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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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SENATE BILL

No. 743 Session of  
2021

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INTRODUCED BY COSTA, FONTANA, BREWSTER, SCHWANK, L. WILLIAMS,  
TARTAGLIONE AND CAPPELLETTI, JUNE 7, 2021

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REFERRED TO ENVIRONMENTAL RESOURCES AND ENERGY, JUNE 7, 2021

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AN ACT

1 Establishing the Landslide Insurance and Assistance Program  
2 within the Department of Environmental Protection; providing  
3 for related powers and duties of the Department of  
4 Environmental Protection; establishing and providing for the  
5 powers and duties of the Landslide Insurance and Assistance  
6 Board; providing for duties of the Auditor General;  
7 establishing the Landslide Insurance Fund and the Landslide  
8 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 billion to \$4 billion in damages per year.

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

30 (8) While landslide damage caused by mining practices is

1 covered by the Coal and Clay Mine Subsidence Insurance Fund  
2 and mudslide damage is covered by the National Flood  
3 Insurance Program, other types of landslide damage are  
4 usually not covered by insurance.

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

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

10 Section 103. Definitions.

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

14 "Assistance fund." The Landslide Assistance Fund established  
15 under section 702.

16 "Board." The Landslide Insurance and Assistance Board  
17 established under section 302.

18 "Department." The Department of Environmental Protection of  
19 the Commonwealth.

20 "Extremely hazardous area." An area where all of the  
21 following factors that contribute to landslides occur in the  
22 same location:

23 (1) Steep slopes.

24 (2) Soils prone to landslides.

25 (3) Landslide features.

26 "Further review area." An area for which additional site-  
27 specific review is needed based on a geological map or model  
28 identifying the area as including a site prone to experience a  
29 landslide.

30 "GIS." Geographic information systems.

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

- 3 (1) Steep slopes.
- 4 (2) Soils prone to landslides.
- 5 (3) Landslide features.

6 "Insurance fund." The Landslide Insurance Fund established  
7 under section 501.

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

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

13 "Mitigation." An activity relative to landslides that  
14 prevents an emergency from occurring, reduces the likelihood of  
15 an emergency occurring or lessens the damaging effects of  
16 unavoidable emergencies.

17 "Mitigation plan." A plan designed by a municipality that  
18 when implemented provides mitigation.

19 "Municipality." A city, borough, incorporated town, township  
20 or home rule municipality.

21 "Program." The Landslide Insurance and Assistance Program  
22 established under section 304.

### 23 CHAPTER 3

#### 24 LANDSLIDE INSURANCE AND ASSISTANCE PROGRAM

25 Section 301. Program goals.

26 The goals of the program are as follows:

- 27 (1) To provide actuarially sound insurance coverage.
- 28 (2) To make policies issued under the program  
29 universally available and competitively priced.
- 30 (3) To make use of the most effective scientific and

1 technological advances available, including technology such  
2 as GIS.

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

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

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

8 Section 302. Board.

9 (a) Board established.--The Landslide Insurance and  
10 Assistance Board is established within the department.

11 (b) Members.--The board shall consist of the following  
12 members:

13 (1) The Secretary of Community and Economic Development  
14 or a designee.

15 (2) The Secretary of Conservation and Natural Resources  
16 or a designee.

17 (3) The Secretary of Environmental Protection or a  
18 designee.

19 (4) The Insurance Commissioner or a designee.

20 (5) The Secretary of Transportation or a designee.

21 (6) The Director of the Pennsylvania Emergency  
22 Management Agency or a designee.

23 (7) The Executive Director of the Pennsylvania Housing  
24 Finance Agency or a designee.

25 (8) An individual appointed by each of the following:

26 (i) The President pro tempore of the Senate.

27 (ii) The Minority Leader of the Senate.

28 (iii) The Speaker of the House of Representatives.

29 (iv) The Minority Leader of the House of  
30 Representatives.

1 (c) Chairperson.--The Secretary of Environmental Protection  
2 or a designee shall serve as the chairperson of the board.

3 (d) Employees.--All employees of the board shall be employed  
4 by and located in the department.

