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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 1433 Session of  
2019

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INTRODUCED BY KULIK, SOLOMON, HILL-EVANS, MURT, SNYDER,  
A. DAVIS, READSHAW, FREEMAN, DeLUCA, DEASY, RAVENSTAHL,  
T. DAVIS, BARRAR, KORTZ AND WARREN, MAY 8, 2019

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REFERRED TO COMMITTEE ON INSURANCE, MAY 8, 2019

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AN ACT

1 Establishing the Landslide Insurance and Assistance Program  
2 within the Pennsylvania Emergency Management Agency;  
3 providing for related powers and duties of the Pennsylvania  
4 Emergency Management Agency; establishing and providing for  
5 the powers and duties of the Landslide Insurance and  
6 Assistance Board; providing for duties of the Auditor  
7 General; establishing the Landslide Insurance Fund and the  
8 Landslide Assistance Fund; imposing a penalty; and making  
9 appropriations.

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28 Section 1101. Effective date.  
29 The General Assembly of the Commonwealth of Pennsylvania  
30 hereby enacts as follows:

1 CHAPTER 1

2 PRELIMINARY PROVISIONS

3 Section 101. Short title.

4 This act shall be known and may be cited as the Landslide  
5 Insurance and Assistance Program Act.

6 Section 102. Declaration of policy.

7 The General Assembly finds and declares as follows:

8 (1) Geologists have studied with increasing concern the  
9 underground movement of the geological formations in this  
10 Commonwealth and its impeding effects on the vertical and  
11 horizontal natural and manmade surfaces.

12 (2) Landslides and slope movement have historically been  
13 the norm throughout most parts of this Commonwealth.

14 (3) Landslides and slope movement occur without regard  
15 for municipal boundaries, ordinances, planning codes,  
16 politics and economies, making it difficult for local  
17 officials to deal effectively with the development and  
18 implementation of methods and standards to control the  
19 devastation these natural forces can cause.

20 (4) Landslides and slope movement have caused an  
21 enormous amount of damage to homes and roadways in this  
22 Commonwealth, particularly the southwestern region of the  
23 State.

24 (5) Landslides and slope movement will continue to  
25 plague southwestern Pennsylvania.

26 (6) Landslides affect every state in the nation, causing  
27 an estimated \$2,000,000,000 to \$4,000,000,000 in damages per  
28 year.

29 (7) Landslide damage caused by flooding is not covered  
30 by the National Flood Insurance Program.

1 (8) While landslide damage caused by mining practices is  
2 covered by the Coal and Clay Mine Subsidence Insurance Fund  
3 and mudslide damage is covered by the National Flood  
4 Insurance Program, other types of landslide damage are  
5 usually not covered by insurance.

6 (9) Problems associated with landslide damage are  
7 becoming more widespread.

8 (10) It would be to the advantage of residents of the  
9 landslide-prone areas of this Commonwealth to form a common  
10 bond to combat distress resulting from landslides.

11 Section 103. Definitions.

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

15 "Agency." The Pennsylvania Emergency Management Agency.

16 "Assistance fund." The Landslide Assistance Fund established  
17 under section 702.

18 "Board." The Landslide Insurance and Assistance Board  
19 established under section 302.

20 "Community." Either of the following:

21 (1) A political subdivision that has zoning and building  
22 code jurisdiction over an area having landslide hazards.

23 (2) A political subdivision that is designated to  
24 develop and administer a mitigation plan.

25 "Extremely hazardous area." An area where all of the  
26 following factors that contribute to landslides occur in the  
27 same location:

28 (1) Steep slopes.

29 (2) Soils prone to landslides.

30 (3) Landslide features.

1 "Further review area." An area for which additional site-  
2 specific review is needed based on a geological map or model  
3 identifying the area as including a site prone to experience a  
4 landslide.

5 "GIS." Geographic information systems.

6 "Hazardous area." An area where one of the following factors  
7 that contributes to landslides occurs:

8 (1) Steep slopes.

9 (2) Soils prone to landslides.

10 (3) Landslide features.

11 "Insurance fund." The Landslide Insurance Fund established  
12 under section 501.

13 "Landslide." Any detached mass of soil, rock, earth or  
14 debris that moves down a slope and is of sufficient size to  
15 cause damage. The term includes sinkholes.

16 "Landslide features." The term includes rockfall areas,  
17 creep, red beds and historic landslides.

18 "Mitigation." An activity relative to landslides that  
19 prevents an emergency from occurring, reduces the likelihood of  
20 an emergency occurring or lessens the damaging effects of  
21 unavoidable emergencies.

