

WATER LINE, SEWER LINE, and IN-HOME PLUMBING EMERGENCY INSURANCE POLICY

Virginia Surety Company, Inc
1000 N Milwaukee
Glenview, IL 60025

Please read this **Policy** and retain it for **Your** records.

DEFINITIONS

• **Administrator** means American Water Resources, Inc. doing business as American Water Resources Insurance Services, 1410 Discovery Parkway, Alton, Illinois 62002. Toll-Free 1-866-618-3892.

• **Confirmation Letter** means the acknowledgement letter **You** will receive from the **Administrator**. The **Confirmation Letter** will include the following information:

- **Your Name**
- **Your Covered Address**
- **Your Policy Number**
- **Your Effective Date**
- **Your Policy Premium**

• **Customer-Owned Sewer Line** means the section of the lateral sewer service line **You** own that collects and conveys household wastewater from **Your** home to the **Wastewater Collection System**. This **Policy** covers the portion of **Your Customer-Owned Sewer Line** that is the most direct line between the exterior foundation wall of **Your** home and **Wastewater Collection System**.

It does not include any connections or extensions such as lines to or from septic systems, leach fields or non-conforming drain lines and does not include any pumps or other mechanical devices that may be connected to **Your Customer-Owned Sewer Line**. In addition, it does not include any section of the sewer service line owned by others outside of this **Policy** to which **Your Customer-Owned Sewer Line** is attached.

• **Customer-Owned Water Line** means the section of the single water supply line **You** own that runs from **Your** home to the connection owned by **Your** water utility company or municipality.

- If the meter is located inside **Your** home, it is the section of the water supply line from **Your** property line to the inlet side of the meter.
- If the meter is located outside **Your** home, it is the section of the water supply line from the outlet side of the meter to the shut-off valve inside **Your** home.

It does not include any connections/extensions such as water lines to sprinklers and/or irrigation meters **You** may own or any section of the water supply line owned by others outside of this **Policy** to which **Your Customer-Owned Water Line** is attached.

• **Effective Date** means the date coverage begins under this **Policy**, which is thirty (30) days after **Your Enrollment Date**.

• **Enrollment Date** means the date **Your** enrollment is received, processed, and confirmed by the **Administrator**.

• **Service Fee** means the \$50 fee **You** must pay each time the **Administrator** dispatches an authorized service provider to **Your** home to investigate, clear or repair a blockage of **Your Customer-Owned Sewer Line**, **Your Water Supply System**, or **Wastewater Drainage System**.

• **Wastewater Collection System** means the sewage collection system owned by **Your** local **Wastewater Service Provider** to which **Your Customer-Owned Sewer Line** is connected.

• **Wastewater Drainage System** means the system of permanent internal drains and pipes that collect and carry water and wastes throughout **Your** home to **Your** home's external sewer system. This **Policy** covers all drain lines and pipes that carry water from sinks, showers and tubs and all waste lines and pipes, from toilets (blocked toilets are covered) to the point where such lines and pipes exit **Your** home.

This **Policy** does not cover any portion of the exterior wastewater line or pipe leading away from **Your** home. In addition, it does not cover any pumps or mechanical devices that may be connected to **Your Wastewater Drainage System**.

• **Wastewater Service Provider** means **Your** local utility company or municipal sewer authority that owns and is responsible for maintaining the **Wastewater Collection System** that receives wastewater from **Your** home.

• **Water Supply System** means the system of permanent internal pipes and connecting fittings that distribute the incoming water supply throughout **Your** home to fixtures and appliances.

- If the water meter is located inside **Your** home, this **Policy** covers pipes, connecting fittings and valves from the outlet side of the meter to the shut-off valve at each fixture and appliance.

- If the water meter is located outside **Your** home, this **Policy** covers pipes, connecting fittings and valves from the shut-off valve at the entrance point inside **Your** home to the shut-off valve at each fixture and appliance.

This **Policy** does not cover any portion of the exterior water supply line, the meter, or pipe leading to or under **Your** home or any water supply lines or pipes that extend outside **Your** home such as those to outdoor faucets, sprinkler systems, pools or other structures not directly attached to **Your** home.

• **We, Us,** and **Our** means Virginia Surety Company, Inc. 1000 N Milwaukee, Glenview, IL 60025.

• **You** and **Your** means the **Policy** holder named in the **Confirmation Letter**.

A. COVERAGE

This **Policy** is between **Us** and **You**. **We** agree to arrange for a contractor to repair a leak in **Your Customer-Owned Water Line**, clear or repair a blockage in **Your Customer-Owned Sewer Line**, or leaks or breaks to **Your Water Supply System** and clear or repair a blockage of the **Wastewater Drainage System** inside **Your** home due to normal wear and tear.