5 Section 303. Appeals.

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

9 Section 304. Landslide Insurance and Assistance Program.

10 (a) Establishment.--The Landslide Insurance and Assistance  
11 Program is established and shall be administered by the board.

12 (b) Program components.--The program shall consist of the  
13 following components:

14 (1) A grant program.

15 (2) A revolving loan program.

16 (3) An insurance program.

17 (c) Purposes.--The grant program and the revolving loan  
18 program are established for the primary purposes of mitigation  
19 and repairing minor structural damage. The board shall employ  
20 the grant program and the revolving loan program as tools to aid  
21 in the success of the insurance fund.

22 Section 305. Board authority.

23 (a) Intergovernmental cooperation.--The board shall:

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

27 (2) Create and implement a Statewide landslide  
28 mitigation plan that would encourage and support local  
29 mitigation efforts.

30 (3) Investigate sites to define hazards.

1           (4) Recommend legislation, regulations, ordinances and  
2 zoning to mitigate slope instability contributed by  
3 excavation and drainage.

4           (5) Work with local governments to evaluate risk  
5 associated with certain homesite development.

6           (6) Share the most up-to-date geological surveys, in the  
7 form of maps, GIS data or other useful forms, and related  
8 information, free of charge to government agencies and  
9 appropriate representatives of municipalities, and at a  
10 reasonable cost to all other persons. Receipts under this  
11 paragraph shall be deposited in the assistance fund.

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

14           (8) Notify local governments in areas with the greatest  
15 risk from landslides.

16           (9) Have the authority to consult, receive information  
17 and enter into any agreements or other arrangements in order  
18 to identify and publish information with respect to all  
19 landslide-prone areas, establish or update landslide-risk  
20 zone data and make estimates with respect to the rates of  
21 probable landslide-caused loss for the various landslide-risk  
22 zones for each of these areas.

23           (10) Publish any change to landslide insurance map  
24 panels.

25           (11) Ensure that the program is consistent in landslide  
26 control, landslide forecasting and landslide damage  
27 prevention.

28       (b) Studies and investigations.--

29           (1) The board is authorized to request necessary studies  
30 and investigations, utilizing to the maximum extent



1 practicable the existing facilities and services of other  
2 Federal and Commonwealth departments or agencies, local  
3 governmental agencies and any other organizations, with  
4 respect to the adequacy of State and local measures in  
5 landslide-prone areas as to:

- 6 (i) Land management and use.
- 7 (ii) Landslide control.
- 8 (iii) Zoning.
- 9 (iv) Landslide damage prevention.

10 (2) The board may enter into any contracts, agreements  
11 or other appropriate arrangements to carry out its authority  
12 under this act. The studies and investigations shall include  
13 the following:

- 14 (i) Laws.
- 15 (ii) Regulations.
- 16 (iii) Ordinances.
- 17 (iv) Zoning.
- 18 (v) Building codes.
- 19 (vi) Building permits.
- 20 (vii) Subdivision or other building restrictions.

21 (c) State and local measures.--On the basis of studies and  
22 investigations under subsection (b) and any other information as  
23 the board deems necessary, the board shall develop comprehensive  
24 criteria designed to encourage, where necessary, the adoption of  
25 adequate State and local measures which:

- 26 (1) Address, where appropriate, the development of land  
27 which is exposed to landslide damage.
- 28 (2) Guide the development of proposed construction away  
29 from locations which are threatened by landslide hazards.
- 30 (3) Assist in reducing damage caused by landslides.

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

3           (d) Technical assistance.--The board shall work closely with  
4 and provide any necessary technical assistance to State and  
5 local governmental agencies to encourage the application of the  
6 criteria and the adoption and enforcement of the measures under  
7 this section.

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

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

11           (1) No new landslide insurance coverage shall be  
12 provided to new construction without preapproval by an  
13 appropriate local public body, which shall have the option of  
14 adopting adequate land use and control measures with  
15 effective enforcement provisions.

16           (2) A rating system shall be employed by the board as an  
17 incentive for municipalities regarding landslide management.

