

INSURANCE FUND CREATED
Act of May 14, 1915, P.L. 524, No. 227
AN ACT

CL. 72

Creating a fund for the purpose of rebuilding, restoring, and replacing buildings, structures, equipment, or other property of the Commonwealth of Pennsylvania, damaged or destroyed by fire or other casualty, and regulating the placing of insurance thereon, and providing penalties for any violation of the provisions of this act.

Section 1. Be it enacted, &c., That, for the purpose of creating a fund for the rebuilding, restoration, and replacement of any structures, buildings, equipment, or other property, owned by the Commonwealth of Pennsylvania, and damaged or destroyed by fire or other casualty, including boiler explosion, flood and flood-related hazards or any other natural disasters, the following funds, income, and revenue, of the Commonwealth of Pennsylvania are hereby specifically dedicated, appropriated, and set apart, to constitute a fund separate and apart from all other funds of the Commonwealth, and to be known as the Insurance Fund; to wit,

(a) All moneys now in the custody of the State Treasurer heretofore "Appropriated and set apart for the purpose of paying the present indebtedness and the interest thereon, and such further indebtedness as may hereafter be contracted on the part of the Commonwealth," and commonly known as the sinking-fund, in excess of the total amount of the funded obligation or indebtedness of the Commonwealth chargeable thereto; the amount of such excess in the sinking-fund to be determined by the State Treasurer, audited by the Auditor General, and approved by the Board of Finance and Revenue, as of the date of the approval of this act.

(b) ((b) deleted Dec. 9, 1982, P.L.1039, No.243)

(c) All payments hereafter made by insurance companies on account of loss or damage to property of the Commonwealth, caused by fire or other casualty, or on account of the cancellation of existing policies of insurance.

(d) All income received from interest upon deposits in bank, or upon securities in which the said fund may be invested.

(e) All income received from the excess tax on foreign fire insurance companies from retaliatory provisions with other states.

(1 amended Dec. 9, 1982, P.L.1039, No.243)

Section 2. The said fund, and all interest, increment, and additions thereto, shall be and remain in the custody of the State Treasurer, and shall be invested and reinvested by him, under the supervision and direction of the Board of Finance and Revenue, in lawfully issued interest-bearing securities of the United States of America, the Commonwealth of Pennsylvania, or any other of the United States, or any county, city, borough, or school district of this Commonwealth, or any obligations of municipalities of other States, but, preferably, in such

securities issued by municipalities within this Commonwealth: Provided, however, That current receipts and income applicable to said fund shall be deposited, at interest, in the legal depositories of the public funds, until the same shall accumulate in sufficient amount to justify the investment thereof in interest-bearing securities, as hereinbefore provided.

(2 amended Dec. 9, 1982, P.L.1039, No.243)

Section 3. The said fund hereby created shall be available for expenditure, in the manner hereinafter provided, for the rebuilding, restoration, or replacement of buildings, structures, equipment, or other property owned by the Commonwealth, and damaged or destroyed by fire, boiler explosion, flood and flood-related hazards or any other natural disasters, or other casualty, and for no other purpose whatsoever. And, for such purpose, the State Treasurer is authorized and directed, by and with the consent and approval of the Board of Finance and Revenue, to make sale, from time to time, of such part of such securities as may be necessary for the purpose of this act.

(3 amended Dec. 9, 1982, P.L.1039, No.243)

Section 4. (a) Whenever the total amount of said fund shall exceed the sum of three million dollars, no further investment in securities shall be made on account thereof; but all additional income and receipts applicable thereto shall be deposited in legal depositories of public funds, and the excess, over and above the said sum of three million dollars, shall be transferred annually, on the thirty-first day of December, to the general fund of the State Treasury.

(b) In the event of a catastrophic loss which completely exhausts the moneys in the State Insurance Fund, the General Assembly shall provide the necessary funds in order to meet the requirements of the National Flood Insurance Program. For the purposes of this section the term "catastrophic loss" shall mean any damages covered under section 3 which are in excess of the three million dollars available in the State Insurance Fund.

