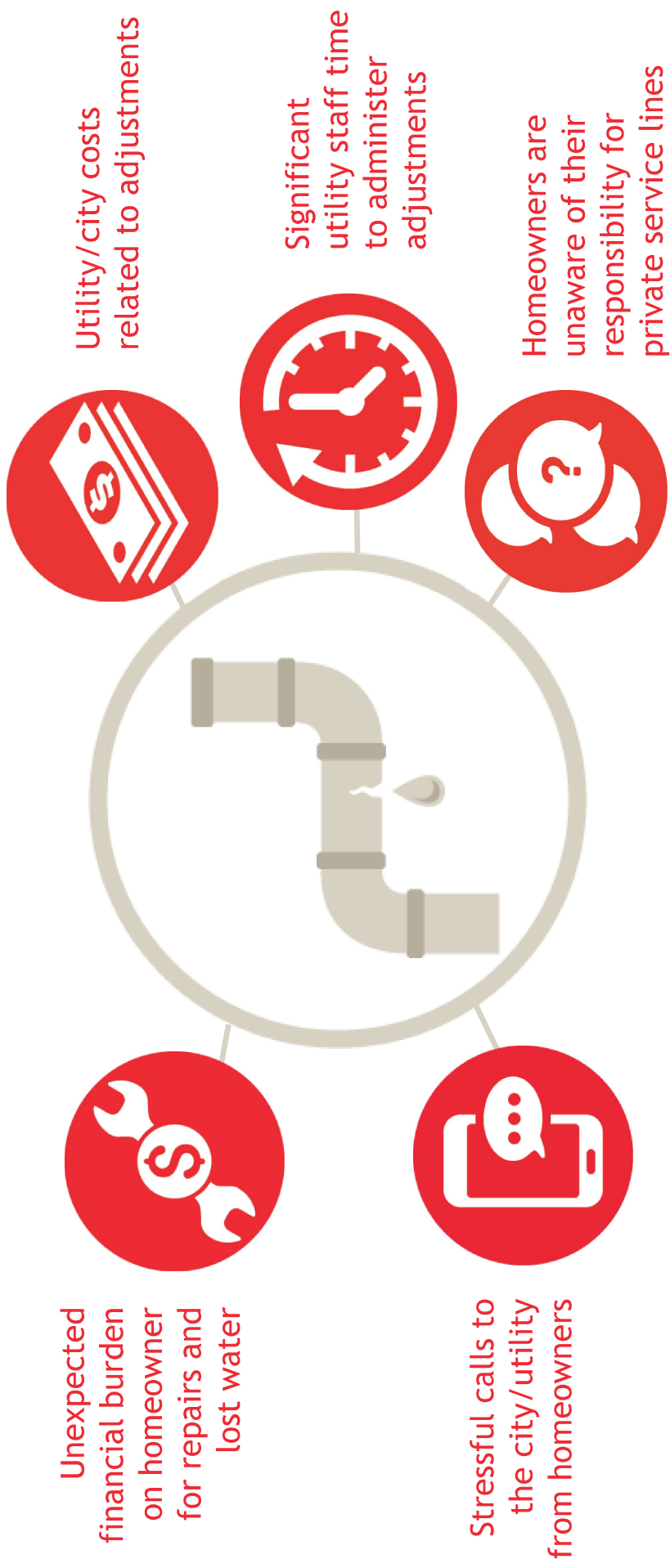




Solutions for Municipalities, Utilities, and Homeowners

Leaks are painful for municipalities and homeowners



Homeowners are unprepared for emergencies and expect solutions from the city/utility

78%

of homeowners surveyed believe the utility provider should educate them on repairs and preventative measures



59%

of homeowners surveyed have had a home repair emergency in the past year



40%

4 out of 10 Americans can't afford a \$400 emergency expense (and would have to sell something or take out a loan to cover it).*



2017 IPSOS Survey of HomeServe policyholders and non-policyholders
*Federal Reserve Report on the Economic Well-Being of U.S. Households in 2018

