

WESCO INSURANCE COMPANY

WATER LINE PROTECTION INSURANCE COVERAGE

TERMS AND CONDITIONS

This Water Line Protection Insurance Policy is a voluntary program offered by Wesco Insurance Company to customers of a water utility under this Policy.

KEY TERMS

The Administrator means Home Emergency Insurance Solutions, 1232 Premier Drive, Chattanooga, TN 37421, which administers this insurance program on Our behalf. You may contact the Administrator at the foregoing address or by calling toll-free at 1-888-300-5036.

Premium means the amount You are required to pay for coverage under this policy.

Property means the Property listed on the Declaration Page.

Service call(s) means repair or replacement or unblocking work performed by a licensed plumber or licensed service provider to diagnose and eliminate a covered repair.

We, Us, and Our means Wesco Insurance Company, 59 Maiden Lane, 43rd Floor, New York, NY 10038. You may contact Us at the foregoing address or by calling Us toll-free at 866-505-4048.

You and Your means the Named Insured listed on the Declaration Page.

1. RESPONSIBILITY FOR BENEFITS OWED TO YOU:

We are responsible for the performance of contractual obligations under this Policy, including service performance and payment of the cost of any benefits payable to You under this Policy. The Administrator administers the delivery of benefits owed to You under this Policy. The Administrator will handle on Our behalf any claim You may have for benefits under this Policy. The Administrator will serve as Your ordinary point-of-contact for any questions or concerns You may have with respect to Your Policy; You may also contact Us with any further inquiries. We have given the Administrator authority to act on Our behalf in processing claims under this Policy and in assisting You in processing payments and other transactions under this Policy, and the Administrator will act on behalf of Us in providing these services to You.

2. ELIGIBILITY:

You are eligible for benefits under this Policy only if (i) You own or have written authorization to provide maintenance for the customer-owned water service line and related facilities between the utility's water meter, or the connection to Your service line and the residential dwelling served by Your utility; (ii) the size of Your water service line is no larger than 2 inches in diameter and no longer than 200 feet in length; and (iii) Your water service line is in good condition on the first day that this Policy becomes effective.

This Policy covers only the water service lines identified in the Declaration Page for the residence located on the Property. We reserve the right to deny benefits if you fail to comply with the terms and conditions of this agreement, relevant rules, regulations, laws, local codes or standards, or if Your water service line is otherwise nonconforming. A separate policy is required for each water service line at a residence. Coverage under this Policy is not transferable.

3. RESPONSE TIME:

We will respond to requests for service 24 hours per day, 7 days per week. Within the constraints of weather, emergency conditions, workload, and staffing levels, We will make every attempt to perform repairs on or replacement of Your water service line within 24 hours of notification of a leaking or broken water line. However, We will not be responsible for delays beyond Our reasonable control. In the case of an unsafe condition, which will be determined solely by Us, We will not be required to provide service under this Policy for Your water service line until the unsafe condition is corrected.

responsible for all cost of mediation, including but not limited to the prevailing party's cost and its own cost of mediation. In determining the losing party, the mediator shall consider whether the Administrator's recommendations were reasonable and adequate to resolve the dispute. The mediator's recommendations shall not be legally binding on the parties.

We strive to provide You with the highest standards of service. If You feel that Our service has not met Your expectations or You have a question or concern, please contact Us at:

1232 Premier Drive, Chattanooga, TN 37421, or call 1-888-300-5036.

You can also contact the Washington State Office of the Insurance Commissioner. However, the Washington State Office of the Insurance Commissioner should be contacted only after discussions with the insurance company or its agent or representative or both have failed to produce a satisfactory resolution to the problem. The Washington State Office of the Insurance Commissioner can be contacted at:

Washington State Office of the Insurance Commissioner Consumer Protection

PO Box 40256

Olympia, WA 98504-0256

Toll free number: 1-800-562-6900

Local telephone number: 360-725-7080

Fax number: 360-586-2018

14. RIGHTS OF RECOVERY:

If We provide covered services, We may require You to assign Us Your rights of recovery against others not to exceed the extent of Our payment. We will not pay for covered services if You impair these rights to recover. Your right to recover may not be waived.

We reserve the right to a second opinion by a licensed repairer of Our choosing on any repair or replacement diagnosis.

An intentional misrepresentation or any attempt to defraud Us, including collusion between You and the plumber or service provider, shall result in voiding of coverage and We shall seek reimbursement and may pursue remedies under the law.

15. PRIVACY POLICY:

Personal information about You may be collected from persons other than You. The categories of information that we may collect include information about Your Property. Such information as well as other information collected by Us or by Our agents may, in certain circumstances be disclosed to third parties. The information will be disclosed only as permitted under applicable law. You have the right to review Your personal information in Our files and can request correction of any inaccuracies. A more detailed description of Your rights and Our practices is available upon request by calling us at 1-888-300-5036. Customer information collected during the purchase and administration of this Policy is not disclosed to other companies for the purposes of marketing other products and services. Such information may be disclosed to other companies in order to provide service under this Policy. Should you have any questions about our policy please contact us on 1-888-300-5036. Telephone calls may be recorded and/or monitored.

4. COVERAGE:

Subject to the limits of liability set forth below, We shall provide all parts, materials, and labor to repair or replace a leaking or broken water service line between the utility's meter, or connection to Your water service line, and Your residential dwelling located on the Property. We will determine whether to repair or replace any covered parts. We reserve the right to select the materials and/or parts to be used in the repair or replacement; however, all such materials and/or parts will comply with all relevant and applicable laws, regulations, codes, and standards. We will perform all work related to the repair or replacement of the water service line. Repair or replacement under this Policy includes all excavation, backfill, and removal of spoils in the area of the repair or replacement. This Policy also covers damage to the water service line caused by freezing and root damage.

