

A Consumer's Guide to Mobile-Homeowners Insurance

A Message from the Commissioner

The North Carolina Department of Insurance recognizes that insurance is a complex issue and it is our desire to keep consumers informed. This brochure will help explain the basic Mobile-homeowners insurance coverages, provide tips, and answer some frequently asked questions from consumers in North Carolina.

If you own a manufactured home (usually called mobile homes), there is insurance coverage available to meet your specific needs. For most people, the purchase of a home is the largest investment they will ever make. Protecting that investment from fire and other perils is extremely important.

Your Department of Insurance is available to assist you with these complicated matters. I want every North Carolinian to know that help is available by calling our toll-free number 1-800-546-5664 or by visiting the Department's Web Site www.ncdoi.com.

Mobile-homeowners Insurance

Mobile-homeowners insurance policies available in North Carolina may be used to provide coverage for your manufactured home, personal property and personal liability.

The two forms of mobile-homeowners policies offered in North Carolina are the MH (C) and MH (F) form. The forms are similar; however, differences in perils covered and coverage limitations exist. Read your policy and understand what coverages, exclusions and limitations apply.

Property Coverages

These coverages help pay for damage to your home, other structures and personal property caused by a covered "peril". A peril is an event that causes damage to property; two examples are fire and theft.

A Mobile-homeowners insurance policy can be either a "named peril" or a "comprehensive" policy. Under a "named peril" policy, perils insured against are specifically named in the policy contract (listed on chart below). Comprehensive coverage may be purchased to insure your dwelling and other structures on an "open perils" basis. This "open perils" basis provides coverage to your home or other structures against any peril causing direct physical damage unless specifically excluded by the policy.

Physical damage losses are settled on an actual cash value basis (i.e. replacement cost less depreciation), unless replacement cost coverage is purchased

Dwelling

Mobile-homeowners policies provide property coverage protecting your home and attached structures if damaged by certain perils. It also covers all the original parts, equipment and accessories furnished and installed by the maker or dealer.

Other Structures

This coverage provides protection to other structures on the residence premises (e.g. storage buildings, garages, etc).

Personal Property/Personal Effects

This coverage provides protection for the contents of your home and other personal belongings owned by you or others subject to the policy exclusions.

Personal property coverage is limited on certain types of property that are especially susceptible to loss (e.g. art, jewelry, furs, and stamp or coin collections). However, additional amounts of insurance may be purchased. You may want to consider scheduling these items separately. Ask your agent for specifics.

Loss of Use

Under the MH (F) form, if a covered loss makes the residence premises uninhabitable, this coverage will cover any necessary increase in living expenses incurred by you (up to a limit stated on the declarations page of your policy) so that your household can maintain its normal standard of living. Also, if a civil authority prohibits you from using the residence premises as a result of direct damage to neighboring premises by a covered peril you may be eligible for Loss of Use coverage.

The MH (C) form offers \$10 per day up to a maximum of 60 days reasonable additional living expenses you pay when you cannot live in your home because it is damaged or destroyed by a covered loss.

Perils Insured Against [MH(C) & MH(F)]	
Fire or Lightening	Windstorm or hail
Explosion, smoke or smudge	Riot or civil commotion
Aircraft	Vehicles
Flood, rising water	Malicious mischief and vandalism
Theft, larceny, robbery, pilferage	Earthquake and landslide
Falling objects	Breakage of glass or safety glazing material
The sinking, burning, collision or derailment of any conveyance transporting your mobile home (MH (C) only)	Weight of ice, snow, sleet (MH (F) only)
Collapse of a building or any part of a building (MH (F) only)	Accidental discharge or overflow of water from within a plumbing, heating, air-conditioning or from within a household appliance (MH (F) only)
Sudden and accidental tearing apart, cracking, burning or bulging of a steam or hot water heating system: an air conditioning system: or an appliance for heating water (MH (F) only)	Freezing of a plumbing, heating, air-conditioning system or of a household appliance (MH (F) only)
Sudden and accidental damage from artificially generated electrical current (MH (F) only)	

Coverage When Moving Your Home

For an additional premium you may purchase insurance protection for your home while it is being moved. These coverages must be purchased prior to the transportation of your home. Ask your agent for specifics.

Liability Coverages

Mobile-homeowners insurance provides coverage for accidents, in which you become legally liable, subject to all policy terms and conditions. The policies also provide coverage for medical payments to others when accidentally injured.

Personal Liability

This section of the Mobile-homeowners policy will provide bodily injury and property damage coverage when you or residents of your household are legally responsible for injury to others and/or damages to their property. This coverage will provide a defense and will pay damages as the insurance company deems

appropriate. There are some exceptions. The liability coverage will not protect you in all situations, such as an intentional act. All of the exclusions and specific language can be found in your policy.

