



Underground Utilities Coverage
INSURANCE PROPOSAL

Proposal for:
City of Bloomington
603 W. Division St.
Bloomington, IL 61701

This proposal shows the premiums for the general coverage described, but in no way changes or affects any terms, conditions or exclusions of policies as actually issued. Premiums shown are based on information furnished to the company. For terms and conditions please refer to your utilities Leak Adjustment Policy and the insurance policy documentation.

Proposal Date
9/17/2018

An Affinity Program of



and the



INTRODUCTION

Thank you for your interest in becoming a valuable client of ServLine. We exist to make your utility stronger and help you achieve your goals. One of our chief goals is to serve you and to earn the privilege of being one of your favorite service providers. The ServLine team is always looking to establish long-term meaningful relationships with the opportunity to serve your utility and your customers with integrity and excellence.

OVERVIEW

ServLine is a full-service customer leak solution. We pay for high water bills caused by customer leaks by insuring the Utility. Specifically, by insuring the Leak Adjustment Policy and then administrating it on your behalf.

UTILITY OUTCOMES OF THE PROPOSED SOLUTION

1. Strengthen Financial Position
2. Raise Level of Independence
3. Increase Overall Customer Satisfaction
4. Extend Office Efficiency
5. Gain New Paths for Opportunity

SOLUTION DESCRIPTIONS

PRIMARY COVERAGE

LEAK COVERAGE

Leak Coverage covers excess water & sewer bills caused by a leak on the customer's side of the meter according to the utility's leak adjustment guidelines.

All enhanced customer coverage offerings are a customer decision to add a la carte if they so choose.

ENHANCED CUSTOMER COVERAGE

WATER LINE COVERAGE

Water Line Coverage is offered by the Utility as a customer service. This protects a customer by providing repair and replacement coverage in the event of a water line break from the property line to the foundation.

This service is only applied when a customer makes a decision to add a la carte if they so choose.

SEWER LATERAL COVERAGE

Sewer Lateral Coverage is offered by the Utility as a customer service. This protects a customer by providing repair and replacement coverage in the event of a sewer lateral. break from the property line to the foundation.

This service is only applied when a customer makes a decision to add a la carte if they so choose.

The Primary Coverage must be approved by the Utility before the Enhanced Customer Coverage is made available to your customers.

**WE PAY HIGH WATER BILLS
CAUSED BY CUSTOMER LEAKS**

WATER & SEWER LEAK COVERAGE COMBINED

Residential Water & Sewer Leak coverage Combined

Limit of Insurance

- Option 1: \$500 (Per Occurrence)
- Option 2: ~~\$1,000 (Per Occurrence)~~
- Option 3: \$2,500 (Per Occurrence)

Deductible

Waived

Reporting Conditions

Customer Schedule

Reporting & Adjustment Period

Monthly

Special Terms and Conditions

- Coverage will be designed to reflect City of Bloomington Leak Adjustment Guidelines and eligibility established with ServLine. Please see attached Leak Adjustment Policy.

Rate:

(Choose Option)

- Option 1: **\$0.95**
- Option 2: **\$1.20**
- Option 3: ~~\$1.40~~

- The leak coverage has been designed to cover water, sewer, and Bloomington Normal Water Reclamation (BNWRD) charges, as well as utility tax on water charge.
- All residential customers will be enrolled in the primary coverage program with the option to opt out of leak coverage (primary coverage).



City of Bloomington Leak Adjustment Policy

City of Bloomington Water Department is changing our leak adjustment policy effective To Be Determined.

The following are the qualifications for residential leak adjustments for the City of Bloomington Water Department:

1. It is the customer's responsibility to keep their plumbing system in good working order.
2. No customer shall receive more than one (1) leak adjustment that incorporates a maximum of two (2) billing cycles during any twelve (12) month period.
3. In order to qualify for a leak adjustment, the eligible plumbing leak must generate a minimum additional charge of two (2) times the average twelve (12) month bill, up to a maximum adjustment of \$_____.
4. Adjustments on water bills will NOT be made for the following:
 - a. Residential customers who do not have a water meter and/or who are not the responsible party for the utility bill.
 - b. Commercial or Industrial Customers.
 - c. Premises left or abandoned without reasonable care for the plumbing system. For example, unattended home that have not had meter turned off and water drained from plumbing system, or homes that have been left for any period of time without heat.
 - d. Leaks on irrigation systems or irrigation lines, leaks in water features such as fountains, etc.
 - e. Negligent acts such as leaving water running. For example, Leaving the outside water faucet on, interior faucets left running, and/or any other water left on in the home without a faulty plumbing issue. There must be an actual break and repair for leak reimbursement.
 - f. Filling of swimming pools or leaks in swimming pools.
 - g. Watering of lawns or gardens.
5. The UTILITY shall not be obligated to make adjustments of any bills not submitted for adjustment within ninety (90) days from the billing date.
6. Customers must present proof that a leak has been repaired before an adjustment will be made. (ie, copy of invoice for materials, bill from plumber, or receipt for repair parts utilized by the homeowner for repair, meter consumption information (when available))
7. In any case where a customer might incur a leak before there is three (3) months of average usage, an adjustment will not be made until they have established three (3) months of average usage.
8. Leak adjustments approved are applicable to water, utility tax, sewer and Bloomington Normal Water Reclamation District charges.

