

Chapter 6

Part A: *Fire loss – Insurance* (OR01-2004)

100.00 **Official Designee:**

100.10 The Borough Secretary, or such other official designee of the Borough, is hereby appointed as the designated officer who is authorized to carry out all responsibilities and duties stated herein.

200.00 **Paying Claims:**

200.10 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 the Borough (hereinafter "Municipality") where the amount recoverable for the fire loss to the structure under all policies exceeds Seven Thousand Five Hundred (\$7,500.00) Dollars; or an amount set by **resolution** of Council.

200.20 Unless the Insuring Agent is furnished by the municipal treasurer with a municipal certificate pursuant to Section 508 (B) of Act 98 of 1992 as amended and unless there is compliance with Section 508 (C) of Act 98 of 1992 as amended and the provisions of this Ordinance.

300.00 **Requirements:**

300.10 Where pursuant to Section 508(B)(1)(1) of Act 98 of 1992 or any updates to this code, as amended, the municipal treasurer issues a certificate indicating that there are not delinquent taxes, assessments, penalties, or user charges against real property;

300.20 The Insuring Agent shall pay the claim of the named insured, provided however;

300.30 If the loss agreed upon by the named insured and the Insuring Agent equals or exceeds sixty (60%) percent of the aggregate limits of liability on all fire policies covering the building or structure, the following procedures must be followed:

300.31 The Insuring Agent shall transfer from the insurance proceeds to the designated officer of the Municipality in the aggregate of \$2,000.00 for each \$15,000.00 of a claim and for each fraction of that amount of a claim, or an amount as set by **resolution** of Council.

300.32 This section to be applied such that if the claim is \$15,000.00 or less, the amount transferred to the Municipality shall be \$2,000.00; or an amount as set by **resolution** of Council.

300.33 If at the time of a 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, the Insuring Agent shall transfer to the Municipality from the insurance proceeds the amount specified in the estimate.

301.00 **The transfer of proceeds:**

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

301.20 After the transfer, the named insured shall submit a contractor's signed estimate within sixty (60) days of the costs of removing, repairing or securing the building or other structure;

301.30 The designated officer shall return the amount of the fund transferred to the Municipality in excess of the estimate to the named insured, if the Municipality has not commenced to remove, repair or secure the building or other structure.

301.50 If work is not completed to entirely remove or repair the building within a period of three (3) years

from the date of the fire, the property owner (insured) shall forfeit all remaining funds back to the Borough Treasury general fund.

302.00 Upon receipt of proceeds:

302.10 Receipt of proceeds under this section, the Municipality shall do the following:

302.11 The designated officer shall place the proceeds in a 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 Municipality.

302.12 Such costs shall include, all reasonable and customary engineering, legal or administrative costs incurred by the municipality in connection with such removal, repair or securing of the building or any proceedings related thereto;

302.20 It is the obligation of the Insuring Agent when transferring the proceeds to provide the Municipality with the name and address of the named insured and upon receipt of the transferred funds.

400.00 Penalty:

400.10 Any person violating any of the provisions of this chapter shall be guilty of the offense of disorderly conduct and, upon conviction thereof in a summary proceeding before any District Justice, shall be sentenced to pay a Class C fine or penalty as set by duly adopted **Resolution** of the Borough Council, as well as the costs of prosecution and, in default of the payment of said Class C fine or penalty and/or costs, shall be sentenced to imprisonment for a term as set by duly adopted **Resolution** of the Borough Council.

500.00 Repealer:

500.10 All Ordinances or parts of Ordinances conflicting with any of the provisions of this Ordinance are hereby repealed insofar as some affect this Ordinance.

600.00 Enacted:

600.10 This Ordinance shall become effective immediately.

600.20 ORDAINED and ENACTED February 9th, 2004