

**Note: This is the basic policy form used by Aegis in the
North Carolina Standard Program.
(Owner Occupied / Seasonal / Tenant)
YOUR AEGIS MOBILE HOMEOWNER POLICY
MH(C)**

*A Policy YOU Can Understand
MODERN INSURANCE FOR MODERN LIVING
IN EVERY DAY LANGUAGE*



Aegis Security Insurance Company welcomes YOU as a policyholder. WE promise to provide the finest possible coverage for YOUR insurance dollar. Please read this policy, it contains the full terms of our agreements.

This policy is a legal contract between YOU and US.

READ YOUR POLICY CAREFULLY.

To report claims...phone your agent or just call toll free 1 (800) 233-2160



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MOBILE HOMEOWNER
MH(C) POLICY INDEX**

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INSURING AGREEMENT

WE, WE'LL, US, OUR, means AEGIS INSURANCE COMPANY, HARRISBURG, PENNSYLVANIA.

YOU, YOUR, YOURS, means the person named on Page One and that person's husband or wife or other members of YOUR family who live in the same mobile home, as the named insured. YOU, YOUR, YOURS can mean each or all of YOU.

With YOUR payment of the premium, WE agree to provide the insurance YOU have selected as shown on Page One. This is subject to all policy terms and conditions. Page One is the separate enclosed page and is part of this policy.

WE provide insurance only for covered losses which occur during the Policy Period shown on Page One.

PHYSICAL DAMAGE

Physical Damage always refers to damage to property YOU own. WE'LL identify the coverage WE provide for YOUR mobile home, adjacent structures and personal effects.

COMPREHENSIVE MOBILE HOME COVERAGE

WE'LL pay for direct, sudden and accidental loss of, or damage to YOUR mobile home, described on Page One, its original parts, equipment and accessories furnished by the manufacturer, dealer or seller of the mobile home and replacements of these items. YOUR Comprehensive Mobile Home coverage will include all items listed in the certificate of origin, bill of sale, manufacturer's invoice or on the original sales invoice given to YOU at the time YOU purchased YOUR mobile home and which are inside or attached to YOUR mobile home.

Comprehensive Mobile Home Coverage doesn't apply while the mobile home is in transit.

NAMED PERILS MOBILE HOME COVERAGE

WE'LL pay for direct, sudden and accidental

loss of, or damage to, YOUR mobile home, described on Page One, its original parts, equipment and accessories furnished by the manufacturer, dealer or seller of the mobile home and replacement of these items caused by:

Fire or lightning, except damage which is confined to scorching is not insured;

Explosion, smoke or smudge, but not the gradual accumulation of any oily or greasy substance of film;

The sinking, burning, collision or derailment of any conveyance transporting YOUR mobile home;

Theft, larceny, robbery, pilferage or any attempt thereat;

Windstorm, hail or earthquake, landslide, flood or other water rising outside YOUR mobile home;

Riot or civil commotion;

Malicious mischief or vandalism;

Aircraft, including self-propelled missiles and spacecraft;

Falling objects;

Vehicles, except vehicles owned or operated by YOU; and

Breakage of glass or safety glazing material which is part of YOUR mobile home.

YOUR Named Perils Mobile Home Coverage will include all items listed in the certificate of origin, bill of sale, manufacturer's invoice or on the original sales invoice given to YOU at the time YOU purchased YOUR mobile home and which are inside or attached to YOUR mobile home.

Named Perils Mobile Home Coverage doesn't apply while the mobile home is in transit.

COMPREHENSIVE ADJACENT STRUCTURES COVERAGE

WE'LL pay for direct, sudden and accidental loss of, or damage to adjacent structures YOU own.

Adjacent Structures are structures on YOUR

mobile home premises which are not attached to the mobile home.

Comprehensive Adjacent Structures Coverage doesn't apply while the adjacent structures are in transit.

