

RESIDENTIAL UNDERGROUND SERVICE LINE COVERAGE

COVERAGE AGREEMENT

For coverage to apply, Residential Underground Service Line Coverage must show on the "Declaration Page" of "your" Residential Insurance Policy.

"We" agree to cover direct physical loss or damage to any residential underground service line that "you" own and are responsible for as required by law, regulation or service agreement and is not beyond the point of demarcation to the main service line.

The physical loss or damage must take place on "your" premises or the premises "you" are legally liable for and must happen to a residential underground piping or wiring service line that services and attaches to the exterior of the "dwelling" or detached private structure.

The maximum amount "we" will pay for any loss or damage to residential underground service lines and related costs or expenses is \$30,000.

WHAT IS COVERED

(1) Underground Piping Service Lines

"We" agree to pay for the direct result of physical loss or damage to "your" residential underground piping that connects to any of the following services:

- (a) drainage piping that drains water away from the "dwelling" or detached private structure;
 - (b) heating systems located outside;
 - (c) that provide natural gas, propane or steam;
 - (d) private underground residential sprinkler system;
 - (e) private and/or public water supply system;
 - (f) private and/or public sewer system or waste disposal piping; and
- including, but not limited to permanent connections, valves and attached devices.

(2) Underground Wiring Service Lines

"We" agree to pay for the direct result of physical damage to "your" residential underground wiring if used for any of the following services:

- (a) communication or data transmissions, including but not limited to cable, fiber optics, internet and telephone; and
 - (b) power line or electrical wiring;
- including, but not limited to conduit, PVC, cable jacket, steel tape, insulating materials and permanent connections, valves and attached devices.

(3) Related Costs or Expenses

As a direct result of physical loss or damage to "your" residential underground piping or wiring service lines "we" agree to pay the extra cost or expenses for the following:

- (a) additional living expenses and fair rental value as described in "your" Residential Insurance Policy, should the loss render the "dwelling" to be unfit for occupancy;
- (b) emergency repair or replacement;
- (c) excavation; and
- (d) exterior property damage, including but not limited to trees, shrubs, plants, lawns, and the damage to walkways and driveways for which the piping or wiring runs under. "We" will not pay more than \$1,000 for any one tree, shrub, plant or lawn including debris removal.

(4) Perils Covered

Coverage applies if the direct physical loss or damage is caused by the following perils:

- (a) artificially generated electrical current, arcing and lightning;
- (b) break;
- (c) collapse;
- (d) explosion;
- (e) freezing;
- (f) ground thawing due to freezing which causes an earth movement;
- (g) leak or tear;
- (h) mechanical breakdown, latent defect or inherent vice;

- (i) rust, rupture or other corrosion;
- (j) tree or other root invasion;
- (k) wind;
- (l) wear and tear, marring, deterioration or hidden decay; or
- (m) weight of vehicle, equipment, animal or people.

WHAT IS NOT COVERED

(1) Piping or Wiring

There is no coverage for loss or damage to any piping or wiring that:

- (a) is connected or used for outdoor property, including and not limited to swimming pools, hot tubs, decorative ponds or commercial irrigation systems;
- (b) is damaged during the dismantle, installation or repair unless the loss or damage is caused by a peril covered by this form;
- (c) is located above ground;
- (d) is not connected or ready to be used;
- (e) is within and/or runs through or under the "dwelling" or detached private structure, body of water, including and not limited to a swimming pool or hot tub;
- (f) shows no physical damage; or
- (g) shows service has been interrupted due to blockage, sagging, low flow, low pressure or impaired speed.

(2) Related to Piping or Wiring Systems

There is no coverage for loss or damage to:

- (a) commercial irrigation systems and attached pipes, pumps, motors or heads;
- (b) heating and cooling systems, including heat pumps;
- (c) septic systems, including leach fields, septic tanks, pumps, motors or piping that runs from the septic tank to the leach fields;
- (d) residential sprinkler systems; or
- (e) water wells, including well pumps or motors.

(3) Perils Not Covered

There is no coverage for the loss, damage or related costs caused directly or indirectly by any of the following perils:

- (a) earth movement, including earthquake, earthquake shock, iceslide, landslide, mudslide or mudflow, subsidence or sinkhole collapse, snowslide, tsunami or any other naturally occurring earth movement including earth sinking, rising or shifting;
- (b) external force from a shovel, backhoe or other form of excavation, unless used to repair or replace damaged piping or wiring;
- (c) faulty or improper design, material and workmanship;
- (d) fire;
- (e) flood, surface water, waves, tides, tidal waves, overflow of any body of water or their spray, all whether driven by wind or not;
- (f) "pollutants" that require a clean up, removal of "pollutants", hazardous waste or sewage;
- (g) smoke; or
- (h) water that backs up or overflows from a sewer, drain or sump.

There is no coverage for any additional cost or expense for the loss of energy, water or other consumables.

ADDITIONAL COVERAGE

Environmental, Safety and Efficiency Improvements

"We" will pay any increase in the direct cost to repair or replace damaged residential underground service lines with environmentally friendly materials that are better for the environment, safer, more energy or water efficient than the materials being replaced.

"We" will not pay to increase the size or capacity of the materials and not pay more than two-hundred (200%) percent of what the cost would have been to replace with similar kind and quality.

This condition does not increase the maximum amount "we" would pay for residential underground service line coverage.

DEDUCTIBLE

A deductible applies. This means “we” will pay only the amount that exceeds the deductible amount shown on the “Declaration Page”.

BASIS OF CLAIM SETTLEMENT

- (1) “We” will pay the least of:
 - (a) \$30,000, as shown on the “Declaration Page”;
 - (b) the cost to repair or replace the damaged residential underground service line with materials of similar kind, quality, size or capacity on the same premises; or
 - (c) the necessary amount actually spent to repair or replace the damaged residential underground service line.
- (2) “You” will pay the extra cost:
 - (a) of replacing damaged residential underground service lines with materials of a better kind, quality or of a different size or different capacity, unless the extra cost is covered by Environmental, Safety and Efficiency Improvements section of this form.
 - (b) to remove, replace or repair any structure that is not a “dwelling” or detached private structure when the extra cost is needed to access the underground service line.
 - (c) to alter or relocate “your” residential underground service line, unless the extra cost is required by law or ordinance regulating the zoning, demolition, repair or construction of the related underground service line. The total cost “we” will pay is limited to \$20,000 and “we” will not pay more than the minimum amount required to comply with an enforceable law.

Any loss or damage that results in more than one (1) residential underground service line repair or replacement will be considered a single event.

Unless stated in this form, all conditions, definitions, exclusions and provisions in “your” Residential Insurance Policy apply.