22 "Mitigation plan." A plan designed by a community that when  
23 implemented provides mitigation.

24 "Program." The Landslide Insurance and Assistance Program  
25 established under section 304.

26 CHAPTER 3

27 PROGRAM GENERALLY

28 Section 301. Program goals.

29 The goals of the program are as follows:

30 (1) To provide actuarially sound insurance coverage.

1           (2) To make program policies universally available and  
2 competitively priced.

3           (3) To make use of the most effective scientific and  
4 technological advances available, including technology such  
5 as GIS.

6           (4) To process claims promptly, fairly and consistently.

7           (5) To provide tools and incentives for landslide loss  
8 reduction, including the assistance fund.

9           (6) To collaborate with other organizations that operate  
10 in the public interest to assist in achieving program goals.

11 Section 302. Board.

12       (a) Board established.--The Landslide Insurance and  
13 Assistance Board is established within the Pennsylvania  
14 Emergency Management Agency.

15       (b) Members.--The board shall consist of the following  
16 members:

17           (1) The Insurance Commissioner or a designee.

18           (2) The Secretary of Banking and Securities or a  
19 designee.

20           (3) The Secretary of Community and Economic Development  
21 or a designee.

22           (4) The Secretary of Conservation and Natural Resources  
23 or a designee.

24           (5) The Secretary of Environmental Protection or a  
25 designee.

26           (6) The Secretary of Human Services or a designee.

27           (7) The Secretary of the Commonwealth or a designee.

28           (8) The Secretary of Transportation or a designee.

29           (9) The State Treasurer or a designee.

30           (10) The Director of the agency or a designee.

1           (11) The Executive Director of the Pennsylvania Housing  
2 Finance Agency or a designee.

3           (c) Chairperson.--The Director of the agency or a designee  
4 shall serve as the chairperson of the board.

5           (d) General counsel.--The Attorney General shall, ex  
6 officio, be the general counsel of the board and shall appoint  
7 an attorney or attorneys as may be deemed necessary to aid the  
8 board in its functioning.

9           (e) Employees.--All employees of the board shall be employed  
10 by and located in the agency and shall be subject to the  
11 administrative jurisdiction and authority of the agency.

12 Section 303. Appeals.

13           Any party aggrieved by an action of the board shall have the  
14 right to appeal in accordance with 2 Pa.C.S. (relating to  
15 administrative law and procedure).

16 Section 304. Program generally.

17           (a) Establishment.--The Landslide Insurance and Assistance  
18 Program is established within the agency.

19           (b) Program components.--The program shall consist of the  
20 following components:

21                 (1) A grant program.

22                 (2) A revolving loan program.

23                 (3) An insurance program.

24           (c) Purposes.--The grant program and the revolving loan  
25 program are established for the primary purposes of mitigation  
26 and repairing minor structural damage. The board shall employ  
27 the grant program and the revolving loan program as tools to aid  
28 in the success of the insurance fund.

29 Section 305. Program authority.

30           (a) Intergovernmental cooperation.--The program shall:

1           (1) Work closely with Federal, State and local agencies  
2 and any other government agencies, including those of other  
3 states, to accomplish program goals.

4           (2) Create and implement a Statewide landslide  
5 mitigation plan that would encourage and support local  
6 mitigation efforts.

7           (3) Investigate sites to define hazards.

8           (4) Recommend legislation, regulations, ordinances and  
9 zoning to mitigate slope instability contributed by  
10 excavation and drainage.

11          (5) Work with local governments to evaluate risks  
12 associated with certain homesite development.

13          (6) Share the most up-to-date geological surveys, in the  
14 form of maps, GIS data or other useful forms, and related  
15 information, free of charge to government agencies and  
16 appropriate representatives of communities, and at a  
17 reasonable cost to all other persons. Receipts under this  
18 paragraph shall be deposited into the assistance fund.

19          (7) Inform the Department of Transportation which  
20 highways are at greatest risk from landslides.

21          (8) Notify local governments in areas with the greatest  
22 risk from landslides.

23          (9) Have the authority to consult, receive information  
24 and enter into any agreements or other arrangements in order  
25 to identify and publish information with respect to all  
26 landslide-prone areas, establish or update landslide-risk  
27 zone data and make estimates with respect to the rates of  
28 probable landslide-caused loss for the various landslide-risk  
29 zones for each of these areas.

30          (10) Publish any change to landslide insurance map



1 panels.

