

Presentation to



we promise

Administered by
Utility Service
Partners, Inc.
a HomeServe Company

NLC Service Line
Warranty Program

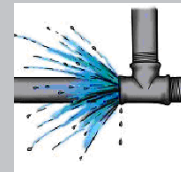
Service Line Warranty Program Overview

November, 2017

INFRASTRUCTURE CHALLENGES... A NATIONAL PROBLEM

D+

2013 ASCE NATIONAL PUBLIC
INFRASTRUCTURE RATING



OVER 2 million water line breaks
and 12 million sewer line breaks
will occur next year.

\$

EPA ESTIMATES THAT CITIES WILL SPEND HEAVILY
ON INFRASTRUCTURE OVER THE NEXT 20 YEARS

- **\$77 billion** for repair or replacement of public water distribution systems
- **\$10 billion** for wastewater collection system upgrades
- **\$22 billion** for new sewer construction
- **\$45 billion** to control combined sewer overflows
- **\$7 billion** to control municipal storm water

CHALLENGES FOR HOMEOWNERS

LATERAL LINES ARE SUBJECTED TO THE SAME ELEMENTS AS PUBLIC LINES

- ground shifting, fluctuating temperatures, tree root penetration, corrosion and more

OUT OF SIGHT, OUT OF MIND

- water and sewer lines located outside, usually underground

FAILED LINES WASTE THOUSANDS OF GALLONS OF WATER

- and present an environmental hazard

COMMON HOMEOWNER MISCONCEPTIONS

- the City is responsible for maintenance of the water and sewer lines on their property
- repairs are covered by their homeowner's policy



HOMEOWNERS ARE NOT PREPARED

30 million plumbing issues next year

1 in 5 households are putting off repairs
because they don't have the money



Ipsos Public Affairs

56%
of homeowners have \$1,000 or less set aside for home repairs

Harris Poll

Homes are ageing

72%
of utility customers would appreciate a recommendation on home emergency repair services

Ipsos Public Affairs

44% of homeowners say it's hard to find a reliable repair service

Ipsos Public Affairs

What we cover is not typically covered by homeowners insurance

60%
of utility customers don't know their responsibility for service line repairs

