

**Chapter 148**  
**INSURANCE**

ARTICLE I  
**Fire Insurance Proceeds**

- § 148-1. Responsible officer.
- § 148-2. Municipal certificate required.

- § 148-3. Claims payment procedures.
- § 148-4. Additional procedures and regulations.
- § 148-5. Violations and penalties.

**[HISTORY: Adopted by the Board of Supervisors of the Township of Fairview as indicated in article histories. Amendments noted where applicable.]**

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ARTICLE I  
**Fire Insurance Proceeds**  
**[Adopted 9-7-1993 by Ord. No. 5-1993]**

**§ 148-1. Responsible officer. [Amended 12-4-1995 by Ord. No. 4-1995]**

The Treasurer is hereby appointed as the designated officer who is authorized to carry out all responsibilities and duties stated herein.

**§ 148-2. Municipal certificate required. [Amended 12-4-1995 by Ord. No. 4-1995]**

No insurance company, association or exchange (hereinafter the "insuring agent") doing business in this commonwealth shall pay a claim of a named insured for fire damage to a structure located within the Township of Fairview (hereinafter the "municipality") where the amount recoverable for the fire loss to the structure under all policies exceeds \$7,500 unless the insuring agent is furnished by the Treasurer with a municipal certificate pursuant to § 148-3A and B hereof and unless there is compliance with the procedures set forth in § 148-3C and D hereof and the provisions of this article.

**§ 148-3. Claims payment procedures. [Amended 12-4-1995 by Ord. No. 4-1995]**

- A. Where, pursuant to the provisions of this article, the named insured requests, in writing, specifying the tax description of the property, name and address of the insuring agent and the date agreed upon by the insuring agent as the date of the receipt of a loss report of the claim, the Secretary within 14 working days of the request shall furnish:
  - (1) A certificate or, at the discretion of the municipality, 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 no municipality has certified any amount as total costs incurred for the removal, repair or securing of the building or other structures on the property; or

- (2) A certificate and bill showing the amount of the 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 certificate the amount of the total cost, if any, certified to the Treasurer that have been incurred by the municipality for the removal, repair or securing of the building or other structure on the property.
- B. Upon the receipt of a certificate pursuant to Subsection A(1) hereof, the insuring agent 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 insuring agent equals or exceeds 60% of the aggregate limits of liability on all fire policies covering the building or other structure, in which event the insuring agent shall follow the procedures set forth in Subsections C and D of this section. If the Treasurer issues a certificate and bill pursuant to Subsection A(2) hereof, the insuring agent shall return the bill to the Treasurer and transfer to the Treasurer an amount from the insurance proceeds necessary to pay the taxes, assessment, penalties, charges and costs as shown on the bill.
- C. Transfer of proceeds.
  - (1) When the loss agreed to exceeds 60% of the aggregate limits of liability on all fire policies covering the building or other structure, the insuring agent shall transfer from the insurance proceeds to the Treasurer of Fairview Township in the aggregate of \$2,000 for each \$15,000 of a claim and for each fraction of that amount of a claim, this fraction to be applied such that if the claim is \$15,000 or less, the amount transferred to the municipality shall be \$2,000; 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 insuring agent shall transfer to the municipality from the insurance proceeds the amount specified in the estimate.
  - (2) The transfer of proceeds shall be on a pro rata basis by all companies, associations or exchanges insuring the building or other structure.
  - (3) After the transfer, the named insured may submit a contractor's signed estimate of the costs of removing, repairs or securing the building or other structure, and the designated officer shall return the amount of the funds 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.
- D. Upon receipt of proceeds under this article, the municipality shall do the following:
  - (1) The Treasurer shall place the proceeds in a separate fund to be used solely as security agent against the total costs of removing, repairing or securing the building or structure which are incurred by the municipality. Such costs shall include, without limitation, any 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.

- (2) 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. Upon receipt of the transferred funds and the name and address of the named insured, the Treasurer 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.
- (3) When repairs, removal or securing of the building or other structure have been completed in accordance with all applicable regulations and orders of the municipality and the required proof of such completion received by the Treasurer, and if the municipality has not incurred any costs for repairs, removal or securing, the fund shall be returned to the named insured. If the municipality 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 municipality shall transfer the remaining funds to the named insured.
- E. Nothing in this subsection shall be construed to limit the ability of the municipality to recover any deficiency. Furthermore, nothing in this subsection shall be construed to prohibit the municipality 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.

#### **§ 148-4. Additional procedures and regulations.**

The Township Supervisors of the municipality may by resolution adopt procedures and regulations to implement Act 98 of 1992<sup>1</sup> and this article and may by resolution fix reasonable fees to be charged for municipal activities or services provided pursuant to Act 98 of 1992 and this article, including but not limited to issuance of certificates and bills, performance of inspections and opening separate fund accounts.

#### **§ 148-5. Violations and penalties. <sup>2</sup>**

Any owner of property, any named insured or any insuring agent who violates this article shall, upon conviction in a summary proceeding brought before a Magisterial District Judge under the Pennsylvania Rules of Criminal Procedure, be guilty of a summary offense and shall be punishable by a fine of not less than \$200 nor more than \$1,000, plus costs of prosecution. In default of payment thereof, the defendant may be sentenced to imprisonment for a term not exceeding 90 days. Each day or portion thereof that such violation continues or is permitted to continue shall constitute a separate offense, and each section of this article that is violated shall also constitute a separate offense.

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1. Editor's Note: See 40 P.S. § 638.

2. Editor's Note: Amended at time of adoption of Code (see Ch. 1, General Provisions, Art. I).

