
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1029 Session of
2015

INTRODUCED BY MURT, COHEN, D. COSTA, DAVIS, McCARTER, PASHINSKI,
READSHAW, SANTARSIERO, TALLMAN AND WATSON, APRIL 20, 2015

REFERRED TO COMMITTEE ON INSURANCE, APRIL 20, 2015

AN ACT

1 Establishing the Flood Insurance Premium Assistance Program to
2 provide premium assistance to eligible residents and
3 businesses of this Commonwealth who purchase flood insurance;
4 and imposing powers and duties 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 (a) Program established.--There is established under the
26 jurisdiction of the department the Flood Insurance Premium
27 Assistance Program to assist any eligible resident of this
28 Commonwealth or business in this Commonwealth in purchasing
29 flood insurance.

30 (b) Assistance.--An eligible resident or business may

1 receive 15% of the cost of premiums for that flood insurance in
2 years in which funds are appropriated or made available to the
3 department to administer the program.

4 Section 5. Eligibility.

5 (a) General rule.--A resident of this Commonwealth or
6 business in this Commonwealth is eligible to participate in the
7 program if the resident or business either:

8 (1) has purchased flood insurance prior to the initial
9 year of the program or purchases flood insurance during or
10 after the initial year of the program; or

11 (2) lives in a community participating in the National
12 Flood Insurance Program.

13 (b) Termination of coverage.--

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

21 (2) If a participant moves back to or conducts business
22 on a property for which that participant had terminated
23 coverage at a prior date, the participant shall be eligible
24 for premium assistance under the program upon purchasing
25 flood insurance for that property after the expiration of one
26 calendar year.

27 (3) If a participant purchases a new policy for a
28 different property, the participant shall be eligible for
29 premium assistance for the property upon the purchase of
30 flood insurance for the property.

1 Section 6. Assistance when program not funded.

2 If an eligible resident or business purchases flood insurance
3 after the initial year of enactment but in a year in which the
4 program is not funded and administered, the participant shall be
5 eligible for premium assistance beginning with the year in which
6 the program is reenacted.

7 Section 7. Mitigation.

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

15 Section 8. Administration of program.

16 The program shall be administered by the department. The
17 department shall:

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

23 (2) Publicize the program through its flood insurance
24 consumer education plan. The plan 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 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. The procedure may include, but
20 is not limited to, establishing extra payment dates to
21 provide supplemental funding to FEMA to cover any instances
22 of 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 the implementation and
27 progress of the program. The report shall include the number
28 of Commonwealth residents who have purchased flood insurance
29 during the preceding year and comparisons to prior years.

30 (8) Promulgate rules and regulations necessary to

1 implement and administer the program.

2 Section 9. Funding.

3 The program shall be administered based on nonlapsing funds
4 appropriated to the department by the General Assembly.

5 Section 10. Implementation.

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

10 Section 11. Effective date.

11 This act shall take effect in 90 days.