NAMED PERILS ADJACENT STRUCTURES COVERAGE

WE'LL pay for direct, sudden and accidental loss of, or damage to adjacent structures YOU own caused by:

Fire or lightning, except damage which is confined to scorching is not insured;

Explosion, smoke or smudge, but not the gradual accumulation of any oily or greasy substance or film;

The sinking, burning, collision or derailment of any conveyance transporting YOUR adjacent structures;

Theft, larceny, robbery, pilferage or any attempt thereat;

Windstorm, hail or earthquake, landslide, flood or other water rising outside YOUR adjacent structures;

Riot or civil commotion;

Malicious mischief or vandalism;

Aircraft, including self-propelled missiles and spacecraft;

Falling objects;

Vehicles, except vehicles owned or operated by YOU; and

Breakage of glass or safety glazing material which is part of YOUR adjacent structures.

Adjacent Structures are structures on YOUR mobile home premises which are not attached to the mobile home.

Named Perils Adjacent Structures Coverage doesn't apply while the adjacent structures are in transit.

COMPREHENSIVE PERSONAL EFFECTS COVERAGE

WE'LL pay for direct, sudden and accidental

loss of, or damage to YOUR clothing, cooking utensils, radios, TV's, record players and YOUR other personal possessions up to the amount shown on Page One. These personal effects must be located in YOUR mobile home or a fully enclosed adjacent structure located on YOUR premises. Personal effects are items incidental to the use of YOUR mobile home as a dwelling.

Coverage includes loss or damage caused by theft, including property while in any bank, trust or safe deposit company, public warehouse or occupied dwelling not owned or occupied by or rented by YOU where the property has been placed for safe keeping.

Mysterious disappearance loss is not insured.

Personal Effects Doesn't Include:

Any motor vehicle licensed or not, for use on or off public roads except golf carts while used for golfing, riding lawn mowers or equipment usual and incidental to the maintenance of YOUR mobile home premises;

YOUR animals, boats, aircraft, property of roomers or boarders, boat motors and money or securities;

Tape decks, tapes, two-way radios or record players installed in or primarily used in any motor vehicle, boat or aircraft;

Property separately listed and separately insured by any other insurance; or

Any item listed or insured under Comprehensive Adjacent Structures Coverage.

Personal Effects Items Subject to Limited Coverage

This coverage includes the following special items: Collections of stamps or collections of coins, jewelry, art, antiques, heirlooms, cameras, golf equipment, musical instruments, guns and furs. WE'LL pay only up to \$250 for each of these special items but not more than \$500 maximum for all losses from one occurrence. WE'LL pay for loss to these special items only when caused by fire, lightning, earthquake, landslide, windstorm, flood, rising waters, robbery, or burglary. There must be visible signs of forced entry for a loss to be caused by burglary.

If YOU own any of these special items with values higher than WE provide here, ask YOUR agent for Scheduled Personal Property Coverage.

Extension of Personal Effects Coverage

WE'LL also pay up to 10% of the amount of Comprehensive Personal Effects Coverage for loss of, or damage to YOUR personal effects outside of, or off the premises of YOUR mobile home or a fully enclosed adjacent structure caused by fire, lightning, windstorm, earthquake, landslide, flood, rising water or theft.

TRIP COVERAGE

This is an optional coverage. YOU can buy this coverage each time YOU move YOUR mobile home, for an additional premium.

WE'LL show the period of coverage on Page One or on a separate attachment to this policy.

If YOU buy this coverage, WE'LL pay for direct, sudden and accidental loss of, or damage to YOUR mobile home occurring while YOUR mobile home is being moved.

Collision which damages only wheels, tires, axles and running gear isn't insured.

Coverage starts when the leveling jacks or blocks are removed and utilities are disconnected from YOUR mobile home for the purpose of transportation. Coverage ends when YOUR mobile home is unhitched from the transporting vehicle.

In each claim for loss or damage \$100 will be deducted from the total amount of loss.

Before YOUR mobile home is moved, tell US or YOUR agent about it.

NATURAL DISASTER PROTECTION

This is optional protection. If YOU borrowed money to buy YOUR mobile home, Natural Disaster Protection may increase the amount of YOUR Comprehensive or Named Perils Mobile Home Coverage in order to pay off YOUR loan. YOU can buy Natural Disaster Protection for an additional premium.

If YOU buy this protection WE'LL pay for either the actual cash value of YOUR mobile home or the outstanding principal balance of the loan for YOUR mobile home, whichever is more, if YOUR mobile home is destroyed by windstorm, flood, earthquake, landslide or hail. WE reserve the right to offer YOU a replacement mobile home of a similar kind, quality and value.

