

**City of Rockville****PROPOSED****Sanitary Sewer Backup, Water Main Break and Stormwater Discharge Claims Policy****1. GENERAL POLICY**

1.1 This policy provides guidelines for the review of “good-will” payments for claims related to Sanitary Sewer Backups, Water Main Breaks and/or Stormwater Discharges resulting in damages to the interior of private property and culminating in related claims.

1.2. Any claim for damages must be filed by the claimant with the City’s Safety and Risk Manager, in writing, on incident forms provided by the City for that purpose within 180 days after the date of occurrence. The forms shall include the claimant’s name, address, date of occurrence, description, and the amount of damages claimed. Photocopies of invoices and receipts associated with the claim must be attached. All claims will be forwarded to the City’s insurance carrier for review.

**2. LIMITS**

2.1 Neither the City’s insurance carrier nor the City will consider payment of a claim resulting from conditions outside the control of the City, i.e., an Act of God, a purposeful, malicious or negligent act, or otherwise outside of the City’s authority or influence.

2.2 Good-will payments will be limited to \$2,500 and restricted to application towards documented remediation costs and/or claimant insurance deductible amounts.

**3. PROCEDURES**

3.1 All claims will be forwarded to the City’s insurance carrier for review.

3.2. On arrival at the location of a sanitary sewer backup, water main break and/or stormwater discharge, City crews will determine the location of the blockage or break. If the blockage or break is found to have occurred in a City maintained portion of the utility and is absent an “Act of God,” a malicious or negligent act or otherwise outside of the City’s control, the homeowner/business will be notified by responding City of Rockville personnel of a “good-will” allowance for contract of a clean-up service in an amount of up to but not to exceed \$2,500 for sewer backups, or water main or storm drain discharges. The homeowner/business will also be notified of the ability to apply the good-will allowance towards any insurance deductible amounts specific to the remediation of the discharge.

3.3. The total amount of a good-will payment for a single claim approved by the City will not exceed \$2,500.

3.4. Such payments shall be for cleaning, sanitizing or other means taken to make the interior of the residence or business environment safe for habitation upon proof of such charge or payment as submitted to the City of Rockville Safety and Risk Manager for review.

3.5. Good-will payments may also be applied directly to any insurance deductibles paid out of pocket to the personal or business insurance policy secured by the homeowner or business, on proof of such payment and coverage as submitted to the City of Rockville Safety and Risk Manager for review. No payment for loss of personal property, bodily injury, lost time or ancillary expenses will be considered.

3.6. Claims made prior to the enactment of this Policy will not be reviewed or considered for payment, with the exception of those claims that were made consistent with Notice requirements and for which no other recourse existed for compensation due to damages outlined under this Policy.

#### 4. EXCLUSIONS

This policy shall not apply to:

4.1. Losses caused by the failure of water and sewer lines owned by the claimant or agent, or other private persons.

4.2. Water or sewage damages caused by negligence or failure to properly maintain the claimant or agent maintained utility system.

4.3. Water or sewage damages caused by failure of the claimant or agent to take steps necessary to insure against further damage to the property once an incident has occurred.

4.4 Acts of God, purposeful, malicious or negligent acts, or acts otherwise outside of the City's authority or influence

#### 5. CONDITIONS

5.1. The claim for loss as a result of a sewer, water or storm drain utility discharge must be denied in writing by the City's insurance administrator for consideration under this policy.

5.2 If any insurance is available to the claimant or agency covering a loss claimed hereunder, the City reserves the right to pursue recovery for any form of good-will payments made to cover expenses other than an insurance deductible. In accepting the good-will payment, claimant agrees to assist the City in its pursuit to recover any payment(s) made under this good-will policy.

5.3. A "Notice of Incident" form must be filed with the City's Safety and Risk Manager within 180 days from the date of occurrence.

5.4 The claimant must allow inspection of the property and examination of damage before any claim will be considered for payment under this policy.

5.5 Upon request the claimant will be required to provide the City with all insurance documentation relating to homeowners/property coverage to include insurance endorsements, riders and additional policies in place as relevant to the insured property.

5.6. All claimants must sign a release in a form approved by the City, before any good-will payment is made. The release will release the City from any and all liability arising from the sanitary sewer backup, water main break, and/or stormwater discharge and release the City from any future claims related to the incident. The release will further provide the conditions and limitations of the good-will payment.

5.7 The City makes no warranty for the work provided by any 3<sup>rd</sup> party service.

5.8 It is the full responsibility of the homeowner/business to assure the proper remediation and mitigation of discharge related damages.

5.9. The total amount of good-will payment for a single claim approved by the City will not exceed \$2,500.00 and be limited under the guidelines stated in section 3.4. and 3.5.

## 6. DEFINITIONS

6.1 Act of God: Inevitable, unpredictable, and unreasonably severe event caused by natural forces without any human interference, and over which an insured party has no control, such as an earthquake, flood, hurricane, lightning, snowstorm

6.2 City Maintained Utility: The portion of the utility maintained by the City and typically beyond the boundary of the Claimant or Agent property.

6.3 Claimant or Agent: Claimant is the individual(s) filing a claim against the City of Rockville seeking reimbursement for paid or obligated payment due to a discharge arising from the operation of the City's utility system. Agent shall be construed to mean a tenant or landlord of the claimant.

6.4 Claimant or Agent Maintained Utility: Generally the portion of the utility that is on private property owned/leased/rented by the Claimant or Agent.

6.5 Property Damage: The loss of or direct damage to or destruction of tangible property specific to the interior property of a home or business.

## 7. GENERAL CLAIMANT RESPONSIBILITIES

7.1. Claimant must document reasonable proof of ownership and the value of the damaged personal property.

7.2 Claimant must meet all terms of the outlined Conditions and any and all statutory, local, county, state and federal requirements pertaining to the claim.