

Chapter 66 INSURANCE

ARTICLE I Fire Insurance Claims

§ 66-1. Fire insurance proceeds.

§ 66-2. Applications.

§ 66-3. Fees.

§ 66-4. Violations and penalties.

[HISTORY: Adopted by the Borough Council of the Borough of Delmont as indicated in article histories. Amendments noted where applicable.]

ARTICLE I Fire Insurance Claims [Adopted by Ord. No. 2000-8, as amended through 2000¹]

§ 66-1. Fire insurance proceeds.

- A. General. No insurance company, association or exchange (hereinafter the "Insurer") 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 of Delmont (the "municipality") where the amount recoverable for the fire loss to the structure under all policies exceeds \$7,500, unless the insurer is first furnished by the Treasurer of the Borough of Delmont with a certificate pursuant to Section 508(b) of the Insurance Company Law of 1921, as amended by Act 98 of 1992 and Act 93 of 1994.²
- B. Bill; certification of expenses; payment by insurer.
- (1) Where there are delinquent taxes, assessments, penalties or user charges against the property ("municipal claims"), or there are expenses which the municipality has incurred as costs for the removal, repair or securing of a building or other structure on the property (collectively "municipal expenses"), the Treasurer of the Borough of Delmont shall immediately render a bill for such work, if the same has not already been issued.
 - (2) Upon written request of the named insured or the insurer specifying the tax description of the property, the name and address of the insurer and the date of receipt by the insurer of a loss report of the claim, the Treasurer of the Borough of Delmont shall, within 14 working days after the receipt of the request, furnish to the insurer a written certificate setting forth either:
 - (a) That there are no unpaid municipal claims or municipal expenses against the property; or

¹ Editor's Note: This ordinance also repealed Ord. No. 92-11.

² Editor's Note: See 40 P.S. § 638(b).

- (b) Specifying the nature and amount of such claims or expenses, accompanied by a bill for such amounts.
 - (3) Taxes, assessments, penalties and user charges shall be deemed delinquent for this purpose if a lien could have been filed for such claims under applicable law.
 - (4) Upon receipt of a certificate and bill pursuant to the foregoing, the insurer shall transfer to the Treasurer of the Borough of Delmont an amount from the insurance proceeds sufficient to pay such sums prior to making payment to the named insured.
- C. Disbursement. When all municipal claims and municipal expenses have been paid pursuant to Subsection B hereof, or where the Treasurer has issued a certificate described in Subsection B(2) indicating that there are no municipal claims or municipal expenses against the property, the insurer shall pay the claim of the named insured; provided, however, that if the loss agreed upon by the named insured and insurer equals or exceeds 60% of the aggregate limits of liability on all fire policies covering the building or structure, the following procedures must be followed:
- (1) The insurer shall transfer from the insurance proceeds to the Treasurer, in the aggregate, \$2,000 for each \$15,000 of such claim or fraction thereof.
 - (2) If, at the time a loss report is submitted by the insured, such insured has submitted to the insurer, with a copy to the Borough of Delmont, 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 insurer shall transfer to the Treasurer from the insurance proceeds the amount specified in the estimate. If there is more than one insurer, the transfer of proceeds shall be on a pro rata basis by all insurers insuring the building or other structure.
 - (3) Upon receipt of the above-described portion of the insurance proceeds, the Treasurer shall do the following:
 - (a) Place the proceeds in a separate fund to be used solely as security against the total municipal expenses anticipated by the Borough of Delmont to be required in removing, repairing or securing the building or structure as required by this section. Such costs shall include, without limitation, any engineering, legal or administrative costs incurred by the Borough of Delmont in connection with such removal, repair or securing or any proceedings related thereto, including legal fees incurred by the Borough in the issuance of the original certificate pursuant to Subsection A hereof.
 - (b) Mail to the named insured, at the address received from the insurer, a notice that the proceeds have been received by the Borough of Delmont and that the procedures under this subsection shall be followed.
 - (c) After the transfer, the named insured may submit to the Borough of Delmont a contractor's signed estimate of the costs of removing, repairing, or securing the building or other structure, in which event the Treasurer shall, if such estimate is deemed by the Treasurer to be reasonable, return to the insured the amount of the funds transferred to the Borough of Delmont in excess of that required to pay the municipal expense, provided that the borough has not commenced to remove,

repair or secure the building or other structure, in which case the borough will complete the work.

- (d) Pay to the Borough Secretary, for reimbursement to the borough general fund, the amount of the municipal expenses paid by the Borough of Delmont.
 - (e) Pay the remaining balance in the fund (without interest) to the named insured upon receipt of the certificate issued by the Code Officer of the Borough of Delmont that the repair, removal or securing of the building or other structure has been completed in accordance with all applicable codes and regulations of the Borough of Delmont.
- (4) Nothing in this section shall be construed to limit the ability of the Borough of Delmont to recover any deficiency in the amount of municipal claims or municipal expenses recovered pursuant to this section, or to insurance process, by an action at law or equity to enforce the codes of the Borough of Delmont or to enter in an agreement with the named insured with regard to such other disposition of the proceeds as the Borough of Delmont may deem reasonable.

§ 66-2. Applications.

The Borough Secretary shall prepare and make available appropriate applications to be completed by the property owner and/or insurer setting forth all property identification information required for the issuance of the certificate identified in § 66-1 hereof.

§ 66-3. Fees.

The municipal certificate identified in § 66-1 hereof shall be provided to the applicant upon payment of a fee in an amount as shall be determined from time to time by resolution of the Council of the Borough of Delmont.

§ 66-4. Violations and penalties.

An owner of property, any named insured, or any insurer who violates any provision of §§ 66-1 through 66-3, inclusive, shall, upon conviction thereof by the District Justice in a summary criminal proceeding, be subject to a penalty of not less than \$500 nor more than \$1,000 per violation.