Residential customers are automatically enrolled when a new account is established. There is a thirty (30) day waiting period for leak adjustment coverage to take effect after the new account is established. Each residential account enrolled in the leak adjustment program will be charged \$____ per month. This charge will be included on the monthly City of Bloomington utility bill.

Any residential customer may decline to participate in our ServLine Leak Protection Program by calling _____. Any customer declining to participate in the program will be responsible for the full amount of their water bill with no adjustments being made. Our new City of Bloomington Water Department ServLine Program is the only way qualifying leak adjustments will be made for leaks occurring after_____.

RESIDENTIAL LINE COVERAGES

RESIDENTIAL WATER LINE COVERAGE

Limit of Insurance	\$10,000 (Per Occurrence)
Coverage Extensions	
Re-seeding and Landscaping Expense	\$500 (Included within Limit of Insurance)
Restoration of Private Paved Surfaces	\$500 (Included within Limit of Insurance)
Deductible	Waived
Valuation	Replacement Cost
Reporting Conditions	Customer Schedule
Reporting Period	Monthly
Rate:	\$4.40

Additional Terms and Options

Option 1:

Thawing of Water Service Line	\$500 (Maximum Per Occurrence)
Occurrence Term	One Occurrence per Year
Rate (In Addition to Water Line Coverage)	\$0.25 (Monthly)

Option 2:

Thawing of Water Service Line	\$500 (Maximum Per Occurrence)
Occurrence Term	No Limit on Occurrences per Year
Rate (In Addition to Water Line Coverage)	\$0.50 (Monthly)

Thawing of Service Line Terms

Option, if selected, will be added to the water line rate for all residential customers. Only one of the options can be selected. If selected by the City, all customers who desire to enroll into the water line program will be subject to our selection.

The residential customer's responsible portion of the service line is between the curb stop (generally in the parkway) and the home / meter (generally in the basement / crawlspace).

RESIDENTIAL SEWER LATERAL COVERAGE

Limit of Insurance	\$10,000 (Per Occurrence)
Coverage Extensions	
Re-seeding and Landscaping Expense	\$500 (Included within Limit of Insurance)
Restoration of Paved Surfaces	\$500 (Included within Limit of Insurance)
Deductible	Waived
Valuation	Replacement Cost
Reporting Conditions	Customer Schedule
Reporting Period	Monthly
Rate:	\$6.00

The residential customer's responsible portion of the sewer lateral is between the sewer main, including the connection to the main, and the home.

Auto enrollment reduces line rate by 25%

SERVLINE BENEFITS & SERVICES

UTILITY BENEFITS

- ✓ **No Cost to Utility**
- ✓ Direct Cost Savings on Leaks
- ✓ Direct Cost Savings on Personnel Time
- ✓ **Recoup what is currently written off as loss**
- ✓ Payment for Leak Claim sent directly to Utility
- ✓ Turnkey Solution
- ✓ **All Leak Claims Handled by Claims Department**
- ✓ Minimize Leak Liability
- ✓ Customer Leak Adjustment Calculations
- ✓ Customer Leak Claim Frequency Handled
- ✓ Monitors Claims Fraud
- ✓ Consistent Application (Record Keeping & Documentation)
- ✓ **Potential to Add Additional Revenue**
- ✓ Reduce Legal Exposure
- ✓ Unique Customer Service Phone Number and Associated Fees
- ✓ 12/5 Customer Service for Leak Claims/ Customer Questions
- ✓ Printing Fees
- ✓ Announcement Flyers
- ✓ Announcement Postage Upcharge Fees
- ✓ Announcement Envelopes
- ✓ Print Handling
- ✓ **Dedicated Utility Customer Service**
- ✓ Customized Staff Training
- ✓ Insurance Application Walkthrough
- ✓ Program Launch Walkthrough and Start-Up Guide
- ✓ Leak Adjustment Review & Proposed Water Industry Standard Guidelines
- ✓ **Hands on Guided Walkthrough and Processes Setup**
- ✓ Public Relations Initiative
- ✓ Reduction in Overall Office Workload
- ✓ Strict Regulations and Guidelines by State Department of Insurance
- ✓ Reclaim lost Opportunity Cost
- ✓ Reduces Requests for Staff Favors
- ✓ **Increases Customer Loyalty and Satisfaction**