2 (11) Ensure that the program is consistent in landslide  
3 control, landslide forecasting and landslide damage  
4 prevention.

5 (b) Studies and investigations.--

6 (1) The program is authorized to carry out necessary  
7 studies and investigations, utilizing to the maximum extent  
8 practicable the existing facilities and services of other  
9 Federal and Commonwealth departments or agencies, local  
10 governmental agencies and any other organizations, with  
11 respect to the adequacy of State and local measures in  
12 landslide-prone areas as to:

- 13 (i) Land management and use.
- 14 (ii) Landslide control.
- 15 (iii) Zoning.
- 16 (iv) Landslide damage prevention.

17 (2) The program may enter into contracts, agreements or  
18 other appropriate arrangements to carry out the program's  
19 authority under this section. The studies and investigations  
20 shall include the following:

- 21 (i) Laws.
- 22 (ii) Regulations.
- 23 (iii) Ordinances.
- 24 (iv) Zoning.
- 25 (v) Building codes.
- 26 (vi) Building permits.
- 27 (vii) Subdivision or other building restrictions.

28 (c) State and local measures.--On the basis of studies and  
29 investigations under subsection (b) and other information as the  
30 agency deems necessary, the program shall develop comprehensive

1 criteria designed to encourage, where necessary, the adoption of  
2 adequate State and local measures which, to the maximum extent  
3 feasible, will:

4 (1) Constrict the development of land which is exposed  
5 to landslide damage where appropriate.

6 (2) Guide the development of proposed construction away  
7 from locations which are threatened by landslide hazards.

8 (3) Assist in reducing damage caused by landslides.

9 (4) Otherwise improve the long-range land management and  
10 use of landslide-prone areas.

11 (d) Technical assistance.--The program shall work closely  
12 with and provide any necessary technical assistance to State and  
13 local governmental agencies to encourage the application of the  
14 criteria and the adoption and enforcement of the measures under  
15 this section.

16 Section 306. Land-use controls and rate structure.

17 Local governments may initiate land-use controls for the  
18 benefit of their residents. The following shall apply:

19 (1) No new landslide insurance coverage shall be  
20 provided to new construction without preapproval by an  
21 appropriate local public body, which shall have the option of  
22 adopting adequate land use and control measures with  
23 effective enforcement provisions.

24 (2) A community rating system shall be employed by the  
25 board as an incentive for community landslide management.

26 (3) Rate structures shall provide incentives for  
27 measures that reduce the risk of landslide damage and  
28 evaluate the measures. The program shall provide incentives  
29 in the form of credits on premium rates for landslide  
30 insurance coverage in communities that the agency determines

1 have adopted and enforced measures that reduce the risk of  
2 landslide damage.

3 (4) The credits on premium rates for flood insurance  
4 coverage shall be based on the estimated reduction in flood  
5 and erosion damage risks resulting from the measures adopted  
6 by the community under the program. If a community has  
7 received mitigation or other assistance under the program,  
8 the credits may be used in a manner determined by the agency  
9 to recover the amount of assistance provided for the  
10 community.

## 11 CHAPTER 5

### 12 LANDSLIDE INSURANCE FUND

#### 13 Section 501. Landslide Insurance Fund.

14 (a) Establishment.--The Landslide Insurance Fund is  
15 established as a separate fund in the Treasury Department. The  
16 insurance fund shall be administered by the board for the  
17 purpose of insuring subscribers against the damages to their  
18 structures resulting from landslides if the damage is not  
19 covered by other insurance programs or coverage.

20 (b) Administration.--The insurance fund shall be  
21 administered by the board without liability on the part of the  
22 Commonwealth beyond the amount of the insurance fund except as  
23 provided under this act and shall be applied to the payment of  
24 damage as described under subsection (a).

25 (c) State Treasurer as custodian of insurance fund.--The  
26 State Treasurer shall be the custodian of the insurance fund,  
27 and all disbursements from the insurance fund shall be paid at  
28 the request of the board. For making payments without audit, the  
29 State Treasurer shall not be under any liability. The State  
30 Treasurer may deposit any portion of the insurance fund not

1 needed for immediate use as other State money is lawfully  
2 deposited. The interest shall be placed to the credit of the  
3 insurance fund.

