



FAQ For Council & Staff

Why should we consider the Service Line Warranty program for our residents?

- 1) To provide an option to those who feel they may benefit. Water or sewer line repairs are often unexpected and expensive. There are often concerns from customers who are facing large bills for repairs to their privately-owned portion of the water or sewer line.
- 2) To educate residential property owners about their responsibilities for the maintenance, repair and replacement of water and sewer service lines (portion from their homes to the property line). Many customers do not understand their obligation to repair and maintain service laterals on private property, at their expense. When a problem with a service line arises, it can be costly to repair and a plan from SLWC offers a solution

About Us

Service Line Warranties of Canada is a subsidiary of HomeServe PLC. Homeserve was founded in 1993 in the United Kingdom and has grown to a market cap size of over \$2 billion dollars. We are the largest international service provider for service line warranty programs and currently operate these 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, high coverage warranty program for their privately owned water and wastewater service lines.

Why does Service Line Warranties want to partner with our municipality as opposed to approaching our constituents on their own?

Your residents are inundated with all kinds of 'home offers' and it can be difficult for people to determine what is legitimate and what isn't. Vulnerable residents could be taken advantage of, and people pay into things that don't end up being reliable. An average homeowner has never heard of AMO/LAS and if they haven't lived in one of the 60 municipalities where the program was offered, chances are they have never heard of our company either. As a result, our letters educating your residents on how to mitigate their risk in this area would go in the garbage. We could not offer the level of coverage that we do, at the low-cost rates that AMO/LAS secured for Ontario municipalities, without the open rates that direct mail can only achieve when residents recognize it is in conjunction with the town, it's trustworthy and is supported through their local municipality.

Isn't this covered in a home insurance policy?

We encourage you to contact your home insurance provider and find out what your coverage is in this area and whether our program is a better option. Chances are that the resulting damages would be covered but the actual repair or replacement of the pipes would not. This can cost thousands of dollars. Some insurance companies are now offering this as a 'rider' to a home owner policy however payment of a deductible is always required, plus out of pocket costs up front before the homeowner is back up

and running, and the concern of increased rates after a claim. Residents would also be required to find an available contractor as opposed to calling our 247/365 line and having us do the legwork on setting up a safe visit from a vetted, reputable contractor. We also frequently hear that there are many exclusions in insurers fine print. Our rates have never gone up in the 8 years we have been in Ontario, we do not deny claims and there is no deductible. *This program is designed to eliminate out of pocket expenses, particularly for the many Ontarians who do not have money saved for home emergencies or are on a fixed income.*

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 as a warranty which is why AMO/LAS approached us after we won Hamilton's RFP and were one of two responders. Since then, we have been acquired by that other company and are now one entity. As such, if your municipality were to do an RFP, we would be the only responder. The municipality is not 'choosing' Service Line Warranties over another provider.

Do homeowners in our municipality really need to manage their risks and costs in this area?

Your public works team likely put this before council because they are aware of problems residents have had, will continue to have and how costly it can be, particularly when it happens unexpectedly, as these things often do. For many older homes, it is not a matter of 'if' but 'when'. 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. Newer homes may not need this type of coverage although we are hearing more recently about some quality issues in some new builds that can result in problems occurring almost as frequently as older homes.

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

Yes, and yes.

Does this take business away from local plumbers?

No. Any contractor is welcome to apply, provided that they are licensed and doing work up to code, this can ring the bell for them because it allows homeowners to be proactive with plumbing issues, instead of potentially putting off calling a plumber to avoid the cost. Further, it ensures plumbers get paid in a timely manner and appropriately for their work. We are happy to share references from contractors who have grown their businesses by participating in our contractor network.

What are the benefits of our contractor network to your residents?

A person with a plan is more apt to call for service on a small problem before it becomes worse, and potentially dangerous. 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.

While it can take days for a contractor from the phone book to arrive, SLWC customers receive a call back from a qualified contractor within two hours after reporting a claim to agree upon a convenient time for the contractor to arrive at the home to execute the repair.

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 we send the customer email/text verification of who is coming.

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 with our residents?

We will never mail anything to your residents without your approval. Each seasonal mailing, our teams will coordinate to ensure that the municipality approves the letter and how the details are being communicated to residents.

How does the 5% Royalty to the municipality work?

The royalty is paid annually to the municipality based on the revenue from your resident's enrollments. If council prefers, we can also pass this 5% along to your residents instead, making the rates offered to them around 50 cents less per month.

Who else supports the program?

In addition to AMO-LAS, we are partnered with the Federation of Canadian Municipalities. We have over 60 municipal partners in Ontario including cities such as Ottawa, Kingston, Windsor, Peel Region and Hamilton as well as many small towns across Northern and Southern Ontario.

What else can SLW offer our community?

We are proud to offer our partners access to our CARES fund which is designed to help low-income homeowners who are *not* enrolled in the program. If there is a resident in your community who has not taken advantage of this option and is struggling to afford their repairs relating to a home emergency with broken, leaking, frozen or clogged service lines, we will take care of the job as a partner of your municipality.

More questions?

Do not hesitate to get in touch!



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