5. EXCLUSIONS:

This Policy does not cover any equipment or facilities that are not specifically identified as covered including the following:

- a) Facilities, equipment, and appurtenances, such as pressure-reducing valves, house valves, backflow devices, water softeners, booster pumps, irrigation and separate fire sprinkler systems, hose bibs, and other similar items;
- b) Cost of restoration or repair of hard or soft landscaping, which includes but is not limited to driveways, walkways, decks, patios, retaining walls, flowerbeds, trees, lawns, shrubbery, and other plantings and structures. We will endeavor to minimize any disruption to hard and soft landscaping while performing work related to the repair or replacement;
- c) Removal of structures, such as decks, patios, and retaining walls, necessary to access the water line;
- d) Pre-existing damage, relocation of water service lines or related equipment, or unauthorized alterations or work on the water service line;
- e) Repairs or replacement due to damage directly or indirectly as a result of You or any other party working or excavating on Your property or in the vicinity of Your water service line or inside plumbing or related facilities;
- f) Damage caused by earthquakes, flooding, volcanic eruption, sinkholes, landslides, civil disobedience, riots, war, or natural disaster other than freezing;
- g) Water service lines that are connected to multiple dwellings;
- h) Lines improperly installed by others (but does cover work done by Us);
- i) Damage caused by or resulting from: insect, vermin, pets, misuse, abuse, negligence, vandalism, theft, war, riot, military unrest, nuclear accident, flooding, water fluctuations, fire, hail, wind, lightning, earth movement, landslide, sand, chemicals.

6. LIMITS OF LIABILITY:

We will cover a maximum of \$3,000 per occurrence and We will cover up to 4 (four) occurrences in each year of membership. We will not be liable for any incidental or consequential damage, including damage caused by leaks or by water service interruption. We will not be liable for any damage to Your property or any other property unless such damage is the direct result of Our negligence while providing services. All work in relation to covered services must be performed by Us or with Our authorization. We will not pay for any unauthorized repair or replacement of a covered item, including labor and/or materials.

7. WARRANTY:

We will repair or replace Your water service line so that it will be suitable for residential water service. All repairs or replacements will have a warranty of one year. During the warranty period, if the repair or replacement does not conform to this warranty, We will make the necessary correction. All corrected repairs will be similarly warranted.

8. ENROLLMENT/WAITING PERIOD:

Coverage begins only after Our acceptance of the application and receipt of payment of the Premium. You have thirty (30) days from the effective date of this Policy as shown on the Declaration page before You can make a Service call. During that period if You decide You do not want the Policy You can notify Us and We

will provide a full refund of Premium paid. We reserve the right to make an on-site inspection of Your water service line and related facilities and equipment to ensure they are in proper operating condition before coverage under this Policy becomes effective. To fulfill Our obligations under this Policy, You shall grant Us access to the covered water service line and related facilities and equipment.

If You find You have other coverage that provides similar benefits, You can notify Us immediately. We will refund Your Premium as long as no Service call has been provided. You may be required to provide a copy of the contract/policy showing similar coverage.

9. BILLING:

Your Premium will be billed as a non-regulated charge on Your utility bill. You will be billed in advance at a monthly rate.

If Your Premium cannot be billed on Your utility bill, We will arrange payment of Your Premium directly with You and You will be billed in advance at a frequency selected by You from the range of payment options made available by Us.

10. RENEWALS:

This Policy will be automatically renewed in accordance with the frequency on the Declaration Page following the end of the first year unless you elect to terminate or We give you notice of non-renewal. If we decide to non-renew We will provide You with 45 days written notice of non-renewal. The notice will state the reason for non-renewal. We reserve the right to adjust the conditions of coverage and price upon renewal.

11. CANCELLATION/REFUND:

If You cancel this Policy within 30 days of the effective date We will refund Your Premium in full. You may cancel this Policy after 30 days from the effective date by providing notice before the effective date of cancellation using one of the following methods:

- (a) Written notice of cancellation to Us or the **Administrator** by mail, fax or e-mail;
- (b) Surrender of the policy to Us or the **Administrator**; or
- (c) Verbal notice to Us or the **Administrator**.

Upon receipt of Your notice We will promptly cancel the policy effective the later of:

- (a) The date We receive Your notice; or
- (b) The date You request cancellation.

You will be entitled to a pro-rata refund of Premium paid less any claims paid by Us. Any refund not paid to You within 30 days is subject to a 10% monthly penalty.

This Policy shall be non-cancelable by Us except for:

- (a) Nonpayment of Premium when due;
- (b) Fraud or misrepresentation of facts by You material to the issuance of this Policy or in connection with a claim under this Policy.

If We cancel, due to nonpayment of premium We will provide you with 10 days written notice of cancellation. If we cancel for fraud or misrepresentation, We will provide you with 45 days written notice of cancellation as required by law. The notice will state the reason for cancellation. You will be entitled to a pro-rata refund of Premium paid.

12. TERMINATION:

Non-payment or late payment of Premium will NOT result in severance or termination of Your tariffed water service. Non-payment or late payment of Premium will result in a lapse or termination of coverage under this agreement. Prompt payment will ensure continuation of coverage.

13. DISPUTE RESOLUTION:

All disputes shall be submitted in writing and addressed to the Administrator. The Administrator shall, within fourteen (14) days of receipt, respond to Your dispute. If the Administrator's recommendation is not satisfactory to resolve Your dispute, the parties agree to have the dispute heard by an independent mediator before initiating formal legal action. The losing party, as determined by the mediator, shall be