

**ORDINANCE NO. 527  
EAST NORRITON TOWNSHIP  
MONTGOMERY COUNTY, PENNSYLVANIA**

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**AN ORDINANCE OF EAST NORRITON TOWNSHIP AMENDING THE  
CODE OF THE TOWNSHIP OF EAST NORRITON BY REVISING CHAPTER  
120, ARTICLE I: FIRE INSURANCE, IN ITS ENTIRETY.**

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**WHEREAS**, by Ordinance Number 329, adopted March 8, 1993, the East Norriton Township ("Township") Board of Supervisors adopted a fire insurance escrow ordinance in accordance with the original fire insurance escrow law that was adopted in 1992;

**WHEREAS**, Act 93 of 1994 amended the original fire insurance escrow law and the Township desires to revise its fire insurance escrow ordinance to comply with Act 93 of 1994, as amended;

**WHEREAS**, the Board has met the procedural requirements of the Second Class Township Code for the adoption of the proposed ordinance.

**NOW, THEREFORE, BE IT ENACTED AND ORDAINED** by the Board of Supervisors of East Norriton Township, East Norriton County, Pennsylvania, and it is hereby enacted and ordained by the authority of same as follows:

**SECTION I. AMENDMENT OF CODE**

A. The Code of East Norriton Township, Chapter 120, Article I: Fire Insurance, is hereby replaced in its entirety with the following.

**ARTICLE I: FIRE INSURANCE**

**§ 120-1 Designation of officer.**

The Manager of the Township of East Norriton or such official's designee is hereby appointed as the designated officer who is authorized to carry out all responsibilities and duties stated herein.

**§ 120-2 Municipal certificate required.**

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 East Norriton (hereinafter "the municipality") where the amount recoverable for the fire loss to the structure under all policies exceeds \$7,500 unless the insurance company, association or exchange is furnished with a certificate pursuant to this article and unless there is compliance with the procedure set forth in this article and Act 93 of 1994, 40 P.S. § 638, as may be amended.

**§ 120-3 Procedures for payment and transfer of proceeds.**

Where, pursuant to Act 93 of 1994, 40 P.S. § 638, as amended, the Municipal Treasurer issues a certificate indicating that there are no delinquent taxes, assessments, penalties or user charges

against the subject real property, the insuring agent shall pay the claim of the named insured; provided, however, that if the loss as agreed upon by the named insured and the insuring agent equals or exceeds 60% of the aggregate limits of liability on all fire policies covering the building or other structure, the following procedures must be followed:

A. The insuring agent shall transfer from the insurance proceeds to the designated officer of the municipality in the aggregate of \$2,000 for each \$15,000 of a claim and for each fraction of that amount of a claim, this subsection to be applied such that if the claim is \$15,000 or less, the amount transferred to the municipality shall be \$2,000; or

B. If at the time of a loss report, the named insured has submitted 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 insuring agent shall transfer from the insurance proceeds the amount specified in the estimate.

C. The transfer of proceeds shall be on pro rata 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 municipality in excess of the estimate to the named insured if the municipality has not commenced to remove, repair or secure the building or other structure.

E. Upon receipt of proceeds under this section, the municipality shall do the following:

(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 municipality. 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.

(2) It is the obligation of the insuring agent, when transferring the proceeds, to provide the municipality 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 municipality and notify the named insured that the procedures under this subsection shall be followed.

(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 municipality and the required proof of such completion received by the designated officer, and if the municipality has not incurred any costs for repairs, removal or securing, the fund shall be returned to the named insured. If the municipality 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 municipality shall transfer the remaining funds to the named insured.

(4) To the extent that interest is earned on proceeds held by the municipality pursuant to this section and not returned to the named insured, such interest shall belong to the municipality. 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 municipality to recover any deficiency. Furthermore, nothing in this section shall be construed to prohibit the municipality 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.

**§ 120-4 Adoption of additional procedures.**

The Board of Supervisors may by resolution adopt procedures and regulations to implement Act 93 of 1994 and this article and may by resolution fix reasonable fees to be charged for municipal activities or services provided pursuant to Act 93 of 1994 and this article, including but not limited to issuance of certificates and bills, performance of inspections and opening separate fund accounts.

**§ 120-5 Violations and penalties.**

Any owner of property, any named insured or any insuring agent who violates this article shall be subject to a penalty of up to \$1,000 per violation.

**SECTION II. REPEALER**

All ordinances or parts of ordinances which are inconsistent herewith are hereby repealed, it being understood and intended that all ordinances and the Code of the Township of East Norriton Pennsylvania, such as are not otherwise specifically in conflict or inconsistent with this ordinance, shall remain in full force and effect, the same being reaffirmed hereby.

**SECTION III. SEVERABILITY**

If any sentence, clause, section, term, phrase or part of this ordinance is for any reason found to be unconstitutional, illegal or invalid, such unconstitutionality, illegality or invalidity shall not affect or impair any of the remaining provisions, sentences, clauses, sections, terms, provisions, or parts of this ordinance. It is hereby declared the intent of the Board of Supervisors of the Township of East Norriton that this ordinance would have been adopted had such an unconstitutional, illegal, or invalid sentence, clause, section, or part thereof not been included herein.

**SECTION IV. EFFECTIVE DATE**

This Ordinance shall be effective five (5) days after enactment.

**SECTION V. FAILURE TO ENFORCE**

The failure of East Norriton Township to enforce any provision of this ordinance shall not constitute a waiver by East Norriton Township of its rights of future enforcement hereunder.

**ORDAINED AND ENACTED** by the Board of Supervisors of the Township of East Norriton, this 22<sup>nd</sup> day of June, A.D., 2010.

**ATTEST:**

**EAST NORRITON TOWNSHIP  
BOARD OF SUPERVISORS**

By:

