

**TOWNSHIP OF CROSS CREEK
WASHINGTON COUNTY, PENNSYLVANIA**

ORDINANCE NO. 2-98

**AN ORDINANCE PROVIDING FOR CERTIFICATION FROM THE
TOWNSHIP PRIOR TO PAYMENT FOR FIRE LOSS IN EXCESS OF
SEVEN THOUSAND FIVE HUNDRED DOLLARS (\$7,500.00) AND
MAKING PROVISION FOR THE PAYMENT OF DELINQUENT TAXES,
ASSESSMENTS, PENALTIES, USER CHARGES AND COSTS
INCURRED BY THE MUNICIPALITY FOR THE REMOVAL, REPAIR OR
SECURING OF A BUILDING OF OTHER STRUCTURE SO INSURED;
THE ISSUANCE OF CERTIFICATES AND THE FILING OF A COPY OF
THIS ORDINANCE WITH THE DEPARTMENT OF COMMUNITY AFFAIRS**

WHEREAS, the legislature of the Commonwealth of Pennsylvania has made provision for the issuance of certificates by a municipality as a prerequisite to the payment of certain fire losses; and,

WHEREAS, the legislation providing therefor requires adoption of an appropriate ordinance by a municipality wishing to avail itself of its provisions; and,

WHEREAS, the Board of Supervisors of Cross Creek Township deems that it is in the Township's best interests to make provision for such ordinance.

NOW, THEREFORE, be it ordained and enacted by the Board of Supervisors of Cross Creek Township, Washington County, Pennsylvania, that:

(a) No insurance company, association or exchange doing business in the Commonwealth shall pay a claim of a named insured for fire damage to a structure located within Cross Creek Township where the amount recoverable for the fire loss to the structure under all policies exceeds Seven Thousand Five Hundred Dollars (\$7,500.00) unless the insurance company, association or exchange is furnished with a certificate pursuant to subsection (b) of this Ordinance and unless there is compliance with the procedures set forth in subsections (c) and (d) of this Ordinance.

(b)(1) The Treasurer of Cross Creek Township shall, upon the written request of the named insured specifying the tax description of the property, name and address of the insurance company, association or exchange and the date agreed upon by the insurance company, association or exchange and the named insured as the date of the receipt of a loss report of the claim, furnish the insurance company, association or exchange either of the following within fourteen (14) working days of the request:

- (i) a certificate or, at the discretion of the Township, a verbal notification which shall be confirmed in writing by the insurer to the effect that, as of the date specified in the request, there are no delinquent taxes, assessments, penalties or user charges against the property and that, as of the date of the Treasurer's certificate or verbal notification, the Township has not certified that any costs have been incurred by the Township for the removal, repair or securing of a building or other structure on the property; or,
 - (ii) a certificate and bill showing the amount of delinquent taxes, assessments, penalties and user charges against the property as of the date specified in the request that have not been paid as of the date of the certificate and also showing, as of the date of the Treasurer's certificate, the amount of the total costs, if any, certified to the Treasurer that have been incurred by the Township for the removal, repair or securing of a building or other structure on the property.
- (2)(i) Upon the receipt of a certificate pursuant to clause (b)(1)(i) of this Ordinance, the insurance company, association or exchange shall pay the claim of the named insured in accordance with the policy terms, unless the loss agreed to between the named insured and the company, association or exchange equals or exceeds sixty per

centum (60%) of the aggregate limits of liability on all fire policies covering the building or other structure. In the case of such a loss, the insurance company, association or exchange, the insured property owner and the Township shall follow the procedures set forth in subsections (c) and (d) of this Ordinance.

- (ii) Upon the receipt of a certificate and bill pursuant to clause (b)(1)(ii) of this Ordinance, the insurance company, association or exchange shall return the bill to the Treasurer and transfer to the Treasurer an amount from the insurance proceeds necessary to pay the taxes, assessments, penalties, charges and costs as shown on the bill. The Township shall receive the amount and apply or credit it to payment of the items shown in the bill.

(c) When the loss agreed to between the named insured and the company, association or exchange equals or exceeds sixty per centum (60%) of the aggregate limits of liability on all fire policies covering the building or other structure, the insurance company, association or exchange shall transfer from the insurance proceeds to the designated officer of Township Treasurer in the aggregate Two Thousand Dollars (\$2,000.00) for each Fifteen Thousand Dollars (\$15,000.00) and each fraction of that amount of a claim, or, if at the time of a loss report 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 amount calculated under the foregoing transfer formula, the insurance company, association or exchange shall transfer from the insurance proceeds the amount specified in the estimate. The transfer of proceeds shall be on a pro rata basis by all companies, associations or exchanges insuring the building or other structure. Policy proceeds remaining after the transfer to the Township shall be disbursed in accordance with the policy terms.

The named insured may submit a contractor's signed estimate of the costs of removing, repairing or securing the

building or other structure after the transfer, and the Township Treasurer shall return the amount of the fund 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.

(d) Upon receipt of proceeds by the Township as authorized by this Ordinance, the Township Treasurer shall place the proceeds in a separate fund to be used solely as security against the total cost of removing, repairing or securing incurred by the Township. When transferring the funds as required in subsection (c) of this Ordinance, an insurance company, association or exchange shall provide the Township with the name and address of the named insured, whereupon the Township 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. The fund shall be returned to the named insured when repairs, removal or securing of the building or other structure have been completed and the required proof received by the Township Treasurer if the Township has not incurred any costs for repairs, removal or securing. 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. Nothing in this section shall be construed to limit the Township to recover any deficiency nor 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.

(e) A certified copy of this Ordinance shall be filed with the Commonwealth of Pennsylvania, Department of Community Affairs (or such other agency of the Commonwealth as

may hereafter pertain) together with the name, position and telephone number of the Township official responsible for compliance with this Ordinance.

ORDAINED AND ENACTED by the Board of Supervisors of Cross Creek Township, Washington County, Pennsylvania, this 15th day of September, 1998.

ATTEST:

TOWNSHIP OF CROSS CREEK

Secretary

By
Gary A. Stokum, Chairman