



Introducing Service Line Coverage



Frequently Asked Questions Service Line Coverage

What Is Service Line Coverage?

Service Line Coverage provides payment for loss or damage resulting from a defined service line failure of damaged exterior underground service and utility pipes and wiring lines.

Why Does A Homeowner Need Service Line Coverage?

Homeowners are responsible for the exterior pipes and wiring on their property that bring services to the residence and usually ending their responsibility at the main connection point. When a service line fails, repair or replacement easily totals in the thousands. And though pipes are covered property under a homeowner or dwelling policy, many perils that cause failure are excluded.

Homeowners are at risk and typically unaware of their exposure. Now, **Panhandle Mutual's Service Line Coverage** can pay for repair or replacement if required when the exterior underground covered pipe or line is damaged by a covered cause of loss.

Which policyholders can be protected with Service Line Coverage?

With **Panhandle Mutual**, the following policies can be endorsed with Service Line Coverage:

Endorsement PHFM SCL 2.0 will attach automatically to the Basic, Broad or Special forms for: Homeowners and Dwelling policyholders.

Coverage is available for both new and renewal business.

What Is Covered By Service Line Coverage?

"Covered service line" means exterior underground piping and wiring, including permanent connections, valves or attached devices, providing one of the following services to your "residence":

1. communications, including cable transmission, data transmission, internet access and telecommunications;
2. compressed air;
3. drainage;
4. electrical power;
5. heating, including geothermal, natural gas, propane and steam;
6. waste disposal; or
7. water.

A "covered service line" must be owned by you or you must be responsible for its repair or replacement as required by law, regulation or service agreement. Should repair or replacement be your responsibility, a "covered service line" ends at the precise location where your responsibility for such repair or replacement ends. However, in no event will a "covered service line" extend beyond the point of connection to the main service or utility line.

In addition, note that a "covered service line" does not include:

- 1) that part of piping or wiring that runs through or under a body of water, including but not limited to, a swimming pool, pond or lake;
- 2) that part of piping or wiring that runs through or under the "residence" or related private structure; or
- 3) piping or wiring that is not connected and ready for use.

What would not be considered a “Covered Service Line”?

Not considered a “Covered Service Line” includes loss or damage to:

- septic systems, including leach fields, septic tanks, pumps, motors or piping that runs from the septic tank to the leach fields, *other than loss or damage to covered waste disposal piping running from “your” “residence” or related private structure to a septic tank*;
- water wells, including well pumps or motors;
- heating and cooling systems, including heat pumps; or
- sprinkler system pumps, motors or heads.

Is there an age limitation or exclusion based on age of the service line?

No, there is not, as long as the service line meets the definition of “covered service line”.

What Is Considered A Service Line Failure?

A service line failure is **physical damage** that results in a leak, break, tear, rupture, collapse or arcing of a covered service line. Failure *does not include* blockage or low pressure of a covered service line when there is no physical damage to the “covered service line”.

What Can Cause A Service Line Failure?

There can be many covered causes. General categories include:

- **External force** caused by a contractor or homeowner from excavation such as a back-hoe intrusion;
- **Gradual conditions such as** wear and tear, marring, deterioration or hidden decay, rust or other corrosion;
- **Environmental and natural conditions** such as ground freezing/thawing or tree root invasion or even vermin, insects, rodents or other animals;
- **Weight** of vehicles, equipment, animals or people;
- **Artificially** generated electric current;
- **Mechanical breakdown**, latent defect or inherent vice.

Besides the physical damage to the covered service line caused by a “service line failure” as defined, what else is covered?

Under our Service Line coverage, coverage also extends to:

- **Excavation Costs:** Coverage for the necessary and reasonable excavation costs that are required to repair or replace the damaged covered service line.
- **Expediting Expenses:** Payment for the reasonable extra cost to make temporary repairs; and expedite permanent repairs or permanent replacement.
- **Additional Living Costs and Loss of Rents:** Coverage for additional living costs and loss of rent as described under Coverage D is extended.
- **Outdoor Property:** Payment for outdoor property that is damaged during the exaction of your covered service line following a service line failure. This includes, but is not limited to: trees, shrubs, plants, lawns, or walkways and driveways.

What if an insured want to replace the damaged covered service line with an upgraded version?

As long as the damaged covered service line requires replacement, the Insured may be able to replace it with an upgraded version based on the **Environmental, Safety and Efficiency Improvements condition** which allows -- additional cost to replace with materials that are better for the environment, safer for people, or more energy or water efficient than the materials being replaced.

Coverage will not pay to increase the size or capacity of the materials and the amount paid to replace materials as described above is limited to 150% of what the cost would have been to replace with like kind and quality. Please note that this condition does not increase the "limit" that applies to this endorsement.

What is the limit and deductible under Service Line Coverage?

Service Line Coverage provides a limit of \$10,000 per occurrence with a \$500 deductible applying. Please note that Coverage for Loss of Use is included to the \$10,000 limit. If an initial service line failure causes other service line failures, all are considered "one service line failure."

What Is Not Covered By Service Line Coverage?

- Any piping or wiring that does not meet the definition of a covered Service Line.
- Low water pressure or blockage with no evidence of a leak;
- The additional cost to relocate or alter existing piping or wiring;
- Loss or damage to:
 - septic systems, including leach fields, septic tanks, pumps, motors or piping that runs from the septic tank to the leach fields, *other than loss or damage to covered waste disposal piping running from "your" "residence" or related private structure to a septic tank*;
 - water wells, including well pumps or motors;
 - heating and cooling systems, including heat pumps; or
 - sprinkler system pumps, motors or heads.
- Additional costs incurred for loss or increased usage of water, natural gas, propane or any other service caused by or resulting from a "service line failure";
- Loss or damage to a "covered service line" that is damaged while it is being installed dismantled or repaired;
- Loss or damage as result of
 - Fire, or water or other means used to extinguish a fire;
 - Explosion
 - Lightning; windstorm, or hail
 - Smoke
 - Aircraft, riot, or civil commotion
 - Theft;
 - Breakage of glass
 - Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not;
 - Water that backs up or overflows from a sewer, drain or sump;
 - "Earth Movement" – earthquake (including land shock waves or tremors before, during or after a volcanic eruption), landslide, mudslide or mudflow, subsidence or sinkhole, or any other naturally occurring earth movement including earth sinking, rising or shifting – except for "earth movement" resulting from ground thawing after a freeze.
- Clean up or removal of pollutants, hazardous waste or sewage.