



The Facts About Utility Line Warranties

In Ohio, many consumers have an opportunity to enroll in a program that helps cover the cost of repairing utility lines or equipment. Consumer-responsible line repairs occur infrequently. The Office of the Ohio Consumers' Counsel (OCC), the residential utility consumer advocate, offers the following information to consider when deciding whether to purchase any utility warranty program.

What is line insurance?

Line warranties are designed to cover the cost of repairs to utility lines that run to or inside a home. Programs are offered through a consumers' utility company or another business. Generally, utilities are responsible only for the lines along the street while the property owner is responsible for the line to the home or inside the house. Gas lines from the street to the meter are now maintained by the gas utility. The warranty typically covers the cost of fixing what would otherwise be the customer's responsibility.

Electric, Natural Gas and Water

Line warranties provide partial to full payment for service on your electric, natural gas or water lines, if you contact a utility company to fix the problem. These programs cost an additional fee that may be billed separately or added to your monthly utility bill. Many programs cover problems such as cracks in natural gas and water lines or aging electric lines that cause outages that are inside your home as well as the lines (except gas) that travel from the curb to your home.

Telephone

Many local telephone companies offer "Inside-Wiring Maintenance Plans." Consumers pay a monthly fee and, in return, the companies repair any inside-wiring problem if covered by the plan. Some plans include a replacement telephone or telephone jacks. If you are thinking about signing up for such a plan, gather as much information as possible to make a well-informed decision.

What do line warranties cost?

Many companies offering line warranty programs charge between \$3 and \$10 per month depending on the type and the number of programs you enroll in. Some companies may offer a one-time annual fee between \$36 and \$120 to cover problems with utility lines. Depending on the company, the monthly fee covers between \$1,000 and \$4,000 toward applicable repairs or replacements.

Issues to consider before signing up for a line warranty plan:

- ▶ Many consumers may never need to replace or have repairs made to a utility line.
- ▶ Talk with your neighbors to see if any of them have had to schedule repairs or replacements. If you live in an older neighborhood (more than 40 years old) where pipes and lines are still the originals and if your neighbors have had replacements, you may want to consider purchasing a plan.
- ▶ For telephone lines, most problems typically occur every 20 to 30 years.
- ▶ Many companies will not cover repairs to pre-existing conditions in the line and have provisions to inspect the insured line within a few months of the program start date.
- ▶ Talk with the company before spending any money to see exactly what is covered and how a condition is determined to be pre-existing.
- ▶ Ask the specific amount of a monthly fee and if there are any additional sign-up charges.

Who can help?

For more information on the available warranty programs and to find out information about telephone inside wire maintenance plans, contact the OCC at 1-877-PICKOCC (1-877-742-5622) toll free or visit www.pickocc.org. Consumers also may call their local utility to find out more detailed information about the programs available in their area.

The Office of the Ohio Consumers' Counsel is an equal opportunity employer and provider of services.

For additional information from the Office of the Ohio Consumers' Counsel:

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