B. ELIGIBILITY

You must be a residential homeowner of, and owner of the residence in which the **Customer-Owned Water Line**, **Customer-Owned Sewer Line**, **Water Supply System**, or **Wastewater Drainage System** is located.

Prior to **Your Effective Date** the following must be in working order:

- a. **Your Customer-Owned Water Line** must be free of leaks;
- b. **Your Customer-Owned Sewer Line** must be free of clogs or blockages;
- c. **Water Supply System** must be free of leaks; and
- d. **Wastewater Drainage System** must be free of clogs and blockages.

Homeowners of multi-unit dwellings such as condominiums, town homes or duplexes are eligible only if **You** have ownership and maintenance responsibility for coverage provided under this **Policy** as described under "Section A - Coverage." This **Policy** is not available to any tenant who rents or leases a single-family residential home.

C. COVERAGE PERIOD

Coverage under this **Policy** will begin thirty (30) days after **Your Enrollment Date**. **Your** coverage will continue on a monthly basis provided **You** make payments to **Us** for the periodic **Policy** premium.

This **Policy** will renew automatically on a monthly basis and will continue to renew until canceled or non-renewed by **You** or **Us**, or **You** are thirty (30) days past due on any periodic **Policy** payment.

D. YOUR RESPONSIBILITIES

1. Your Customer-Owned Water Line

- If **You** suspect there is a water leak, call **Your** water utility company or municipality to investigate the source of the problem. In the event **Your** utility company determines that the leak is to **Your Customer-Owned Water Line**, then **You** must contact the **Administrator** at toll-free 1-866-618-3892 to request a repair. The **Administrator** will arrange to have an approved, independent contractor call **You** to set up a time to come out to **Your** home. The contractor will contact **You** within 12 hours for emergency service, or by 5:00 pm the next business day for all other service, to arrange for repair of **Your Customer-Owned Water Line**.

- If a permit was acquired that requires repair to sidewalks located in public easements, and the cost to repair the sidewalk exceeds the maximum benefit of \$500, it is **Your** responsibility to pay any additional costs over \$500.

- If repair cost to the **Customer-Owned Water Line** exceeds the **Policy** limit of \$5,000 per occurrence, it is **Your** responsibility to pay any additional costs over \$5,000. Any costs in excess of the **Policy** limit will be stated to **You** before work is performed and the **Administrator** will send **You** an invoice for all expenses over any **Policy** limit.

- Beyond the previously outlined exceptions, **You** will not be charged any deductible in conjunction with a covered repair.
- It is **Your** responsibility to secure permission (right-of-way) associated with gaining access to repair **Your Customer-Owned Water Line** that may pass through property that **You** do not own.

2. Your Customer-Owned Sewer Line

- If **You** suspect there is a blockage, call **Your Wastewater Service Provider** to investigate the source of the problem. In the event **Your Wastewater Service Provider** determines that the blockage is to **Your Customer-Owned Sewer Line**, then **You** must contact the **Administrator** at toll-free 1-866-618-3892 to request a repair. The **Administrator** will arrange to have an approved, independent contractor call **You** to set up

a time to come out to **Your** home. After that call the contractor will be dispatched to **Your** home within 24 hours to clear or repair a blockage of **Your Customer-Owned Sewer Line**.

- If the cost to clear or repair a blockage of **Your Customer-Owned Sewer Line** exceeds the **Policy** limit of \$5,000, it is **Your** responsibility to pay any additional costs over \$5,000.

- If a permit is required for a public sidewalk or road opening repair and the cost to repair exceeds the additional **Policy** limit of \$5,000, it is **Your** responsibility to pay any additional costs over \$5,000.

- Any costs in excess of the **Policy** limits will be stated to **You** before work is performed and the **Administrator** will send **You** an invoice for all expenses over any **Policy** limit.

- It is also **Your** responsibility to pay the **Service Fee** to the authorized service provider immediately upon completion of service to investigate, clear or repair a blockage of **Your Customer-Owned Sewer Line**.

- It is **Your** responsibility to secure permission (right-of-way) associated with gaining access to repair **Your Customer-Owned Sewer Line** that may pass through property that **You** do not own.

3. Your Water Supply System and Wastewater Drainage System

- If **You** suspect there is a leak to **Your Water Supply System** or blockage of **Your Wastewater Drainage System**, **You** must contact the **Administrator** at toll-free 1-866-618-3892 to request service. The **Administrator** will arrange to have an approved, independent contractor call **You** to set up a time to come out to **Your** home. After that call the contractor will be dispatched to **Your** home within 24 hours for emergency service.