Strategic Partnerships with Key National and Local Associations



SERVLINE
by HomeServe®

*Affinity partner of the NRWA and
multiple state rural water associations*



**NATIONAL
RURAL WATER
ASSOCIATION**

**NLC Service Line
Warranty Program**
— by —



*Endorsed by NLC and multiple state
municipal leagues*



Leak Protection

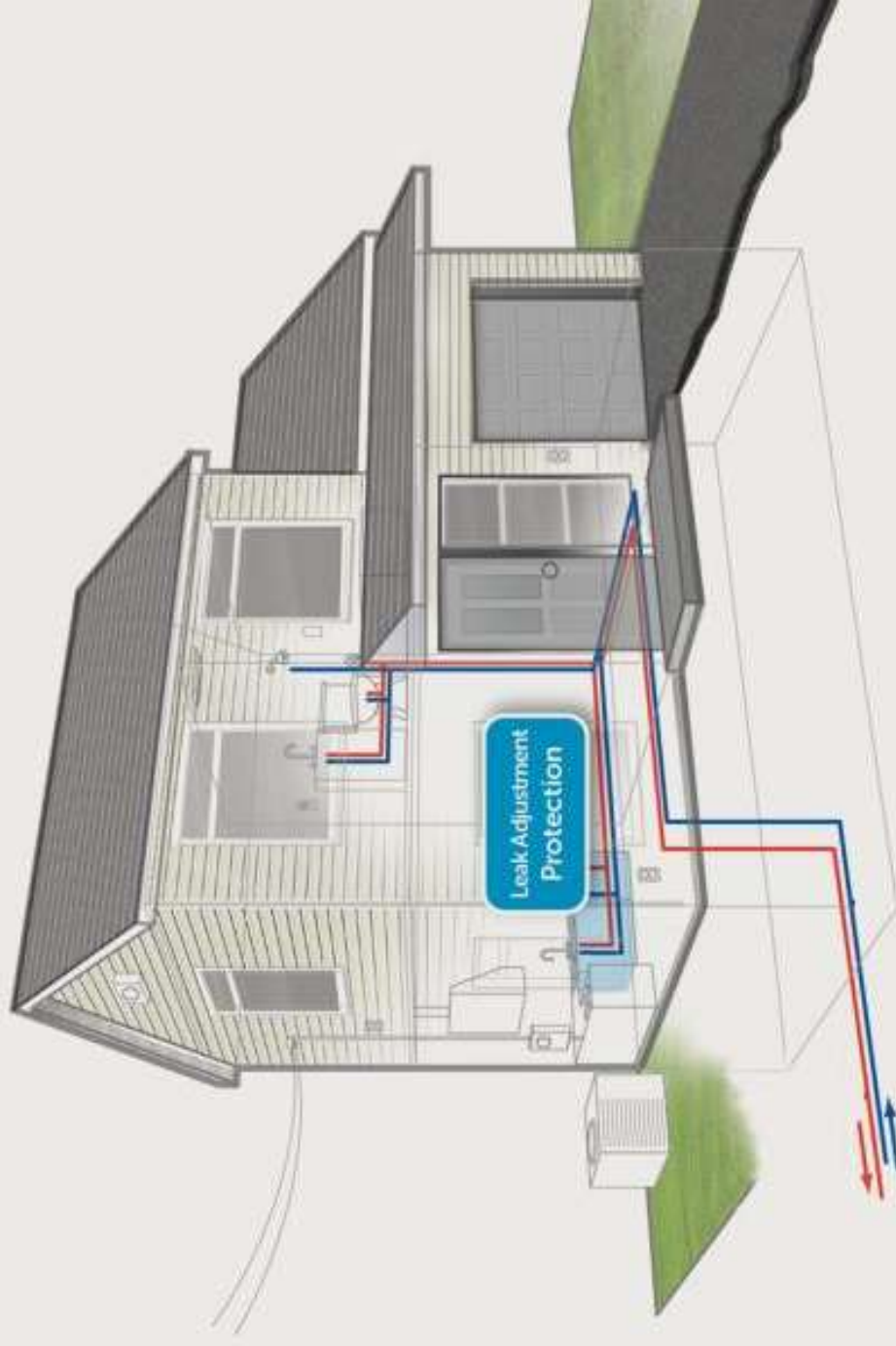


SERVLINE
by HomeServe®

Affinity partner of



&





What's your leak policy?

