premium." The total premium amount for all
13 eligible flood insurance policies in this Commonwealth.

14 "NFIP." The National Flood Insurance Program, created by
15 Congress in response to the rising cost of taxpayer-funded
16 disaster relief for flood victims to provide flood insurance to
17 anyone living in a participating community that adheres to NFIP
18 floodplain management and development regulations.

19 "Program." The Flood Insurance Premium Assistance Program
20 established in section 4.

21 "Providers." National Flood Insurance Program-approved
22 insurance providers who sell National Flood Insurance Program
23 flood insurance in this Commonwealth.

24 Section 4. Flood Insurance Premium Assistance Program.

25 There is established under the jurisdiction of the Insurance
26 Department the Flood Insurance Premium Assistance Program to
27 assist any eligible Pennsylvania resident or business purchasing
28 flood insurance with 15% of the cost of premiums for that flood
29 insurance in years in which funds are appropriated or made
30 available to the department to administer the program.

1 Section 5. Eligibility.

2 (a) General rule.--Any Pennsylvania resident or business is
3 eligible to participate in the program if either:

4 (1) Has purchased flood insurance prior to the initial
5 year of the program or purchases flood insurance during or
6 after the initial year of the program.

7 (2) Lives in a community participating in the National
8 Flood Insurance Program.

9 (b) Termination of coverage.--

10 (1) Subject to the provisions of paragraphs (2) and (3),
11 if a participant in the program drops flood insurance
12 coverage on the covered property where the participant
13 resides or conducts business, that participant will not be
14 eligible for future participation in the program for coverage
15 on the same property as long as the participant continues to
16 reside at that property or conduct business at that property.

17 (2) If a participant moves back to or conducts business
18 on a property for which that participant had dropped coverage
19 at a prior date, the participant shall be eligible for the
20 15% premium assistance under the program upon purchasing
21 flood insurance for that property after the expiration of one
22 calendar year.

23 (3) If a participant purchases a new policy for a
24 different property, the participant shall be eligible for a
25 15% premium discount for the property upon the purchase of
26 flood insurance for the property.

27 Section 6. Assistance when program not funded.

28 If an eligible Pennsylvania resident or business purchases
29 flood insurance after the initial year of enactment but in a
30 year in which the program is not funded and administered, the

1 participant shall be eligible for a discount in the amount of
2 15% of the premium beginning with the year in which the program
3 is reenacted.

4 Section 7. Mitigation.

5 If a participant resides at a property determined by the
6 Director of FEMA to be a severe repetitive loss property as
7 defined under section 1361A of the National Flood Insurance Act
8 of 1968 (Public Law 90-448, 42 U.S.C. § 4102a), the participant
9 shall accept mitigation offers provided under that act or be
10 disqualified from the Flood Insurance Premium Assistance Program
11 upon the refusal to do so.

12 Section 8. Administration of program.

13 The program shall be administered by the Insurance
14 Department, which shall promulgate the necessary rules and
15 regulations to implement and administer the program. The
16 department shall:

17 (1) Enter into a contract with FEMA and NFIP-approved
18 insurance providers to administer the program in an agreed-
19 upon way. The department is authorized to draft and enter
20 into agreements with Federal agencies, other Commonwealth
21 agencies and private entities as necessary to implement the
22 program.

23 (2) Publicize the program through its flood insurance
24 consumer education plan. This shall include, but not be
25 limited to, informing consumers when the program will be
26 available, when the program will be discontinued due to
27 unavailability of funding and/or when the program will be
28 reenacted.

29 (3) In years in which funding has been made available to
30 the department for the program, notify FEMA and insurance

1 providers of the department's intent to provide premium
2 assistance for the following calendar year and to remit
3 payment to FEMA in a projected amount equal to 15% of the net
4 book premium to be discounted for all eligible policies in
5 effect between January 1 and December 31 of the upcoming
6 calendar year.

7 (4) In years in which insufficient funding is made
8 available to administer the program for the next calendar
9 year, notify FEMA and insurance providers by November 1 of
10 the department's intent to discontinue premium assistance for
11 the following calendar year.

12 (5) On or before December 31 of years preceding premium
13 assistance, remit payment to FEMA in a projected amount equal
14 to 15% of the net book premium for all eligible policies to
15 be taken out in the following calendar year.

16 (6) Develop an agreement and procedure with FEMA and
17 insurance providers to address instances of remittance of
18 insufficient funding needed by FEMA to provide premium
19 assistance for any given year. This may include, but is not
20 limited to, establishing extra payment dates to provide
21 supplemental funding to FEMA to cover any instances of
22 insufficient funding or discontinuing the program for the
23 following calendar year and using those appropriated funds to
24 compensate FEMA for funding owed.

25 (7) No later than March 1 of each year, submit a report
26 to the General Assembly detailing its plan, its
27 implementation and the progress of the program. The report
28 shall include the number of Commonwealth residents who have
29 purchased flood insurance during the preceding year and
30 comparisons to prior years.

1 Section 9. Funding.

2 The program shall be administered based on nonlapsing funds
3 appropriated to the Insurance Department by the General Assembly
4 to provide payment to FEMA in an amount equal to 15% of the cost
5 of insurance premiums for any eligible Pennsylvania resident or
6 business that purchases a flood insurance policy in years in
7 which funds are appropriated or made available to the department
8 for premium assistance.

9 Section 10. Implementation.

10 The program shall be implemented by the department in the
11 first full calendar year that occurs after funding is made
12 available, but no sooner than 90 days after the effective date
13 of this act.

14 Section 20. Effective date.

15 This act shall take effect in 90 days.