

# Service Line Warranty Program

## Information for Municipal Staff & Elected Officials

Service Line Warranties of Canada (SLWC), a portfolio company of Canadian-based Brookfield Infrastructure, was originally founded by HomeServe in 1993 in the United Kingdom. We currently operate programs in Canada, the United States, the United Kingdom, France, Spain, and Japan.

We partner with municipalities to offer their residential homeowners a low-cost warranty program that provides significant protection for repair costs relating to their privately owned water and wastewater service lines.

### *Program Benefits*

**SLWC Funded Education Campaign.** Our partners benefit from an SLWC-funded awareness campaign which educates residents on their water and sewer service line responsibility and offers an optional solution.

**Solving an Expensive Problem.** Repairs to lines on homeowners' property are often not covered by a standard homeowners' insurance policy and can result in a sudden out-of-pocket expense that an average homeowner may not have access to in their savings. Our latest survey results show that many Canadian homeowners have only \$500 or less saved for a home emergency.

**Peace of Mind.** Our repair hotline is available 24/7/365 and repairs are given the highest priority and licensed, and approved contractors are dispatched to customers' homes — all with no callout fees.

**Trusted Partner.** SLWC, together with HomeServe is partnered with over 1,100 municipalities and utilities across North America, including over 70 in Ontario and Alberta and provides service to more than 2.8 million homeowners. SLWC entered the Ontario market in 2014 and is an accredited Better Business Bureau organization with an A+ rating. SLWC has saved Canadian homeowners +\$8 million on 16,500+ jobs in the last 7+ years. SLWC is endorsed by the Local Authority Services (LAS), a not-for-profit organization created by the Association of Municipalities of Ontario. LAS works with Ontario municipalities to help lower costs and enhance staff capacity through co-operative procurement efforts, and other programs.

## *Partnering with SLWC*

### **Why do municipalities partner with SLWC?**

- To take advantage of an SLWC funded awareness campaign to educate their residents about their responsibility for the repair and replacement of water and sewer service lines on their private property.
- To make sure all repairs are performed to code and that all appropriate permitting is pulled.
- Reduce expense to property owners as service plans encourage residents to report exterior water service and sewer leaks in a timely manner. Timely water and sewer service line repairs conserve water, reduce water loss for the town, and help the environment by minimizing wastewater pollution.
- Long-term reduction of staff involvement in private infrastructure issues.

### **Doesn't homeowner's insurance cover these repairs?**

- Typically, no. While most average homeowners' policies will pay to repair the water damage created by failed utility lines, they typically do not cover the cost of the repair or replacement of the line itself, which could be thousands of dollars. SLWC encourages residents to call their insurance company to determine the scope of their coverage. Some insurance companies offer add coverage for the water and sewer lines but come with exclusions and deductibles which typically range from \$500-\$1,000, individual plans vary.
- SLWC plans have no deductible. If a homeowner has a single claim in a year under the homeowners insurance rider, they will pay more than using a no deductible SLWC plan. Plans also take the effort out of finding a contractor to do the work.
- With a claim under added coverage through home insurance, the homeowner is responsible for finding a qualified and trustworthy contractor to complete the repair, pay them and wait for reimbursement. With our plan, a local contractor from our trusted network will complete the repairs, taking away the cost and the inconvenience of this type of home emergency.

## **Why does Service Line Warranties want permission to place our logo on the materials mailed to our residents?**

- Your community is inundated with all kinds of offers for their home and it can be difficult to determine what is legitimate and what is not. Vulnerable residents could be taken advantage of, and people may pay for services that do not end up being reliable. Most of your population has never heard of AMO/LAS and if they had not lived in one of the over 70 municipalities where the program is offered, they may not have heard of SLWC.
- As a result, our campaign investment in educating your residents on how to mitigate their risk may be dismissed as junk mail. It would not be feasible to offer this level of coverage at the low-cost rates that AMO/LAS secured for Ontario municipalities, without the open rates that we rely on when residents recognize it is a credible offer, supported by their municipality, and could be worth looking into.
- We are committed to transparency in all our communications. All our materials clearly state that the services the company offers are voluntary and that they are offered by SLWC, a private company that is separate from a homeowner's local utility or municipality.

## **Would we be giving preference to Service Line Warranties over another company?**

Service Line Warranties is the only company in Canada offering this type of program structured as a warranty and after winning Hamilton's RFP as one of two responders (which are now one company), AMO-LAS approached SLWC to make it available to all Ontario municipalities.

## **Do homeowners in our municipality need to manage their risk of unexpected repair costs?**

- Staff are aware of the problems residents have had, will continue to have, and how costly it can be, particularly when it happens unexpectedly, as these things often do. If residents choose to enroll in this optional warranty, they are given the peace of mind that if they pay a low monthly or annual fee, any problems of this nature that arise will be taken care of.
- It is very difficult to determine when a pipe may fail, with key contributors being the type of piping material, age of the service pipe, soil conditions and installation quality.

## **Can we cancel the program at any time? Can our residents?**

The municipality can cancel the agreement with 90 days' notice. Residents can cancel anytime with no penalties by calling the 1-800 number.

## **How does the relationship work between SLWC and local plumbers?**

- Contractors are welcome to apply to join our network if they meet the standards of licensing, insurance, doing repairs up to code and our high level of customer service.
- Contractors in our network can receive additional jobs because it allows homeowners to be proactive instead of potentially avoiding calling a plumber due to worries about a bill, which can also hurt water conservation initiatives. Further, it ensures plumbers get paid in a timely manner with no haggling over price.
- A resident with a plan is more apt to call for service on a minor problem before it becomes worse, and potentially hazardous. Once on-site, our contractors can check other systems to ensure there are no additional issues and if any are discovered they can be fixed immediately.

## **What does this mean in terms of service for your homeowners?**

- Without a plan, it could take some time for homeowners to find and secure a reputable plumber to come and complete their job. SLWC customers quickly receive a call back from a qualified contractor after calling our repair line to arrange a convenient time to get the resident back up and running as soon as possible.
- Calling a stranger from the internet to address a problem in the home can be risky. SLWC network contractors are fully vetted, licensed, and insured and are accountable to our high standards of service. Customers are asked to complete a survey after the visit to provide carefully monitored feedback.
- There are many financial risks of using unlicensed contractors including poor quality work, non-permitted work which can impact property value, liability for personal injury and damage to third parties.

## **How will you communicate information to our residents?**

A seasonal SLWC campaign typically involves a multichannel approach centered around a direct mail piece. Any communications from SLWC to your residents about the program will always require municipal approval. We work with you to continually evolve our messaging and ensure we are putting our best foot forward in communicating with your residents.

## **Will the municipality be compensated?**

SLWC provides a modest 5% royalty to the municipality designed to compensate for any staff time or resources taken up by this partnership. We have a turnkey approach and administer all aspects of the program, but occasionally staff need to answer questions from residents, provide approvals, etc. If the municipality does not wish to receive funds from SLWC, it can reduce rates for residents by 5%. Most of our partners receive a royalty and reinvest it in other areas of the budget.

## **Are there ways to support low-income homeowners in our community?**

We are proud to offer our partners access to our CARES fund which is designed to help low-income homeowners in your community who do not have coverage through us or their home insurance. Eligible Homeowner's in your community who are struggling to afford repairs relating to their water line, sewer line or interior plumbing can apply for us to cover the cost of their repairs. We are always happy to lend a helping hand to those who need it.

To learn more visit: [www.servicelinewarranties.ca/slwc-cares/](http://www.servicelinewarranties.ca/slwc-cares/)