

ORDINANCE NO. 1764

AN ORDINANCE CONCERNING THE INSURANCE PROCEEDS FUND; AMENDING SECTION 11-120 OF THE CODE OF ORDINANCES OF THE CITY OF MERRIAM, KANSAS; AND REPEALING THE SECTION HEREBY AMENDED.

NOW THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF MERRIAM, KANSAS THAT:

SECTION 1. Section 11-120 of the Code of Ordinances of the City of Merriam, Kansas, is hereby amended to read as follows:

Sec. 11-120. - 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, the insurance company or companies shall execute a draft payable to the city treasurer in an amount equal to 15 percent of the covered claim payment.

(b) 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 and then shall withhold from the covered claim payment a sum not to exceed the amount authorized pursuant to subsection (a) of this section and shall pay such moneys to the city to deposit into an interest-bearing account, unless the city has issued a certificate pursuant to K.S.A. 40-3906_, amendments thereto.

(c) The city shall release the insured's proceeds and any interest which has accrued on such proceeds received under subsection (b) of this section within 45 days after receipt of such moneys, unless the city has instituted legal proceedings under the provisions of article IV of this chapter. If the city has proceeded under the provisions of article IV of this chapter, all moneys in excess of that necessary to comply with the provisions of article IV of this chapter, for the removal of the building or structure, less salvage value, shall be paid to the insured.

SECTION 2. Existing Sections. Those sections of Chapters 11 of the Code of Ordinances of the City of Merriam, Kansas not heretofore repealed shall remain in full force and effect.

SECTION 3. Severability. If any section, subsection, sentence, clause, or phrase of this Ordinance is, for any reason, held to be invalid, such invalidity shall not affect the validity of the remaining portions of this Ordinance and the Governing Body hereby declares that it would have passed the remaining portions of this Ordinance if it would have known that such part or parts thereof would be declared invalid.

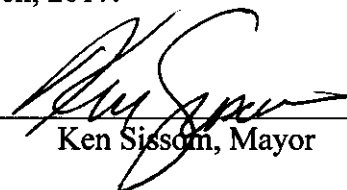
SECTION 4. Repeal. Section 11-120 of the Code of Ordinances of the City of Merriam, Kansas as it existed prior to the above amendment are hereby repealed.

SECTION 5. Take Effect. This ordinance shall be in full force and effect from and after its passage, approval, and publication in the official city newspaper, all as provided by law.


PASSED BY the City Council the 27th day of March, 2017.



APPROVED BY the Mayor the 27th day of March, 2017.



Ken Sisson, Mayor



Juliana Pinnick, City Clerk

APPROVED AS TO FORM:



Nicole Proulx Aiken, City Attorney