- If the cost to perform **Our** service exceeds the **Policy** limit of \$1,500 per occurrence, it is **Your** responsibility to pay any additional costs over \$1,500. Any costs in excess of the \$1,500 **Policy** limit will be stated to **You** before work is performed and the **Administrator** will send **You** an invoice for all expenses over the \$1,500 **Policy** limit. It is also **Your** responsibility to pay the **Service Fee** to the authorized service provider immediately upon completion of service.

Meaningful service will be initiated within 48 hours from the time **You** call the **Administrator** and completed as soon as reasonably possible. If no meaningful service is initiated within said time limits and **You** have been available during that time, then **You** may engage **Your** own licensed contractor at **Our** expense.

E. LIMIT OF LIABILITY

1. Your Customer-Owned Water Line

- The maximum amount **We** will pay for any covered repair under the **Policy** is \$5,000 per occurrence. Before the water line is repaired, if a permit is required, the **Administrator** will arrange for proper permitting before work will commence. The **Administrator**, one time only, will arrange for filling in, raking, and reseeding to the repaired area once the repair work is completed. All repairs to **Your Customer-Owned Water Line** will comply with local code requirements.

- Any subsequent repair made within sixty (60) days of the prior-covered repair will be considered as a part of the original covered repair and limited to the \$5,000 per occurrence limit.

- If a permit was acquired to commence work on covered water lines and requires a sidewalk, located in public easement, to be repaired, the **Policy** will provide repair of said sidewalk up to \$500. Cost to repair sidewalks applies toward the **Policy** limit of \$5,000 per occurrence.

- **You** will not, unless at **Your** own expense, engage a contractor or otherwise incur costs to repair the **Customer-Owned Water Line** on **Our** behalf.

2. Your Customer-Owned Sewer Line

- The maximum amount **We** will pay for any covered repair under the **Policy** is \$5,000 per occurrence. Before the sewer line is repaired, if a permit is required, the **Administrator** will arrange for proper permitting before work will commence. The **Administrator**, one time only, will arrange for filling in, raking, and reseeding to the repaired area once the repair work is completed. All repairs to **Your Customer-Owned Sewer Line** will comply with local code requirements.

- Any subsequent service **We** provide to clear or repair a blockage of **Your Customer-Owned Sewer Line** that occurs within sixty (60) days of a prior-covered blockage service, will be considered as part of that prior-covered blockage service and limited to the \$5,000 per occurrence limit.

- If a permit is required to commence work on **Your Customer-Owned Sewer Line** and requires a public sidewalk or public road to be cut, excavated and repaired, known as a public "Sidewalk or Road

Opening," this Policy provides an additional limit of \$5,000 for a public Sidewalk or Road Opening. Only expenses directly related to a Sidewalk or Road Opening are paid under this separate limit. This additional limit, if applicable, does not add any additional coverage to the basic \$5,000 per occurrence limit to clear or repair a blockage of Your Customer-Owned Sewer Line.

You will not, unless at Your own expense, engage a contractor or otherwise incur costs to clear or repair a blockage of Your Customer-Owned Sewer Line on Our behalf.

3. Your Water Supply System, and Wastewater Drainage System

The maximum amount We will pay for any covered service under the Policy is \$1,500 per occurrence. Before performing service, if a permit is required, We will obtain proper permitting before work will commence. Any service We provide to Your Water Supply System or Wastewater Drainage System will comply with local applicable plumbing code requirements.

Any subsequent emergency service We provide to repair the same portion of Your Water Supply System or Wastewater Drainage System that occurs within sixty (60) days of a prior-covered service We provided to You, will be considered as part of that prior-covered service and limited to the \$1,500 per occurrence limit.

You will not, unless at Your own expense, engage a contractor or otherwise incur costs to service Your Water Supply System or Wastewater Drainage System on Our behalf.

F. THIS POLICY DOES NOT COVER

1. The following is not covered for Your Customer-Owned Water Line:

Damage to Your Customer-Owned Water Line incurred or existing prior to the Policy Effective Date.
Damage to Your Customer-Owned Water Line caused by the actions or negligence of You or third parties.
Damage to Your Customer-Owned Water Line caused by natural disasters, or acts of nature, including, but not limited to, earthquakes, floods, landslides or sinkholes or any other insurable cause.

Any section of the water supply line owned by others outside of this Policy to which Your Customer-Owned Water Line is attached.