Outstanding principal balance of the loan means the unpaid amount YOU owe YOUR lienholder named on Page One, minus past due payments, unearned interest, insurance, finance and other carrying charges which may have been added to YOUR loan after the loan was finalized.

Flood Means:

A general temporary condition of partial or complete covering of normally dry land areas from:

The overflow of inland tidal waters, or

The unusual and rapid build-up or run-off of surface water from any source, or

Mudslides or mudflows which are caused by the build-up of water on or under the ground, or

Flood can also mean the collapse or sinking of land along the shore of a body of water as a result of erosion or undermining caused by waves or currents of water exceeding the normal levels, which results in a Flood as defined above.

Flood, as defined above, is at least as broad as that offered by the Standard Flood Insurance Policy [NFIA-1 (Ed. 7-74)].

YOUR ADDITIONAL COVERAGE

When YOU buy Comprehensive or Named Perils Mobile Home Coverage, WE automatically include the following additional coverages. WE'LL pay for these losses with no deductible.

Additional Living Expense Coverage

WE'LL pay YOU up to \$10 a day for a maximum of 60 days for reasonable Additional Living

Expenses YOU pay when YOU can't live in YOUR mobile home because it is damaged or destroyed by a Comprehensive or Named Perils Mobile Home Coverage loss. OUR payment ends when YOUR mobile home is repaired or replaced or seven days after WE have offered to make a reasonable cash settlement. WE'LL need paid receipts to verify YOUR reasonable additional living expenses incurred in addition to YOUR normal living expenses.

Credit Card and Depositor's Forgery Coverage

Credit Card Forgery

WE'LL pay up to \$50 for each credit card loss, but not more than \$500 for all losses from one occurrence when YOU are legally obligated to pay the issuers of the credit cards because of unauthorized use of one or more of YOUR credit cards which have been lost or stolen. This coverage doesn't apply to YOUR use of YOUR credit cards, or anyone who uses YOUR credit cards with YOUR permission. All YOU have to do is fully comply with the terms under which the credit cards were issued to YOU.

Depositor's Forgery

WE'LL pay up to \$500 to YOU for a loss which YOU become legally obligated to pay through forgery or alteration of YOUR check, draft, promissory note, bill of exchange or any similar written promise, order or direction. This includes any check or draft made or drawn in YOUR name, made payable to a fictitious payee.

Court Costs

WE'LL pay up to \$500 for YOUR reasonable attorney's fees, court costs and other legal expenses when suit is brought against YOU for someone else's unauthorized use of YOUR credit cards of forgery or alteration of YOUR checks, drafts, promissory notes, bills of exchange or similar written promises, order or direction. OUR payment for these expenses is in addition to any other amount WE may pay for these losses.

Counterfeit Money

WE'LL pay up to \$50 for any one loss
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YOU have when YOU, in good faith, accept counterfeit United States or Canadian paper money. WE'LL pay YOU up to \$100 maximum for two or more losses in any one policy year of coverage.

Credit card and Depositor's Forgery Coverage pays only for YOUR personal non-business losses. Losses from YOUR job, business or other means of earning a living aren't insured.

Debris Removal Coverage

WE'LL pay the actual cost up to \$50 for removal of debris from YOUR premises when deposited by windstorm or other hazard covered by this policy. This doesn't apply to removal of debris which would be considered normal maintenance.

Emergency Removal Service Coverage

WE'LL pay when YOUR mobile home must be moved because it is threatened by a loss covered by this policy. The amount of coverage is the actual cost up to \$100 if YOUR mobile home can be removed and returned in one section and the actual cost up to \$200 for two or more sections.

Fire Department Service Coverage

WE'LL pay when the fire department is called because of a fire in, or endangering YOUR mobile home. WE'LL pay for the actual fire department charge up to \$100 or the amount indicated on Page One.

Radio and Television Antenna Coverage

WE'LL pay the actual cost up to \$50 or the amount indicated on Page One for loss of, or damage to YOUR outside radio or television antennas located on YOUR mobile home premises by fire, lightning, earthquake, landslide, flood, rising water, robbery, burglary and windstorm.

