

TOWNSHIP OF OHIO
ORDINANCE NO. 284

AN ORDINANCE OF THE TOWNSHIP OF OHIO, COUNTY OF ALLEGHENY, COMMONWEALTH OF PENNSYLVANIA, PROVIDING FOR THE PAYMENT OF INSURANCE PROCEEDS AS SECURITY AGAINST THE TOTAL COST OF REMOVING, REPAIRING OR SECURING DAMAGED BUILDINGS, AND REQUIRING A MUNICIPAL CERTIFICATE PRIOR TO THE PAYMENT OF FIRE LOSS CLAIMS.

WHEREAS, it has been determined by the Ohio Township Board of Supervisors that it is in the best interest of the health, safety and welfare of the community to secure from insurance proceeds, the cost of removing, repairing, or securing damaged buildings; and

WHEREAS, the Pennsylvania Legislature codified the requirements for said municipal certification at 40 P.S. Section 638, and it is the intention of the Board of Supervisors of the Township of Ohio to adopt procedures pursuant to said statute:

NOW, THEREFORE, be it Ordained and Enacted by the Board of Supervisors of the Township of Ohio as follows:

1. The Ohio Township Manager or such other official as may be subsequently designated by the Ohio Township Board of Supervisors is hereby appointed as the designated officer who is authorized to carry out all responsibilities and duties stated herein.
2. 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 Township of Ohio (hereinafter the "municipality") where the amount recoverable for the fire loss to the structure under all policies exceeds seven thousand five hundred thousand dollars (\$7,500.00), unless the insuring company, association or exchange is furnished with a certificate pursuant to Section 638(b) of said Law, and unless there is compliance with the procedure set forth in Section 638(c) and (d) of said Law, and the provisions of this part of the Ohio Township Code.
3. Where pursuant to Section 638(b)(1)(i) of the aforementioned State Code, Ohio Township issues a certificate

indicating that there are no delinquent taxes, assessments, penalties or user charges against real property, the insuring agent shall pay the claim of the named insured; provided, however, that 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 restructure, the following procedures must be followed:

- A. The insuring agent shall transfer from the insurance proceeds to the designated officer of the Township in the aggregate of two thousand dollars (\$2,000.00) for each fifteen thousand dollars (\$15,000.00) 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 dollars (\$15,000.00) or less, the amount transferred to the Township shall be one thousand dollars (\$2,000.00); or
- B. 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 Township from the insurance proceeds the amount specified in the estimate.
- C. The transfer of proceeds shall be on a prorata basis by all companies, associations or exchanges insuring the building or other structure.
- D. 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 designated officer 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.
- E. Upon receipt of proceeds under this Section, the Township shall do the following:
 - (1) 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 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 proceedings related thereto; and

- (2) It is the obligation of the insuring agent when transferring the proceeds to provide the Township 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 designated officer 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
- (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 Township and the required proof of such completion received by the designated officer, and if the Township has not incurred any costs for repairs, removal or securing, 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
- (4) To the extent that interest is earned on proceeds held by the Township pursuant to this Section, and not returned to the named insured, such interest shall belong to the Township. To the extent that proceeds are returned to the named insured, interest earned on such proceeds shall be distributed to the named insured at the time that the proceeds are returned.

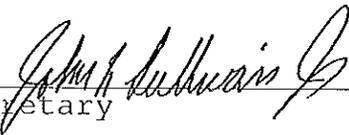
F. Nothing in this Section shall be construed to limit the ability of the Township to recover any deficiency. Furthermore, nothing in this subsection shall be construed to prohibit the Township and the named insured from entering into an agreement that permits the transfer of funds to the named insured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

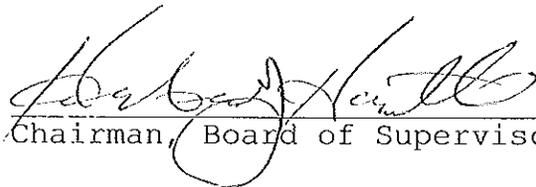
4. The Township may by resolution adopt procedures and regulations to implement these provisions of State Law and this Section of the Ohio Township Code, and may by resolution fix reasonable fees to be charged for Township activities or services provided pursuant to said Act and Code, including, but not limited to, issuance of certificates and bills, performance of inspections and opening separate fund accounts.

5. Any owner of property, any named insured or any insuring agent who violates this Section of the Ohio Township Code shall be subject to a penalty of up to one thousand dollars (\$1,000.00) per violation.

DULY ENACTED this 5th day of November, 2007.

ATTEST:


Secretary


Chairman, Board of Supervisors