Ipsos Public Affairs

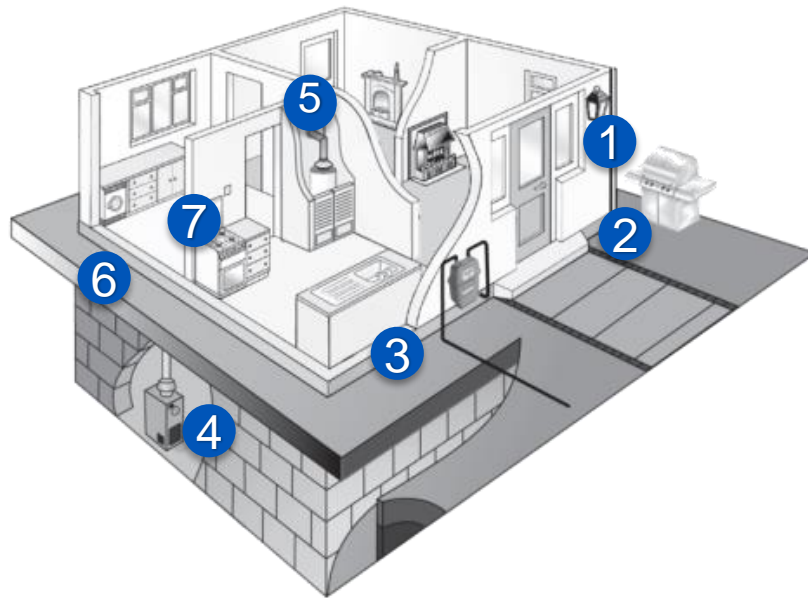
Homeowners are not prepared

59%
of homeowners have had a home repair emergency in the last year

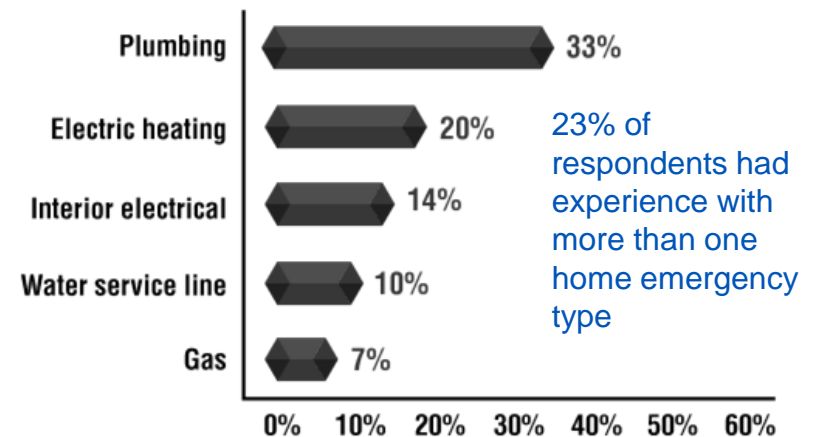
Harris Poll



SOLUTIONS FOR MUNICIPALITIES AND THE HOMEOWNERS THEY SERVE



“Have you, or anyone you know, experienced this sort of problem in the past year?”



- 1. Exterior Electrical Wiring
- 2. Gas Fuel Line
- 3. Water Service Line
- 4. HVAC Equipment
- 5. Water Heater
- 6. Sewer Line
- 7. Interior Electrical Wiring

Ipsos Market Research, 2012, “Home Emergency Repair Market Research Findings”

Plans range from \$5 - \$15 per month

CORE PRODUCT FEATURES



Toll-free emergency number members can call 24 hours a day, 365 days a year



Locally-based, fully-licensed, qualified and vetted contractors dispatched to the customer's emergency



No deductibles, no call-out fees or forms to fill in at the completion of the job



Quality control measures to ensure exceptional customer experience



Guaranteed repairs



No pre-inspection before joining



We are Committed to California

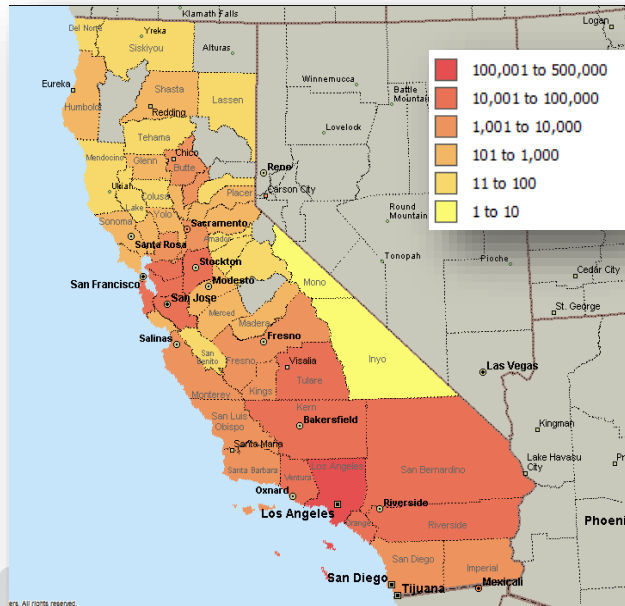


Our exclusive partnership with the National League of Cities allows us to partner at the city level to provide residents peace of mind when it comes to the maintenance and repair of their water & sewer service lines. The program generates an ongoing source of revenue for our partners, and stimulates the local economy by using only local contractors to perform the repairs.

OUR CALIFORNIA PARTNERSHIPS



- Alameda County Water District
- Apple Valley Ranchos Water Co.
- California Water
- City of Cathedral City
- City of Culver City
- City of Daly City
- City of Claremont
- City of Laguna Beach
- City of Lemon Grove
- City of Palmdale
- City of San Bruno
- City of San Carlos
- City of San Diego
- Contra Costa Water District
- Diablo Water District
- Dublin San Ramon Water District
- Great Oaks Water Company
- Park Water Company
- San Jose Water Company
- SoCal Gas
- Town of Yountville
- West Bay Sanitary District



Over 500,502 Active Policies in California as of 10/14/2017

Over 23,000 repairs performed in CA last year, saving homeowners over \$12 Million in repair costs.