When a customer calls in frustrated about a \$500 water bill...

- City of Sky Valley will give customers one leak adjustment in a 5-year period.



A win-win for utilities and customers!

Common Utility Leak Policy

- Leak - \$700 bill to customer
- Average normal bill - \$50 per month
- 50% leak adjustment for customer
- 50% of the water bill written off by the City

- ✓ Leak cost above average bill - \$650
- ✓ Customer pays city - \$325 + \$50 = \$375
- ✓ City pays - \$325

Sample scenario

* ServLine Water Leak Protection covers up to the limit selected by the city

With ServLine in Place

- Leak - \$700 bill to customer
- Average normal bill - \$50 per month
- 100% leak protection for customer
- 100% of the water bill paid to the City

- ✓ Leak cost above average bill - \$650
- ✓ Customer pays city - \$50 (avg. bill only)
- ✓ ServLine pays city - \$650*
- ✓ Utility pays - \$0



ServLine insures your Leak Adjustment Policy and administers the Leak Protection Program on your behalf.

Protects the Utility and the Customer

- Recapture revenue currently lost on adjustments
- Customizable program & protection limit
- Eliminates unexpected financial burden of high water bill
- Low cost to customers

Improves the customer experience

- Educational flyer sent *prior* to program implementation with details program (cost, customer service number, etc.)
- **96% avg customer participation across the U.S.**

Reduces workload associated with leak adjustments

- Claims administration handled by ServLine
- Dedicated Customer Service phone number for questions/concerns
- Less need for payment plans
- Frees up utility/municipality resources

Simple program implementation

- Added as a separate line item on the bill
- Begins with auto-enrolling all eligible customers and giving them the freedom to decline participation prior to being charged
- Brochures sent to the customer 1-2 months prior to launch of program
- Training conducted to ensure clarity & understanding for staff

Simple claims process!

- ✓ Customer receives bill
- ✓ Customer fixes leak
- ✓ Customer calls ServLine
- ✓ ServLine requests usage history
- ✓ ServLine pays overage directly to utility
- ✓ Customer satisfied and city made whole!





Sample Brochure

Protection that provides peace of mind



Get the Peace of Mind You Deserve

Leak Loss Protection Program*
Beginning <<Month XX, XXX>>
<<Partner_Name>> offers protection against costly service bills caused by unexpected leaks. <<Partner_Name>> offers up to <<XXX>> coverage <<per occurrence>>.

Water & Sewer Leak
Residential.....<<XXX>> per month
Residential Master-Metered Multi-Habitational.....<<XXX>> per month
Commercial.....<<XXX>> per month
Single Occupancy.....<<XXX>> per month
Multiple Occupancy.....<<XXX>> per month
In the event of a costly water bill caused by high-water usage due to covered leaks or line breaks, <<Partner_Name's>> leak adjustment program covers the costly water utility bill once the active cause of the leak has been repaired.
All <<Partner_Name>> <<residential>> customers are automatically enrolled in our Leak Loss Protection Program and charges will appear on your utility bill. Call us at <<1-xxx-xxx-xxxx>> to decline protection and accept full responsibility for all excess water charges caused by a water leak.

Contact us Today
Call X-XXX-XX-XXXX

*Information for the <<Partner_Name>> Leak Loss Protection Program: High water bills due to leaks occurring after <<date>> will be adjusted through this program. Please refer to our leak adjustment program for full details. Coverage is provided on a non-adversely affected basis. Call HomeServe for more information and request a copy of the full terms and restrictions.
SERVLINE® is a registered trademark of HomeServe. The <<Partner_Name>> Leak Loss Protection Program's financial obligations are backed by an insurance policy procured as part of the SERVLINE program.