18           (3) Rate structures shall provide incentives for  
19 measures that reduce the risk of landslide damage and  
20 evaluate the measures. The program shall provide incentives  
21 in the form of credits on premium rates for landslide  
22 insurance coverage in municipalities that the board  
23 determines have adopted and enforced measures that reduce the  
24 risk of landslide damage.

25           (4) The credits on premium rates for flood insurance  
26 coverage shall be based on the estimated reduction in flood  
27 and erosion damage risks resulting from the measures adopted  
28 by the municipality under the program. If a municipality has  
29 received mitigation or other assistance under the program,  
30 the credits may be used in a manner determined by the board

1 to recover the amount of assistance provided for the  
2 municipality.

3 CHAPTER 5

4 LANDSLIDE INSURANCE FUND

5 Section 501. Landslide Insurance Fund.

6 (a) Establishment.--The Landslide Insurance Fund is  
7 established as a separate fund in the Treasury Department. The  
8 insurance fund shall be administered by the board for the  
9 purpose of insuring subscribers against the damages to their  
10 structures resulting from landslides if the damage is not  
11 covered by other insurance programs or coverage.

12 (b) Administration.--The insurance fund shall be  
13 administered by the board without liability on the part of the  
14 Commonwealth beyond the amount of the insurance fund except as  
15 provided under this act and shall be applied to the payment of  
16 damages as described under subsection (a).

17 (c) State Treasurer as custodian of insurance fund.--The  
18 State Treasurer shall be the custodian of the insurance fund,  
19 and all disbursements from the insurance fund shall be paid at  
20 the request of the board. For making payments without audit, the  
21 State Treasurer shall not be under any liability. The State  
22 Treasurer may deposit any portion of the insurance fund not  
23 needed for immediate use as other State money is lawfully  
24 deposited. The interest shall be placed to the credit of the  
25 insurance fund.

26 Section 502. Schedule of premiums.

27 On or before July 1, 2022, and each year thereafter, the  
28 board shall prepare and publish a schedule of premiums or rates  
29 of insurance for subscribers. The schedule shall be printed and  
30 distributed free of charge to any person upon application and

1 shall be made available on the publicly accessible Internet  
2 website of the department. Any subscriber may, at the  
3 subscriber's option, pay to the insurance fund the amount of  
4 premium appropriate and, upon payment of the premium, shall be  
5 insured for the year for which the premium is paid. The  
6 insurance shall cover all payments becoming due for which the  
7 premium is paid. The premium shall be adequate to enable payment  
8 of all sums, which may become due and payable under this act,  
9 and adequate reserve sufficient to carry all policies and claims  
10 to maturity. In establishing the premiums payable by any  
11 subscriber, the board may take into account the condition of the  
12 premises of the subscriber with respect to the possibility of  
13 landslide damage as shown by the report of any inspector  
14 appointed by the board. The board may change the amount of  
15 premiums payable by any of the subscribers as circumstances may  
16 require and the condition of the premises of the subscribers  
17 with respect to the possibility of a landslide may justify. The  
18 board may increase the premiums of any subscriber whose loss  
19 experience warrants a change. The insurance of any subscriber  
20 shall not be effective until the premium so fixed and determined  
21 has been paid in full.

22 Section 503. Surplus.

23 The board shall set aside 5% of all premiums collected for  
24 the creation of a surplus until the surplus is sufficiently  
25 large to cover catastrophic hazard of all the subscribers to the  
26 insurance fund and to guarantee the solvency of the insurance  
27 fund. At such point, the board shall reevaluate the set-aside  
28 and investment of the surplus and make a recommendation to the  
29 General Assembly.

30 Section 504. Insurance program.

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

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

21 (1) The insurance may be subject to later reductions,  
22 and premiums adjusted accordingly, if the board determines  
23 that the amount of insurance coverage requested is in excess  
24 of the current replacement cost of the structure or the  
25 maximum amount of coverage established by the fund, whichever  
26 is less.

27 (2) The insurance shall be void if, upon investigation  
28 of the structure, the board determines that either landslide  
29 damage occurred before the application was submitted or the  
30 applicant is responsible for not allowing the board to

1 inspect the structure within 60 days of receipt of the  
2 application.

