



A CONSUMER'S GUIDE TO

# **MANUFACTURED HOMEOWNERS INSURANCE**

## INTRODUCTION

Manufactured-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 manufactured-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 Manufactured-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** — Manufactured-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 manufacturer 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 Lightning
- Explosion, smoke or smudge
- Aircraft
- Flood, rising water
- Theft, larceny, robbery, pilferage
- Falling objects

- The sinking, burning, collision or derailment of any conveyance transporting your mobile home (MH (C) only)
- Collapse of a building or any part of a building (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)
- Sudden and accidental damage from artificially generated electrical current (MH (F) only)
- Windstorm or hail
- Riot or civil commotion
- Vehicles
- Malicious mischief and vandalism
- Earthquake and landslide
- Breakage of glass or safety glazing material
- Weight of ice, snow, sleet (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)
- Freezing of a plumbing, heating, air-conditioning system or of a household appliance (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**

Manufactured-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 Manufactured-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 manufactured-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

### **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.

## CONSUMER TIPS

- 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.
- To secure trip coverage, contact your agent and/or company before moving your manufactured home.
- Ask your agent or insurance company if you are eligible for any discounts.
- 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.
- Keep your coverage current. Check with your agent at least once a year to make sure that your policy provides adequate coverage.
- Shop around.
- Make sure you are dealing with licensed agents and companies. You can check this by contacting the North Carolina Department of Insurance at 1-855-408-1212.
- Pay your premium in full. Also, pay before the due date to avoid the risk of cancellation. There is NO GRACE PERIOD for Manufactured-homeowners insurance. Keep receipts of all payments in a safe place.
- Pay your premium even if you disagree with your insurance company. Failure to make premium payments may cause cancellation of your policy.
- Read your policy and make sure that it lists all coverages you have requested. Know exactly what your policy does and does not cover.
- Know the name of the insurance company insuring your manufactured home as well as the name of the agency and agent. This information is found on the Declarations page of your policy.

**IF YOU HAVE QUESTIONS, THE CONSUMER SERVICES DIVISION OF THE DEPARTMENT OF INSURANCE IS HERE TO HELP.**

Toll free: 855-408-1212

Outside of NC: 919-807-6750

Fax: 919-733-0085

North Carolina Department of Insurance  
1201 Mail Service Center  
Raleigh, NC 27699-1201

You can find additional information as well as a downloadable copy of our [Request for Assistance](#) form on the NCDI Web site.

**NC Department of Insurance | Mike Causey, Commissioner | [www.ncdoi.com](http://www.ncdoi.com)**