Trees, Shrubs, Plants and Lawn Coverage

WE'LL pay for loss or damage to YOUR trees, shrubs, plants and lawn caused by fire,

lightning, explosion, riot or civil commotion, aircraft, vandalism, malicious mischief or motor vehicles not owned or operated by YOU.

Coverage is the actual cost up to \$25 for any one plant or shrub, the actual cost up to \$100 for the lawn or one tree, with a maximum combined payment of \$200 for each occurrence. WE don't insure property grown for business purposes.

Tie-Down Equipment

WE'LL pay for damage to YOUR mobile home tie-down anchoring systems. This doesn't include loss or damage from rust, corrosion or faulty installation.

OUR PAYMENT METHODS

The amount WE pay for loss of, or damage to YOUR mobile home, adjacent structures and personal effects except for the payment methods of Natural Disaster Protection will be the lowest of:

The difference between the actual cash value of YOUR property immediately before the loss and its actual cash value immediately after the loss, or

The cost of repairing the damage, or

The actual cash value of YOUR property immediately preceding the loss, or

The cost of replacing YOUR property, or

The amount of insurance shown on Page One.

We may also replace the property with property of similar kind, quality and value.

Our Payment Methods for Specific Types of Loss

Hail

The amount WE'LL pay YOU for loss or damage from hail depends on the type of loss or damage it causes.

Hail can cause structural damage, which is the actual penetration of the exterior surface or the cracking or breaking of

support materials. When this type of loss, or damage occurs, WE'LL pay YOU the cost of repairing or replacing the damaged portion of the property.

Hail often dents the exterior surface of a mobile home. Since there is no structural damage, this will in no way affect the utility of the mobile home. The amount WE pay for this will be the difference between the actual cash value of YOUR property immediately before the loss and its actual cash value immediately after the loss.

You may choose to repair the damage. The claim for repair must be made within 180 days after the loss.

Payment will be made to YOU for the amount of repair less any payment made or the actual cash value difference before and after the loss.

Pairs and Sets

In case of loss to part of a pair, set, series of objects, pieces or panels, either interior or exterior, we may:

Repair or replace any part to restore the pair or sets to its value before the loss, or

Pay the difference between actual cash value of the pair or set before and after the loss.

WE can't guarantee the availability of parts or replacements. WE won't be obligated to repair or replace, the entire pair, set or series of objects, piece or panel when a part is lost or damaged.

Tie-Downs

WE'LL pay the replacement cost or repair cost, whichever is less for loss or damage to YOUR mobile home tie-down anchoring system.

Stolen Property

Before a loss for stolen property is paid or the property is replaced, WE may return any stolen property to YOU at OUR expense with payment for any damage.

If, as a result of YOUR loss, WE pay YOU in cash or by replacement an amount equal to the actual cash value of YOUR property before the

loss, at OUR option, WE have the right to take legal title of YOUR property.

OUR Payment Methods are subject to the deductible and amounts as shown on Page One or elsewhere in this policy for the specific type of loss involved.

DEDUCTIBLE

Certain losses or damage are subject to a deductible amount as show on Page One or elsewhere in this policy.

When YOUR loss is the deductible amount or less, YOU pay it all. When YOUR loss is more than the deductible shown, YOU pay the deductible amount and WE pay the rest up to the Amount of Insurance provided to YOU in this policy.

This policy may have different deductibles for different coverages. Only one deductible amount will be applied to a loss from one occurrence. If the deductible amounts are not equal, the highest deductible for the coverages involved in the loss will apply.

PHYSICAL DAMAGE DOESN'T PROVIDE PAYMENT FOR:

Loss or damage due and confined to wear and tear, freezing, neglect or mechanical or electrical breakdown or failure, or manufacturer defect;

Loss or damage resulting from or increased by water backing up through sewers or drains or water below the surface of the ground.

