

## No. 1996-10 (SS2)

## AN ACT

## HB 5

Directing the Insurance Commissioner to establish and administer a flood insurance education and information program.

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

Section 1. Short title.

This act shall be known and may be cited as the Flood Insurance Education and Information Act.

Section 2. Declaration of policy.

The General Assembly finds and declares as follows:

(1) Flooding of large areas of this Commonwealth like that which occurred during the winter of 1996 destroys private and public property, adversely affects means of livelihood and economic resources and disrupts commerce, communication, utility and governmental services.

(2) Damage to property caused by flooding is ordinarily excluded from coverage under standard homeowners insurance policies and must be purchased separately.

(3) Flood insurance coverage may be purchased for any insurable property, even if it is not located in a flood plain.

(4) Flood insurance may be purchased to cover almost any building and its contents, including rental property and condominiums.

(5) Despite the advantages of purchasing flood insurance, many Commonwealth residents sustained significant property loss during the floods of 1996 because they did not have flood insurance protection.

(6) A comprehensive and coordinated plan to educate Commonwealth residents as to the advantages and availability of flood insurance coverage is essential to ensuring that economic losses such as those sustained in the floods of 1996 do not recur.

Section 3. Flood insurance education and information.

(a) Program established.—The Insurance Commissioner shall authorize and establish a flood insurance consumer education plan to encourage residents of this Commonwealth to purchase and maintain flood insurance focusing on properties which have suffered previous flood damage. The plan shall be implemented throughout this Commonwealth and shall include such information as the Insurance Commissioner deems appropriate.

(b) Annual reports.—No later than March 1 of each year, the Insurance Commissioner shall present a report to the General Assembly detailing the plan and its implementation and progress and recommendations for further promotion of the sale of flood insurance. The report shall include the number

of Commonwealth residents who have purchased flood insurance during the preceding year and comparisons to prior years.

Section 4. Effective date.

This act shall take effect immediately.

APPROVED—The 11th day of July, A.D. 1996.

THOMAS J. RIDGE