CUSTOMER BENEFITS

- ✓ **Customer Freedom to Participate or Decline**
 - ✓ Customer Education and Responsibility Awareness
 - ✓ Equality in Financial Dispensation
 - ✓ **Reduction in Customer Interaction in Dealing with Water Leaks**
 - ✓ Financial Water Leak Protection up to Utility Selected Limit
 - ✓ No Out of Pocket Expense up to Utility Selected Limit Outside of Customer Average
 - ✓ **Happier Utility Customer**
 - ✓ Reduces Angry interactions to lost Opportunity Cost
 - ✓ Peace of Mind
 - ✓ 12/5 Leak Claims and Questions Customer Service
 - ✓ Insurance Packet and Leak Adjustment Policy Mailed to Customer by Request
 - ✓ **Covered Even if Late on Bill**
 - ✓ No Deductible
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SUMMARY

Billing

Agency: Monthly

This quote is valid for thirty (30) days from the date of this letter.

All rates are per participating customer per month.

Residential is defined as single line, single meter residential occupancy.

By choosing to implement ServLine and providing this customer service to protect your customers from financial hardship they will only be charged for the rate on the Water & Sewer Leak Combined charges that you choose to offer.

When a customer decides to add Water Line and/or Sewer Lateral protection they will be charged for the additional coverages they have chosen. Otherwise, if they elect to do nothing they will only be charged for the Water & Sewer Leak Protection.

Terms and conditions outlined in the quote may differ from the specifications submitted; please review the specific coverage part for details on coverage and exclusions. Please refer to sample policy for terms and conditions.

Terrorism Risk Insurance Act of 2002 Disclosure

The "Terrorism Risk Insurance Act of 2002" establishes a program within the Department of Treasury in which the Federal Government will share the risk of loss from terrorist attacks with the insurance industry. Federal participation will be triggered when the Secretary of the Treasury certifies an act of terrorism, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism committed by an individual(s) acting on behalf of any foreign interest, provided the terrorist act results in aggregate losses in excess of \$5 million. With respect to insured losses resulting from a certified act of terrorism, the Federal Government will reimburse individual insureds for 90% of the losses in excess of the insurer's retention, which is based on a specified percentage of the insurer's earned premium for the year preceding the loss. Insured losses covered by the program are capped at \$100 billion per year unless subsequent action of Congress changes that amount; this provision serves to limit insurers' liability for losses. All insurers providing commercial property insurance are required to participate in the program to the extent of offering and making available coverage for certified acts of terrorism in accordance with the terms and conditions of coverage which apply to other perils.

Terrorism Premium: \$ 10% of premium

This quote outline coverages and does not necessarily include all coverages requested on the application provided. Only coverages outlined above will be provided.

Name of Applicant: City of Bloomington

Date of Notice:

POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE

You are hereby notified that under the Terrorism Risk Insurance Act, as reauthorized and amended, that you have a right to purchase insurance coverage for losses resulting from acts of terrorism, as defined in Section 102(1) of the Act: The term "act of terrorism" means any act that is certified by the Secretary of the Treasury - in concurrence with the Secretary of State, and the Attorney General of the United States - to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

YOU SHOULD KNOW THAT WHERE COVERAGE IS PROVIDED BY THIS POLICY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM SUCH LOSSES MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS AN EXCLUSION FOR NUCLEAR EVENTS. UNDER THIS FORMULA, THE UNITED STATES GOVERNMENT GENERALLY REIMBURSES 85% OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURANCE COMPANY PROVIDING THE COVERAGE. THE PREMIUM CHARGED FOR THIS COVERAGE IS PROVIDED BELOW AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

YOU SHOULD ALSO KNOW THAT THE TERRORISM RISK INSURANCE ACT, AS REAUTHORIZED AND AMENDED, CONTAINS A \$100 BILLION CAP THAT LIMITS U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURERS' LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE CALENDAR YEAR EXCEEDS \$100 BILLION. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED \$100 BILLION, YOUR COVERAGE MAY BE REDUCED.

Acceptance or Rejection of Terrorism Insurance Coverage

- I hereby elect to purchase Terrorism coverage for certified acts of terrorism for a prospective premium of \$ 10% of premium
- I hereby decline to purchase terrorism coverage for certified acts of terrorism. I understand that I will have no coverage for losses resulting from certified acts of terrorism.

Policy Holder Signature

Date