



Roll Call Number

Agenda Item Number

BDH-2

Date May 9, 2011

Communication from Neighborhood Inspection Division regarding demolition cost reserve escrowed for 2428 SW 9th Street, Des Moines, Iowa.

(Communication and documentation attached)

Moved by _____ to receive and file and to direct that the City Attorney bring legal action within one hundred eighty days (180 days) of receipt of notice if owners have not demolished or renovated the structure.

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
COLEMAN				
GRIESS				
HENSLEY				
MAHAFFEY				
MEYER				
MOORE				
TOTAL				

CERTIFICATE

I, DIANE RAUH, City Clerk of said City hereby certify that at a meeting of the City Council of said City of Des Moines, held on the above date, among other proceedings the above was adopted.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year first above written.

MOTION CARRIED APPROVED

Mayor

City Clerk

State Farm®

Providing Insurance and Financial Services

Home Office, Bloomington, Illinois 61710

**BDH-2**

April 15, 2011

CITY OF DES MOINES
400 ROBERT D RAY DR
DES MOINES IA 50309State Farm Insurance Companies
PO Box 82539
Lincoln, NE 68501-2539
Fax 888 429 5076HUMAN
APR 19 2011
RESOURCESRE: Claim Number: 15-E139-575
Our Insured: Jerry Boots
C J Enterprises
Date of Loss: March 31, 2011

Dear Sir or Madam:

A fire occurred to the property owned by our insured at 2428 SW 9th Street, Des Moines, Iowa, on the above-referenced date of loss. We have received a proof of loss for a sum exceeding 75% of the value of the policy. Iowa law requires fire and casualty companies to hold a demolition cost reserve under such circumstances. In general, insurers must reserve \$10,000 or 10% of the payment, whichever is greater, to cover demolition costs under the circumstances if:

- a. The property, without repairs, is uninhabitable or unfit for its purpose.
- b. The property owner has submitted a proof of loss for a sum exceeding 75% of the face value of the policy.

Therefore, to be in compliance with Iowa Statute HB-499, Section 515.510, I am notifying you that a reserve for demolition cost has been withheld. It is my understanding that city shall release all interest in the demolition cost reserve within 180 days after receiving notice of the existence of the demolition cost reserve unless the city has instituted legal proceedings for the demolition of said building and has notified the insured in writing of the institution of such legal proceedings. Failure of the city to notify the insured of such legal proceedings shall terminate the city's claim to any proceeds from the reserve.

The reserve for demolition costs shall no longer be required if:

- a. The insurer has received notice from the insured and the city council that the insured has commenced repairs to the property or has commenced demolition of the property.
- b. The city has failed to notify the insurer as provided above.

CITY OF DES MOINES

15-E139-575

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The city is required to demolish the damaged property at city expense after instituting legal proceedings, emergency action, or obtain waivers for the demolition of the building or other insured structure, the city shall present to the insured the actual cost of the demolition of the property, including engineering, legal and other demolition of the project cost, and the insurer shall compensate the city for the actual cost of the demolition project up to the amount in the demolition cost reserve. Any amount left from the demolition cost reserve after the cost of demolition of the property is paid to the city, shall be to the insured if the insured is entitled to the remaining proceeds under the policy. The insurer is not liable for any amount in excess of the limits of the liability set out by the policy.

This letter is notice of our compliance with Iowa law. Please call if you have any questions.

Sincerely,



Jon Behrens
Claim Representative

515 223 9141

State Farm Fire and Casualty Company

06/485/540593.