

**Chapter 56**

**INSURANCE**

**ARTICLE I**

**Fire Insurance Claims**

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**[HISTORY: Adopted by the Mayor and Common Council of the City of Gloucester City as indicated in article histories. Amendments noted where applicable.]**

**ARTICLE I**

**Fire Insurance Claims**

**[Adopted 6-1-2000 by Ord. No. 10-2000<sup>1</sup>]**

- § 56-1. **Fire insurance payment regulation permitted conditionally.**

Every insurance company issuing fire insurance policies in the City of Gloucester City is prohibited from paying a claimant any claim in excess of \$2,500 for fire damages on any real

<sup>1</sup> Editor's Note: This ordinance also repealed former Art. I, Fire Insurance Claims, adopted 7-2-1981 by Ord. No. 2-1981.

property located within the City of Gloucester City pursuant to any fire insurance policy issued or renewed after this ordinance has been filed with the State Commissioner of Insurance, until such time as actual or anticipated demolition costs and taxes and assessments and all other municipal liens or charges due and payable appearing on the final certificate of search shall have been paid by the owner of such real property, or by the insurance company, or pursuant to a resolution of the Mayor and Common Council adopted in accordance with § 56-4 of this Code.

**§ 56-2. Certificate of search for municipal liens required.**

In order to receive payment of claims in excess of \$2,500, the insured person must submit an official certificate of search for municipal liens pursuant to N.J.S.A. 54:5-12, certifying that all taxes, assessments or other municipal liens or charges levied, assessed, due and payable against the property have been paid.

**§ 56-3. Further procedures for fire-damaged property not demolished at time of municipal lien search.**

If the fire-damaged property has not already been demolished at the time of search for municipal liens pursuant to § 56-2, the insurer must first inquire and be notified by the municipality within 60 days whether any improvements on the property require demolition and the anticipated costs thereof, established in accordance with the public bidding laws of New Jersey. If any improvements require demolition, the insurer must then submit evidence that the anticipated costs of demolition have been deposited into an interest-bearing escrow account in a state or federally chartered bank, savings bank or savings and loan association in this state, which funds shall be forwarded to the City of Gloucester City upon certification of demolition showing actual cost. If no improvements require demolition, the insured must submit a notarized statement on a form prescribed and certified by the City of Gloucester City that demolition is not required or preferred and that the claim for

fire damages is to be used to restore or improve the fire-damaged property.

**§ 56-4. Resolution of agreement by Mayor and Common Council.**

The Mayor and Common Council, pursuant to N.J.S.A. 17:36-11, may enter into an agreement with the owner of the fire-damaged property to pay in full all delinquent taxes, assessments, or other municipal liens by installments pursuant to N.J.S.A. 54:5-19 or the redemption of the tax sale lien by installment payments pursuant to N.J.S.A. 54:5-65 et seq. if the Mayor and Common Council are satisfied that the claim for fire damages is to be used to restore or improve the fire-damaged property. An insurer receiving a certified copy of such resolution of agreement from the Mayor and Common Council of Gloucester City is authorized to make full payment on the claim to the insured.

**§ 56-5. Appeal on amount of lien or charge; escrow account.**

If an appeal is or has been taken on the amount of any lien or charge, other than an appeal on the assessed evaluation of real property pursuant to N.J.S.A. 54:3-21, the insurance company shall follow the procedure set forth in N.J.S.A. 17:36-10 setting forth the escrow to be held by the court pending disposition of said appeal.