



PROPOSAL

SERVLINE UTILITIES PROTECTION

We pay for high water bills caused by customer leaks

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Prepared For

CITY OF FROSTBURG

37 S. Broadway, PO BOX 440
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Proposal Issued: February 10, 2025

Proposal Valid:
30 Days from Issue Date

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. Insurance for the ServLine program is issued to utilities and placed through HomeServe Insurance Agency Corp., a licensed Insurance agency. ServLine is a registered trademark.

EXECUTIVE SUMMARY – UTILITY & COMMUNITY PROTECTION

CITY OF FROSTBURG

We understand that you are tirelessly working to improve and supply the best overall product while also often thanklessly striving to offer excellent customer service.

DESPITE ALL YOUR EFFORT – CUSTOMER LEAKS STILL CAUSE

- Financial Strain
 - Administrative *and* Customer Burden
 - Issues to Undermine Public Perception
-

MEET SERVLIN BY HOMESERVE

ServLine is a full-service customer leak solution. We pay for high water bills caused by customer leaks by insuring the Utility. More specifically, by insuring the Leak Protection Program and then administering it on your behalf.

- Financial Assistance
- Administrative Support & Customer Relief
- Public Relations Credibility



PROGRAM COMPARISON SIDE BY SIDE – LAP & LPP

COMPARISON TERMS

- LAP: Leak Adjustment Policy
- LPP: Leak Protection Program
- Frequency: Determined by the number of times an adjustment can be filed in a given time
- Qualifications: Determined by whether or not there is a limit that must be met prior to allowing for an adjustment
- Benefits are reflective of your current Leak Adjustment Policy & data
- Benefits are determined by how customer leaks are being adjusted. Unprovided benefits will not be covered

CITY OF FROSTBURG - CURRENT LAP

BENEFIT FREQUENCY

1 Occurrence/ 48-months
1 Billing cycle allowed per occurrence

BENEFIT QUALIFIER

Refer to Ordinance 2024-03, Sec. 6-7.

ADDITIONAL COVERED BENEFITS

Refer to Ordinance 2024-03, Sec. 6-7.

SERVLIN LEAK PROTECTION PROGRAM (LPP)

BENEFIT FREQUENCY

1 Occurrence/ 12-months
2 Consecutive billing cycles allowed per occurrence
Ex. 1 billing cycle (month bill), 2 billing cycles (months)

BENEFIT QUALIFIER

2X Average Bill

ADDITIONAL COVERED BENEFITS

Dripping/ Leaking Faucets
Running Toilets/ Commodes
Water Heaters
Unattended Homes
Faulty Customer Plumbing



PROPOSED SAMPLE LEAK PROTECTION PROGRAM POLICY (LPP)

CITY OF FROSTBURG

PROPOSED SAMPLE LEAK PROTECTION PROGRAM POLICY

City of Frostburg is changing our Leak Adjustment Policy effective DATE 1, 2025.
The following are qualifications for leak adjustments for the City of Frostburg:

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 could incorporate a maximum of two (2) consecutive billing cycles per occurrence during any twelve (12) month period.
3. To qualify for a leak adjustment, the eligible plumbing leak must generate a minimum additional charge of at least two (2) times the average of the past twelve (12) months' bills.
4. Adjustments on water bills will NOT be made on the following:
 - a. Residential Customers who do not have their own water meter.
 - b. Commercial or Industrial Customers.
 - c. Premises left or abandoned without reasonable care for the plumbing system.
 - d. Leaks on irrigation systems or irrigation lines, leaks in water features such as fountains, etc., leaks on any water lines coming off the primary water service line, plumbing leaks in any structure other than the primary residence.
 - e. Negligent acts such as leaving water running.
 - f. Excess water charges not directly resulting from a qualifying plumbing leak.
 - g. Filling of swimming pools or leaks in swimming pools.
 - h. Watering of lawns or gardens.
 - i. *Master-metered multi-habitational accounts. (OPTIONAL)*
5. In the event of a qualifying leak adjustment, the customer will be responsible for paying their average bill. The average bill will be calculated using the previous twelve (12) months' bills, excluding the high bills pertaining to the qualifying leak. The leak adjustment amount will be reimbursed up to City of Frostburg's chosen protection limit less the customer's average bill.
6. The City of Frostburg shall not be obligated to make adjustments of any bills not submitted for adjustment within ninety (90) days from the billing date.
7. Customers must have leak repaired before an adjustment will be made and may be requested to present proof of repair. (i.e. copy of invoice for materials or bill from plumber)
8. 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.
9. Any enrolled customer may decline to participate in our ServLine Leak Protection Program by calling Phone Number. 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 Frostburg ServLine Program is the only way qualifying leak adjustments will be made for leaks occurring after DATE 1, 2025.



