

A RESOLUTION AUTHORIZING THE VILLAGE TO ESCROW FIRE LOSS CLAIMS, AND DECLARING AN EMERGENCY

WHEREAS, R.C. 3929.86 establishes procedures for the deposit of certain insurance funds with a municipal corporation for fire losses that equal or exceed sixty (60%) percent of the aggregate limits of liability on all fire policies covering buildings or structures located in the Village of Richfield; and

WHEREAS, the provisions of R.C. 3929.86 are designed to deter the commission of arson and related crimes, abandonment of property, prevent urban blight and deterioration and to further assist municipal corporations in removing, repairing, or securing buildings or structures due to fire damage; and

WHEREAS, the Council of the Village of Richfield believes it is in the best interest of the Village to authorize the use of the procedures set forth in R.C. 3929.86 as such sections presently exist, or are hereafter amended;

NOW, THEREFORE, BE IT RESOLVED by the Council of the Village of Richfield, Summit County, State of Ohio that:

Section 1. The Council of the Village of Richfield hereby authorizes the use of the provisions and procedures set forth in R.C 3929.86, which provides:

- (A) No insurance company doing business in this state shall pay a claim of a named insured for fire damage to a structure located within a municipal corporation or township in this state where the amount recoverable for the fire loss to the structure under all policies exceeds five thousand dollars, unless the company is furnished with a certificate pursuant to division (B) of this section, and unless there is compliance with the procedures set forth in divisions (C) and (D) of this section.
- (B) (1) The county treasurer, upon the written request of the named insured specifying the tax description of the property and the date agreed upon by the insurance company and the named insured as the date of the receipt of a proof of loss of the claim, shall furnish the named insured, to be supplied by the named insured to the company, either:
 - (a) A certificate to the effect that, as of the date specified in the request, there are no delinquent taxes, assessments, penalties, or charges against the property and that, as of the date of the treasurer's certificate, no municipal corporation or township has certified to the auditor any amount as total costs incurred by the municipal corporation or township for removal, repair, or securing of buildings or structures on the property pursuant to section 715.261 or 505.86 of the Revised Code;

(b) A certificate and bill showing the amount of delinquent taxes, assessments, penalties, and charges against the property as of the date specified in the request that have not been paid as of the date of the certificate and also showing, as of the date of the treasurer's certificate, the amount of the total costs, if any, incurred by a municipal corporation or township for removal, repair, or securing of buildings or structures on the property that have been certified to the county auditor under section 715.261 or 505.86 of the Revised Code. The county auditor shall, for the purposes of division (B) of this section, certify to the treasurer the total amount, if any, of such costs certified to the auditor by the municipal corporation or township.

(2)(a) Upon the receipt of a certificate pursuant to division (B)(1)(a) of this section, the insurance company shall pay the claim of the named insured in accordance with the policy terms, unless the loss agreed to between the named insured or insureds and the company or companies equals or exceeds sixty per cent of the aggregate limits of liability on all fire policies covering the building or structure. In the case of such a loss, the insurance company, the insured property owner, and the municipal corporation or township shall follow the procedures set forth in divisions (C) and (D) of this section.

(b) Upon the receipt of a certificate and bill pursuant to division (B)(1)(b) of this section, the insurance company shall return the bill to the treasurer and transfer to the county treasurer an amount from the insurance proceeds necessary to pay such taxes, assessments, penalties, charges, and costs as shown on the bill. Notwithstanding section 323.15 of the Revised Code, the treasurer shall receive such amount and apply or credit it to payment of the items shown in the bill.

- (C) When the loss agreed to between the named insured or insureds and the company or companies equals or exceeds sixty per cent of the aggregate limits of liability on all fire policies covering the building or structure, the insurance company or companies, in accordance with division (F) of section 715.26 or division (G) of section 505.86 of the Revised Code, shall transfer from the insurance proceeds to the designated officer of the municipal corporation or township in the aggregate two thousand dollars for each fifteen thousand dollars, and each fraction of that amount, of a claim, or, if, at the time of a proof of loss agreed to between the named insured or insureds and the insurance company or companies, the named insured or insureds have submitted a contractor's signed estimate of the costs of removing, repairing, or securing the building or other structure, shall transfer from the insurance proceeds the amount specified in the estimate.
- (D) Upon receipt of proceeds by the municipal corporation or township as authorized by this section, the designated officer shall place the proceeds in a separate fund to be used solely as security against the total cost of

removing, repairing, or securing incurred by the municipal corporation or township pursuant to section 715.261 or 505.86 of the Revised Code.

When transferring the funds as required in division (C) of this section, an insurance company shall provide the municipal corporation or township with the name and address of the named insured or insureds, whereupon the municipal corporation or township shall contact the named insured or insureds, certify that the proceeds have been received by the municipal corporation or township and notify them that the following procedures will be followed:

The fund shall be returned to the named insured or insureds when repairs, removal, or securing of the building or other structure have been completed and the required proof has been received by the designated officer, if the municipal corporation or township has not incurred any costs for the repairs, removal, or securing. However, the fund shall be returned to the named insured or insureds no later than sixty days after the designated officer receives the required proof. If the municipal corporation or township has incurred any 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 municipal corporation or township shall transfer, no later than sixty days after all such costs have been paid, the remaining funds to the named insured or insureds. Nothing in this section shall be construed to limit the ability of a municipal corporation or township to recover any deficiency under section 715.251 or 505.86 of the Revised Code.

Section 2. The Council of the Village of Richfield hereby authorizes, empowers, appoints and designates the Village Finance Director as the individual responsible to carry out the duties of this Resolution and the provisions set forth in RC 3929.86.

Section 3. The Council of the Village of Richfield hereby authorizes, empowers and appoints the Finance Director, for and on behalf of the Village, to file for public record a certified copy of this Resolution with the Superintendent of the Ohio Department of Insurance and to execute such documents and take such actions as may be necessary in connection with the establishment of fire loss procedures pursuant to ORC §3929.86.

Section 4. Nothing in this Resolution shall be construed to prohibit Village of Richfield and the named insured or insureds from entering into an agreement that permits the transfer of funds to the named insured or insureds if some other reasonable disposition of the damaged property has been negotiated.

Section 5. This Resolution and the procedures set forth in ORC §3929.86 shall apply only to fire losses that occur after the filing of the certified copy of this Resolution with the Superintendent of the Ohio Department of Insurance.

Section 6. It is found and determined that all formal actions of this Council concerning and relating to the adoption of this Resolution were adopted in an open meeting of this Council, and that all deliberations of this Council and of any of its committees that resulted in such formal action, were in meetings open to the public, in compliance with all legal requirements including Section 121.22 of the Ohio Revised Code.

Section 7. This Resolution is hereby declared to be an emergency measure necessary for the immediate preservation of the public health, safety and welfare; wherefore, provided this Resolution receives the affirmative vote of two-thirds of the members of Council elected or appointed, it shall take effect immediately upon its passage and execution by the Mayor; otherwise, it shall take effect and be in force from and after the earliest period allowed by law.

PASSED: 12-16-25



President of Council


Mayor

Dated: 12/16/2025

ATTEST:



Clerk of Council