

Public Sewer Back-Up and Water Main Break Coverage Endorsement

Sewer back-up claims are among the most difficult losses handled by the NDIRF Claims Department. These incidents are often emotional, disruptive, and costly. Compounding the problem, many property owners often do not carry sewer or water back-up coverage under their homeowner's insurance policy, leaving the damage uninsured.

When coverage is unavailable, homeowners frequently look to the municipality for payment. From the homeowner's perspective, the reasoning is simple: the water or sewer system belongs to the city, so the city should be responsible. Frustration often escalates when homeowners learn that a municipality is not legally obligated to pay unless it is shown to have caused the loss through negligence.

To address these situations, and with the health, safety, and welfare of citizens in mind, the NDIRF developed the **Public Sewer Back-Up and Water Main Break Coverage Endorsement**. This endorsement provides limited coverage **regardless of fault**, allowing municipalities to assist with cleanup and damage mitigation even when no legal liability exists.

Coverage Limits:

- **Aggregate policy limit:** \$2,000,000
- **Per-occurrence limits:**
 - \$250,000 for water main breaks
 - \$1,000,000 for sewer back-ups
 - \$10,000 per claimant per occurrence
 - Higher limits available subject to underwriting review
- Coverage is **excess** over any applicable property owner coverage/insurance

Key Exclusions¹ (simplified):

- Obstructions in pipes or lines not owned by the member
- Major disasters declared by the President of the United States
- Electric power supply interruptions exceeding 72 hours
- Excessive rainfall events
- Cyber events

Pricing:

- **\$10,000 per claimant per occurrence** = 15% of member liability premium
- **\$25,000 per claimant per occurrence** = 22.5% of member liability premium
- **\$40,000 per claimant per occurrence** = 30% of member liability premium

Additional details can be found on our website (www.ndirf.com) or by contacting your local insurance agent.

¹ Refer to the coverage endorsement form for full exclusionary language.