Any loss or damage caused by enforcement of any governmental requirement regulating construction, confiscation, repair, demolition, sale, occupancy or relocation of YOUR mobile home;

Any loss or damage if YOUR mobile home, adjacent structures, personal effects or premises are being used for any illegal trade or illegal business;

Loss or damage due and confined to leakage from rain, sleet or snow or its resulting damage whether or not wind driven;

Loss or damage if YOUR mobile home, adjacent structures, personal effects or premises are used exclusively for business or professional purposes;

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Loss if YOU intentionally cause damage to or destruction of YOUR mobile home, adjacent structures or personal effects, or if YOU intentionally gave US materially false information with intent to deceive in order to obtain this policy or in YOUR presentation of a claim;

Loss due to nuclear action which means nuclear reaction, radiation or radioactive contamination. Direct loss by fire resulting from nuclear action is insured.

Loss or damage due to war, hostile or war-like action in time of peace or war whether declared or not declared;

Loss or damage to tires and wheels, unless damaged by fire or stolen while attached to or from inside the mobile home; and

Loss by theft to personal effects if the mobile home is not lived in or is vacant for more than 30 consecutive days before the loss.

LIABILITY

Liability provides protection against accidents that happen to somebody else, but that YOU are legally responsible for, subject to all policy terms and conditions.

WE'LL pay under Personal Liability Coverage for damages YOU become legally obligated to pay when the damages occur on YOUR mobile home premises or result from YOUR personal actions.

WE'LL pay for certain medical expenses whether or not YOU are legally liable as described in Medical Payments To Others coverage, subject to all policy terms and conditions.

DEFINITIONS

Bodily Injury means bodily injury, sickness, disease or death of any person, except YOU or any resident of YOUR mobile home; Property Damage means damage or destruction of property of others or damage or injury to it, including loss of its use.

Premises means:

YOUR mobile home as long as it is not for rental, farm or business use. Included are premises used in connection with YOUR

mobile home. Also included are adjacent sidewalks and drives to YOUR mobile home; Vacant land other than farmland owned by or rented to YOU, including land on which a one or two family dwelling is being build for YOUR use; Premises not owned by YOU but in which YOU temporarily live; or Individual or family cemetery plots or burial vaults.

PERSONAL LIABILITY COVERAGE

If a claim is made or a suit brought against YOU for damages because of Bodily Injury or Property Damage, as we have described, WE will:

Pay up to OUR Limit of Liability shown on Page One for the damages for which YOU are legally liable; Provide a defense at OUR expense by attorneys of OUR choice. WE may make any investigations and settle any claims or suits that WE decide appropriate. OUR obligation to defend any claim or suit ends when the amount WE pay for damages resulting from the occurrence equals OUR Limit of Liability shown on Page One.

MEDICAL PAYMENTS TO OTHERS COVERAGE

WE'LL pay for YOU up to OUR Limit of Liability shown on Page One the necessary medical expenses incurred or medically determined within one year from the date of an accident causing Bodily Injury. The accident must occur between the "From" and "To" dates shown on Page One. Medical expenses means reasonable charges for medical, surgical, XRay, dental, ambulance, hospital, professional nursing, recognized religious method of healing, prosthetic devices and funeral services. This coverage doesn't apply to YOU or a resident of YOUR mobile home other than residence employees.

Medical Payments To Others coverage applies only:

To a person on YOUR premises with YOUR permission;

To a person off YOUR premises if the Bodily Injury:

Arises out of a condition in YOUR premises or the sidewalks and drives adjacent to YOUR premises;

Is caused by YOUR activities;

Is caused by a residence employee in the course of duties for YOU; or

Is caused by an animal owned by YOU or in YOUR care.

Personal Liability Coverage and Medical Payments To Others Coverage provides coverage only for:

Activities which are ordinarily incidental to non-business pursuits.

WE PROVIDE THE FOLLOWING IN ADDITION TO THE LIMITS OF LIABILITY

CLAIM EXPENSE

For claim expenses WE pay:

Expenses incurred by US and costs taxed against YOU in any suit WE defend;

Premiums on bonds required in a suit defended by US, but not for bond amounts greater than the Limit of Liability for Personal Liability Coverage. WE are not obligated to apply for or furnish any bonds;

Expenses incurred by YOU at OUR requests, including up to \$25 a day actual loss of earnings, for assisting US in the investigation or defense of any claim or suit; and

Interest on the entire judgment which accrues after entry of the judgment and before WE pay, formally offer, or deposit in Court that part of the judgment which does not exceed the limit of OUR liability on that judgment; and

Prejudgment interest awarded against YOU on that part of the judgment WE pay. If WE make an offer to pay the applicable limit of liability, WE will not pay any prejudgment interest based on that period of time after the offer.

