PLATEAU CASUALTY INSURANCE COMPANY
2701 North Main Street, Crossville, TN 38555 (800-752-8328)

WATER LEAK COVERAGE INSURANCE POLICY

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This **Policy**, the **Declarations and Schedule Page**, and any **Endorsements** constitute a complete **Policy**.

INTRODUCTION

This is a **Policy** between **You** and **Us**. **Your** rights and duties under this **Policy** may not be assigned without **Our** written consent. **PLEASE READ YOUR POLICY CAREFULLY.**

WHAT IS COVERED

We will pay for lost revenue resulting from excess water charges that your Customer has sustained as a result of a Leak. The Leak must be caused by or result from direct physical Loss on the Customer side of the meter by a Covered Cause of Loss, including interior frozen water line/plumbing, and the amount of Loss must equal or exceed the Loss Qualification Option indicated on the Declaration and Schedule Page.

BENEFIT

We will take the amount of the Customer's current water bill with the leak and subtract the average of the Customer's last twelve (12) water bills. If your "Customer" has less than twelve (12) months consecutive usage preceding the occurrence, the average use will be calculated over the available number of consecutive months.

The amount paid to You will be the difference up to the limit shown in the Declarations and Schedule Page.

QUALIFICATIONS

To qualify:

1. The leak must meet the Utility's current leak policy, occur on the Customer's side of the meter, must be accidental in nature, must be repaired within a period of ten (10) days from discovery with proof of repair to the Utility.
2. To be eligible to receive a benefit, the Customer's current water/sewer bill must be for an amount that is greater than the Loss Qualification defined in the Declaration and Schedule Page. A customer may only receive [two (2)] benefit claims during any twelve (12) month period. Benefit claims will be made for up to [two] months for a single leak occurrence.
3. If a customer was notified by the Utility of a leak and did not take reasonable measures to stop the water loss and begin to make arrangements for the needed repairs within [ten (10)] days, no Benefit Claim will be granted. Receipt of a bill from the Utility that is greater than the Loss Qualification defined in the Declaration and Schedule Page may be considered notice. The claim will only be granted once the repairs have been completed.

Eligible Property Types are structures owned or leased by a Customer, used for residential occupancy or commercial occupancy that is titled as real property, and the land it is located on is also owned or leased by Your Customer. Any recreational vehicle or another type of home on wheels that is intended to be moved are not eligible. If You are aware of any pre-existing conditions, defects, or deficiencies with Your Customer's Water Service Line or Sewer Line, or have had any roots removed from Your Customer's Exterior Sewer Line before the effective date of Your Customer's first term of coverage, then the Property is not eligible for this coverage.

WHAT IS NOT COVERED

This Policy will not cover a Loss caused directly or indirectly by any of the following:

1. Any cost associated with repairing the Customer's Water Service Line;
2. Customers with multiple living units on a single meter such as a campground, trailer park, motel, etc. are not eligible, except as included as multiple occupancy commercial service customers;
3. Routine dripping faucets;
4. Premises left vacant or abandoned;
5. More than [two (2)] occurrences per twelve (12) month period;
6. Filling of swimming pools;
7. Watering of lawns or gardens;
8. Leaks resulting from exterior, temporary water lines or hoses;
9. If a Customer becomes aware of a potential problem with their plumbing which could cause a leak and that problem is not resolved, by turning off water flow to the leak source, within five (5) days;
10. If a Customer has been notified of a suspected leak and does not take reasonable measures to stop the water loss and begin to make arrangements to repair the leak within (10) days of becoming aware;
11. Faulty water meter;
12. Improper meter reading;
13. Natural acts or disasters;
14. Pressure Washing or other external cleaning projects;
15. Sprinkler System leaks
16. New construction buildings that are unoccupied

DEFINITIONS

Customer(s) means and refers to a utility customer who is participating in coverage under this Coverage Form.

Covered Cause of Loss means risk of direct physical Loss unless excluded by causes listed in What is not Covered.

Leak means the continuous and uninterrupted flow of potable water on the customer's side of the meter.

Loss means accidental loss of potable water on the customer's side of the meter.

Utility means the Named Insured.

Named Insured refers to the **Named Insured** shown on the **Declarations and Schedule Page** of this **Policy**.

We, Us, and **Our** means Plateau Casualty Insurance Company.

You and **Your** means the **Named Insured** shown on the **Declarations and Schedule Page**.

Water Service Line means the pipe that connects the home to the main water line.

Exterior Sewer Line means the wastewater line from the home to the sewer system.

