

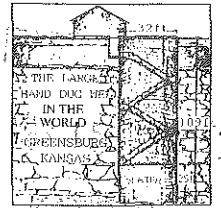
Greensburg, Kansas 67054

CITY OFFICE: 239 SOUTH MAIN

E-MAIL greensb0@ink.org

PHONE (316) 723-2751

FAX (316) 723-2644



March 10, 2002

Kansas Insurance Department

ATTN: Roberta Stuke

420 SW 9th

Topeka, KS 66612

Dear Ms. Stuke:

Enclosed are certified copies of Ordinance No. 895 and Ordinance No. 896 for the City of Greensburg, Kansas. Please make the appropriate distribution to insurance companies within Kansas.

Thank you for your assistance.

Sincerely,

**Paul H. Poczobut Jr.,
City Administrator/Clerk
Greensburg, KS 67054**

*OK
3/10/02*

ORDINANCE NO. 895

AN ORDINANCE PROVIDING FOR LIENS FOR UNPAID TAXES AND OTHER ASSESSMENTS UPON INSURANCE PROCEEDS PAID FOR LOSSES TO BUILDINGS OR STRUCTURES DAMAGED BY FIRE, EXPLOSION, OR WINDSTORM AND PROVIDING FOR THE LIABILITY OF INSURERS FOR FAILURE TO PAY SUCH LIENS.

BE IT ORDAINED by the Governing Body of the City of Greensburg, Kiowa County, Kansas that:


SECTION 1. LIEN CREATED UPON INSURANCE PROCEEDS. A lien is hereby created in favor of the City in the proceeds of any insurance policy based upon a covered claim payment made for damage or loss to a building or other structure caused by or arising out of a fire, explosion, or windstorm. The lien shall arise upon any unpaid tax, special ad valorem levy, special assessment, or 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 a least one year prior to the filing of a proof of loss.

SECTION 2. INSURER'S DUTY. Prior to final settlement on any claim covered by Section 1, the insurer shall contact the county treasurer of Kiowa County, Kansas to determine whether any of the encumbrances specified in Section 1 exist. If such encumbrances exist, the insurer shall execute, in an amount equal to that owing under the encumbrances, a draft payable to the county treasurer of Kiowa County, Kansas and shall transmit the same to such treasurer. If more than one insurer insures the covered building or structure, such proceeds shall be paid on a pro rata basis by such insurers.

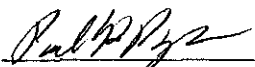
SECTION 3. LIABILITY OF INSURER. If an insurer shall fail to comply with the provisions of this article, said insurer shall be liable to the City for the amount required to have been paid.

SECTION 4. EFFECTIVE DATE. This Ordinance shall take effect and be in force from and after its publication in the official City newspaper.


PASSED AND ADOPTED by the City Council and approved by the Mayor this 25th day of February, 2002.


Betty Hamilton, Mayor

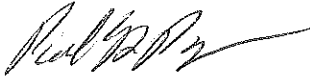
ATTEST:


Paul H. Poczobut, Jr., City Clerk

CERTIFIED TO BE A TRUE COPY.


PAUL H. POZOBUT JR., CITY CLERK
GREENSBURG, KS

CERTIFIED TO BE A TRUE COPY.



PAUL H. PO CZOBUT JR., CITY CLERK
GREENSBURG KS

ORDINANCE NO. 896

AN ORDINANCE PROVIDING FOR PAYMENT TO THE CITY OF GREENSBURG OF INSURANCE PROCEEDS ON LOSSES TO BUILDINGS AND OTHER STRUCTURES FOR THE PURPOSE OF INSURING THE REPAIR OR REMOVAL OF UNSAFE AND DANGEROUS STRUCTURES.

BE IT ORDAINED by the Governing Body of the City of Greensburg, Kiowa County, Kansas that:

SECTION 1. PROHIBITION. No insurer shall pay a claim for damage or loss to any building or other structure located within the City caused by or arising out of any fire, explosion, or windstorm, where the amount recoverable for the damage or loss to the building or other structure under the policies is in excess of 75% of the face value of the policy covering such building or other structure, unless in compliance with this article.

SECTION 2. PAYMENT TO CITY BY INSURER. (a) When there is an amount recoverable by an insured from any insurer for the damage or loss to a building or other structure located within the City caused by or arising out of a fire, explosion, or windstorm, and when the amount recoverable under the policies is in excess of 75% of the face value of the policy covering such building or other structure, and prior to the insurer's payment to the insured, the insurer first shall pay all amounts due the holder of a first real estate mortgage against the building or other structure pursuant to the terms of the policy and endorsements thereto.


