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CITY OF LENORA
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P.O. Box 331
Lenora, Kansas 67645
Phone 567-4860

October 16, 2008

Kansas Insurance Department
420 SW 9th Street
Topeka, Kansas 66612-1678

To Whom It May Concern:

Enclosed please find a copy of an ordinance relating to an insurance lien in case of fire, wind, explosion passed earlier this year in the City of Lenora. With a recent fire, I had occasion to re-read the ordinance and realized that I had not forwarded a copy to your office as per ordinance requirement.

I hope the lateness will not present a problem. If you have any questions, please feel free to contact me at 7850567-4860.

Sincerely,


Gayle James
Lenora City Clerk

age, being duly sworn upon oath, states that he/she is the designated representative of the Norton Telegram.

THAT said newspaper has been published at least one hundred (100) times a year and has been so published for at least one year prior to the first publication of the attached notice:

THAT said paper was entered as second class mail matter at the post office of its publication:

THAT said paper has a general paid circulation in NORTON County, Kansas, and is NOT a trade, religious or fraternal publication and has been published in NORTON County, Kansas.

THE ATTACHED was published on the following dates in a regular issue of the said newspaper:

- 1st publication was made on the 29 day of January, 2008
- 2nd publication was made on the ___ day of _____, 2008
- 3rd publication was made on the ___ day of _____, 2008
- 4th publication was made on the ___ day of _____, 2008
- 5th publication was made on the ___ day of _____, 2008

30 " Publication fee \$ 157.80
 Affidavit, Notary's fees \$ _____
 Additional copies \$ _____

TOTAL publication fees \$ 157.80

(Sign) Sherry Helmsman

Witness my hand this 17th day of April, 2008

SUBSCRIBED and Sworn to before me this 17th day of April, 2008. State of Kansas, County of Norton.

Debra D. Hillebrand, Deputy



BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF LENORA, KANSAS:

Section One. That Article 4 of Chapter VII of the Code of the City of Lenora, Kansas, 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.

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.

7-403. SAME; ENCUMBRANCES. Prior to final settlement on any claim covered by Section 2, the insurer or insurers shall contact the County Treasurer, Norton County, Kansas to determine whether any such encumbrances are presently in existence. If the same are found to exist, the insurer or insurers shall execute and transmit in an amount equal to that owing under the encumbrances a draft payable to the County Treasurer, Norton County, Kansas.

7-404. SAME; PRO RATA BASIS. Such transfer of proceeds shall be on a pro rata basis by all insurance companies insuring the building or other structure.

7-405. PROCEDURE. (a) When final settlement on a covered claim has been agreed to or arrived at between the named insured or insureds and the company or companies and the final settlement exceeds 75 percent of the face value of the policy covering any building or other insured structure, and when 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, shall have been paid, the insurance company or companies shall execute a draft payable to the City Treasurer, in an amount equal to the sum of 15 percent of the covered claim payment, unless the chief building inspector of the City has issued a certificate to the insurance company or companies that the insured has removed the damaged building or other structure, as well as all associated debris, or repaired, rebuilt, or otherwise made the premises safe and secure.

(b) Such transfer of funds shall be on a pro rata basis by all companies insuring the building or other structure. Policy proceeds remaining after the transfer to the City shall be disbursed in accordance with the policy terms.

(c) Upon the transfer of the funds as required by subsection (a) of this Article, the insurance company shall provide the City with the name and address of the named insured or insureds; the total insurance coverage applicable to said building or other structure; and the amount of the final settlement agreed to or arrived at between the insurance company or companies and the insured or insureds; whereupon the chief building inspector shall contact the named insured or insureds by certified mail

7-407. BUILDING INSPECTOR; INVESTIGATION, REMOVAL OF STRUCTURE.

(a) Upon receipt of moneys as provided for by this Article, the City Treasurer shall immediately notify the chief building inspector of said receipt, and transmit all documentation received from the insurance company or companies to the chief building inspector.

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

(c) Prior to the expiration of the 20 days established by subsection (b) of this Article, 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 shall be initiated, he or she will 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 shall 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 insured or insureds as identified in the communication from the insurance company or companies. Such return shall be accomplished within 30 days of the receipt of the moneys from the insurance company or companies.

7-408. REMOVAL OF STRUCTURE; EXCESS MONEYS. If the chief building inspector has proceeded under the provisions of K.S.A. 12-1750 et seq., as amended, all moneys in excess of that which is ultimately necessary to comply with the provisions for the removal of the building or structure, less salvage value, if any, shall be paid to the insured.

7-409. SAME; DISPOSITION OF FUNDS. If the chief building inspector, with regard to a building or other structure damaged by fire, explosion, or windstorm, determines that it is necessary to act under K.S.A. 12-1756, any proceeds received by the City Treasurer under the authority of Section 5(a) relating to that building or other structure shall be used to reimburse the City for any expenses incurred by the City in proceeding under K.S.A. 12-1756. Upon reimbursement from the insurance proceeds, the chief building inspector shall immediately effect the release of the lien resulting therefrom. Should the expenses incurred by the City exceed the insurance proceeds paid over to the City Treasurer under Section 5(a), the chief building inspector shall publish a new lien as authorized by K.S.A. 12-1756, in an amount equal to such excess expenses incurred.

7-410. EFFECT UPON INSURANCE POLICIES. This Article shall not make the City a party to any insurance contract; nor is the insurer liable to any party for any amount in excess of the proceeds otherwise payable under its insurance policy.

7-411. INSURERS; LIABILITY. Insurers complying with the Article or attempting in good faith to comply with this Article shall be immune from civil and criminal liability; and such action shall not be deemed in violation of K.S.A. 40-2404 and any amendments thereto, including withholding payment of any insurance proceeds pursuant to this Article, or releasing or disclosing any information pursuant to this Article.

Section Two. Ordinance #263 is hereby repealed.

Section Three. An attested copy of this Ordinance shall be forwarded to the Kansas Insurance Commissioner within 14 days after its adoption.

Section Four. This Ordinance shall be published in the official City newspaper and shall take effect upon its publication.

PASSED AND APPROVED by the governing body of the City of Lenora, Kansas, this 21st day of January, 2008.
Raymond Helkes, Mayor
Gayle James, Clerk
Lenora City Clerk