Any consequential, incidental or special damages You incur, regardless of whether they are caused by delays, failure to service or for conditions beyond the control of the Administrator. For example, this Policy does not cover 1) the cost of cleaning up, repairing or replacing property (other than repairing a leak or break of Your Customer-Owned Water Line and basic site restoration as provided above) which is damaged due to the leak or break of Your Customer-Owned Water Line; 2) costs and expenses incidental to the leak or break of Your Customer-Owned Water Line such as loss of time, loss of use of Your home and other property, costs to stay at a hotel or to rent a home and costs to move and store property outside Your home; and 3) damages You incur due to any special circumstances or conditions.

Restoration of trees, shrubs, paved surfaces, or structures, for any reason.

Any damage to finished or unfinished walls or surfaces inside Your home necessary to access and repair Your Customer-Owned Water Line.

Leak repairs to any interior pipes beyond the shut-off valve inside Your home.

Restoration of sidewalks not located in public easement. Also, restoration of sidewalks located in public easement but not required on the permit.

Removal of debris necessary to access and repair Your Customer-Owned Water Line, including, but not limited to, old cars, trash, storage, rocks or materials.

Movement of the meter at the time of repair, unless required by local code.

Any rental dwellings for which the enrollment is in the name of the tenant or any dwellings used for commercial purposes. (Unit owners please refer to "Section B - Eligibility".)

Updating non-leaking pipes to meet code, law or ordinance requirements or changes thereto.

Movement of working pipes and/or lines.

2. The following is not covered for Your Customer-Owned Sewer Line:

A Customer-Owned Sewer Line 1) not connected to a public or municipal sewer system; 2) with a connection to or from a septic system, tank or leach field; 3) with a connection to or from any non-conforming drain line such as a basement or storm drain system.

A blocked Customer-Owned Sewer Line 1) incurred or existing prior to Your Policy Effective Date; 2) caused by the actions or negligence of You or third parties; 3) caused by natural disasters, or acts of nature, including, but not limited to, earthquakes, floods, landslides, sinkholes or any other insurable cause.

Any section of the sewer service line owned by others outside of this Policy to which Your Customer-Owned Sewer Line is attached.

Blocked lift stations, ejector pumps, grinder pumps or any other mechanical devices connected to Customer-Owned Sewer Line.

Any portion of Customer-Owned Sewer Line located inside or under Your home.

Any blockage service required as a result of any local, city or state agency inspection of Your Customer-Owned Sewer Line.

Any damage to the inside of Your home due to the backup of Your Customer-Owned Sewer Line.

Restoration of trees, shrubs, structures, or sidewalks, driveways, or other paved surfaces.

Restoration of non-public sidewalks/roadways or public sidewalks/roadways that are not required by permit to be repaired.

Removal of debris necessary to access and clear or repair a blockage of Your Customer-Owned Sewer Line, including but not limited to temporary structures, old cars, trash, storage, rocks or materials.

Any rental dwellings for which the Policy enrollment is in the name of the tenant or any dwellings used for commercial purposes. (Unit owners please refer to "Section B - Eligibility".)

Updating non-blocked lines to meet code, law or ordinance requirements or changes thereto.

Movement of working sewer lines for any reason.

Any consequential, incidental or special damages You incur, regardless of whether they are caused by delays, failure to service or for conditions beyond the control of the Administrator. For example, this Policy does not cover 1) the cost of cleaning up, repairing or replacing property (other than clearing or repairing a blockage of Your Customer-Owned Sewer Line and basic site restoration as provided above) which is damaged due to the backup of Your Customer-Owned Sewer Line; 2) costs and expenses incidental to the backup of Your Customer-Owned Sewer Line such as loss of time, loss of use of Your home and other property, costs to stay at a hotel or to rent a home and costs to move and store property outside Your home; 3) any cost or expense relating to the clean-up or remediation of any hazardous substance or pollutant, including but not limited to asbestos, asbestos fibers or products containing asbestos; and 4) damages You incur due to any special circumstances or conditions.

3. The following is not covered for Your Water Supply System and Wastewater Drainage System:

A Wastewater Drainage System 1) not connected to a public or municipal sewer system; 2) with a connection to or from a septic system, tank or leach field; 3) with a connection to or from any non-conforming drain line such as a basement or storm drain system.

Any leak in the Water Supply System or blockage of the Wastewater Drainage System 1) incurred or existing prior to Your Policy Effective Date; 2) caused by the actions or negligence of You or third parties; 3) caused by natural disasters, or acts of nature, including, but not limited to, earthquakes, floods, landslides, sinkholes or any other insurable cause.

Any leaking fixtures and appliances, including appliance kit supply tube lines, beyond the shut-off valve.