CONDITIONS

Coverage Territory

We only insure covered property located in the United States of America.

Limits of Insurance

The Aggregate Limit of Insurance is the most We will pay for any one Customer's Loss under this Policy or the maximum number of Occurrences for a designated period of time, shown in the Declarations and Schedule Page. Subject to the Aggregate Limit of Insurance, the most We will pay for Loss or damage in any one Occurrence to each Customer is the applicable Occurrence Limit shown in the Declarations and Schedule Page.

Duties In The Event Of Loss

Required Documentation: To have a water leak event covered, You or Your Customer will need to provide documentation certifying the repair has been completed and provide the following information:

1. The date the leak was discovered;
2. The nature and location of the leak;
3. The date the leak was repaired;
4. The name of the person who repaired the leak;
5. A description of the repair work performed;
6. Provide current water bill and average of last 12 monthly bills.

Prompt Payment of Claims

Within fifteen (15) business days after **We** receive written notice of loss, **We** will:

1. Acknowledge receipt of the claim. If **We** do not acknowledge receipt of the claim in writing, **We** will keep a record of the date, method and content of the acknowledgment;
2. Begin any investigation of the claim; and
3. Request a signed, sworn proof of loss, specify the information **You** must provide and supply **You** with the necessary forms. **We** may request more information at a later date, if during the investigation of the claim such additional information is necessary.

We will notify **You** in writing as to whether:

1. the claim or part of the claim will be paid;
2. the claim or part of the claim has been denied, and inform **You** of the reasons for the denial;
3. more information is necessary; or
4. **we** need additional time to reach a decision. If **we** need additional time, **we** will inform **You** of the reasons for such need.

We will provide notification as described in the above paragraph, within fifteen (15) business days after **We** receive the signed, sworn proof of loss and all information **We** requested.

If **We** have notified **You** that **We** need additional time to reach a decision, **We** must then either approve or deny the claim within forty-five (45) days of such notice.

We will pay for a **Covered Loss** within five (5) business days after **We** have notified **You** that payment of the claim or part of the claim will be made.

However, if payment of the claim or part of the claim is conditioned on **Your** compliance with any of the terms of this Policy, **We** will make payment within five (5) business days after the date **You** have complied with such terms.

The term “business day”, as used in this section, means a day other than Saturday, Sunday or a Federal holiday.

Catastrophe Claims

If a claim results from a weather related catastrophe or a major natural disaster, as defined by the commissioner, the claim handling and claim payment deadlines described in (1) through (3) above are extended for an additional fifteen (15) days.

Catastrophe or Major Natural Disaster means a weather related event which is:

1. Declared a disaster under state law; or
2. Determined to be a catastrophe by the Department of Insurance.

Subrogation

If **We** make any payment under this **Policy** and **You** have a right to recover damages from another, **We** shall be subrogated to that right. However, **Our** right to recover is subordinate to that person or organization’s right to be fully compensated for **Loss**.

Waiver or Change of Policy Provisions

This **Policy** contains all the agreements between **You** and **Us** concerning the insurance afforded. This **Policy’s** terms can be amended or waived only by endorsement issued by **Us** and made a part of this **Policy**.

Transfer or Assignment of Your Rights and Duties Under This Policy

Your interests, rights and duties under this **Policy** may not be transferred or assigned without **Our** prior written consent.

Legal Action Against Us

No suit, action or proceedings for recovery of any loss under this **Policy** will be sustainable in any court of law, equity or other tribunal unless all the requirements of this **Policy** are complied with and such suit, action or proceedings for recovery of any loss is commenced within twelve (12) months after the final statement of loss has been submitted to **Us** by **You**.

Cancellation

1. **You** may cancel **Your** coverage under this **Policy. You** must notify **Us** in writing by mailing or delivering to **Us** advance written notice stating when such cancellation is effective.
2. If this policy has been in effect for Sixty (60) days or less, **We** may cancel **Your** coverage under this **Policy** by mailing or delivering to **You** written notice of cancellation to **You** at least:
   a. Fourteen (14) days before the effective date of cancellation if **We** cancel for nonpayment of premium; or
   b. if **We** cancel for any other reason.

