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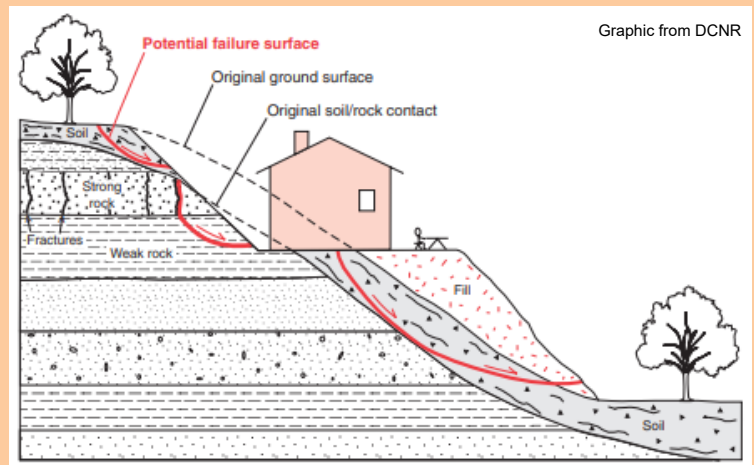
HOUSE BILL 589

ESTABLISHING THE COAL AND CLAY MINE SUBSIDENCE AND LANDSLIDE INSURANCE AND ASSISTANCE PROGRAM

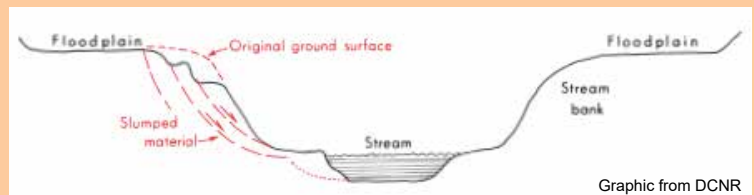
Sixty years ago, our legislature recognized that coal and clay mine subsidence was devastating homeowners across our commonwealth by causing significant damage to their property and homes. It was through no fault of their own and there was no remedy available through the private insurance market. Thus, in a first of its kind program, the Coal and Clay Mine Subsidence Insurance Program was born.

Now, H.B. 589 of the 2023-24 session, sponsored by Rep. Emily Kinkead (D-Allegheny) and Rep. Valerie Gaydos (R-Allegheny), proposes to expand that program to protect vulnerable homeowners across the commonwealth by giving them access to landslide and sinkhole insurance coverage at fair prices, setting up a mechanism to evaluate potential landslide risks, and providing tools and incentives to communities and individuals to reduce losses to landslides. Folding it into the existing program, H.B. 589 would create the Coal and Clay Mine Subsidence and Landslide Insurance and Assistance Program.

The program would continue to be run by the PA Department of Environmental Protection (DEP), which has helped thousands of commonwealth residents over the past 60 years. H.B. 589 would expand the current Coal and Clay Mine Subsidence Board by adding two members: the Director of Pennsylvania Emergency Management Agency (PEMA) (or a designee) and the Secretary of the Department of Conservation and Natural Resources (DCNR) (or a designee). This Board would oversee the Program within DEP and establish premiums to be paid by the insured property owners. The Board also would be tasked with creating and implementing a statewide landslide mitigation plan; investigating/evaluating sites; and recommending further government action as necessary. Additionally, the Board would publish guidance and rules and promulgate regulations to carry out the program.



Graphic from DCNR



Graphic from DCNR

H.B. 589 additionally would direct \$2.5 million from the General Fund to ensure immediate solvency of the program, but thereafter the premiums that are collected from the insured property owners would be set by the Board at such a level so as to make the program self-sustaining, with little to no impact on Pennsylvania taxpayers.

The program would address the impacts of coal and clay mine subsidence, landslides, and sinkholes in three ways:

1. A grant program.
2. A revolving loan program.
3. An insurance program.



The first two components would be designed to help mitigate (through inspection and coordination with local governments) and repair (by applying for assistance after the fact) structural damage. They, in turn, would function as tools to strengthen and support the insurance fund.

This insurance would be available, upon completion of a full application submitted to the Board, only to owners of structures located within coal regions or areas deemed to be at extreme risk for landslides or sinkholes. The Board would need to approve or deny any applications, as well as set the premium for each successful application, within 60 days of application, and the insured would have to pay the full assigned premium within 20 days of billing. The amount of insurance coverage could not exceed the lesser of either the replacement cost of the insured structure or the maximum amount of coverage established by the insurance fund. Policy lengths would be set by the Board and would range from 1-3 years.

Local governments would be able to adopt land-use controls that impact whether landslide insurance is necessary. They could prohibit landslide insurance from being provided for new construction when adequate land use and prevention measures have not been implemented. For example, they could set up a “community rating system” – with higher ratings assigned to communities with a lower risk of landslides/subsidence – to incentivize community coal and clay mine, landslide, and sinkhole management at a local level. Communities that have adopted the most prevention measures would also receive the best/lowest rates for landslide insurance. Communities also would benefit with credits on flood insurance rates if the measures they adopt to reduce erosion also reduce the likelihood of floods as well as landslides.



Graphic from DCNR

