

TOWNSHIP OF BRADFORD

ORDINANCE NO. 95-1

AN ORDINANCE OF BRADFORD TOWNSHIP, CLEARFIELD COUNTY, PENNSYLVANIA, AMENDING ORDINANCE NO. 93-1 TO INCORPORATE CHANGES IN THE INSURANCE COMPANY LAW OF 1921 EFFECTED BY ACT NO. 93 OF 1994, PROVIDING THAT IN CERTAIN FIRE LOSSES THE INSURANCE COMPANY, ASSOCIATION OR EXCHANGE SHALL TRANSFER INSURANCE PROCEEDS TO THE TREASURER OF THE TOWNSHIP AS A PORTION OF THE INSURANCE PROCEEDS TO BE HELD AS SECURITY AGAINST THE TOTAL COST OF REMOVING, REPAIRING, OR SECURING THE DAMAGED BUILDING, PROVIDING FOR FEES, PROVIDING FOR PENALTIES FOR VIOLATION AND SETTING FORTH PROCEDURES AND REQUIREMENTS PERTAINING TO SUCH INSURANCE PROCEEDS AND TO THE IMPLEMENTATION OF THE INSURANCE COMPANY LAW, AS AMENDED, IN THE TOWNSHIP OF BRADFORD.

WHEREAS, the Commonwealth of Pennsylvania enacted Act 98 of 1992, amending the Insurance Company Law of 1921, 40 P.S. § 341 et seq., to provide procedures for the payment of certain fire loss claims; and

WHEREAS, pursuant to Act 98, Bradford Township adopted Ordinance No. 93-1 on March 2, 1993, implementing the provisions of Act 98 to provide for the payment of proceeds from certain fire loss claims to Bradford Township; and

WHEREAS, the Commonwealth of Pennsylvania has enacted Act 93 of 1994, effective January 11, 1992, further amending the Insurance Company Law of 1921 with respect to procedures for the payment of certain fire loss claims; and

WHEREAS, Bradford Township desires to amend Ordinance No. 93-1 to incorporate the amendments to the Insurance Company Law of 1921 effected by Act 93 of 1994, to provide for the payment of proceeds from certain fire loss claims to Bradford Township;

NOW THEREFORE, the Board of Supervisors of Bradford Township, Clearfield County, Pennsylvania hereby ORDAINS and ENACTS that Ordinance 93-1 be amended by adding the following underscored language and deleting the following bracketed language:

SECTION I

DESIGNATED TOWNSHIP OFFICER

Section 1.01: The Treasurer of Bradford Township or such official's designee is hereby appointed as the designated officer who is authorized to carry out all responsibilities and duties stated herein.

SECTION II

PAYMENT OF INSURANCE PROCEEDS

Section 2.01: No insurance company, association or exchange (hereinafter the "Insuring Agent") doing business in the Commonwealth of Pennsylvania shall pay a claim of a named insured for fire damage to a structure located within Bradford Township (hereinafter the "Township") where the amount recoverable for the fire loss to the structure under all policies exceeds, Seven Thousand Five Hundred (\$7,500) Dollars, [Five Thousand (\$5,000)] Dollars, unless the named insured or Insuring Agent is furnished by the Township Treasurer with a municipal certificate, or, at the discretion of the Township Treasurer, a verbal notification confirmed in writing by the Insuring Agent, pursuant to Section

508 (B) of Act 98 of 1992, as amended, and unless there is compliance with Section 508 (C) and (D) of Act 98 of 1992, as amended, and the provision of this Ordinance.

SECTION III

PROCEDURE

Section 3.01: Where pursuant to Section 508 (B) (1) (I) of Act 98 of 1992, as amended, the Township Treasurer issues a certificate indicating that there are not delinquent taxes, assessments, penalties or user charges against real property, or, at the discretion of the Township Treasurer, a verbal notification confirmed in writing by the Insuring Agent, the Insuring Agent shall pay the claim of the named insured, provided however, that if the loss as agreed upon by the named insured, and the Insuring Agent equals or exceeds 60 percent of the aggregate limits of liability on all fire policies covering the building or other structure, the following procedures must be followed:

1. The Insuring Agent shall transfer from the insurance proceeds to the Township Treasurer in the aggregate Two Thousand (\$2,000) Dollars [of \$1,000] for each Fifteen Thousand (\$15,000) Dollars [\$20,000] of a claim and for each fraction of that amount of a claim, this section to be applied such that if the claim is Fifteen Thousand (\$15,000) Dollars [\$20,000] or less, the amount transferred to the Township shall be Two Thousand (\$2,000) Dollars [\$1,000]; or

2. If at the time of a loss report [proof of loss agreed to between the named insured and the Insuring Agent,] the named insured has submitted a contractor's signed estimate of the costs of removing, repairing or securing the building or other structure in an amount less than the foregoing transfer formula, the Insuring Agent shall transfer to the Township from the insurance proceeds the amount specified in the estimate.

