



Roll Call Number

Agenda Item Number

105

Date December 21, 2015

RELEASE OF FIRE ESCROW FOR 7005 SW 15TH STREET

WHEREAS, on February 4, 2015, State Farm Insurance Companies sent the City of Des Moines notice of holding a demolition cost reserve for the purpose of reimbursing the City of Des Moines for costs incurred in the removal of a fire-damaged structure located at 7005 SW 15th Street in Des Moines and owned by their insured under claim number 15-36Z7-869; and

WHEREAS, the structure has been restored by the titleholder in compliance with all applicable codes; and

WHEREAS, by law, the City Council is required to give notice to the insurance company of the compliance of the structure with all applicable codes and to direct release of the demolition cost reserve.

NOW THEREFORE BE IT RESOLVED that the demolition cost reserve held by State Farm Insurance Companies under claim number 15-36Z7-869 for purposes of demolition of a fire-damaged structure located at 7005 SW 15th Street in Des Moines, be released.

BE IT FURTHER RESOLVED that the City Clerk shall give notice of this release of funds to Randy Majerus; Claims Specialist; PO Box 106169; Atlanta, GA 30348-6169 by faxing a copy of this resolution to 844-236-3646.

Moved by _____ to adopt.

FORM APPROVED:


Luke DeSmet, Assistant City Attorney

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
COLEMAN				
GATTO				
GRAY				
HENSLEY				
MAHAFFEY				
MOORE				
TOTAL				

MOTION CARRIED

APPROVED

Mayor

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.

City Clerk

February 4, 2015

DES MOINES CITY COUNCIL
400 ROBERT D. RAY DR
DES MOINES IA 50309

State Farm Insurance Companies
Fire Claims
PO Box 106169
Atlanta, GA 30348-6169
Fax 844 236 3646

RE: Claim Number: 15-3627-869
Insured: Sharol Griffin
Date of Loss: December 25, 2014

Dear Des Moines City Council:

7005 Southwest 15th Street, Des Moines, Iowa 50315 sustained fire damage 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 \$10,000.00 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 costs has been withheld.

It is my understanding that the 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.

A reserve for demolition cost 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 properties or has commenced demolition of the property.
- B. The City has failed to notify the insurer as provided above.

If the City is required to demolish the damaged property at City expense after instituting legal proceedings, emergency actions, or obtaining waivers for the demolition of the building or other

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insured structure, the City shall present to the insurer the actual costs of the demolition of the property, including engineering, legal and other demolition project costs, and the insurers shall compensate the City for the actual cost of the demolition project up to the amount in a 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,

Randy Majerus
Claim Specialist
844 458 4300 ext 2534395736
State Farm Fire and Casualty Company

01/334/1972708