Nationwide, our programs have saved homeowners over \$300 Million in out-of-pocket repair expense.

Account Name	Paid to Date	Years in Program
City of Arlington-TX	\$277,222	1
City of Atlanta-GA	\$2,162,495	5
City of Baltimore-MD	\$3,388,024	3
City of Birmingham-AL	\$2,645,983	3
City of Charleston-SC	\$686,646	3
City of Columbia-SC	\$540,493	1
City of Dayton-OH	\$403,189	4
City of Fort Lauderdale-FL	\$171,959	4
City of Hamilton-ON	\$492,212	2
City of Kansas City-MO	\$1,922,454	3
City of Las Vegas-NV	\$256,861	3
City of Louisville-KY	\$13,974,772	9
City of Madison-WI	\$535,006	3
City of Mesa-AZ	\$330,839	3
City of Newark-NJ	\$331,452	1
City of North Las Vegas-NV	\$117,736	3
City of Phoenix-AZ	\$1,520,177	4
City of Salt Lake City-UT	\$2,063,042	3
City of San Diego-CA	\$590,795	3
City of Tucson-AZ	\$835,653	2
City of Tulsa-OK	\$1,029,825	2
Total	\$4,276,838	

In-house contact center

- Live Repair Management Specialist Support 24/7/365
- Flagship in-house call center in Chattanooga, TN with 400+ specialists
- Call handling capabilities in 300 languages
- Intensive new hire and ongoing training programs
- Comprehensive quality assurance program
- Customer Advocacy Team
- All employee bonuses tied to customer satisfaction scores

Contact Center Statistic	Last 12 Months
Inbound calls	2.1 Million
Average handle time (inbound)	489 seconds
Average handle time (repair)	389 seconds
Average speed of call answer	27 seconds
Call center personnel	400+
Average call center agent tenure	2 years, 4 months
Agent with most seniority	8 years
Call center quality assurance	97.20%



CONTRACTOR RECRUITMENT, VETTING AND MANAGEMENT

- **Contractor Management**

- ✓ Regional Operations Managers operate locally to ensure work is performed to our high standards
- ✓ Conduct on site inspections as a quality assurance check
- ✓ Routine performance reviews utilizing Contractor Scorecard / KPI's – CSAT, Service Performance, Cost

- **Contractor Communication**

- ✓ Monthly newsletter highlighting top performing contractors based on CSAT surveys & letters
- ✓ Quarterly round table sessions with high volume contractors in each region



98% Contractor Satisfaction

- ✓ We pay fast – 15 days
- ✓ Local contact to quickly answer questions & resolve issues
- ✓ Multiple job deployment and invoicing options

CORPORATE SOCIAL RESPONSIBILITY – HOMESERVE CARES

- First-of-its-kind pro bono program developed to aid disadvantaged homeowners faced with a service emergency
- Leverages HomeServe's existing repair infrastructure and financial resources
- Our most significant public commitment to date with an initial fund totaling \$500,000



See testimonials at:

<https://vimeo.com/134766768>

WHY SHOULD YOU OFFER THIS PROGRAM?

BECAUSE an unforeseen repair expense could be hard on a budget.



BECAUSE homeowners believe service line repairs are the City's responsibility.



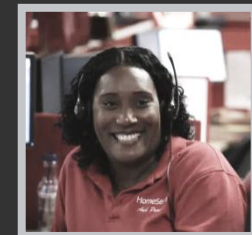
BECAUSE without a referral, your citizens may use inferior contractors.



BECAUSE the City can further help its residents by generating funds for important programs.



BECAUSE your homeowners deserve the very best customer experience.



CONTACT INFORMATION

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