 HomeServe® | Page 10

Pricing for Sky Valley

WATER LEAK PROTECTION

Limit of Protection	Residential Rate	Commercial Rate Single-Occupancy	Commercial Rate Multiple-Occupancy
\$500 (Per Occurrence)	\$1.75	\$4.70	\$9.40
\$1,000 (Per Occurrence)	\$2.00	\$5.60	\$11.20
\$2,500 (Per Occurrence)	\$2.35	\$6.50	\$13.00

Deductible
Reporting Conditions
Reporting & Adjustment Period

Waived
Customer Schedule
Monthly

Special Terms and Conditions

- Coverage will be designed to reflect City of Sky Valley's Leak Protection Guidelines and eligibility established with ServLine.
- Master Metered Habitational (Residential Only)
- Limit Applies to Property Only and does not apply to units directly.

\$2.50 per unit

Note: 10% Discount on rates if following coverages are offered by electing to include in your base rate.



ServLine Partner Testimonials

*Working with **ServLine** has been a win/win for*

***our customers and the utility.** It has saved both the utility and customers thousands of dollars. The process has been easy and efficient with claims being handled promptly.*

-Kenny Baird, General Manager, LaFollette Utilities

Our ServLine experience has been fantastic.

It has helped us with all facets of our work. Customer interaction, customer options, revenue control, etc. I am very pleased and extremely satisfied with the product.

-Liz Ordiales, Mayor, City of Hiawassee, GA

***I believe the program to be an asset to any community.** The monthly cost is minimal investment when one considers the money needed to repair a water or sewer line break. A resident recently shared their relief at having chosen to participate in the Service Line Warranty Program; it saved them a lot of money.*

