

No. 1984-151

AN ACT

HB 1858

Amending the act of August 23, 1961 (P.L.1068, No.484), entitled, as reenacted and amended, "An act to provide for the creation and administration of a Coal and Clay Mine Subsidence Insurance Fund within the Department of Environmental Resources for the insurance of compensation for damages to subscribers thereto; declaring false oaths by the subscribers to be misdemeanors; providing penalties for the violation thereof; and making an appropriation," further providing for applications for insurance; providing for applications for additional insurance; providing for automatic increases for inflation; and providing insurance availability for structures under construction.

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

Section 1. Section 12 of the act of August 23, 1961 (P.L.1068, No.484), entitled, as reenacted and amended, "An act to provide for the creation and administration of a Coal and Clay Mine Subsidence Insurance Fund within the Department of Environmental Resources for the insurance of compensation for damages to subscribers thereto; declaring false oaths by the subscribers to be misdemeanors; providing penalties for the violation thereof; and making an appropriation," reenacted and amended November 27, 1972 (P.L.1243, No.278), is amended to read:

Section 12. Application for Insurance; Terms of Insurance; Penalty for False Statement.—(a) Any owner of a structure located within the anthracite or bituminous coal or clay mine region and who desires to become a subscriber to said fund for the purpose of insuring such a structure therein against damages from coal or clay mine subsidences, shall make a written *request for an* application for such insurance to the said board *or any of its agents. The board shall then send to the owner of the structure an application* in which application the applicant shall state the name, address, date of ownership of the premises to be insured, the condition of the premises, prior subsidence experience, if any, nature of title whether it includes any subsurface support, whether any agreement exists concerning surface support. Thereupon, the board shall make such investigation as may be necessary if such application complies with the rules and regulations of the board and within ~~[thirty]~~ *sixty* days after ~~[such]~~ *the request for an* application *is received* shall issue a certificate showing the acceptance of the application and the amount of premium payable by such applicant for the year for which premium is sought. Policies may be issued for one year, for two years or for three years as the board may establish. ~~[No]~~ *Except as provided in subsection (b), no* insurance shall become effective until the premiums have been paid. All premiums shall be payable to the State Treasurer whereupon a receipt shall be issued therefor. The receipt for premium together with a certificate of the board shall be evidence that the applicant has become a subscriber to the fund and is insured.

(b) If the board fails to make the necessary investigations or inspection and fails to approve or deny an application for insurance within sixty days of receipt of the written request for an application by the board or any of its agents, in accordance with this section, the insurance requested by the applicant shall be deemed granted. The insurance shall be effective from the date the written request for an application was received by the board or any of its agents, but the coverage will be null and void if the applicant fails to remit the premium payment within twenty days from the day the bill for the premium was postmarked.

(1) The insurance may be subjected to later reductions, and premiums adjusted accordingly, if the board determines that the amount of insurance coverage requested is in excess of the current market value of the structure or current statutory limits, whichever is less.

(2) The insurance shall be void if, upon inspection of the structure, the board determines that either (i) mine subsidence damage occurred prior to the request by the applicant for insurance, or (ii) the applicant by his unreasonable actions or inactions is responsible for the failure of the board to inspect the structure within sixty days of receipt of the written request for an application in accordance with this section.

(c) Whoever shall knowingly furnish or make any false certificate, application or statement herein required shall be guilty of a misdemeanor, and upon conviction thereof, shall be sentenced to pay a fine not exceeding one thousand five hundred dollars (\$1,500) and shall undergo imprisonment not exceeding one year.

Section 2. The act is amended by adding sections to read:

Section 12.1. Application for an Increase in Insurance.—(a) Additions in the amount of insurance, up to the allowable limits, may be made at any time by the subscriber by submitting a written statement to the board or to any of its agents. Upon receipt of the subscriber's written statement by the board or any of its agents, the board shall have sixty days from the day the request was received to reinspect the structure. If reinspection occurs within the sixty-day period and the structure passes the reinspection, the new amount of insurance shall be effective from the date of premium payment after reinspection. If reinspection does not occur within the sixty-day period, the new amount of insurance shall be effective from the date the subscriber's written request for additional insurance was received by the board or any of its agents, but the additional coverage will be null and void if the applicant fails to remit the premium payment within twenty days from the day the bill for additional premium is postmarked.

(b) The additional insurance may be subjected to later reductions, and premiums adjusted accordingly, if the board determines that the added insurance raises the total amount of insurance in excess of the current market value of the structure or current statutory limits, whichever is less.

(c) The additional insurance shall be void if, upon reinspection of the structure, the board determines that either:

(1) Mine subsidence damage occurred prior to the request of the subscriber for additional insurance.

(2) The subscriber's unreasonable actions or inactions are responsible for the board's failure to reinspect the insured structure within sixty days of receipt of the written request for an increase in the amount of coverage by the board or any of its agents.

Section 12.2. Automatic Inflation Protection Increase.—The board shall make available to all subscribers an annual inflation protection option on the anniversary date of each policy to uniformly increase subscribers' coverage, and shall allow thirty days for subscribers to elect this option. In any case, the option shall not be made available more than once annually. An inflation protection increase shall not be subject to a reinspection of the structure.

Section 12.3. Insurance for Structures under Construction.—The board shall make available mine subsidence insurance to owners of structures under construction. Such insurance shall have a term of no more than eighteen months, or until the structure is eighty percent complete, whichever is first.

Section 3. (a) Insofar as it applies to section 12.3 of the act, section 2 of this act shall take effect in nine months.

(b) The remainder of this act shall take effect in 60 days.

APPROVED—The 10th day of July, A. D. 1984.

DICK THORNBURGH