
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 767 Session of
2017

INTRODUCED BY MURT, V. BROWN, D. COSTA, MILLARD, READSHAW, ROZZI
AND WATSON, MARCH 9, 2017

REFERRED TO COMMITTEE ON INSURANCE, MARCH 9, 2017

AN ACT

1 Amending Title 40 (Insurance) of the Pennsylvania Consolidated
2 Statutes, establishing the Flood Insurance Premium Assistance
3 Program to provide premium assistance to eligible residents
4 and businesses of this Commonwealth purchasing flood
5 insurance; and imposing powers and duties on the Insurance
6 Department.

7 The General Assembly of the Commonwealth of Pennsylvania
8 hereby enacts as follows:

9 Section 1. Title 40 of the Pennsylvania Consolidated
10 Statutes is amended by adding a part to read:

11 PART V

12 SPECIAL PROVISIONS RELATING TO

13 PARTICULAR CLASSES OF RISK

14 Chapter

15 81. Flood Insurance Premium Assistance

16 CHAPTER 81

17 FLOOD INSURANCE PREMIUM ASSISTANCE

18 Subchapter

19 A. General Provisions

20 B. Flood Insurance Premium Assistance Program

1 SUBCHAPTER A

2 GENERAL PROVISIONS

3 Sec.

4 8101. Scope of chapter.

5 8102. Legislative findings.

6 8103. Definitions.

7 § 8101. Scope of chapter.

8 This chapter relates to flood insurance premium assistance.

9 § 8102. Legislative findings.

10 The General Assembly finds and declares as follows:

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

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

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

23 § 8103. Definitions.

24 The following words and phrases when used in this chapter
25 shall have the meanings given to them in this section unless the
26 context clearly indicates otherwise:

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

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

1 "NFIP." The National Flood Insurance Program created by the
2 Congress of the United States in response to the rising cost of
3 taxpayer-funded disaster relief for flood victims to provide
4 flood insurance to anyone living in a participating community
5 that adheres to NFIP floodplain management and development
6 regulations.

7 "Program." The Flood Insurance Premium Assistance Program
8 established in section 8111 (relating to establishment).

9 "Providers." National Flood Insurance Program-approved
10 insurance providers who sell National Flood Insurance Program
11 flood insurance in this Commonwealth.

12 SUBCHAPTER B

13 FLOOD INSURANCE PREMIUM ASSISTANCE PROGRAM

14 Sec.

15 8111. Establishment.

16 8112. Assistance.

17 8113. Eligibility.

18 8114. Assistance when program not funded.

19 8115. Mitigation.

20 8116. Administration of program.

21 8117. Funding.

22 8118. Implementation.

23 § 8111. Establishment.

24 There is established under the jurisdiction of the department
25 the Flood Insurance Premium Assistance Program to assist any
26 eligible resident of this Commonwealth or business in this
27 Commonwealth in purchasing flood insurance.

28 § 8112. Assistance.

29 An eligible resident or business may receive 15% of the cost
30 of premiums for that flood insurance in years in which funds are

1 appropriated or made available to the department to administer
2 the program.

3 § 8113. Eligibility.

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

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

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

12 (b) Termination of coverage.--

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

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

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

30 § 8114. Assistance when program not funded.

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

6 § 8115. Mitigation.

7 If a participant resides at a property determined by FEMA to
8 be a severe repetitive loss property, the participant shall
9 accept mitigation offers provided under NFIP or be disqualified
10 from the program upon the refusal to do so.

11 § 8116. Administration of program.

12 The program shall be administered by the department. The
13 department shall:

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

19 (2) Publicize the program through its flood insurance
20 consumer education plan. The plan shall include, but not be
21 limited to, informing consumers when the program will be
22 available, when the program will be discontinued due to
23 unavailability of funding and when the program will be
24 reenacted.

25 (3) In years in which funding has been made available to
26 the department for the program, notify FEMA and insurance
27 providers of the department's intent to provide premium
28 assistance for the following calendar year and to remit
29 payment to FEMA in a projected amount equal to 15% of the net
30 book premium to be discounted for all eligible policies in

1 effect between January 1 and December 31 of the upcoming
2 calendar year.

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

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

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

21 (7) No later than March 1 of each year, submit a report
22 to the General Assembly detailing the implementation and
23 progress of the program. The report shall include the number
24 of Commonwealth residents who have purchased flood insurance
25 during the preceding year and comparisons to prior years.

26 (8) Promulgate rules and regulations necessary to
27 implement and administer the program.

28 § 8117. Funding.

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

1 § 8118. Implementation.

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

6 Section 2. This act shall take effect in 90 days.