4 Section 502. Schedule of premiums.

5 At any time during each year, the board shall prepare and  
6 publish a schedule of premiums or rates of insurance for  
7 subscribers. The schedule shall be printed and distributed free  
8 of charge to any person upon application. A subscriber may, at  
9 the subscriber's option, pay to the insurance fund the amount of  
10 premium appropriate and, upon payment of the premium, shall be  
11 insured for the year for which the premium is paid. The  
12 insurance shall cover all payments becoming due for which the  
13 premium is paid. The premium shall be adequate to enable payment  
14 of all sums, which may become due and payable under this act,  
15 and adequate reserve sufficient to carry all policies and claims  
16 to maturity. In establishing the premiums payable by any  
17 subscriber, the board may take into account the condition of the  
18 premises of the subscriber with respect to the possibility of  
19 landslide damage as shown by the report of any inspector  
20 appointed by the board or by the agency. The board may change  
21 the amount of premiums payable by any of the subscribers as  
22 circumstances may require and the condition of the premises of  
23 the subscribers in respect to the possibility of a landslide may  
24 justify. The board may increase the premiums of a subscriber  
25 whose loss experience warrants a change. The insurance of a  
26 subscriber shall not be effective until the premium so fixed and  
27 determined has been paid in full.

28 Section 503. Surplus.

29 The board shall set aside 5% of all premiums collected for  
30 the creation of a surplus until the surplus is sufficiently

1 large to cover catastrophic hazard of all the subscribers to the  
2 insurance fund and to guarantee the solvency of the insurance  
3 fund. At such point, the board shall reevaluate the set-aside  
4 and investment of the surplus and make a recommendation to the  
5 General Assembly.

6 Section 504. Insurance program.

7 (a) Application and certification.--Any owner of a structure  
8 located within a landslide-prone region that desires to become a  
9 subscriber to the insurance fund for the purpose of insuring a  
10 structure in the region against damage from landslides shall  
11 make a complete application as prescribed by the board to the  
12 board, its agents or insurance producers. Upon receipt of an  
13 application, the board shall make an investigation as may be  
14 necessary if the application complies with the rules and  
15 regulations of the board. Within 60 days after the request for  
16 an application is received, the board shall issue a certificate  
17 showing the acceptance of the application and the amount of  
18 premium payable by the applicant for one, two or three years, as  
19 the board may establish.

20 (b) Coverage premiums and requirements.--No insurance shall  
21 become effective until the premium has been paid. All premiums  
22 shall be made payable to the State Treasurer, and a receipt  
23 shall be issued. The receipt for a premium, together with a  
24 certificate of the board, shall be evidence that the applicant  
25 has become a subscriber to the insurance fund and is insured  
26 from the date of application. The following apply:

27 (1) The insurance may be subject to later reductions,  
28 and premiums adjusted accordingly, if the board determines  
29 that the amount of insurance coverage requested is in excess  
30 of the current replacement cost of the structure or the

1 maximum amount of coverage established by the fund, whichever  
2 is less.

3 (2) The insurance shall be void if, upon investigation  
4 of the structure, the board determines that either landslide  
5 damage occurred before the application was submitted or the  
6 applicant is responsible for not allowing the board to  
7 inspect the structure within 60 days of receipt of the  
8 application.

9 (3) The use of the most current science available to  
10 identify landslide-prone areas shall be employed. If the  
11 property is located in a further review area within a  
12 hazardous area, the property owner may be required to  
13 complete a site assessment with a licensed professional,  
14 which may include an on-site evaluation. The property owner  
15 shall be responsible for the cost of the assessment. The  
16 assessment may also be required before a local government  
17 accepts an application for a development permit.

18 (4) Notwithstanding any other provision of law, any  
19 structure repaired or restored to its original condition with  
20 money from the insurance fund shall not be eligible for  
21 duplicative disaster relief assistance from programs  
22 administered by the agency.

23 (5) In order to assist insurance producers and potential  
24 policyholders in identifying structures that could be at risk  
25 from landslides, the board shall transmit a list of areas in  
26 this Commonwealth that are believed to be at risk for  
27 landslide damage to the Legislative Reference Bureau for  
28 publication in the Pennsylvania Bulletin.

29 (c) Penalty.--A person who knowingly furnishes or makes any  
30 false certificate, application or statement required under this

1 section commits a misdemeanor and shall, upon conviction, be  
2 sentenced to pay a fine of not more than \$1,500 or to  
3 imprisonment for not more than one year, or both.

4 Section 505. Application for increase in insurance.

5 Additions in the amount of insurance are subject to the same  
6 standards as initial applications.

7 Section 506. Automatic inflation protection increase.

8 The board shall make available to all subscribers an annual  
9 inflation protection option on the anniversary date of each  
10 policy issued only if the total insurance remains at or under  
11 the value of the structure itself. An inflation protection  
12 increase shall not be subject to a reinspection of the  
13 structure.

