

WATER LINE 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 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**.

• **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** due to normal wear and tear.

B. ELIGIBILITY

You must be a residential homeowner of, and owner of the residence to which the **Customer-Owned Water Line** is attached. The **Customer-Owned Water Line** must be free of leaks and in working order prior to **Your** Effective Date.

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

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**.

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.

• 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.

E. LIMIT OF LIABILITY

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 water 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.

F. THIS POLICY DOES NOT COVER

• 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.

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 contact 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.