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

12 (4) Notwithstanding any other provision of law, any  
13 structure repaired or restored to its original condition with  
14 money from the insurance fund shall not be eligible for any  
15 other disaster relief assistance from programs administered  
16 by the board that would duplicate costs and damages covered  
17 by insurance under this program or another insurance source.

18 (5) In order to assist insurance producers and potential  
19 policyholders in identifying structures that could be at risk  
20 from landslides, the board shall transmit notice to the  
21 Legislative Reference Bureau for publication in the  
22 Pennsylvania Bulletin a list of areas in this Commonwealth  
23 that are believed to be at risk for landslide damage and any  
24 update of the list.

25 (c) Penalty.--A person who knowingly furnishes or makes any  
26 false certificate, application or statement required under this  
27 section commits a misdemeanor and shall, upon conviction, be  
28 sentenced to pay a fine of not more than \$2,500 or to  
29 imprisonment for not more than one year, or both.

30 Section 505. Application for increase in insurance.

1 Additions in the amount of insurance are subject to the same  
2 standards as initial applications.

3 Section 506. Automatic inflation protection increase.

4 The board shall make available to all subscribers, that  
5 includes an additional premium amount, an annual inflation  
6 protection option on the anniversary date of each policy issued  
7 only if the total insurance remains at or under the value of the  
8 structure itself. An inflation protection increase shall not be  
9 subject to a reinspection of the structure.

10 Section 507. Audit by Auditor General.

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

20 Section 508. Claims against insurance fund.

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

25 Section 509. Defenses against claims and procedure.

26 In every case where a claim is made against the insurance  
27 fund, the insurance fund shall be entitled to every defense  
28 against the claim under the policy and shall be subrogated to  
29 every right of the subscriber arising out of accidents against  
30 any third persons. The insurance fund may, in the name of the

1 insurance fund, sue or be sued to enforce any right given  
2 against or to a subscriber or other persons under this act.  
3 Section 510. Subrogation to rights of claimants.

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

9 Section 511. Insurance companies may cover risk.

10 Any insurance company may issue policies covering the type of  
11 risk provided for under this chapter subject to the prior  
12 approval of the Insurance Commissioner as to policy form and  
13 rates.

14 Section 512. Escrow of premium payments.

15 Mortgage lenders shall escrow the landslide insurance premium  
16 payments if they offer the purchase of the insurance.

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

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

## 24 CHAPTER 7

### 25 MITIGATION ASSISTANCE

26 Section 701. Mitigation assistance.

27 (a) Financial assistance generally.--The board shall carry  
28 out a program to provide financial assistance to municipalities  
29 and individuals for planning and carrying out activities  
30 designed to reduce the risk of landslide damage to structures



1 covered under contracts for landslide insurance. Financial  
2 assistance may be made available to municipalities and  
3 individuals in the form of grants or revolving loans for the  
4 carrying out of mitigation activities. Loans shall carry an  
5 interest rate of no more than 3%.

6 (b) Grants.--The board may make grants under this section to  
7 municipalities to assist in developing mitigation plans.

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

19 (d) Procedure.--The board shall notify a municipality  
20 submitting a mitigation plan of the approval or disapproval of  
21 the plan not later than 120 days after submission of the plan.  
22 If the board does not approve a mitigation plan submitted under  
23 this section, the board shall notify in writing the municipality  
24 submitting the plan of the reasons for the disapproval.

25 (e) Limitation.--Amounts provided under this section may be  
26 used only for mitigation activities specified in a mitigation  
27 plan approved by the board. The board may approve only  
28 mitigation plans that specify mitigation activities that are  
29 technically feasible and cost effective and that are cost  
30 beneficial under Chapter 5.

1 (f) Approval.--The board shall approve funding for  
2 mitigation plans based on criteria that include:

3 (1) Criteria under subsection (e).

4 (2) Proposed activities to address repetitive loss  
5 structures and structures that have incurred substantial  
6 damage.

7 (g) Matching funds.--The board may require a municipality to  
8 match grant funds.