FIRST AID EXPENSES

WE'LL pay YOUR expenses for first aid to

others at the scene of an accident caused by YOU. WE'LL not pay for first aid to YOU.

DAMAGE TO PROPERTY OF OTHERS

WE'LL pay for Damage To Property Of Others caused by YOU up to \$250 per occurrence, subject to all policy terms and conditions.

LIABILITY DOESN'T PROVIDE PAYMENT FOR:

Personal Liability Coverage And Medical Payments To Others Coverage Doesn't Pay For Bodily Injury Or Property Damage

Arising out of the serving or furnishing of alcoholic beverages to any person;

Arising out of YOUR business pursuits;

Arising out of the rental or holding for rental of any premises owned by YOU intended for use as a residence for more than two roomers or boarders;

Arising out of the rendering or failing to render professional services;

Arising out of any premises owned or rented to YOU unless it is shown on Page One or a premium charge has been made;

Arising out of the ownership, maintenance, use, loading or unloading of;

Any motor vehicle licensed or not for road use, on or off public roads except golf carts while used for golfing, riding lawn mowers or equipment usual and incidental to the maintenance of YOUR mobile home premises;

Aircraft;

Watercraft;

If the watercraft has inboard or inboard/outboard motor(s) exceeding 50 horsepower;

If it is a sailing vessel, with or without auxiliary power, 26 feet or more in overall length; or

If it is powered by one or more outboard

motors with more than 25 combined total horsepower owned by YOU;

Caused directly or indirectly by war, hostile or war-like action in time of peace or war whether or not declared, riot or civil disorder; or

Which is expected or intended by YOU.

Personal Liability Coverage Doesn't Pay For Bodily Injury or Property Damage For

Liability assumed in any contract or agreement in connection with any business of YOURS;

Damage to property owned by YOU;

Damage to property rented to, occupied or used by YOU or in YOUR care except sudden and accidental damage from fire, explosion, smoke or smudge caused by YOU;

Bodily Injury to any person eligible to receive any benefits required to be provided by YOU under any worker's compensation, non-occupational disability or occupational disease law; or

Bodily Injury or Property Damage if YOU are also insured by a nuclear energy liability policy whether or not its limits of liability have been exhausted.

Medical Payments To Others Coverage Doesn't Pay For Bodily Injury

To a residence employee if Bodily Injury occurs off YOUR mobile home premises and doesn't arise out of, or in the course of, the employment by YOU;

To any person eligible to receive any benefits required to be provided or voluntarily provided by any worker's compensation, nonoccupational disability or occupational disease law; or

From nuclear action meaning nuclear reaction, radiation or radioactive contamination.

Damage To Property Of Others Doesn't Pay

If the loss is insured in any PHYSICAL DAMAGE coverage in this policy;

If the loss is caused intentionally by a named insured over 12 years old;

For loss to property owned by, or rented to YOU, a tenant of YOURS or a resident of YOUR mobile home; or

If the loss arises from:

Business pursuits;

Any act or omission in connection with a premises owned, rented or controlled by YOU unless it is shown on Page One or a premium charge has been made; or

The ownership, maintenance or use of a motor vehicle, aircraft, or watercraft.

GENERAL POLICY CONDITIONS

These general conditions apply to YOUR policy.

APPRAISALS

If settlement can't be agreed to, then both YOU and WE have the right to select a competent and disinterested appraiser within 20 days from the date of disagreement. The appraisers will select an umpire. The appraisers will determine the amount of the loss. If they don't agree, then each appraiser will submit his amount of the loss to the umpire. The agreement of any two will determine the amount of loss. YOU pay YOUR appraiser and WE pay OUR appraiser. YOU and WE share equally the expense of the umpire and all other expenses of the appraisals.

AUTOMATIC REINSTATEMENT OF COVERAGE

Any damage to YOUR property will reduce the amount of coverage available by the amount of the damage. YOUR coverage will return to the Amount of Insurance shown on Page One upon completion of repairs or replacements.

