



Rep. Thaddeus Jones

Filed: 4/16/2021

10200HB2739ham001

LRB102 12791 BMS 25161 a

1 AMENDMENT TO HOUSE BILL 2739

2 AMENDMENT NO. _____. Amend House Bill 2739 by replacing
3 everything after the enacting clause with the following:

4 "Section 1. Short title. This Act may be cited as the
5 Private Primary Residential Flood Insurance Act.

6 Section 3. Purpose. To provide protection of lives and
7 property from the peril of flood, this Act is designed to
8 encourage a robust private primary residential flood insurance
9 market to provide consumer choices and alternatives to the
10 existing National Flood Insurance Program.

11 Section 5. Definitions. As used in this Act:

12 "Authorized insurer" means an insurer that is authorized
13 by the Department of Insurance to write insurance under a
14 certificate of authority issued by the Department of Insurance
15 to transact insurance in this State.

1 "Department" means the Department of Insurance.

2 "National Flood Insurance Program" means the program of
3 flood insurance coverage and floodplain management
4 administered under the National Flood Insurance Act of 1968
5 (42 U.S.C. 4001 et seq.) and applicable federal regulations
6 promulgated in Title 44 of the Code of Federal Regulations.

7 "Primary residential flood insurance" means an insurance
8 policy covering losses from flood to residential property,
9 other than commercial property insurance, written in this
10 State by any insurer authorized to do business that is not
11 written to apply coverage in excess of the coverage provided
12 under another flood insurance policy, whether issued by a
13 private insurer or the National Flood Insurance Program.

14 Section 10. Forms. The coverage for residential properties
15 required to have flood insurance that are in a special flood
16 hazard area designated by the Federal Emergency Management
17 Agency shall meet the private flood insurance requirements
18 specified in subsection (b) of 42 U.S.C. 4012a and applicable
19 federal regulations.

20 Section 15. Regulatory notice of intent. Authorized
21 insurers must:

22 (1) notify the Department of plans to sell primary
23 residential flood insurance products in accordance with
24 the State's rate filing laws at least 30 days before

1 writing primary residential flood insurance in this State;
2 and

3 (2) obtain the approval of the Director of Insurance
4 for a plan of operation or material revisions to such
5 plan, including plans to sell primary residential flood
6 insurance.

7 Section 20. Notice to consumers.

8 (a) If a consumer currently has no coverage under the
9 National Flood Insurance Program, the consumer applicant must
10 be informed of the existence of the National Flood Insurance
11 Program before being placed with private flood insurance.

12 (b) All consumers must be informed that the coverage under
13 the National Flood Insurance Program may be provided at a
14 subsidized rate and that the full-risk rate for flood
15 insurance may apply to the property if the applicant later
16 seeks to reinstate coverage under the program. The insurance
17 producer, the surplus lines broker, or the insurer, upon its
18 election or if there is no insurance producer or surplus lines
19 broker, must provide the notice under subsection (a).

20 (c) This Section only applies if the applicant lives in a
21 special flood hazard area. This Section is inoperative if
22 federal legislation is enacted allowing the insured to switch
23 between private flood insurance and National Flood Insurance
24 Program coverage without risk of penalty.

1 Section 25. Other provisions.

2 (a) With respect to the regulation of private flood
3 insurance coverage written in this State by authorized
4 insurers, this Section supersedes any other provision of the
5 Illinois Insurance Code in the event of a conflict.

6 (b) An insurer shall certify that the insurance policy
7 meets the definition of "private flood insurance", as
8 specified in paragraph (7) of subsection (b) of 42 U.S.C.
9 4012a and applicable federal regulations.

10 (c) Nothing in this Act is intended to restrict the use of
11 existing filings by an insurer or limit the ability of private
12 insurers to provided flood insurance coverage of any type not
13 addressed in this Act.

14 Section 30. Rules. The Department may adopt rules to
15 implement this Act."