



## Commercial Service Line Coverage

Protecting commercial building owners from costly exposures

HSB Canada, part of Munich Re, is a technology-driven company built on a foundation of specialty insurance, engineering, and technology, all working to drive innovation in a modern world, to keep you ahead of risk.

Commercial building owners' insurance policies may exclude the most common causes of a service line failure leaving them exposed to repairs that can easily cost thousands, damage their property and interrupt their tenant's business while repairs are made.

### Costly exposure for building owners

Most building owners are not aware that they own and are responsible for the repair or replacement of service lines on their property – the pipes and wiring that bring water, electricity, natural gas, propane, data, communications and other services to their property.



### What is Service Line Coverage?

Service Line coverage provides payment for damage to piping, wiring and outdoor property when caused by a service line failure.

A service line is exterior, underground piping and wiring including permanent connections, valves or attached devices providing a service to the insured premises.

Coverage is provided for damaged piping or wiring for which you are legally responsible but that extends off the premises. This coverage ends at the precise location where your legal responsibility for repair or replacement ends.



### Covered services include:

- Water, except for water used solely for fire suppression purposes
- Communications, including cable transmission, data transmission, internet access or telecommunications
- Compressed air
- Water drainage
- Electrical power
- Oil, natural gas, propane or steam, or
- Sewage or septic disposal

Service Line coverage applies to the portion of the piping or wiring the building owner owns or is responsible for as required by law, regulation or service agreement. Coverage ends at the point of connection to the main utility line.

### What is a service line failure?

A "service line failure" is physical damage, meaning a leak, break, tear, rupture, collapse or arcing of a "covered service line". Covered causes of a service line failure include but are not limited to the following:

- Wear and tear, marring, deterioration or hidden decay
- Rust or other corrosion
- Mechanical breakdown, latent defect or inherent vice
- Weight of vehicles, equipment, animals or people
- Vermin, insects, rodents or other animals
- Artificially generated electrical current
- Freezing or frost heave
- External force from a shovel, backhoe or other form of excavation or
- Tree or other root invasion

## Highlights of coverage, terms and conditions

### Target business

- Commercial property policyholders

### Coverage

- Physical loss or damage to a covered service line that is the direct result of a service line failure
- Direct costs for outdoor property, such as trees, shrubs, plants, lawns, walkways or driveways damaged during excavation required to repair the damaged service line
- Business Interruption and extra expense incurred during the period of restoration of the damaged service line
- Loss to perishable goods due to spoilage resulting from service line failure

### Limits of liability

\$10,000 or \$25,000 aggregate limit

### Deductible

\$1,000 or follow the property owners policy deductible

**Note: Deductible will affect premium**

### Exclusions

Coverage is not provided for:

- Earth movement
- Increased usage of services
- Service line installation or repair
- Pollutant clean up
- Coverage is subject to underlying property policy exclusions
- Loss or damage to septic systems, oil or propane tanks, water wells, including well pumps or motors, above ground heating and cooling systems pipes, pumps, motors or heads, or electronic data





#### **Additional features**

The environmental, safety and efficiency improvements condition pays up to an additional 150% of what the cost would have been to replace with like kind and quality, with materials that are better for the environment, safer for people, or more energy or water efficient than the materials being replaced.

#### **Offering methods**

Included as an additional building owners' coverage or packaged in a coverage enhancement endorsement.

#### **Premium**

Priced per location

#### **Services**

Claim adjustment services, form design, underwriter and broker training, and marketing support services.

#### **Availability**

Through HSB partner insurers as an enhancement to their property policies.