

One Hundred Third Legislature - First Session - 2013

Introducer's Statement of Intent

LB614

Chairperson: Senator Mike Gloor

Committee: Banking, Commerce and Insurance

Date of Hearing: February 25, 2013

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

LB614 would create a procedure whereby a county, city, or village could guarantee that an owner of a building materially damaged by fire or other disaster repair the structure or remove debris to make the premises safe and secure.

If an owner of a building files an insurance claim for property damage LB614 would require the insurer to withhold ten percent or ten thousand dollars, whichever is greater, from the insurance proceeds if (a) the property is located within the limits and any zoning jurisdiction of a county, city or village, (b) the property is uninhabitable or unfit for use, and (c) proof of loss has been submitted by the policyholder to the insurer for a sum in excess of seventy-five percent of the face value of the policy. The bill would require a county, city, or village to release its claim to these proceeds within 180 days unless it institutes legal proceedings to demolish the property. If the county, city, or village institutes legal proceedings and demolishes the property at its own expense, it may be reimbursed for demolition costs from the withheld funds.

The bill provides that the insurer would be immune from liability for complying with the bill.

Principal Introducer: _____

Senator Paul Schumacher