14 Section 507. Audit by Auditor General.

15 The Auditor General shall, at least once each year, make a  
16 complete examination and audit of the insurance fund, including  
17 all receipts and expenditures, cash on hand, investments and  
18 property held representing cash or cash disbursements. For these  
19 purposes, the Auditor General is authorized to employ agents and  
20 staff as the Auditor General may deem necessary. The expense  
21 incurred in making the examination and audit shall be certified  
22 to the insurance fund by the Auditor General and shall be paid  
23 from the program.

24 Section 508. Claims against insurance fund.

25 A subscriber to the insurance fund must file with the board a  
26 true statement of the subscriber's claim for any landslide  
27 damage and shall give to the board an opportunity to investigate  
28 and to determine whether the board will pay the claim.

29 Section 509. Defenses against claims and procedure.

30 In every case where a claim is made against the insurance

1 fund, the insurance fund shall be entitled to every defense  
2 against the claim under the policy and shall be subrogated to  
3 every right of the subscriber arising out of accidents against  
4 any third persons. The insurance fund may, in the name of the  
5 insurance fund, sue or be sued to enforce any right given  
6 against or to a subscriber or other persons under this act.

7 Section 510. Subrogation to rights of claimants.

8 Nothing in this act shall relieve a person, partnership or  
9 corporation otherwise liable from any liability for damages  
10 sustained by a subscriber. The insurance fund shall be  
11 subrogated to the rights of any property owner's insurance under  
12 this act.

13 Section 511. Insurance companies may cover risk.

14 An insurance company may issue policies covering the type of  
15 risk provided for under this chapter subject to the prior  
16 approval of the Insurance Commissioner as to policy form and  
17 rates.

18 Section 512. Escrow of premium payments.

19 A mortgage lender shall escrow landslide insurance premium  
20 payments if the mortgage lender offers the purchase of the  
21 insurance.

22 Section 513. Properties in violation of State or local law.

23 No new landslide insurance coverage shall be provided for any  
24 property which the agency finds has been declared by a State or  
25 local zoning authority or other authorized public body to be in  
26 violation of State or local laws, regulations or ordinances  
27 which are intended to discourage or otherwise restrict land  
28 development or occupancy in landslide-prone areas.

29 CHAPTER 7

30 MITIGATION ASSISTANCE



1 Section 701. Mitigation assistance.

2 (a) Financial assistance generally.--The agency shall carry  
3 out a program to provide financial assistance to communities and  
4 individuals for planning and carrying out activities designed to  
5 reduce the risk of landslide damage to structures covered under  
6 contracts for landslide insurance. Financial assistance may be  
7 made available to communities and individuals in the form of  
8 grants or revolving loans for the carrying out of mitigation  
9 activities. Loans shall carry an interest rate of no more than  
10 3%.

11 (b) Grants.--The agency may make grants under this section  
12 to communities to assist in developing mitigation plans.

13 (c) Eligibility.--To be eligible to receive financial  
14 assistance, a community shall develop a mitigation plan that  
15 describes the mitigation activities to be carried out with  
16 assistance provided under this section. The mitigation plan must  
17 be consistent with the criteria established by the agency and  
18 provide protection against landslide losses to structures for  
19 which contracts for flood insurance are available under this  
20 act. The mitigation plan shall be consistent with a  
21 comprehensive strategy for mitigation activities for the area  
22 affected by the mitigation plan that has been adopted by the  
23 community following a public hearing.

24 (d) Procedure.--The agency shall notify a community  
25 submitting a mitigation plan of the approval or disapproval of  
26 the plan not later than 120 days after submission of the plan.  
27 If the agency does not approve a mitigation plan submitted under  
28 this section, the agency shall notify in writing the community  
29 submitting the plan of the reasons for the disapproval.

30 (e) Limitation.--Amounts provided under this section may be

1 used only for mitigation activities specified in a mitigation  
2 plan approved by the agency. The agency may approve only  
3 mitigation plans that specify mitigation activities that are  
4 technically feasible and cost effective and that are cost  
5 beneficial under Chapter 5.

6 (f) Approval.--The agency shall approve funding for  
7 mitigation plans based on criteria that include:

8 (1) Criteria under subsection (e).

9 (2) Proposed activities to address repetitive loss  
10 structures and structures that have incurred substantial  
11 damage.

12 (g) Matching funds.--The agency may require a community to  
13 match grant funds.

