

WEST PIKELAND TOWNSHIP  
CHESTER COUNTY, PENNSYLVANIA

ORDINANCE NO. 2011-01

AN ORDINANCE PURSUANT TO SECTION 508 OF THE INSURANCE COMPANY LAW OF 1921, AS AMENDED, REQUIRING A MUNICIPAL CERTIFICATE PRIOR TO THE PAYMENT OF FIRE LOSS CLAIMS UNDER SECTIONS 508(A) AND (B) THEREOF AND BY AUTHORIZING THE PROCEDURES FOR MUNICIPAL FIRE INSURANCE ESCROWS UNDER SECTIONS 508(C) AND (D) THEREOF, EFFECTIVE FIVE DAYS FROM ENACTMENT.

AND NOW, this 22nd day of February, 2011, the Board of Supervisors of West Pikeland Township hereby ENACTS and ORDAINS as follows:

Section 1. General. No insurance company, association or exchange doing business in the Commonwealth of Pennsylvania and shall pay a claim of a named insured for fire damage to a structure located within West Pikeland Township under the terms of Section 508(a) of the Insurance Company Law of 1921, as amended, 40 P.S. § 638(a), unless the insurance company, association or exchange is furnished with a certificate pursuant to § 2 of this Ordinance and unless there is compliance with the procedures set forth in § 3 and § 4 of this Ordinance.

Section 2. Fire Loss Certificate.

(a) The Township treasurer shall, within fourteen (14) working days of the written request of the named insured: i) specifying the tax description of the property, ii) specifying the name and address of the insurance company, association or exchange, iii) specifying 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, and iv) providing the payment of a certification fee in the amount of \$25.00 for the administrative expense of processing the request and copying, furnish the insurance company, association or exchange either of the following:

(1) a certificate or, at the discretion of the Township, a verbal notification which shall be confirmed in writing by the insured 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 any amount as total costs incurred by the Township for the removal, repair or securing of a building or other structure on the property; or

(2) a certificate and bill showing the amount of delinquent taxes, assessments, penalties or 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. For the purposes of this subsection, the Township Manager shall certify to the treasurer, the total amount, if any, of such costs. For the purpose of this Ordinance, a tax, assessment, penalty or user charge becomes delinquent at the time and on the date a lien could otherwise have been filed against the property by the Township under applicable law or ordinance.

(b) (1) Upon receipt of a certificate pursuant to Section 2 (a)(1) of this subsection, 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 insurance company, association or exchange equals or exceeds 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 § 3 and § 4 of this Ordinance.

(2) Upon receipt of a certificate and bill pursuant to Section 2 (a)(2) of this subsection, 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 shown on the bill. In the case of a loss subject to § 3 and § 4 of this Ordinance, the insurance company, association or exchange shall transfer to the treasurer the amount from the insurance proceeds shown on the bill by separate draft from the amounts transferred under § 3 of this Ordinance. The Township shall receive the amount and apply or credit it to payment of the items shown in the bill.

Section 3. Establishment of Municipal Fire Insurance Escrow. When the loss agreed to between the named insured and the insurance company, association or exchange equals or exceeds 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 Township treasurer the amounts required by and in accordance with the procedures set forth in 40 P.S. § 638(c). 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 as not commenced to remove, repair or secure the building or other structure. The Township treasurer shall carry out the duties of this section.

Section 4. Disposition of Escrow Proceeds. Upon receipt of the proceeds by the Township as authorized by § 3, 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 § 3, 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 municipality 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 Ordinance shall be construed to limit the ability of the Township to recover any deficiency. Further, nothing in this section 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 in some other reasonable disposition of the damaged property has been negotiated.

Section 5. The total costs incurred by the Township for the removal, repair or securing of a building or other structure under this Ordinance shall include, but not be limited to, all administrative, personnel and overhead costs incurred by the Township in accordance with generally accepted accounting procedures.

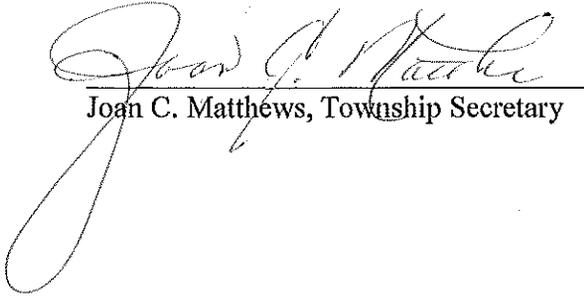
Section 6. Upon the enactment of this Ordinance, the Township Secretary shall file an exact copy of the Ordinance with the Department of Community Affairs together with the name, position and phone number of the municipal official responsible for compliance with Section 508 of the Insurance Company Law of 1921, as amended.

Section 7. The provisions of this Ordinance are severable. If any section, paragraph, sentence, clause or phrase of this Ordinance is declared unconstitutional, illegal or otherwise invalid by judgment or decree of a court of competent jurisdiction, that invalidity shall not affect any of the remaining section, paragraphs, sentences, clauses or phrases of this Ordinance.

Section 8. This Ordinance shall be effective five (5) days from the date of enactment.

ENACTED and ORDAINED this 22nd day of February, 2011.

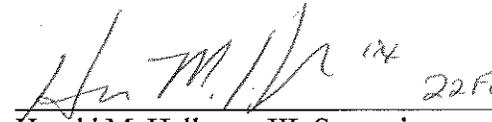
ATTEST:

  
Joan C. Matthews, Township Secretary

BOARD OF SUPERVISORS  
OF WEST PIKELAND TOWNSHIP

  
Ernie Holling, Chairman

Richard C. Bright, Jr., Vice Chairman

 <sup>IN</sup> 22 FEB 2011  
Harold M. Hallman, III, Supervisor

Robert Shemonsky, Supervisor

  
Tom Tucker, Supervisor