



Underground Utilities Coverage
INSURANCE PROPOSAL

Proposal for:
City of Crossville
392 North Main St.
Crossville, TN 38555

This proposal shows the premiums for the general coverage described, but in no way changes or affects any terms, conditions or exclusions of policies as actually issued. Premiums shown are based on information furnished to the company.

Proposal Date
3/8/2018

An Affinity Program of



and the



INTRODUCTION

Thank you for your interest in becoming a valuable client of ServLine. We exist to make your utility stronger and help you achieve your goals. One of our chief goals is to serve you and to earn the privilege of being one of your favorite service providers. The ServLine team is always looking to establish long-term meaningful relationships with the opportunity to serve your utility and your customers with integrity and excellence.

OVERVIEW

ServLine is a full-service customer leak solution. We pay for high water bills caused by customer leaks by insuring the Utility. Specifically, by insuring the Leak Adjustment Policy and then administrating it on your behalf.

UTILITY OUTCOMES OF THE PROPOSED SOLUTION

1. Strengthen Financial Position
2. Raise Level of Independence
3. Increase Overall Customer Satisfaction
4. Extend Office Efficiency
5. Gain New Paths for Opportunity

SOLUTION DESCRIPTIONS

PRIMARY COVERAGE

WATER LEAK COVERAGE

Water Leak Coverage covers excess water bills caused by a leak on the customer's side of the meter according to the utility's leak adjustment guidelines.

All enhanced customer coverage offerings are a customer decision to add a la carte if they so choose.

SEWER LEAK COVERAGE

Sewer Leak Coverage covers excess sewer bills in the event of a leak on the customer's side of the property line according to the utility's leak adjustment guidelines.

All enhanced customer coverage offerings are a customer decision to add a la carte if they so choose.

ENHANCED CUSTOMER COVERAGE

WATER LINE COVERAGE

Water Line Coverage is offered by the Utility as a customer service. This protects a customer by providing repair and replacement coverage in the event of a water line break from the meter to the foundation.

This service is only applied when a customer makes a decision to add a la carte if they so choose.

SEWER LATERAL COVERAGE

Sewer Lateral Coverage is offered by the Utility as a customer service. This protects a customer by providing repair and replacement coverage in the event of a sewer lateral. break from the property line to the foundation.

This service is only applied when a customer makes a decision to add a la carte if they so choose.

The Primary Coverage must be approved by the Utility before the Enhanced Customer Coverage is made available to your customers.

**WE PAY HIGH WATER BILLS
CAUSED BY CUSTOMER LEAKS**

PRIMARY COVERAGE

*IMAGINE WHAT YOU COULD DO IF YOU WERE PAID FOR EVERY
CUSTOMER'S HIGH-WATER BILL AND NO LONGER HAD TO MANAGE
THEIR FRUSTRATION OVER HAVING TO PAY FOR IT.*

WATER LEAK COVERAGE

RESIDENTIAL WATER LEAK COVERAGE

Limit of Insurance

Option 1: \$500 (Per Occurrence)
Option 2: \$1,000 (Per Occurrence)
Option 3: \$2,500 (Per Occurrence)

Deductible

Waived

Reporting Conditions

Customer Schedule

Reporting & Adjustment Period

Monthly

Special Terms and Conditions

- Coverage will be designed to reflect City of Crossville Leak Adjustment Guidelines and eligibility established with ServLine.

Rate:
(Choose Option)

Option 1: \$
Option 2: \$
Option 3: \$

NOT APPLICABLE

COMMERCIAL WATER LEAK COVERAGE

Limit of Insurance

Option 1: \$500 (Per Occurrence)
Option 2: \$1,000 (Per Occurrence)
Option 3: \$2,500 (Per Occurrence)

Deductible

Waived

Reporting Conditions

Customer Schedule

Reporting & Adjustment Period

Monthly

Special Terms and Conditions

- Coverage will be designed to reflect City of Crossville Leak Adjustment Guidelines and eligibility established with ServLine.

