

Chapter 60**FIRE INSURANCE ESCROW**

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[HISTORY: Adopted by the Board of Commissioners of the Township of Upper St. Clair 2-1-93 as Ord. No. 1571. Amendments noted where applicable.]

GENERAL REFERENCES

Definitions and rules of interpretation - See Ch. 3.
Fire Prevention - See Ch. 61.

§ 60.1. Designated officer.

The Township Manager or his designated representative is hereby appointed as the designated officer who is authorized to carry out all responsibilities and duties stated herein.

§ 60.2. Insuring agent's responsibilities.

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 Upper St. Clair (hereinafter "TOWNSHIP") where the amount recoverable for the fire loss to the structure under all policies exceeds Five Thousand Dollars (\$5,000), unless the named insured or INSURING AGENT is furnished by the TOWNSHIP with a municipal certificate pursuant to Section 508 (B) of Act 98 of 1992 and unless there is compliance with Section 508 (C) and (D) of Act 98 of 1992 and the provisions of this Chapter.

§ 60.3. Payment of fire loss claims; transfer of insurance proceeds.

Where pursuant to Section 508 (B) (1) (I) of Act 98 of 1992, the 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 is agreed upon by the named insured and the INSURING

AGENT equals or exceeds 60 percent of the aggregate limits of liability on all fire policies covering the building restructure, the following procedures must be followed:

60.3.1. The INSURING AGENT shall transfer from the insurance proceeds to the designated officer of the TOWNSHIP in the aggregate of \$1,000 for each \$20,000 of a claim and for each fraction of that amount of a claim, this section to be applied such that if the claim is \$20,000 or less, the amount transferred to the TOWNSHIP shall be \$1,000; or

60.3.2. 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.

60.3.3. The transfer of proceeds shall be on pro rata basis by all companies, associations or exchanges insuring the building or other structure.

60.3.4. After the transfer, then 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.

60.3.5. Upon receipt of proceeds under this section, the TOWNSHIP shall do the following:

60.3.5.1. The designated officer shall place the proceeds in the 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 municipality in connection with such removal, repair or securing of the building or any proceedings related thereto; and

60.3.5.2. 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

60.3.5.3. 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

60.3.5.4. 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.

60.3.6. 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 or some other reasonable disposition of the damaged property has been negotiated.

§ 60.4. Implementation of provisions; establishment of fees.

The TOWNSHIP Manager may adopt procedures and regulations to implement Act 98 of 1992 and this Chapter and the Board of Commissioners may establish reasonable fees to be charged for municipal activities or services provided pursuant to Act 98 of 1992 and this Chapter; including, but not limited to, issuance of certificates and bills, performance of inspections and opening separate fund accounts.

§ 60.5. Violations and penalties.

Any owner of property, any named insured or any INSURING AGENT who violates this Chapter shall be subject to the penalties as prescribed in Chapter 5 of the TOWNSHIP Code.