

Every workday your Missouri Municipal League staff answers dozens of questions on municipal issues. This column provides an opportunity to share some of the most frequently asked questions. The recent MML endorsement of the National League of Cities' Service Line Warranty Program allows cities to offer their citizens a low-cost service option for homeowner utility repairs. As with all legal matters, municipal officials are urged to consult their city attorney for guidance for the specific challenges faced by their municipality. Answers provided in this column should serve only as a general reference.



NLC Service Line Warranty Program

Administered by



a HomeServe Company

What is the NLC Service Line Warranty Program?

Nationwide, a water main breaks every two minutes. The same elements that cause those failures also exist on your residents' private lines: age of lines, deteriorating pipe material, freezing and thawing, and ground shifting. When private service lines break or leak, many homeowners call the city first and are often surprised – and frustrated – to learn that the city cannot help. The National League of Cities (NLC) Service Line Warranty Program was conceived in partnership with the National League of Cities to educate property owners about their service line responsibilities and to help residents avoid the out-of-pocket expense for unanticipated and potentially costly service line repairs and replacements.

How many cities and homeowners participate in the program?

We currently have more than 400 municipal partnerships and more than 520,000 customers. Over the last three years, the program has completed more than 76,000 jobs, saving homeowners more than \$45 million. In Missouri, there are 10 partnerships; over the last three years, more than 2,600 jobs saved homeowners more than \$1.5 million.

Who administers the program?

Utility Service Partners (USP), a HomeServe company, administers the program and is responsible for all aspects of

the program, including marketing, billing, customer service, and performing all repairs to local code. USP has a rating of A+ from the Better Business Bureau and consistently achieves 98 percent customer satisfaction.

How does the program benefit homeowners?

With aging infrastructure causing more service disruptions every year, homeowners are becoming increasingly frustrated with the high cost and hassle of unforeseen repairs to their service lines, especially when many of them first learn of their financial responsibilities when they call the city during an emergency. Studies show that most Americans do not have enough savings to cover an emergency repair cost, ranging from hundreds to as much as \$3,500 or more. In addition, citizens can be overwhelmed by having to find a trustworthy contractor. The program provides affordable repair plans backed by vetted, local area contractors.

How are residents educated about their service line responsibility and the program?

USP mails each resident a letter, which explains their service line responsibility and outlines the city's endorsement. This is followed by a reminder letter two weeks later. All homeowners will have the option to enroll in the program, regardless of the age of their residence, and a pre-inspection of the property is not required.

What items are included as part of the warranty?

The external water and/or sewer line warranty covers up to \$8,500 per incident for repair/replacement of leaking, clogged or broken lines from the point of utility connection to the home exterior. If any part of the line is broken and/or leaking, Service Line Warranty of America will repair or replace the line in order to restore the service (including clearing tree roots from the water or sewer line). The program also offers a warranty for in-home plumbing that covers up to \$3,000 per incident on all water, sewer and drain lines inside the home after the point of entry.

What is the claims process?

We are committed to making the claims process convenient, easy, fast and all inclusive. We operate an in-house contact center with more than 400 employees. Within our contact center, the repair management group is staffed around the clock with live agents ready to serve our customers whenever they need assistance. After calling to report a home repair emergency, the customer receives a callback from a qualified contractor within one hour to agree upon a convenient time for the contractor to arrive at the home to execute the repair. Recent advancements in digital technology with our repair management platform have reduced callback times to under 30 minutes and contractor arrival to under two hours in many instances.

Who performs the repair work?

We currently manage and deploy more than 1,100 independent contractor firms in North America, employing thousands of highly qualified service technicians. We are very selective when recruiting contractors to be part of our network. In fact, less than 10 percent of all contractors researched and interviewed are actually selected to become network contractors. Our contractor compliance requirements include: valid and active licensing, bonding and liability, workers compensation and motor vehicle insurance; certification by the contractor that their employees are legally able to work in the U.S.; drug screening and state background checks; references from previous jobs they have completed for residential customers; willingness to sign our agreement that stipulates performance standards, code of conduct and more.

What is required for cities to participate?

The city allows the use of the city name/logo on marketing materials sent to citizens. The logo is utilized to indicate that there is a formal relationship in place and to let customers

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know that the offering is legitimate; it is for the customers benefit; and has the approval of the city. The city reviews and approves all materials prior to mailing to residents, and all materials clearly state that the services are optional and that they are offered by USP, a private company that is separate from the city.

Does this program cost the city any money?

Not a cent. USP pays for all marketing materials and program administration. Furthermore, the program will pay the city a royalty for every resident that participates in the program. Some cities apply their commission to community initiatives including the enhancement of public parks; assistance to local charities; and programs to help disadvantaged citizens with utility bills and other needs.

What benefit does the city receive from offering the program?

By offering the program, the city can reduce residents' frustration over utility line failures by bringing them low-cost service options. This enhances residents' image of the city because the program is offered as a service by the city. These programs also generate extra revenue for the city through the per-policy royalty. Finally our programs help to stimulate the local economy. We only use local contractors to complete the repairs helping to keep the dollars in the local community. 🍃