3. The transfer of proceeds shall be on pro rata basis by all companies, associations or exchanges insuring the building or other structure.

4. After the transfer, the named insured may submit a contractor's signed estimate of the costs of removing, repairing or securing the building or other structure, and the Township treasurer shall return the amount of the funds transferred to the Township in excess of the estimate to the named insured, if the Township has not commenced to remove, repair or secure the building or other structure.

5. Upon receipt of proceeds under this section, the Township shall do the following:

- (a) The Township Treasurer shall place the proceeds in the separate fund to be used solely as security against the total costs of removing, repairing, or securing the building or structure which are incurred by the Township. Such costs shall include, without limitation, any engineering, legal or administrative costs incurred by the Township in connection with such

removal, repair or securing of the building or any proceeding related thereto; and

- (b) It is the obligation of the Insuring Agent when transferring the proceeds to provide the Township with the names and address of the named insured. Upon receipt of the transferred funds and the name and address of the named insured, the Township Treasurer shall contact the named insured, certify that the proceeds have been received by the Township and notify the named insured that the procedures under this subsection shall be followed; and
- (c) When repairs, removal or securing of the building or other structure have been completed in accordance with all applicable regulations and order of the Township and the required proof of such completion received by the Township Treasurer, and, if the Township has not incurred any costs for repairs, removal or securing, of the building or other structure, the fund shall be returned to the named insured. If the Township has incurred costs for repairs, removal or securing of the building or other structure, the costs shall be paid from the fund and if excess funds remain, the Township shall transfer the remaining funds to the named insured; and
- (d) To the extent that interest is earned on proceeds held by the Township pursuant to this Section which proceeds

are not returned to the named insured, such interest shall belong to the Township. Any interest earned on proceeds that are returned to the named insured shall be distributed to the named insured at the time that the proceeds are returned.

6. Nothing in this section shall be construed to limit the ability of the Township to recover any deficiency. Furthermore, nothing in this subsection shall be construed to prohibit the Township and the named insured from entering into an agreement that permits the transfer of funds to the named insured if some other reasonable disposition of the damaged property has been negotiated.

SECTION IV

ADDITIONAL RULES AND REGULATIONS

Section 4.01: The Township may by resolution adopt procedures and regulations to implement Act 98 of 1992, as amended, and this Ordinance, and may by resolution fix reasonable fees to be charged for municipal activities or services provided pursuant to Act 98 of 1992, as amended, and this Ordinance; including but not limited to issuance of certificates and bills, performance of inspections and opening separate funds accounts.

SECTION V

PENALTIES

Section 5.01: Any owner of property, any named insured or any Insuring Agent who violates this Ordinance shall be subject to a penalty of up to \$1,000 per violation.

SECTION VI

SEVERABILITY

Section 6.01: The provisions of this Ordinance shall be severable and, if any of the provisions hereof shall be invalid or unenforceable, the remaining provisions of this Ordinance shall remain in effect.

SECTION VII

REPEALER

Section 7.01: All ordinance or parts of ordinances conflicting with any of the provisions of this Ordinance are hereby repealed insofar as same affects this Ordinance.

SECTION VIII

EFFECTIVE DATE

Section 8.01: This Ordinance shall become effective in accordance with applicable law. [Five (5) days after the date of Enactment.]

ORDAINED AND ENACTED at a duly assembled public meeting by
the BOARD OF SUPERVISORS OF BRADFORD TOWNSHIP, this 3rd day
of January, 1995.

PENNSYLVANIA

BRADFORD TOWNSHIP
CLEARFIELD COUNTY,

BOARD OF SUPERVISORS
BY:


Seth G. Cowder
Seth G. Cowder

Kenneth A. Billings, Sr.

Ronald L. Maines
Ronald L. Maines

ATTEST:

Dorothy J. Young
Dorothy J. Young, Secretary