14 (h) Oversight.--The agency shall conduct oversight of  
15 recipients of mitigation assistance to ensure that the  
16 assistance is used in compliance with the approved mitigation  
17 plans of the recipients and that any matching fund requirements  
18 are fulfilled.

19 (i) Failure to comply.--If the agency determines that a  
20 community that has received mitigation assistance has not  
21 carried out the mitigation activities as set forth in the  
22 mitigation plan or has not secured required matching funds, the  
23 agency shall recapture any unexpended amounts and redeposit the  
24 amounts in the assistance fund.

25 Section 702. Landslide Assistance Fund.

26 The Landslide Assistance Fund is established as a restricted  
27 account in the Treasury Department. The assistance fund shall be  
28 administered by the agency and shall be comprised of money  
29 appropriated for purposes of this chapter. All money in the  
30 assistance fund and any accrued interest is appropriated to the

1 agency on a continuing basis to carry out the provisions of this  
2 chapter.

3 Section 703. Construction permits.

4 No Commonwealth agency shall approve any financial assistance  
5 for the acquisition of land for construction purposes in any  
6 area that has been identified by the agency as an extremely  
7 hazardous area without approval to proceed by the agency based  
8 on the results of a risk assessment.

9 CHAPTER 9

10 PROGRAM ADMINISTRATION AND FUNDING

11 Section 901. Regulations.

12 The agency, in conjunction with the board, may promulgate  
13 rules and regulations and establish other conditions of the  
14 policies as it deems just and expedient in keeping with the  
15 fulfillment of the purposes of this act, including reasonable  
16 classification of risks eligible for coverage under this act,  
17 limits of coverage and rules covering the adjustment and  
18 settlement of claims.

19 Section 902. Agency report.

20 The agency shall make an annual report on the program and on  
21 experience with landslide insurance sales through producers to  
22 the General Assembly. Each report shall include mitigation  
23 efforts, an analysis of the cost-effectiveness of the program,  
24 accomplishments or shortcomings of the program and  
25 recommendations for legislation regarding the program.

26 Section 903. Program funding.

27 The program shall be funded by the General Assembly through  
28 an appropriation of money to the agency until such time as the  
29 insurance fund and assistance fund are deemed self-sufficient by  
30 the General Assembly.

1 Section 904. Reimbursement.

2 The program shall reimburse any Commonwealth departments for  
3 agreed-upon costs of services that aid in administering the  
4 program.

5 Section 905. Appropriations.

6 (a) Insurance fund.--The sum of \$2,500,000, or as much  
7 thereof as may be necessary, is appropriated to the Landslide  
8 Insurance Fund for the fiscal year July 1, 2020, through June  
9 30, 2021.

10 (b) Assistance fund.--The sum of \$2,500,000, or as much  
11 thereof as may be necessary, is appropriated to the Landslide  
12 Assistance Fund for the fiscal year July 1, 2020, through June  
13 30, 2021.

14 (c) Agency.--Money in the insurance fund and in the  
15 assistance fund is appropriated to the agency in such amounts as  
16 may be determined annually by the Governor to be used for the  
17 specified purposes of this act.

18 (d) Additional appropriations.--If, upon completion of the  
19 annual examination and audit, it is determined that the total  
20 asset value of either the insurance fund or assistance fund is  
21 less than \$2,500,000, any additional sum as may be necessary to  
22 increase the total asset value of the insurance fund or the  
23 insurance fund and the assistance fund to \$2,500,000, shall be  
24 appropriated.

25 Section 906. Cost of administration.

26 The board shall keep an accurate account of money paid in  
27 premiums by the subscribers and disbursements on account of  
28 damages to premises. If, at the expiration of any year, there is  
29 a balance remaining after deducting the disbursements, the  
30 unearned premiums on undetermined risks and the percentage of

1 premiums paid or payable to create or maintain the surplus  
2 provided under this act, and after setting aside an adequate  
3 reserve, the board may determine to allocate to the cost of  
4 administering the insurance fund.

5 Section 907. Commissions.

6 Money from the insurance fund shall be available to pay a  
7 one-time commission, as determined by the board, to insurance  
8 producers who forward applications for landslide insurance to  
9 the board if a policy is issued pursuant to an application  
10 submitted by an insurance producer. The amount of the commission  
11 shall be determined by the board on an annual basis.

12 CHAPTER 11

13 MISCELLANEOUS PROVISIONS

14 Section 1101. Effective date.

15 This act shall take effect July 1, 2020.