9 (h) Oversight.--The board shall conduct oversight of  
10 recipients of mitigation assistance to ensure that the  
11 assistance is used in compliance with the approved mitigation  
12 plans of the recipients and that any matching fund requirements  
13 are fulfilled.

14 (i) Failure to comply.--If the board determines that a  
15 municipality that has received mitigation assistance has not  
16 carried out the mitigation activities as set forth in the  
17 mitigation plan or has not secured required matching funds, the  
18 board shall recapture any unexpended amounts and redeposit the  
19 amounts in the assistance fund.

20 Section 702. Landslide Assistance Fund.

21 The Landslide Assistance Fund is established as a restricted  
22 account in the Treasury Department. The assistance fund shall be  
23 administered by the board and shall be comprised of money  
24 appropriated for purposes of this chapter. All money in the  
25 assistance fund and any accrued interest is appropriated to the  
26 board on a continuing basis to carry out the provisions of this  
27 chapter.

28 Section 703. Construction permits.

29 No Commonwealth department or agency shall approve any  
30 financial assistance for the acquisition of land for

1 construction purposes in any area that has been identified by  
2 the board as an extremely hazardous zone without approval to  
3 proceed by the board based on the results of a risk assessment.

4 CHAPTER 9

5 PROGRAM ADMINISTRATION AND FUNDING

6 Section 901. Regulations.

7 The board may promulgate rules and regulations and establish  
8 other conditions of the policies as it deems just and expedient  
9 in keeping with the fulfillment of the purposes of this act,  
10 including reasonable classification of risks eligible for  
11 coverage under this act, limits of coverage and rules covering  
12 the adjustment and settlement of claims.

13 Section 902. Board report.

14 The board shall make an annual report on the program and on  
15 the experience with landslide insurance sales through producers  
16 to the General Assembly. Each report shall include mitigation  
17 efforts, an analysis of the cost-effectiveness of the program,  
18 accomplishments or shortcomings of the program and  
19 recommendations for legislation regarding the program.

20 Section 903. Board funding.

21 The board shall be funded by the General Assembly through an  
22 appropriation of money to the board until such time as the  
23 insurance fund and assistance fund are deemed self-sufficient by  
24 the General Assembly.

25 Section 904. Reimbursement.

26 The board shall reimburse any Commonwealth departments or  
27 agencies for agreed-upon costs of services that aid in  
28 administering the program.

29 Section 905. Appropriations.

30 (a) Insurance fund.--The sum of \$2,500,000, or as much

1 thereof as may be necessary, is appropriated to the Landslide  
2 Insurance Fund for the fiscal year July 1, 2021, through June  
3 30, 2022.

4 (b) Assistance fund.--The sum of \$2,500,000, or as much  
5 thereof as may be necessary, is appropriated to the Landslide  
6 Assistance Fund for the fiscal year July 1, 2021, through June  
7 30, 2022.

8 (c) Board.--Money in the insurance fund and in the  
9 assistance fund is appropriated to the board in such amounts as  
10 may be determined annually by the Governor to be used for the  
11 specified purposes of this act.

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

19 Section 906. Cost of administration.

20 The board shall keep an accurate account of money paid in  
21 premiums by the subscribers and disbursements on account of  
22 damages to premises. If, at the expiration of any year, there is  
23 a balance remaining after deducting the disbursements, the  
24 unearned premiums on undetermined risks and the percentage of  
25 premiums paid or payable to create or maintain the surplus  
26 provided under this act, and after setting aside an adequate  
27 reserve, the board may determine to allocate to the cost of  
28 administering the insurance fund.

29 Section 907. Commissions.

30 Money from the insurance fund shall be available to pay a

1 one-time commission, as determined by the board, to insurance  
2 producers who forward applications for landslide insurance to  
3 the board if a policy is issued pursuant to an application  
4 submitted by an insurance producer. The amount of the commission  
5 shall be determined by the board on an annual basis.

6 CHAPTER 11

7 MISCELLANEOUS PROVISIONS

8 Section 1101. Effective date.

9 This act shall take effect July 1, 2021, or immediately,  
10 whichever is later.