LEAK PROTECTION PROGRAM

Imagine what you could do if you were paid for every customer's high water bill – and no longer had to manage their frustration over having to pay for it.



WATER & SEWER LEAK PROTECTION COMBINED

Limit of Protection	Residential Monthly Rate
\$500 (Per Occurrence)	\$ 1.55
\$1,000 (Per Occurrence)	\$ 1.70
\$2,500 (Per Occurrence)	\$ 2.05

Deductible
Reporting Conditions
Reporting & Adjustment Period

Waived
Customer Schedule
Monthly

Special Terms and Conditions

- Coverage will be designed to reflect City of Frostburg's Leak Protection Guidelines and eligibility established with ServLine.
- Master Metered Habitational (Residential Only) \$5.00 per unit
 - Limit Applies to Property Only and does not apply to units directly.
- Charges will be applied to the customers' utility bill.
- Limit of protection to be selected by the Utility.

Note: Discount on rates if the above coverages are offered by electing to include in your base rate rather than on the utility bill.





APPENDIX



LEAK PROTECTION PROGRAM DEFINITIONS

- **Water Leak Protection**
Water Leak Protection covers excess water bills caused by a qualifying leak on the customer's side of the meter/point of responsibility. Developed in cooperation with ServLine and set according to the Utility's newly established Leak Protection Guidelines.
- **Sewer Leak Protection**
Sewer Leak Protection covers excess sewer bills in the event of a qualifying leak at the customer's point of responsibility. Developed in cooperation with ServLine and set according to the Utility's newly established Leak Protection Guidelines.
- **Residential**
Residential is defined as 2" meters or less with a single residential unit occupied as a residency. A qualifying unit must have a single meter to which it can be accounted for independently.
- **Commercial**
Commercial is defined as 2" meters or less with business or agricultural occupancy excluding master-metered habitational. A qualifying unit must have a single meter to which it can be accounted for independently.
Single Occupancy - Building has one business occupying space.
Multiple Occupancy - Building has more than one business occupying space.
- **Master-Metered Habitational**
Multi-Unit residential property with a master-meter measuring usage for all units.
- **Farms**
Residential Farm: Any farm that is a hobby or that does not derive additional income. There is no Agriculture meter or separate metered structures on the property and meets residential definition of the insurance company.
Commercial Farm: Any Farm that has an Agriculture meter/meter that services barns, cattle troughs, or other structures. Any Farm who derives income from the activities of the farm.
- **Rates w/ Data**
The rates furnished in this Proposal are determined by the data you have provided. It is mutually understood that the data produced, along with your explanation of how to interpret what is included in your data is done so in good faith and is complete and true to the best of your knowledge. All other factors have been determined in partnership with ServLine.
- **Leak Protection Program**
The ServLine Leak Protection Program enhances your current Leak Adjustment Policy and acts as a superseding document which will overlay your existing policy with the given enhancements. All qualifying customer leaks would adhere first to your ServLine Leak Protection Program and then would be addressed by your existing Leak Adjustment Policy. As a recommendation - Your Leak Adjustment Policy would be updated to address unqualifying leaks rather than qualifying customers who choose to decline protection.

SUMMARY FOR LEAK PROTECTION PROGRAM

BILLING

Agency Monthly Reporting

PROJECT SCOPE & PROCESS

- Approval of ServLine
- Program Implementation
- Utility Staff Training
- Announcement Materials
- Setup and Integration
- ServLine Administers Leak Protection Program
- ServLine Handles Claims, Payments and Customer Service

TERMS AND CONDITIONS

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.

Average claims payment is between 10 - 20 Days.
Claims volume is due to change with seasons or other unforeseen events.
Pricing does not include taxes.

Reports & Premium due by the 15th of the month following a reporting period.
Example: Participating customers for month of January would be due no later than February 15th.
Premium payments include all participating customers and are not dependent on customer payment to the utility nor pending claims payments.

*This quote is valid for thirty (30) days from the date of this letter.
All rates are per participating customer per month.*

THANK YOU

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.

DISCLAIMER

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SERVICE LINE PROTECTION PLAN HIGHLIGHTS

- Off-bill. Billing for these products is handled directly between HomeServe and the customer
- No cost to the utility
- Educates customers/homeowners on their responsibilities regarding their private service lines
- Allows customers/homeowners to opt-in to the specific products they want
- 24/7/365 customer support
- One-call solution to file a claim. No paperwork, or forms, to fill out to file claims
- A national network of vetted, licensed, local area contractors is utilized to make the repairs
- No service charges, deductibles, reimbursements, or out of pocket costs.
- Affordable rates and multiple payment methods
- Plans pay contractors directly for covered work performed
- Provides peace of mind for homeowners
- Service Line Protection Plans are endorsed by the National League of Cities as well as multiple state municipal leagues



THANK YOU