-Larry Vaughn, Public Works Director, Town of Forest Heights, MD

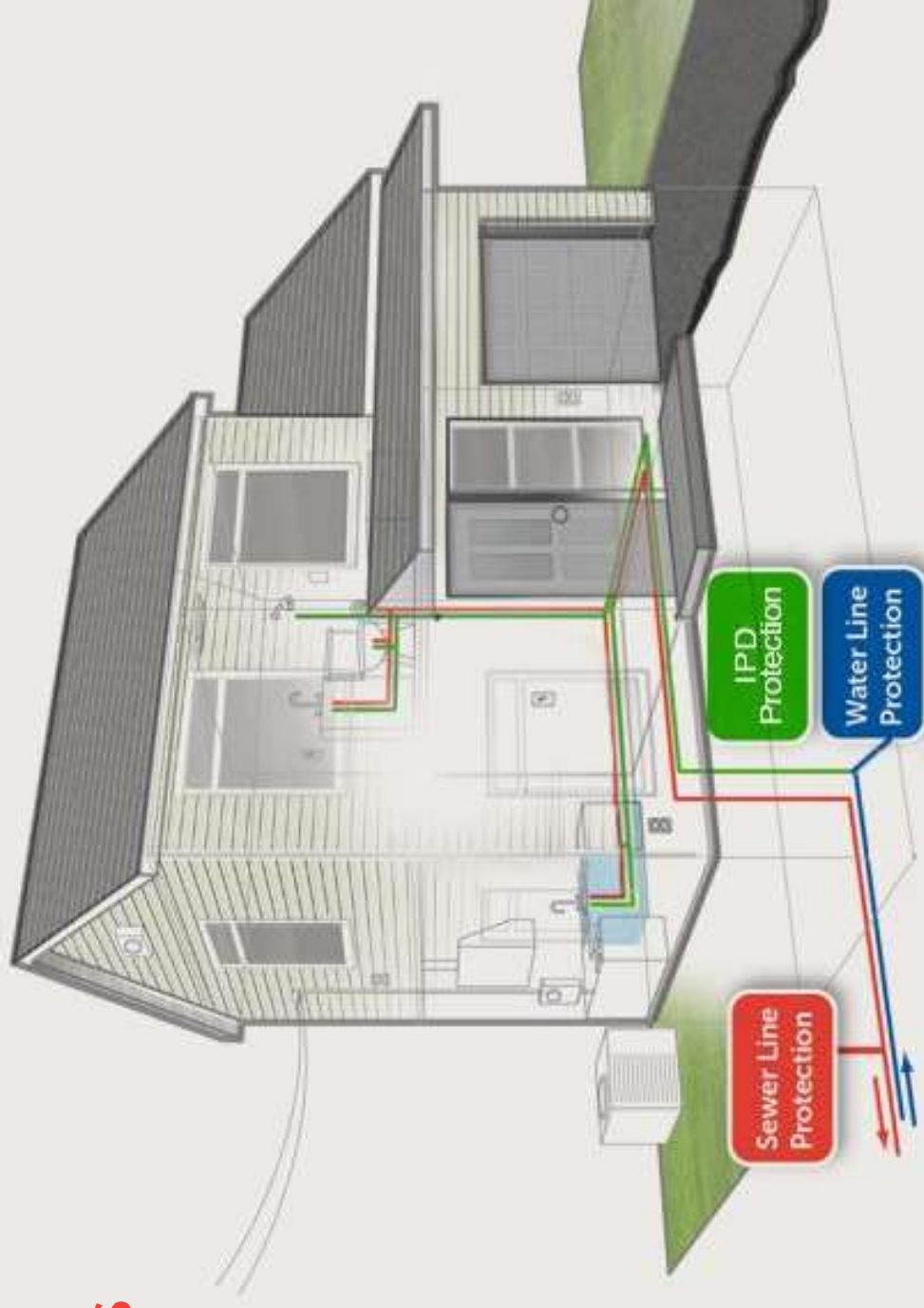
Service Line Repairs

**NLC Service Line
Warranty Program**

— by —



Endorsed by



Solution for Utilities and Residents

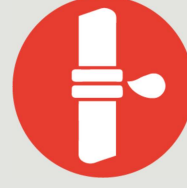
- Offers optional low-cost protection against potentially expensive water and sewer line repairs
- Educates residents about their responsibility for these lines
- Turnkey program - provides marketing, billing, claims, customer service
- Enhances the local economy through use of local-area contractors
- No cost to cities to participate



Water/Sewer Line Coverage



WATER LINE
COVERAGE



SEWER LATERAL
COVERAGE

- Up to \$8,500 coverage per incident for repair/replacement of leaking, clogged or broken lines from the point of utility connection to the home exterior
- No annual or lifetime limits, deductibles, service fees, forms or paperwork
- 24/7/365 availability
- Septic & Well Lines included

In-home Plumbing Coverage



IN-HOME PLUMBING AND DRAINAGE COVERAGE

- Up to \$3,000 per incident on all water, sewer, and drain lines inside the home after the point of entry
- No deductibles, service fees, forms or paperwork
- 24/7/365 availability
- Repairs made only by licensed, local area contractors

Homeowner Education

- Simple direct mail - indicating the program is optional
- Must be approved by the utility or letter is not sent
- 3 Mailings per year
- Utility name/logo and HomeServe name are represented together promoting trust among customers
- Customers signup via website, phone or mail





Revenue share and other benefits to city/utility

- Non-tax revenue can be estimated at \$0.50 per product, per month
- Cities utilize funds for important initiatives including:
 - ✓ Infrastructure improvements
 - ✓ Low-income assistance/community charities
 - ✓ Partially offset rate increases
- Saves money for residents that can be re-invested in the local economy
- Reduces calls to the city
- Timely repairs reduce water loss from line breaks

Service Line Warranty Pricing

NLC Program Pricing	Monthly	
	<u>With Royalty</u>	<u>With No Royalty</u>
Water	\$6.49	\$5.99
Sewer	\$8.49	\$7.99
Interior Plumbing	\$9.99	\$9.49



THANK YOU!

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Visit www.NLC.org/serviceline or www.serviline.com