## IN THE UNITED STATES BANKRUPTCY COURT FOR THE WESTERN DISTRICT OF MISSOURI



## 2012 GENERAL ORDER AMENDING LOCAL RULE 3091-1 RELATED TO DISBURSEMENT OF INSURANCE PROCEEDS

For good cause shown, and pending revision to this Court's local rules, it is hereby ORDERED that Local Rule 3091-1 is amended to read:

## Rule 3091-1. Disbursement of Insurance Proceeds is amended to read:

- **A. No Court Approval Needed.** If the Debtor suffers a casualty loss and that loss is covered by insurance, the debtor does not need the approval of the Bankruptcy Court for the insurer to pay <u>funds directly to</u> the loss payee <u>or trade vendor for the repair/replacement of the property</u> pursuant to the terms of the insurance contract.
- **B. Court Approval Needed.** If the Debtor suffers a casualty loss, the loss is covered by insurance and proceeds are paid to the debtor, debtor shall not pay such proceeds to the loss payee or trade vendor for the repair/replacement of the property or otherwise dispose of such proceeds without an order of the court.
- **B.** C. Plan Payments Continue to Loss Payee. If any creditor being paid through the trustee's office is the loss payee on the insurance policy and funds are distributed to that creditor from the insurer or the debtor, the trustee shall continue to disburse payments to that creditor pursuant to the terms of the confirmed plan or shall continue to make adequate protection payments unless:
  - i. The debtor files an objection to the proof of claim and the Bankruptcy Court enters an order directing the trustee to cease making payments to the creditor or the order reduces the allowed amount of the claim (any such objection should state with specificity the treatment of both the secured and unsecured portions of the claim)

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- ii. The creditor withdraws its claim or amends its claim.
- C. D. Excess Insurance Proceeds Received by Debtor. If the debtor receives any insurance proceeds in excess of \$2,500, after payment of the loss payee or in excess of funds paid to trade vendors for the repair/replacement of the property, the debtor shall not dispose of such excess proceeds without an order of the court.

This General Order is effective on January 13, 2012 and shall remain in effect until further order or notice of this court.

/s/ Arthur B. Federman
Arthur B. Federman, Chief Bankruptcy Judge

/s/ Jerry W. Venters
Jerry W. Venters, Bankruptcy Judge

/s/ Dennis R. Dow

Dennis R. Dow, Bankruptcy Judge

Kansas City, Missouri Dated: January 13, 2012