Rates:

Single Occupancy	Multiple Occupancy
Option 1: \$	Option 1: \$
Option 2: \$	Option 2: \$
Option 3: \$	Option 3: \$

NOT APPLICABLE

IMPORTANT: Water Leak Coverage is the primary offering being decided on by the utility. Water Leak Coverage is offered as a utility provided customer service which can be applied automatically to all customer's bills with their freedom to decline coverage. Optionally Water Leak Coverage can be incorporated into your base rate at a discount with no opportunity to decline.

All enhanced customer coverage offerings are a customer decision to add a la carte if they so choose.

SEWER LEAK COVERAGE

RESIDENTIAL SEWER LEAK COVERAGE

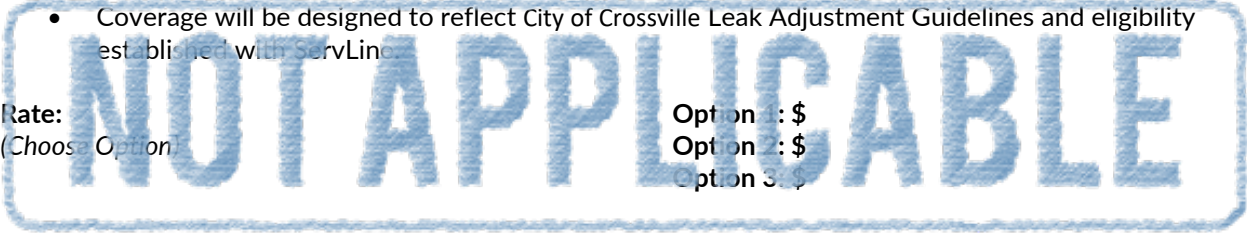
Limit of Insurance	Option 1: \$500 (Per Occurrence) Option 2: \$1,000 (Per Occurrence) Option 3: \$2,500 (Per Occurrence)
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Deductible	Waived
Reporting Conditions	Customer Schedule
Reporting & Adjustment Period	Monthly

Special Terms and Conditions

- Coverage will be designed to reflect City of Crossville Leak Adjustment Guidelines and eligibility established with ServLine.

Rate: (Choose Option)	Option 1: \$ Option 2: \$ Option 3: \$
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COMMERCIAL SEWER LEAK COVERAGE

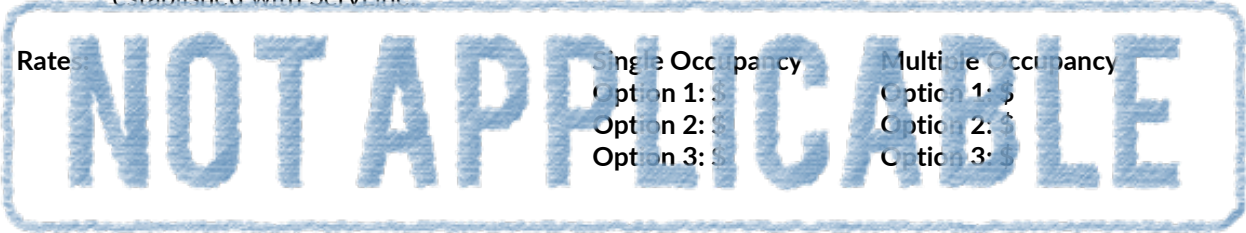
Limit of Insurance	Option 1: \$500 (Per Occurrence) Option 2: \$1,000 (Per Occurrence) Option 3: \$2,500 (Per Occurrence)
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Deductible	Waived
Reporting Conditions	Customer Schedule
Reporting & Adjustment Period	Monthly

Special Terms and Conditions

- Coverage will be designed to reflect City of Crossville Leak Adjustment Guidelines and eligibility established with ServLine.

Rate	Single Occupancy	Multiple Occupancy
	Option 1: \$	Option 1: \$
	Option 2: \$	Option 2: \$
	Option 3: \$	Option 3: \$



IMPORTANT: Sewer Leak Coverage is the secondary offering being decided on by the utility. Sewer Leak Coverage is offered as a utility provided customer service which can be applied automatically to all customer's bills with their freedom to decline coverage. Optionally Sewer Leak Coverage can be incorporated into your base rate at a discount with no opportunity to decline.

All enhanced customer coverage offerings are a customer decision to add a la carte if they so choose.