Any leaking or running toilet tanks, bowls or inside flush or fill mechanisms

Any leaking faucets, spouts, showerheads, diverters or hot water dispensers.

Any portion of the Water Supply System or Wastewater Drainage System owned by others outside of this Policy.

Blocked lift stations, ejector pumps, garbage disposals, grinder pumps or any other mechanical devices connected to Your Wastewater Drainage System.

Any portion of Your Water Supply System located outside or under Your home

Any portion of Your Wastewater Drainage System located outside Your home or vent lines.

Any service required as a result of any local, city or state agency inspection of Your Water Supply System or Wastewater Drainage System

Any damage to the inside of Your home due to a leak in the Water Supply System or backup of the Wastewater Drainage System.

Any damage to finished or unfinished walls, floors, ceilings or other surfaces inside Your home necessary for the independent contractor to access and repair Your Water Supply System or Wastewater Drainage System.

Movement of household items necessary to access and repair Your Water Supply System or Wastewater Drainage System, including but not limited to furniture and storage.

Any rental dwellings for which Policy enrollment is in the name of the tenant or any dwellings used for commercial purposes. (Unit owners please refer to "Section B - Eligibility".)

Updating non-leaking or non-blocked lines to meet code, law or ordinance requirements or changes thereto.

Movement of any working Water Supply System or Wastewater Drainage System pipes for any reason.

Movement of any inside meters at the time of repair, unless required by local code.

Any consequential, incidental or special damages You incur, regardless of whether they are caused by delays, failure to service or for conditions beyond the control of the Administrator. For example, the Policy does not cover 1) the cost of any lost water; 2) the cost of cleaning up, repairing or replacing property inside Your home which is damaged due to a leak in the Water Supply System or backup of the Wastewater Drainage System; 3) costs and expenses incidental to a leak in the Water Supply System or backup of the Wastewater Drainage System such as loss of time, loss of use of Your home and other property, costs to stay at a hotel or to rent a home and costs to move and store property outside Your home; and 4) damages You incur due to any special circumstances or conditions.

G. PREMIUM AND/OR PROVISION CHANGES

We reserve the right to modify Your Policy premium and/or the Policy provisions with thirty (30) days written notice to You prior to implementation. You may terminate coverage by giving written notice at any time prior to the effective date of the change.

You grant the Administrator the right to obtain Your customer of record information from California American Water limited to Your name, address and telephone or other contract number. This information will be provided to Virginia Surety Company, Inc., the issuer of this insurance Policy and will be kept confidential by the Administrator and Us. This information will not be sold to any outside marketing companies.

H. CANCELLATION

This Policy shall be:

1. Cancelable by You at any time by calling 1-866-618-3892 or by mailing a cancellation request to the Administrator, Attention: Administrator, 1410 Discovery Parkway, Alton, Illinois 62002. If You cancel, the effective date of cancellation is the date the Administrator receives Your request. You have thirty (30) days from Your Enrollment Date to cancel and receive a full refund of any premium payments made. If You cancel more than thirty (30) days after Your Enrollment Date You will receive a pro-rata refund of the current Policy premium, less the cost of any service performed under this Policy.

2. This Policy shall be non-cancelable by Us, except for:
a) Nonpayment of Policy premiums; or
b) Fraud or misrepresentation; or
c) The event that Your property is not eligible for coverage under this Policy. Our only obligation is to refund any premium payments made by You to Us. Once We have paid You this refund, the Policy will be voided as of Your Enrollment Date.

3. Your Policy will be subject to cancellation once You are thirty (30) days past due on any payment for this Policy. If Your Policy has been cancelled due to non-payment, You may re-enroll and receive a new Enrollment Date and new Effective Date.

Any refund as a result of the cancellation of the Policy by either You or Us, will be determined on a pro-rata basis of the current Policy premium less the cost of any service performed under this Policy. If You are owed a refund, it will be processed via the payment method You chose to pay for the Policy.

Notice of cancellation by Us will be in writing and will include the reason and effective date of cancellation.

I. TRANSFER OF POLICY

You may neither transfer this Policy to a new owner of the covered property nor transfer this Policy to a different residence owned by You.

J. POLICY PAYMENT ARRANGEMENTS

Payment of Policy premium may be done in the following way:

You authorize the Administrator to arrange for the required periodic premium payment to be added to Your California American Water bill. Your Policy will be subject to cancellation once You are thirty (30) days past due on any premium payment. Your payment to California American Water will first be applied to Your utility fees and lastly to Your Policy premium. Failure to make payment for the Policy will not affect continuation of Your water utility service.