(b) The insurer shall immediately thereafter execute and deliver a draft made payable to the city treasurer in an amount equal to 15% of the total covered claim payment.

(c) The insurer need not execute and deliver such draft if the chief building inspector of the City has issued a certification to the insurer that the insured has removed the damaged building or other structure as well as all associated debris or has repaired, rebuilt, or otherwise made the premises safe and secure. If the insurer has obtained such a certification from the chief building inspector of the City, the insurer may make payment to the insured without the deduction required by this section.

(d) If more than one insurer insures the covered building or structure, such proceeds shall be paid on a pro rata basis by such insurers.

(e) Policy proceeds remaining after the transfer to the City shall be disbursed in accordance with the policy terms.

(f) Upon the transfer of the funds as required by subsection (a) and (b) of this section, the insurer shall provide the City in writing with the name and address of the insured, the total amount of the final settlement agreed to or arrived at between the insurer and the insured, and the name and address of the party entitled to receive the transferred funds if released by the City. The chief building inspector shall promptly contact the named insured by registered mail, notifying the insured that such proceeds have been received by the City and providing the insured with a copy of this ordinance.


PAUL H. PO CZOBUT JR., CITY CLERK
GREENSBURG, KS

SECTION 3. FUND CREATED; DEPOSIT OF MONEYS. The city treasurer is authorized and directed to create a fund known as the "Fire Insurance Proceeds Fund." All money received by the city treasurer as provided by this article shall be credited to such fund and deposited in an interest-bearing account.

SECTION 4. INVESTIGATION BY BUILDING INSPECTOR; REMOVAL OF STRUCTURE. (a) Upon receipt of any moneys as provided by this article, the city treasurer shall immediately notify the chief building inspector of said receipt and shall transmit all documentation received from the insurer to the chief building inspector.

(b) Within 20 days of the receipt of such moneys, the chief building inspector shall determine after investigation whether the City should initiate proceedings under K.S.A. 12-1750, *et seq.*, as amended.

(c) Prior to the expiration of the 20 days established by subsection (b) of this section, the chief building inspector shall notify the city treasurer whether he or she intends to initiate proceedings under K.S.A. 12-1750, *et seq.*, as amended.

(d) If the chief building inspector has determined that proceedings under K.S.A. 12-1750, *et seq.*, as amended, should be initiated, he or she shall do so immediately but no later than 30 days after receipt of the moneys by the city treasurer.


(e) Upon notification to the city treasurer by the chief building inspector that no proceedings will be initiated under K.S.A. 12-1750, *et seq.*, as amended, the city treasurer shall return all such moneys received, plus accrued interest, to the party designated by the insured in the communication required by subsection (f) of Section 2. Such return shall be accomplished within 30 days of the receipt of the moneys from the insurer.

SECTION 5. REMOVAL OF STRUCTURE; EXCESS MONEYS. If the chief building inspector has initiated proceedings under K.S.A. 12-1750, *et seq.*, as amended, all moneys in excess of that necessary to comply with K.S.A. 12-1750, *et seq.*, for the removal of the building or other structure, less salvage value, if any, shall be paid to the party designated by the insured in the communication required by subsection (f) of Section 2.

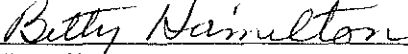
SECTION 6. DISPOSITION OF FUNDS IN CASE OF IMMEDIATE HAZARD. If the chief building inspector determines that it is necessary to act under K.S.A. 12-1756, as amended, with regard to a building or other structure damaged by fire, explosion, or windstorm, any proceeds received by the city treasurer under the authority this article relating to that building or other structure shall be used to reimburse the City for any expenses incurred by it in proceeding under K.S.A. 12-1756. Upon reimbursement of the City from such proceeds, the chief building inspector shall immediately effect the release of the lien, if any, resulting from proceedings under K.S.A. 12-1756, as amended. Should the expenses incurred by the City exceed such proceeds, the chief building inspector shall cause the excess expenses to be assessed against the property to be paid in the manner provided by K.S.A. 12-1756, as amended.

SECTION 7. This Ordinance shall take effect and be in force from and after its publication in the official City newspaper.


CERTIFIED TO BE A TRUE COPY


PAUL H. PO CZOBUT JR., CITY CLERK
GREENSBURG KS

PASSED AND ADOPTED by the City Council and approved by the Mayor this 25th day of
February, 2002.


Betty Hamilton
Mayor

ATTEST:


Paul H. Poczobut, Jr.
City Clerk