WATER & SEWER LEAK COVERAGE COMBINED

RESIDENTIAL WATER & SEWER LEAK COVERAGE COMBINED

Limit of Insurance	Option 1: \$500 (Per Occurrence) Option 2: \$1,000 (Per Occurrence) Option 3: \$2,500 (Per Occurrence)
Deductible	Waived
Reporting Conditions	Customer Schedule
Reporting & Adjustment Period	Monthly
Special Terms and Conditions	<ul style="list-style-type: none">Coverage will be designed to reflect City of Crossville Leak Adjustment Guidelines and eligibility established with ServLine.
Rate: (Choose Option)	Option 1: \$1.55 Option 2: \$1.80 Option 3: \$1.90

COMMERCIAL WATER & SEWER LEAK COVERAGE COMBINED

Limit of Insurance	Option 1: \$500 (Per Occurrence) Option 2: \$1,000 (Per Occurrence) Option 3: \$2,500 (Per Occurrence)								
Deductible	Waived								
Reporting Conditions	Customer Schedule								
Reporting & Adjustment Period	Monthly								
Special Terms and Conditions	<ul style="list-style-type: none">Coverage will be designed to reflect City of Crossville Leak Adjustment Guidelines and eligibility established with ServLine.								
Rates:	<table><thead><tr><th>Single Occupancy</th><th>Multiple Occupancy</th></tr></thead><tbody><tr><td>Option 1: \$1.75</td><td>Option 1: \$3.50</td></tr><tr><td>Option 2: \$2.35</td><td>Option 2: \$4.70</td></tr><tr><td>Option 3: \$2.60</td><td>Option 3: \$5.20</td></tr></tbody></table>	Single Occupancy	Multiple Occupancy	Option 1: \$1.75	Option 1: \$3.50	Option 2: \$2.35	Option 2: \$4.70	Option 3: \$2.60	Option 3: \$5.20
Single Occupancy	Multiple Occupancy								
Option 1: \$1.75	Option 1: \$3.50								
Option 2: \$2.35	Option 2: \$4.70								
Option 3: \$2.60	Option 3: \$5.20								

IMPORTANT: Rather than offering Water & Sewer Leak Coverage independently the utility can choose to offer this as a combined coverage. This combined coverage is offered as a utility provided customer service which can be applied automatically to all customer's bills with their freedom to decline coverage. Optionally this can be incorporated into your base rate at a discount with no opportunity to decline. 15% Discount for combined option.

All enhanced customer coverage offerings are a customer decision to add a la carte if they so choose.

ENHANCED CUSTOMER COVERAGE

*CONSIDER HOW A CUSTOMER WILL FEEL ABOUT YOU WHEN THEY
REALIZE THAT YOU HAD THE FORESIGHT TO PROVIDE A CUSTOMER
SERVICE THAT HELPS THEM WITH THEIR RESPONSIBILITY.*

RESIDENTIAL LINE COVERAGES

RESIDENTIAL WATER LINE COVERAGE

Limit of Insurance	\$10,000 (Per Occurrence)
Coverage Extensions	
Re-seeding and Landscaping Expense	\$500 (Included within Limit of Insurance)
Restoration of Private Paved Surfaces	\$500 (Included within Limit of Insurance)
Deductible	Waived
Valuation	Replacement Cost
Reporting Conditions	Customer Schedule
Reporting Period	Monthly
Rate:	\$4.40

Additional Terms and Options

Option 1:	
Thawing of Water Service Line	\$500 (Maximum Per Occurrence)
Occurrence Term	One Occurrence per Year
Rate (In Addition to Water Line Coverage)	\$0.25 (Monthly)

Option 2:	
Thawing of Water Service Line	\$500 (Maximum Per Occurrence)
Occurrence Term	No Limit on Occurrences per Year
Rate (In Addition to Water Line Coverage)	\$0.50 (Monthly)

Thawing of Service Line Terms

- *Option, if selected, will be added to the water line rate for all residential customers. Only one of the options can be selected.*

RESIDENTIAL SEWER LATERAL COVERAGE

Limit of Insurance	\$10,000 (Per Occurrence)
Coverage Extensions	
Re-seeding and Landscaping Expense	\$500 (Included within Limit of Insurance)
Restoration of Paved Surfaces	\$500 (Included within Limit of Insurance)
Deductible	Waived
Valuation	Replacement Cost
Reporting Conditions	Customer Schedule
Reporting Period	Monthly
Rate:	\$6.00

IMPORTANT: Residential Water Line Coverage & Sewer Lateral Coverage is offered by the Utility as a customer service. This is only applied when a customer makes a decision to add a la carte if they so choose. Optionally If the Utility decides to offer this coverage as an automatic enrollment item, there will be a discounted rate.

