



Cities join sewer and water line ‘insurance’ pitch

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Prairie Village wants to sell you some insurance.

Roeland Park does, too.

The two Johnson County cities have joined a growing number of municipalities across the country in touting peace of mind for homeowners for just a small monthly fee.

It’s not a scam. In fact, it’s backed by the National League of Cities, and similar services are on the way to much of the rest of the Kansas City area.

But it’s also a marketing strategy by a private company that uses a city’s logo on a letter, above the mayor’s name, to get its pitch before potential customers.

It works. More than 12 percent of 7,800 households in Prairie Village that received that letter recently have signed up, according to Dennis Enslinger, assistant city administrator.

City Hall, in return, gets a 10 percent cut of the premiums.

Technically, it’s not insurance but a warranty to protect homeowners from the cost of repairing sewer or water lines that may break between their house and the connection to the sewer main or water meter. Many property owners may not realize they are responsible for those sections, which can cost thousands of dollars to repair in an emergency. Homeowners’ insurance policies typically do not cover such repairs.

But Service Line Warranties of America does. In return for an introductory price of \$5.50 a month or \$59 a year, the company will dispatch a local plumber immediately and pay up to \$4,000 to repair a broken line. It’ll pay another \$4,000 if the job requires cutting up the street.

The plan’s 24-hour hotline offers simplicity to “a busy homeowner who has better things to do than search for contractors and negotiate a fair price,” according to the company’s website.

Kathleen Whitworth of Roeland Park didn't know such insurance existed when her sewer connection collapsed last March, sending an awful mess up into her basement in the 5200 block of Catalina Street. Of course, she called her plumber.

"I assumed I was responsible to the curb," Whitworth said. "The biggest shock to me was that I was responsible to the main. I'm on the opposite side of the street to the main."

Whitworth's sewer pipe was made of ceramic and was installed more than 50 years ago. She figures it simply collapsed from age. But sewer and water lines can also get clogged with tree roots or break from settling ground.

Whitworth was lucky that her damage was only under her yard and not the street. Still, she was out several thousand dollars for the repairs. She said the \$4,000 offered by Service Line Warranties would have covered her job.

Whitworth became one of the nearly 9 percent of Roeland Park property owners to sign up for a warranty after the first round of letters went out in that city.

Roeland Park City Administrator Aaron Otto said the city isn't trying to twist any arms.

"It was made clear in the first sentence that this was a voluntary program," Otto said.

Prairie Village and Roeland Park fielded calls from some residents who wanted to know whether the letters were legitimate.

Similar letters in Buckhannon, W.Va., last year had phones ringing off the hook at City Hall. Mayor Kenny Davidson acknowledged the city had entered a contract with Service Line Warranties of West Virginia, but he complained that the letters sent out by the company were "misleading and confusing," according to The Record Delta newspaper. The company agreed to revise the letters.

"People need to know that they're dealing with a private company and not the city," the mayor said.

Utility Service Partners, the parent company, calls its arrangements with municipalities "co-branded marketing services agreements."

According to a National League of Cities fact sheet, the use of a city's return address on the outside of the envelope "drives a very high 'open rate' and the city seal and signature lend credibility to the offer, thus driving a much higher enrollment rate."

The insurance company also notes that the city's image is enhanced because the public sees the warranty program as a service offered by the city.

Brad Carmichael, vice president for business development for Utility Service Partners,

said other vendors offer similar products but his company pioneered the city partnership model that so far includes 81 municipalities in 23 states. Overland Park and Kansas City decided to pass. The company does not have any partnerships in Missouri and it does not sell warranties to individuals who are not in partnership cities.

But another company that offers sewer and water line warranties last week announced its entry into the Kansas City area market. Nicor Services will provide sewer line and water line warranties for anyone in the area.

In Johnson County, WaterOne has agreed to partner with a different vendor, HomeServe USA, to offer warranties for water service-line repairs beginning after the first of the year, said utility spokeswoman Eileen Koutelas.

As for sewer service, Johnson County Wastewater has considered partnering with a warranty provider, but no decision has been made, said General Manager John O'Neil.

Prairie Village and Roeland Park officials said they agreed to enter partnerships with Service Line Warranties because it sounded like a good option to offer their citizens. Neither city expects a windfall from the revenue-sharing arrangement. Enslinger estimates Prairie Village has racked up maybe \$5,000 from the deal so far.

“We would have done it without the sharing agreement,” he said.

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