

## **Chapter 54, FIRE INSURANCE CLAIMS**

[HISTORY: Adopted by the Board of Supervisors of the Township of Ligonier 9-30-1997 by Ord. No. 97-7. Amendments noted where applicable.]

### § 54-1. Procedure for transfer of proceeds.

When fire damage to a structure located within the corporate limits of the Township of Ligonier (hereinafter the township) shall occur, the procedure required by the Insurance Company Law of 1921, EN as amended, shall be applicable as follows:

A. When a loss resulting from fire damage agreed to between a named insured and a company, association or exchange equals or exceeds 60% of the aggregate limits of liability in all fire policies covering a building or other structure, the insurance company, association or exchange shall transfer from the insurance proceeds to the Treasurer of the Township of Ligonier in the aggregate \$2,000 for each \$15,000 and each fraction of that amount of a claim; or

B. If at the time of a proof of loss report, the named insured has submitted 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 insurance company, association or exchange shall transfer from the insurance proceeds the amount specified in the estimate. The transfer of proceeds shall be on a pro rata basis by all companies, associations or exchanges insuring the building or other structure.

### § 54-2. Return of money in excess of estimate.

If the named insured shall submit a contractor's signed estimate of the cost of removing, repairing or securing the building or other structure after the transfer of remaining funds to the named insured by the companies, associations or exchanges insuring the building or other structure as set forth in § 54-1A, the Treasurer shall thereafter return the amount of the fund held by the Treasurer 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.

### § 54-3. Proceeds to be placed in separate fund.

Upon receipt of process by the Treasurer of the Township of Ligonier, the Treasurer shall place the proceeds in a separate fund to be used solely as security against the total cost of removing, repairing or securing which may have been incurred by the township.

### § 54-4. Notification to name insured.

When transferring the funds as required in § 54-1A or B of this chapter, the insurance company, association or exchange shall provide to the Treasurer of the Township of Ligonier the name and address of the named insured; whereupon, the Treasurer, or the Treasurer's designee shall, by written notification to the named insured, certify that the proceeds have been received by the township and further notify the named insured that the procedures set forth in this chapter shall be followed.

§ 54-5. Funds to be returned; conditions.

The funds held by the Treasurer of the Township of Ligonier shall be returned to the named insured when repairs, removal or securing of the building or other structure have been completed and the required proof received by the Treasurer and if the Township of Ligonier has not incurred any cost for repairs, removal or securing.

§ 54-6. Costs to be paid from fund; excess.

If the township has incurred costs for repairs, removal or securing of the building or other structure, the cost shall be paid to the township from the fund held by the Treasurer of the Township of Ligonier, and if excess funds remain, the Treasurer shall transfer the remaining funds to the named insured.

§ 54-7. Construal of provisions.

A. Nothing in this chapter shall be construed to limit the ability of the Township of Ligonier to recover any deficiency owed to the township by the named insured or which is or may be a valid claim against the property of the named insured which is the subject of the fire loss.

B. Nothing in this chapter shall be construed to prohibit the Township of Ligonier 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.