# SENATE BILL No. 169

DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 27-2-15.

**Synopsis:** Fire insurance proceeds escrow account. Requires an insurer that issued an insurance policy covering a building or structure that is located in a third class city and is damaged by a fire or an explosion to remit a certain amount of insurance proceeds to the third class city or enforcement authority of the city if the enforcement authority of the city certifies the amount of demolition or rehabilitation the city anticipates incurring or has incurred in connection with the building or structure. (Current law applies only to first or second class cities.) Makes a technical correction.

**Effective:** July 1, 2013.

## Head

January 7, 2013, read first time and referred to Committee on Insurance.

C o p y

Introduced

First Regular Session 118th General Assembly (2013)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type.~~

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~*this style type*~~ reconciles conflicts between statutes enacted by the 2012 Regular Session of the General Assembly.

C o p y

# SENATE BILL No. 169

A BILL FOR AN ACT to amend the Indiana Code concerning insurance.

*Be it enacted by the General Assembly of the State of Indiana:*

SECTION 1. IC 27-2-15-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 2. As used in this chapter, "city" refers to a first, ~~class or~~ second, **or third** class city, as classified under IC 36-4-1-1.

SECTION 2. IC 27-2-15-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 5. (a) If:

(1) a fire or explosion damages a building or other structure located in a city; and

(2) the enforcement authority of the city certifies to an insurer that issued a policy covering the building or structure the amount of demolition or rehabilitation expenses that the city anticipates incurring or has incurred under IC 36-7-9 in connection with the building or structure;

the insurer shall remit to the city or the enforcement authority the amount determined under subsection (c).

(b) To require the remittance of money under this section, an enforcement authority must:

(1) provide the certification under subsection (a) within thirty (30) days after the fire or explosion that damages the building or structure; and

(2) comply with subsection (c).

However, it is not necessary for the enforcement authority to provide the certification within thirty (30) days after the fire or explosion if the insurer fails to provide notice to the enforcement authority under section 4.5 of this chapter within ten (10) days after the fire or explosion.

(c) The amount that must be remitted to the city or the enforcement ~~agency~~ **authority** under subsection (a) is the lesser of:

(1) fifteen percent (15%) of the available insurance proceeds, if any; or

(2) an amount equal to the amount certified.

(d) The amount remitted under this section shall be placed in an interest bearing escrow account to be administered by the enforcement authority and the city. The insured shall be notified by the enforcement authority of the actions taken under this section.

C o p y