

Forward Mutual Insurance Company Service Line Coverage



Service line coverage provides protection from an unexpected loss caused by a service line failure. This sometimes unforeseen and costly exposure is not covered under most homeowners insurance policies, and most homeowners do not realize they are responsible for the underground service lines from the street to their home. This product protects the homeowners by extending coverage for damage to underground piping or wiring that connects a home to a public utility service provider or to a private system.

This offering provides coverage for:

- Damage to an underground service line as a result of a service line failure.
- Costs required to repair or replace the damaged covered service line that is the result of a service line failure.
- Outdoor property that is damaged as a result of a service line failure or damaged during the excavation of a covered service line following a service line failure.
- Extra cost to make temporary repairs, expedite permanent repairs or permanent replacements to a service line that is damaged as a result of a service line failure.
- Damage to wiring used for communication or data transmission.
- Additional living expense and rental value.

Perils

- Wear and tear
- Rust
- Corrosion
- Decay
- Deterioration
- Hidden or latent defects
- Freeze
- Collapse (except sinkhole collapse)
- Electrical breakdown
- Mechanical breakdown
- Pressure system breakdown

Loss Examples

A tree root grew through a sewer pipe located on the homeowner's premise causing it to leak. The sewer line was 200' long and required a backhoe to dig up the damaged piping and replace it.

Property Damage: **\$5,800**

An underground power line providing electrical service to the home significantly deteriorated over time and resulted in arcing. The underground power line had to be excavated and replaced due to extensive damage discovered during the repair work.

Property Damage: **\$7,800**

How does coverage work?

For a small annual premium, the homeowner can obtain protection against a common loss event that averages \$6,000 per occurrence. The homeowner is responsible for the first \$500 (deductible) and then has coverage up to \$10,000 (limit).





Service Line Coverage Frequently Asked Questions

Q: What does Service Line cover?

A: Service Line coverage provides protection against a leak, break, tear, rupture, collapse or arcing of a covered service line caused by:

- Artificially generated electrical current
- Freezing
- Mechanical breakdown, latent defect or inherent vice
- Root invasion
- Wear and tear, marring, deterioration, hidden decay rust or other corrosion
- Weight of equipment, animals or people

Q: What are some examples of covered property?

A: Examples of covered property include:

- Water piping that connects from the residence to a public water supply system or private well system.
- Ground loop piping that connects to a heat pump.
- Power line that provides electrical service to the insured premise or related private structures.

Q: What is the criteria for Service Line coverage?

A: The "covered service line" must:

- Be located on the "insured premises."
- Be located underground.
- Provide a service to the residence as defined in the endorsement.
- Be owned by the insured or the insured must be legally liable for its repair or replacement.

Q: What is the deductible?

A: \$500 per occurrence.

Q: What is the limit?

A: \$10,000 per occurrence.

Q: Are excavation costs covered?

A: Yes. Excavation costs are covered up to the \$10,000 per occurrence limit.

Q: Would a blockage in the service line be covered?

A: Blockage or low pressure of a service line is not covered as there is no direct damage.



Service Line Coverage Frequently Asked Questions

Q: What perils are not covered under the service line endorsement?

A: Fire, lightning, explosion, windstorm or hail, weight of snow, ice or sleet, falling objects, smoke, aircraft or vehicles, riot or civil commotion, vandalism, sinkhole collapse, volcanic action, water, water damage, earth movement and flood.

Q: What if an insured damages their service line while digging on their property?

A: Impact from digging is not a named peril. However, this endorsement extends coverage for collapse as a result of the weight of equipment that could be used in the course of digging.

Q: What underground piping does a service line not include?

- Piping that runs through or under a body of water, including but not limited to, a pond or lake.
- Wiring that provides electricity to outdoor property, including but not limited to, light fixtures and electric fencing.
- Piping or wiring that is not connected and ready for use.
- Storm water drain piping.
- Septic systems, including leach fields, septic tanks, pumps, motors or piping that runs from the septic tank to the leach fields.
- Water wells, including well pumps or motors.
- Heating and cooling systems, including heat pumps.

Q: What if tree roots damage the sewer line and the ordinance/law requires the insured to remove the tree?

A: Outdoor property, including trees, shrubs, plants, lawns, walkways and driveways, that is damaged as a result of a service line failure or damaged during the excavation of the service line would be covered within the \$10,000 per occurrence limit.

Q: Is there coverage if the foundation of a home shifts and damages the service line?

A: Coverage would not apply in the case of settling or shifting foundations as it would not meet the criteria for covered causes of loss listed in the endorsement.

Q: Does coverage apply for off-premise explosions that damage an insured's service line?

A: Coverage would not apply in the case of off-premise explosions as it would not meet the criteria for covered causes of loss listed in the endorsement.

Q: Is coverage provided for a natural gas line that is owned by the insured and providing service to the home?

A: Coverage would be provided as long as the natural gas line meets all of the following criteria:

- The service line is underground.
- On the residence premise.
- Provides a service to the residence premise.
- Experiences a service line failure.