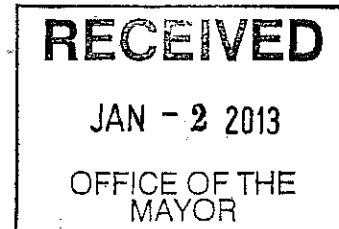


December 23, 2013

Timothy Hanna
Mayor
100 N Appleton St
Appleton, WI 54911-4702



To the Honorable Mayor Timothy Hanna:

Homeowners in your community generally know that inside the four walls of their home, if something breaks they're responsible. But what about outside? Six out of ten homeowners¹ believe that their municipality, utility or homeowners insurance will cover repairs to water and sewer/septic lines on their property. This is a common misunderstanding in municipalities across the US and of basic homeowners insurance coverage.

In addition, America's water and sewer infrastructure is aging and failing with increasing frequency. In fact, there are over 650 water main breaks each day across the US, and the average age of these failing pipes is only 47 years.² As you probably know all too well, this trend is clearly having an impact on municipal systems and budgets as highlighted in the media. But less acknowledged is that this same problem is creeping up on US homeowners as well. Household service lines are connected to this aging infrastructure. Homeowners may say that they've lived in their home for decades and it hasn't been a problem, or representatives at your local public works may say it hasn't happened very often during their tenure; and while this may all be true of the past, it's not the case for the future. As the Alton, Illinois public works director acknowledged in an August 9, 2013 article,³ "Now, our generation has to fix the problem."

Through mailings to communities like yours, HomeServe is educating the majority of American homeowners who don't know that they are responsible for the important water and sewer/septic lines on their property. What's more, we are offering a way out for the 64% of Americans surveyed⁴ who don't have a thousand dollars or more set aside to cover the cost of a water or sewer/septic service line repair, and for those who don't have the ability to arrange for the repairs in an emergency. In fact, just for our customers alone, HomeServe's local, licensed and insured contractors have performed thousands of service line repairs or replacements each year – it's a real situation that American homeowners face.

HomeServe is the emergency home repair partner of choice for over 35 utilities across the country. These companies are on the front line of infrastructure issues and have decided that offering home repair service is in the best interest of their customers. In total, we provide coverage to over 1.3 million homeowners in the US and Canada, who hold more than 2 million service contracts.

HomeServe has delivered over \$100 million worth of services to our customers over the last three years. We deliver the services using licensed, insured and qualified contractors. These tradespeople live and work in the communities we serve so the funds flow back into the local economy and help maintain jobs.

(over, please)

¹Ipsos Public Affairs on behalf of HomeServe, December 2011-January 2012

²Water is Your Business (www.waterisyourbusiness.org)

³"Hole in State Street to stay open during repairs," The Telegraph, August 9, 2013

⁴National Foundation for Credit Counseling, July 2011

HomeServe will soon be mailing to homeowners in your community with an offer for optional Water Service Line Coverage. Sometimes residents receiving our mailing materials contact municipal offices for advice about HomeServe and its coverage plans. To assist staff in your offices, enclosed are some frequently asked questions that may be useful in addressing such inquiries. If you or any of your residents have additional questions about us, please feel free to call 1-855-530-8616 or visit www.homeservecoverage.com for more information about water service lines and homeowners' responsibilities.

We look forward to providing homeowners in your community with this valuable coverage and bringing more repair work to service contractors in your community.

Sincerely,



Tom Rusin
Chief Executive Officer
Tom.Rusin@HomeServeUSA.com

HomeServe USA FAQs

1. Who is HomeServe?

HomeServe is an independent provider of emergency home repair service plans. For over a decade, HomeServe plans have been protecting homeowners against the expense and inconvenience of water, sewer, electrical, HVAC and other home emergencies by providing affordable coverage and quality service. HomeServe serves over 1.3 million homeowners in the US and Canada. HomeServe provides its emergency repair plans through leading utilities and directly to customers.

2. What is the relationship between HomeServe and the local water company or municipality?

HomeServe is an independent company not affiliated with the municipality. You are not obligated to purchase the coverage offered by HomeServe—it is optional. (The letter tells consumers this.)

3. How did HomeServe obtain my name and address?

HomeServe uses mailing lists supplied by outside vendors, and the vendors obtain the names and addresses from publicly available sources.

4. Was I previously responsible for my water service line or is this a recent change?

Many people don't realize they are responsible for the water service line on their property from the meter/valve/connection point at the property line to their home. This is common with municipalities. Anything that goes wrong on the homeowner's property—is the owner's responsibility.

5. Is this service required? Is it mandatory, I am confused?

No, the HomeServe service plan is optional. (The letter tells consumers this.) As with any service purchasing decision, we encourage you to do your research to determine if this option is best for you and your situation.

6. Doesn't my homeowners insurance cover my water service line?

All insurance policies are different. You would have to check with your homeowner's insurance provider to find out. However, basic homeowners insurance typically does not cover repairs to water and sewer/septic lines to your home.

7. How likely is it that my water service line will fail?

It is very difficult to determine when a pipe would fail. Key contributors to pipe failures include the type of piping material, age of the service pipe, soil conditions and installation quality. Older homes usually have older pipes, leaving them more susceptible to the types of repairs that are covered by the service plan HomeServe is offering.

8. Do you know who does the work under the service plan?

HomeServe recruits licensed, insured and qualified plumbing contractors from the local area to make the repairs under their plans.