COMMERCIAL LINE COVERAGES

COMMERCIAL WATER LINE COVERAGE

Limit of Insurance	\$10,000 (Per Occurrence)	
Coverage Extensions		
Re-seeding and Landscaping Expense	\$500 (Included within Limit of Insurance)	
Restoration of Private Paved Surfaces	\$500 (Included within Limit of Insurance)	
Deductible	Waived	
Valuation	Replacement Cost	
Reporting Conditions	Customer Schedule	
Reporting Period	Monthly	
Rates:	Single Occupancy	13.50
	Multiple Occupancy	27.00

COMMERCIAL SEWER LATERAL COVERAGE

Limit of Insurance	\$10,000 (Per Occurrence)	
Coverage Extensions		
Re-seeding and Landscaping Expense	\$500 (Included within Limit of Insurance)	
Restoration of Paved Surfaces	\$500 (Included within Limit of Insurance)	
Deductible	Waived	
Valuation	Replacement Cost	
Reporting Conditions	Customer Schedule	
Reporting Period	Monthly	
Rates:	Single Occupancy	13.50
	Multiple Occupancy	27.00

IMPORTANT: Commercial Water Line Coverage & Sewer Lateral Coverage is offered by the Utility as a customer service. This is only applied when a customer makes a decision to add a la carte if they so choose. Optionally If the Utility decides to offer this coverage as an automatic enrollment item, there will be a discounted rate.

OUTCOMES OF THE PROPOSED SOLUTION

SERVLINER BENEFITS & SERVICES

UTILITY BENEFITS

- ✓ **No Cost to Utility**
- ✓ Direct Cost Savings on Leaks
- ✓ Direct Cost Savings on Personnel Time
- ✓ **Recoup what is currently written off as loss**
- ✓ Payment for Leak Claim sent directly to Utility
- ✓ Turnkey Solution
- ✓ **All Leak Claims Handled by Claims Department**
- ✓ Minimize Leak Liability
- ✓ Customer Leak Adjustment Calculations
- ✓ Customer Leak Claim Frequency Handled
- ✓ Monitors Claims Fraud
- ✓ Consistent Application (Record Keeping & Documentation)
- ✓ **Potential to Add Additional Revenue**
- ✓ Reduce Legal Exposure
- ✓ Unique Customer Service Phone Number and Associated Fees
- ✓ 12/5 Customer Service for Leak Claims/ Customer Questions
- ✓ Printing Fees
- ✓ Announcement Flyers
- ✓ Announcement Postage Upcharge Fees
- ✓ Announcement Envelopes
- ✓ Print Handling
- ✓ **Dedicated Utility Customer Service**
- ✓ Customized Staff Training
- ✓ Insurance Application Walkthrough
- ✓ Program Launch Walkthrough and Start-Up Guide
- ✓ Leak Adjustment Review & Proposed Water Industry Standard Guidelines
- ✓ **Hands on Guided Walkthrough and Processes Setup**
- ✓ Public Relations Initiative
- ✓ Reduction in Overall Office Workload
- ✓ Strict Regulations and Guidelines by State Department of Insurance
- ✓ Reclaim lost Opportunity Cost
- ✓ Reduces Requests for Staff Favors
- ✓ **Increases Customer Loyalty and Satisfaction**

CUSTOMER BENEFITS

- ✓ **Customer Freedom to Participate or Decline**
 - ✓ Customer Education and Responsibility Awareness
 - ✓ Equality in Financial Dispensation
 - ✓ **Reduction in Customer Interaction in Dealing with Water Leaks**
 - ✓ Financial Water Leak Protection up to Utility Selected Limit
 - ✓ No Out of Pocket Expense up to Utility Selected Limit Outside of Customer Average
 - ✓ **Happier Utility Customer**
 - ✓ Reduces Angry interactions to lost Opportunity Cost
 - ✓ Peace of Mind
 - ✓ 12/5 Leak Claims and Questions Customer Service
 - ✓ Insurance Packet and Leak Adjustment Policy Mailed to Customer by Request
 - ✓ **Covered Even if Late on Bill**
 - ✓ No Deductible
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SUMMARY

Billing

Agency: Monthly

This quote is valid for thirty (30) days from the date of this letter.

