

Water-line insurance could be money down the drain

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One company offers policies covering the pipes that bring water to homes for \$4.95 a month, but the exclusions are so broad that homeowners could be stuck with the bill for just about all repairs. Thousands of California homeowners recently received official-looking letters from a company called Home Emergency Insurance Solutions informing them that they face the prospect of thousands of dollars in unforeseen costs because they lack coverage for the pipes that bring water to their homes. Luckily, Home Emergency Insurance Solutions is ready to step up with policies running \$4.95 a month. So is this something homeowners should consider? A spate of municipal water pipes going kerblooey last spring might prompt some to think so. But consumer advocates and utility officials say you need to be careful. "Some policies out there can be quite good," said Jim McDaniel, who oversees the Los Angeles Department of Water and Power's water system. "Others have so many exclusions that they don't have much value." Home Emergency Insurance Solutions is offering up to \$12,000 in coverage for problems with the line running from municipal water pipes to your home. That sounds generous until you read in the fine print that this actually means \$3,000 in coverage for up to four incidents a year. Maybe that would cover the cost of a broken water pipe. Maybe not. Home Emergency Insurance Solutions says it isn't responsible for any "acts of God," which in theory means it isn't responsible for anything, depending on your religious beliefs. It also specifies that it won't cover damage resulting from "thawing of frozen pipes," one of the most common causes of water-line damage for areas prone to chilly temps and even sometimes in sunny Southern California, as we've seen in recent days). As if that wasn't enough, the policy excludes coverage for any "emergency breakdown ... arising from disconnection to the main water supply, due to preexisting conditions, caused by faulty construction/improper maintenance, or from a controllable leak," which pretty much embraces just about

anything that could mess up your water line.

Moreover, it doesn't cover any costs to correct or upgrade water lines to comply with changes to local rules and — my favorite clause — "repair of covered parts, equipment and/or systems due to reduction in performance caused by normal wear and tear."

In other words, you'll pay about \$60 a year in premiums yet still possibly be on the hook for any emergency repairs as well as any problems caused by routine water use. I don't know about you, but I see that as leaving homeowners with the bill for just about everything.

"This is one of those cases where reading the fine print shows that there may not be much coverage at all," said Amy Bach, executive director of United Policyholders, a watchdog organization.

Myles Meehan, senior vice president of Miami's HomeServe USA, parent company of Home Emergency Insurance Solutions, said water-line insurance can provide peace of mind to homeowners.

But when I asked repeatedly what sort of typical repairs the company covers that don't potentially fall under the various exclusions, he couldn't name one.

Meehan said only that "we cover breaks or leaks in water lines."

Check with your insurance provider. Most homeowner policies will cover structural damage resulting from leaks or pipe troubles, but they won't cover the actual line running from the utility pipe into the home.

If that's something you lose sleep over, water-line insurance may be for you. If not, you may just want to set aside that \$60 a year in a rainy-day fund and see how your luck holds.

All things considered, you just may come out ahead.