Medical Payments to Others

This coverage pays for reasonable and necessary medical expenses for persons, other than resident members of your home, who are accidentally injured on your property. In some limited circumstances, the medical payments portion of your mobile-homeowners policy may also pay if you are involved in the injury of another person away from your home.

Medical payments coverage does not apply to your injuries or injuries of those that reside in your household. Business activities are also excluded. All of the exclusions and specific language can be found in your policy. Check with your agent or insurance company to discuss the specific limit of medical payments coverage desired.

After a Loss

- *Contact your insurance agent or company immediately when you have a loss!*
- Take precautions if the damages require you to leave your home. Secure your property. Remove valuable items. Lock windows and doors. Advise your agent or company how and where you can be reached. Take these same precautions if you are forced to evacuate before a storm.
- Make emergency repairs and document them. Your policy requires you to make reasonable emergency repairs necessary to prevent further damage to your home and its contents. Keep all receipts and take photographs of the damages, before and after emergency repairs, to submit with your claim. Do not make extensive repairs before the claims adjuster arrives or throw out damaged personal property.
- If the loss is by theft, notify the police.
- If you have lost your credit card or ATM card notify the bank or credit card company.
- Give your agent or adjuster a list of all damaged, destroyed or stolen property. Attach all bills, receipts and related information that would help document possession.
- Show the damaged property along with records and documents requested by your agent, adjuster or company.

Frequently Asked Questions

I have some valuable collectibles. What precautions should I take to be sure I'm covered if I have a loss?

Be sure your agent knows about any valuable items that you own when you purchase your policy. Keep documentation of the worth of these items in a safe location. Be sure you understand the limits and exclusions of your policy or any rider. If you have particularly valuable items or ones where the value might be disputed, you might consider hiring a reputable appraiser.

What is the difference between Actual Cash Value (ACV) and Replacement cost?

Replacement cost is the amount it would take to replace, repair or rebuild your damaged property with materials of similar kind and quality without deducting for "depreciation." Depreciation is the decrease in property value since the time it was built or purchased because of age and/or wear and tear. Actual cash value is the amount it would take to repair or replace damaged property after a deduction for depreciation.

How long does a company have to settle my claim?

The company should acknowledge receipt of your claim within 30 days. There is no specific time limit in which the company must settle your claim since each claim is different and the length of time to settle may vary.

Insurance Tips

1. Inventory your belongings. Make a list of your belongings and be sure to include purchase receipts (the best documentation), especially of large items like refrigerators and stereos, showing the year purchased and amount paid. Photographs and videotapes of your possessions are also a good idea.
2. To secure trip coverage, contact your agent and/or company before moving your mobile home.
3. Ask your agent or insurance company if you are eligible for any discounts.
4. You can lower your insurance premium by increasing your deductible. In doing this you will want to consider how much of a loss you can afford to absorb if you have a claim.
5. Keep your coverage current. Check with your agent at least once a year to make sure that your policy provides adequate coverage.
6. Shop around.
7. Make sure you are dealing with licensed agents and companies. You can check this by contacting the North Carolina Department of Insurance at 1-800-546-5664 for companies and (919) 733-7487 for agents.
8. Pay your premium in full. Also, pay before the due date to avoid the risk of cancellation. There is NO GRACE PERIOD for Mobile-homeowners insurance. If possible, use a check or money order. Keep receipts of payment in a safe place.
9. Pay your premium even if you disagree with your insurance company. Failure to make premium payments may cause cancellation of your policy.
10. Read your policy and make sure that it lists all coverages you have requested. Know exactly what your policy does and does not cover.
11. Know the name of the insurance company insuring your mobile home as well as the name of the agency and agent. This information is found on your policy.

How to Reach Us

You can reach the North Carolina Department of Insurance (NCDOI), Consumer Services Division at:
800-546-5664 (toll free)
919-733-2032 (outside of North Carolina)
919-715-0319 (TDD) Telephone Device for Deaf Caller
919-733-0085 (Fax)

You can find additional information including our complaint form on the North Carolina Department of Insurance Web site at **www.ncdoi.com**.

The address for the North Carolina Department of Insurance, Consumer Services Division is:

Consumer Services Division
North Carolina Department of Insurance

1201 Mail Service Center
Raleigh, NC 27699-1201

Related Publications Available from the NCDOI and/or Web Site

A Consumer's Guide to Homeowners Insurance
After the Fire
What to do in the Event of Disaster