



300 SW 8th Avenue - STE 100
Topeka, Kansas 66603-3951
Phone: (785) 354-9565
Fax: (785) 354-4186

Fax Memo

Date: June 12, 2008

To: Insurance Commissioner
420 SW 9th
Topeka, KS 66612

Fax No: 785-296-2283

From: Larry R. Baer
Assistant General Counsel

Re: City of Chapman, Kansas
Insurance Proceeds Lien

On behalf of the City of Chapman, I am forwarding a copy of Ordinance No. 690 which reflects recent changes taken by the city to its insurance proceeds fund and the resultant insurance proceeds lien.

Thank you.

This transmission consists of 2 page(s) plus one cover page.

ORDINANCE NO. 690

**AN ORDINANCE AMENDING THE CODE OF THE CITY OF CHAPMAN, KANSAS;
REGARDING THE INSURANCE PROCEEDS FUND; AND, PROVIDING FOR THE REPEAL OF
SECTIONS 7-401 AND 7-402 OF THE CODE OF THE CITY OF CHAPMAN, KANSAS.**

Be It Ordained by the Governing Body of the City of Chapman, Kansas:

Section 1. That Section 7-401 of the Code of the City of Chapman is hereby amended to read as follows:

7-401. **SCOPE AND APPLICATION.** The city is hereby authorized to utilize the procedures established by K.S.A. 40-3901 et seq., whereby no insurance company shall pay a claim of a named insured for loss or damage to any building or other structure located within the city, arising out of any fire, explosion, or windstorm, where the amount recoverable for the loss or damage to the building or other structure under all policies is in excess of 75 percent of the face value of the policy covering such building or other insured structure, unless there is compliance with the procedures set out in this ordinance.

Section 2. That Section 7-402 of the code of the City of Chapman is hereby amended to read as follows:

7-402. **LIEN CREATED.** The governing body of the city hereby creates a lien in favor of the city on the proceeds of any insurance policy based upon a covered claim payment made for damage or loss to a building or other structure located within the city, caused by or arising out of any fire, explosion, or windstorm, where the amount recoverable for all the loss or damage to the building or other structure under all policies is in excess of 75 percent of the face value of the policy(s) covering such building or other insured structure. The lien arises upon any unpaid tax, special ad valorem levy, or any other charge imposed upon real property by or on behalf of the city which is an encumbrance on real property, whether or not evidenced by written instrument, or such tax, levy, assessment, expense or other charge that has remained undischarged for at least one year prior to the filing of a proof of loss.

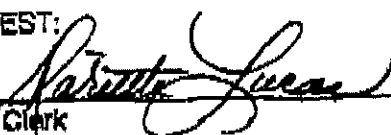
Section 3. **REPEALER.** Sections 7-401 and 7-402 of the Code of the City of Chapman are hereby repealed.

Section 4. **PUBLICATION; EFFECTIVE DATE:** This ordinance shall be published one time in the official city newspaper and shall take effect and be in force from and after said publication.

Passed by the city council on this 12th day of June, 2008. Signed by the mayor on the 12th day of June, 2008.



Robert Gaetz, Mayor

ATTEST:


City Clerk

[SEAL]

CERTIFICATE

**STATE OF KANSAS
COUNTY OF DICKINSON
CITY OF CHAPMAN**

I, Marietta Lucas, City Clerk of the City of Chapman, Kansas, hereby certify that the above and foregoing is a true and correct copy of Ordinance No. 890, as the same appears in my office.

In testimony whereof, I have hereunto set my hand and the official seal of the City of Chapman, Kansas on this 12th day of June, 2008.



Marietta Lucas, City Clerk

[SEAL]