All rates are per participating customer per month.

Commercial is defined as 2" meters or less with business or agricultural occupancy excluding manufacturing, industrial or master-metered habitational.

Terms and conditions outlined in the quote may differ from the specifications submitted; please review the specific coverage part for details on coverage and exclusions.

By choosing to implement ServLine and providing this customer service to protect your customers from financial hardship they will only be charged for the chosen rate on the Primary Coverage (Water Leak, Sewer Leak, Water & Sewer Leak Combined) that you choose to offer.

When a customer decides to add an Enhanced Customer Coverage (Water Line, Sewer Lateral) they will be charged for the additional coverages they have chosen. Otherwise if they elect to do nothing they will only be charged for the Primary Coverage.

**WE PAY HIGH WATER BILLS
CAUSED BY CUSTOMER LEAKS**

Terrorism Risk Insurance Act of 2002 Disclosure

The "Terrorism Risk Insurance Act of 2002" establishes a program within the Department of Treasury in which the Federal Government will share the risk of loss from terrorist attacks with the insurance industry. Federal participation will be triggered when the Secretary of the Treasury certifies an act of terrorism, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism committed by an individual(s) acting on behalf of any foreign interest, provided the terrorist act results in aggregate losses in excess of \$5 million. With respect to insured losses resulting from a certified act of terrorism, the Federal Government will reimburse individual insureds for 90% of the losses in excess of the insurer's retention, which is based on a specified percentage of the insurer's earned premium for the year preceding the loss. Insured losses covered by the program are capped at \$100 billion per year unless subsequent action of Congress changes that amount; this provision serves to limit insurers' liability for losses. All insurers providing commercial property insurance are required to participate in the program to the extent of offering and making available coverage for certified acts of terrorism in accordance with the terms and conditions of coverage which apply to other perils.

Terrorism Premium: \$ 10% of premium

This quote outlines coverages and does not necessarily include all coverages requested on the application provided. Only coverages outlined above will be provided.

Name of Applicant: City of Crossville
Date of Notice: 3/8/2018

POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE

You are hereby notified that under the Terrorism Risk Insurance Act, as reauthorized and amended, that you have a right to purchase insurance coverage for losses resulting from acts of terrorism, as defined in Section 102(1) of the Act: The term "act of terrorism" means any act that is certified by the Secretary of the Treasury - in concurrence with the Secretary of State, and the Attorney General of the United States - to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

YOU SHOULD KNOW THAT WHERE COVERAGE IS PROVIDED BY THIS POLICY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM SUCH LOSSES MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS AN EXCLUSION FOR NUCLEAR EVENTS. UNDER THIS FORMULA, THE UNITED STATES GOVERNMENT GENERALLY REIMBURSES 85% OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURANCE COMPANY PROVIDING THE COVERAGE. THE PREMIUM CHARGED FOR THIS COVERAGE IS PROVIDED BELOW AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

YOU SHOULD ALSO KNOW THAT THE TERRORISM RISK INSURANCE ACT, AS REAUTHORIZED AND AMENDED, CONTAINS A \$100 BILLION CAP THAT LIMITS U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURERS' LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE CALENDAR YEAR EXCEEDS \$100 BILLION. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED \$100 BILLION, YOUR COVERAGE MAY BE REDUCED.

Acceptance or Rejection of Terrorism Insurance Coverage

- I hereby elect to purchase Terrorism coverage for certified acts of terrorism for a prospective premium of \$ 10% of premium
- I hereby decline to purchase terrorism coverage for certified acts of terrorism. I understand that I will have no coverage for losses resulting from certified acts of terrorism.

Policy Holder Signature

Date