3. If this policy has been in effect for more than 60 days , or if this policy is a renewal of a policy we issued, we may cancel this policy only for one or more of the following reasons:

   a. Nonpayment of premium, including any additional premium, calculated in accordance with our current rating manual, justified by a physical change in the insured property or a change in its occupancy or use;
   b. Discovery of fraud or material misrepresentation made by or with the knowledge of the named insured in obtaining the policy, continuing the policy, or in presenting a claim under the policy;
   c. Discovery of willful or reckless acts or omissions on the part of the named insured which increase any hazard insured against;
   d. The occurrence of a change in the risk which substantially increases any hazard insured against after insurance coverage has been issued or renewed;
   e. A violation of any local fire, health, safety, building, or construction regulation or ordinance with respect to any insured property or the occupancy thereof which substantially increases any hazard insured against;
   f. The insurer is unable to reinsure the risk covered by the policy; or
   g. A determination by the commissioner that the continuation of the policy would place the insurer in violation of the Tennessee insurance code or regulations of the commissioner.

   Notice of cancellation will be mailed or delivered at least seventy-five (75) days prior to the effective date of the cancellation and state the reason for cancellation.

4. **Our** notice will be mailed or delivered to **You** at the last mailing address known to **Us**.
5. Notice of cancellation will state the effective date of cancellation and all insurance for **You** under this **Policy** will end on that date.
6. If this **Policy** is cancelled, unearned premium will be computed on a Pro Rata method, provided no claim has been made against this **Policy**. **We** will refund:
   a. upon mailing of the notice of cancellation; or
   b. as soon as practicable.
7. If cancellation notice is mailed, proof of mailing will be sufficient proof of notice.

Non-Renewal

1. If we decide not to renew this policy, we will mail or deliver written notice of nonrenewal to the first Named Insured and agent, at least 75 days before the expiration date unless:
   a. We have offered to issue a renewal policy; or
   b. You have obtained replacement coverage or have agreed in writing to obtain replacement coverage.
2. Any notice of nonrenewal will be mailed or delivered to the first Named Insured's and agent's addresses shown in the policy. If notice is mailed, proof of mailing will be sufficient proof of notice.

Concealment, Misrepresentation, or Fraud

This coverage is void in any case of fraud, intentional concealment or misrepresentation of a material fact, at any time, even at time of claim concerning:

a. This coverage;
b. The **Covered Property**;
c. **Your** interest in the **Covered Property**; or
d. A claim under this **Policy**.

Liberalization

If **We** adopt any revision that would broaden the coverage under this **Policy** without additional premium during the **Policy** period, the broadened coverage will immediately apply to this **Policy**.

Reporting Conditions and Provisions

When Reporting is shown on the "Declarations and Schedule Page", you must provide a report to us in accordance with the reporting provisions and the time periods shown.

As used by this policy, reporting period means the period of time, beginning with the inception of the policy, when you must tell us, in writing, of the Covered Property covered by this policy.

Within 30 days of the end of each reporting period indicated on the " Declarations and Schedule Page ", you must give us the number of registered "Customer(s)" to which this Coverage applies during that reporting period.

While you are not required to provide us with the names and address of enrolled "Customer(s)" in your periodic report, you agree to maintain a complete record of participating "Customer(s)". You agree to provide us with a copy of such complete record(s) at our request.

1. Provisions applicable to Cancellation or Non-Renewal.

   If you or we cancel or do not renew this policy for any reason, any reports that you owe at time of cancellation or non-renewal are still due. We will adjust the policy in accordance with the policy provisions. You must pay any premium that is due us for the period up to and including the date of cancellation or non-renewal.

2. If you fail to report as required, we will not provide coverage for any part of your uncollected excess water charges for that unreported reporting period.

Final Premium Computation and Adjustment
We will adjust the policy in the following manner.

We will multiply the reported values shown on the periodic report that you provide by the reporting rate shown on the "Declarations and Schedule Page ". The result of this calculation is the premium that is due; such premiums are due within fourteen(14) days of receipt.

Entire Contract
This **Policy** and the **Declarations and Schedule Page** contains all the agreements between **You** and **Us** concerning the insurance afforded. This **Policy's** terms can be amended or waived only by issuance of a new **Policy** or Endorsement issued by **Us** and made a part of this **Policy**.

Conformity to Statute
This **Policy** is amended to comply with the statutes of the jurisdiction:
1. where it is issued; and
2. on the effective date.

Applicable Law
We agree that any terms of the **Policy** not in conformity with applicable law are conformed to comply with such law. If any portion of the **Policy** is deemed invalid or unenforceable, it shall not invalidate the remaining portions of this **Policy**.

Changes
This **Policy** contains all the agreements between **You** and **Us** concerning the insurance afforded. The **Policy's** terms can be amended or waived only by endorsement issued by **Us** and made a part of the **Policy**.

In Witness thereof, **We** have caused **Your Policy** to be signed by **Our** President and Secretary.

SECRETARY PRESIDENT