(4 amended Dec. 9, 1982, P.L.1039, No.243)

Section 5. Whenever loss or damage by fire, boiler explosion, flood or flood-related hazards or any other natural disasters, or other casualty shall occur to any structure, building, equipment, or other property owned by the Commonwealth of Pennsylvania, the department, board of trustees, overseers, commissioners, or other branch of the State government having control or custody thereof, shall make report of such loss or damage to the Secretary of General Services, setting forth specifically the use and character of the structure, building, equipment, or other property damaged or destroyed, the original cost thereof, the estimated amount of the loss or damage, and cost of restoration, rebuilding, or replacement, and such other data and information as may be required by the said Secretary of General Services, who shall make such examination and investigation as may be necessary and report the result thereof to the Board of Commissioners of Public Grounds and Buildings; whereupon the Board of Commissioners of Public Grounds and Buildings may, in its discretion, authorize the rebuilding,

restoration, or replacement of the property damaged or destroyed; and, for that purpose is hereby authorized to have plans and specifications prepared, and contracts executed, and to supervise the erection, construction, or replacement thereof, under the supervision of the Secretary of General Services or other duly authorized agent of the Board of Public Grounds and Buildings; such rebuilding, restoration, or replacement to be in substantial accord with the original character, use, and purpose of the property damaged or destroyed.

(5 amended Dec. 9, 1982, P.L.1039, No.243)

Section 5.1. With regard to flood and flood-related hazards, the fund shall provide coverage to individual State-owned buildings and their contents equal to the coverage which would otherwise be required by the Federal Government under its National Flood Insurance Program.

(5.1 added Dec. 9, 1982, P.L.1039, No.243)

Section 6. All expenditures on account of contracts entered into under the provisions of this act shall be examined by the Secretary of General Services; and, if found correct, he shall certify to the Board of Commissioners of Public Grounds and Buildings that the materials have been furnished, and the work and labor have been performed, in accordance with the plans, specifications, and contracts approved by the said board; and, after having been so certified by him, shall be approved by the Executive Controller; and, when so approved, shall be audited, settled, and paid by the Auditor General and the State Treasurer, in the manner provided by law: Provided, That, whenever the Board of Commissioners of Public Grounds and Buildings shall have taken such action as will involve expenditures from said fund, they shall forthwith certify the probable amount of expenditure to the State Treasurer and Board of Finance and Revenue, who shall forthwith take such action as is necessary to provide funds sufficient to meet the obligations so entered into.

(6 amended Dec. 9, 1982, P.L.1039, No.243)

Section 7. That, from and after the adoption and approval of this act, it shall be unlawful for any department, bureau, commission, or other branch of the State Government, or any board of trustees, overseers, managers, or other person or persons, or custodians of State property, to purchase, secure, or obtain any policy of insurance on any property owned by the Commonwealth, the term of which policy of insurance shall extend beyond the thirty-first day of December, Anno Domini one thousand nine hundred and twenty, or to purchase, obtain, or secure any such policy of insurance for any amount in excess of the amount of insurance outstanding at the date of the approval of this act, after deducting from such amount twenty per centum thereof for each calendar year which shall have elapsed from and after the thirty-first day of December, Anno Domini one thousand nine hundred and fifteen, to the date of purchasing, securing, or obtaining such policy of insurance: Provided, however, That the Board of Public Grounds and Buildings, or the board of trustees, inspectors, overseers, or managers of any State institution, may, in their discretion, purchase, secure, or obtain policies of insurance covering any loss or damage

occurring to any property owned by the Commonwealth arising from boiler explosion: Provided further, That the Department of Revenue may, in its discretion, purchase, secure, or otherwise obtain policies of insurance on currency, moneys, checks, money orders, bank drafts, bills of exchange, notes, and any and all other types of negotiable instruments, and on any stamps used or intended to be used by the Department of Revenue in connection with the levying or collecting of any tax.

(7 amended May 10, 1956 (1955), P.L.1553, No.515)

Section 8. The State Treasurer and his bondsman shall be responsible for the safe-keeping of, and accounting for, said funds, in the same manner and under the same penalties as for the safe-keeping of, and accounting for, the other funds of this Commonwealth.