

**RADNOR TOWNSHIP  
DELAWARE COUNTY, PENNSYLVANIA**

**ORDINANCE NO. 2015-19**

**AN ORDINANCE OF RADNOR TOWNSHIP, DELAWARE COUNTY, PENNSYLVANIA, AMENDING THE RADNOR TOWNSHIP CODE BY CREATING A NEW CHAPTER 183 – FIRE LOSS REIMBURSEMENT CLAIMS AND PROCEDURES THAT PROVIDES FOR THE TRANSFER OF FIRE INSURANCE PROCEEDS TO THE TOWNSHIP FOR PAYMENT OF DELINQUENT TAXES AND OTHER MUNICIPAL CLAIMS OR BE HELD AS SECURITY.**

*The Radnor Township Board of Commissioners does hereby ENACT and ORDAIN, as follows:*

**SECTION 1.**

The Radnor Township Code is hereby amended by adding a new Chapter, 183 – Fire Loss Reimbursement Claims and Procedures, that reads as follows:

**CHAPTER 183  
FIRE LOSS REIMBURSEMENT CLAIMS AND PROCEDURES**

**§183-1 Use of Fire Insurance Proceeds.**

- A. No insurance company, association or exchange (hereinafter “insurer”) doing business in the Commonwealth of Pennsylvania shall pay a claim of a named insured for fire damage to a structure located within Radnor Township where the amount recoverable for the fire loss to the structure under all policies exceeds \$7,500, unless the insurer is furnished by the Township with a certificate pursuant to Subsection 508(b) of the Insurance Company Law of 1921, as amended by Act 98 of 1992 and Act 93 of 1994 (40 P.S. §638) (the “Act”) and unless there is compliance with the procedures set forth in Subsections 508(c) and (d) of the Act, as amended.
- B. Where there are delinquent taxes, assessments, penalties or user charges against the property (“municipal claims”), or there are expenses which Radnor Township has incurred as a cost for the removal, repair or securing of a building or other structure on the property (collectively “municipal expenses”), the Township shall immediately render a bill for such work, if it has not already done so. Upon written request of the named insured 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 Township shall

furnish a certificate within 14 working days after the request, to the insurer, a certificate (or at the Township's discretion, an oral notice confirmed in writing) either;

- (1) stating that there are no unpaid municipal claims or municipal expenses against the property; or
- (2) specifying the nature and amount of such claims or expenses, accompanied by a bill for such amounts.

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.

- C. Upon receipt of a certificate and bill pursuant to Subsection B above, the insurer shall transfer to the Township an amount from the insurance proceeds sufficient to pay such sums prior to making payment to the named insured, subject to the provisions of this Chapter.
- D. When all municipal claims and municipal expenses have been paid pursuant to Subsection C above, or where the Township has issued a certificate described in Subsection B(1) above 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 the 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 Secretary of the Township, 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 Radnor Township, a contractor's signed estimate of the cost 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 Secretary of the Township from the insurance proceeds the amount specified in the estimate.
  - (3) 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.
  - (4) Upon receipt of the above described portion of the insurance proceeds, the Secretary of the Township 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 Radnor Township to be required in removing, repairing, or securing the building or structure as required by this Chapter. Such costs shall include, without limitation, any

engineering, legal, or administrative costs incurred by Radnor Township in connection with such removal, repair, or securing or any proceedings related thereto; and,

- (b) Mail to the named insured, at the address received from the insurer, a notice the proceeds have been received by Radnor Township and that the procedures under this Chapter shall be followed.
- (c) After the transfer, the named insured may submit to Radnor Township a contractor's signed estimate of the cost of removing, repairing, or securing the building or other structure, in which event the Secretary of the Township shall, if such estimate is deemed by the Secretary of the Township to be reasonable, return to the insured the amount of the funds transferred to Radnor Township in excess of that required to pay the municipal expenses; provided, the Township has not commenced to remove, repair, or secure the building or other structure, in which case the Township will complete the work.
- (d) Pay to the Township, for reimbursement to Radnor Township general fund, the amount of the municipal expenses paid by the Township.
- (e) Pay the remaining balance in the fund (without interest) to the named insured upon receipt of a certificate issued by the Secretary of the Township that the repair, removal, or securing of the building or other structure has been completed in accordance with all applicable codes and regulations of Radnor Township.
- (f) Nothing in this Article shall be construed to limit the ability of Radnor Township to recover any deficiency in the amount of municipal claims or municipal expenses recovered pursuant to this Chapter, or to insurance proceeds, by an action at law or in equity to enforce the codes of Radnor Township or to enter into an agreement with the named insured with regard to such other disposition of the proceeds as the Township may deem responsible.

#### **§183-2 Limits of Liability**

Nothing in this Article shall be construed to make an insurance company, association, or exchange liable for any amount in excess of proceeds payable under its insurance policy or for any other act performed pursuant to this Article or to make Radnor Township or any public Radnor Township official, an insured under a policy of insurance or to create an obligation to pay delinquent property taxes or unpaid removal liens or expenses other than as provided in this Article.

**§183-3 Insurance Company Rights Reserved**

An insurance company, association, or exchange making payment of policy proceeds under this Article for delinquent taxes or structure removal liens or removal expenses incurred by Radnor Township shall have a full benefit of such payment, including all rights of subrogation and of assignment.

**§183-4 Construction**

This Article shall be liberally construed to accomplish its purpose to deter the commission of arson and related crimes, to discourage the abandonment of property, and to prevent urban blight and deterioration.

**§183-5 Notification of Pennsylvania Department of Community and Economic Development.**

The Secretary of the Township shall transmit a certified copy of this Article promptly to the Pennsylvania Department of Community and Economic Development.

**§183-6 Penalty.**

Any owner of property, named insured, or insurer who violates the provisions of this Article or who shall fail to comply with any of the requirements hereof shall be sentenced, upon conviction thereof, to a fine of not more than One Thousand Dollars (\$1,000) plus costs. Each day for which an offense shall continue shall be deemed a separate offense.

**SECTION 2. REPEALER**

All ordinances, parts of ordinances, and amendments thereof which are inconsistent with this Ordinance are hereby repealed.

**SECTION 3. SEVERABILITY**

If any clause, sentence, paragraph, section, subsection, part, or provision of this Ordinance is, for any reason, found to be unconstitutional, illegal, or invalid by a court of competent jurisdiction, such unconstitutionality, illegality, or invalidity shall not affect the validity of this Ordinance as a whole or any part thereof other than that portion specifically declared invalid. It is hereby declared as the intent of the Board of Commissioners of Radnor Township, that this Ordinance would have been adopted had such unconstitutional, illegal, or invalid clause, sentence, paragraph, section, subsection, part, provision, or part thereof not been included therein.

---

**ARTICLE 4.    EFFECTIVE DATE**

This Ordinance shall become effective in accordance with the Radnor Township Home Rule Charter.

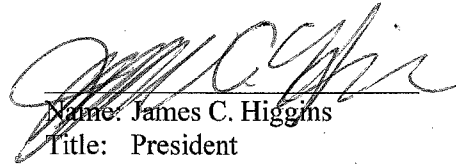
TOWNSHIP OF RADNOR  
DELAWARE COUNTY, PENNSYLVANIA

FIRE LOSS REIMBURSEMENT CLAIMS AND PROCEDURES ORDINANCE  
ORDINANCE NO. \_\_\_\_\_


ENACTED AND ORDAINED this 23<sup>rd</sup> day of November, A.D., 2015.

RADNOR TOWNSHIP

By:

  
Name: James C. Higgins  
Title: President

ATTEST:

  
Robert A. Zienkowski, Secretary