BANKRUPTCY

If you become bankrupt or insolvent WE will still be obligated by this policy.

CANCELLATION OR NONRENEWAL

YOU can cancel YOUR policy by mailing to US a written notice telling US the future date cancellation is to be effective. If a lienholder is named on Page One, WE'LL mail written notice to the lienholder ten days prior to cancellation of the lienholder's interest in this policy.

WE can cancel this policy for any reason during the first 60 days. WE can cancel this policy after the first 60 days only if YOU or YOUR representative:

Conceal, omit or misrepresent any material facts or circumstances, or

Make a false or fraudulent claim, or

Have knowledge of any change that substantially increases the risk assumed by US without notifying US and paying any required premium for the increased risk, or

Haven't paid the premium.

WE'LL mail a cancellation notice to YOU at least 30 days (10 days if YOU haven't paid the premium or if in the first 60 days of coverage) before this policy is cancelled.

WE'LL mail a cancellation notice to YOUR last address known to US. WE'LL also give the same notice to YOUR lienholder.

YOUR lienholder can cancel this policy if YOUR mobile home has been repossessed or the lienholder has otherwise acquired ownership of the mobile home. The lienholder may then, for the account of all parties at interest in this policy and upon surrender of its copy of the policy, cancel this policy.

If there is any refund of premium due to YOU, WE'LL mail it to YOU with YOUR cancellation notice or as soon as possible after WE mail the notice. If there is a lienholder, its interest will be recognized in any refund due.

WE agree to offer to renew YOUR policy unless WE mail YOU at least 45 days, but not more than 60 days before the "To" date shown on Page One, written notice of OUR intention not to renew this policy. With YOUR payment of the premium WE will renew this policy.

If YOU cancel this policy anytime within one year after the "From" date shown on Page One, YOUR unearned premium will be returned

to YOU on a short rate basis. Unearned premium for additional years of coverage will be returned to YOU on a pro rate basis. If WE or the lienholder cancel this policy, the return premiums will be calculated pro rate. All return premiums will be subject to the "Minimum Earned Premium" shown on Page One of this policy.

Short rate cancellation means that WE keep premium for the period of time YOU were insured, plus a percentage charge to cover the expense of cancellation. Pro rate cancellation means that WE keep premium only for the period of time YOU were insured.

CHANGES IN YOUR POLICY

If any provision of this policy is in conflict with YOUR state's or the Federal Government's laws or regulations at the time YOUR policy is written, it is automatically changed to conform to them. WE'LL automatically give YOU the benefit of any extension or broadening of this policy, if the change doesn't require additional premium.

When YOUR policy is renewed, continued or extended, WE will furnish YOU any form revisions applicable to YOUR coverage.

The only other way this policy can be changed is if WE change it in writing, which will be made a part of this policy. Any change in YOUR premium will be made at that time.

LEGAL ACTION AGAINST US

YOU may not bring legal action against US concerning this policy unless YOU have fully complied with all of its terms.

Under the Liability Coverages no legal action may be brought against US until judgment against YOU has been finally determined after trial.

YOUR policy does not give anyone the right to make US a part to any action to determine YOUR liability.

LIENHOLDER INTEREST

If YOU borrowed money to buy YOUR mobile home, the person or business that loaned YOU the money is called the lienholder. Lienholder means the person, firm, association, corporation or other legal RPM's reprint of the NC-ER-02

entity named as the lienholder on Page One. The designation of a lienholder is considered to be an acknowledgement by YOU that the entity named as a legal interest in the mobile home due to an installment sales contract or other security agreement. YOUR lienholder may require YOU to name it on Page One as a separate insured party, for any insurable interest it may have.

When a lienholder is named on Page One, OUR Payment Method will recognize the lienholder's interest in YOUR property. If WE elect to settle YOUR loss or damage in money, both YOUR name and YOUR lienholder's will appear on OUR payment check. If you have paid off YOUR lienholder, please tell US so that the lienholder's name may be removed from the policy.

If YOUR interest in the mobile home is terminated, OUR Payment Method will recognize only the lienholder's interest. No change in title or ownership of YOUR mobile home or any negligent acts of YOURS will cancel the lienholder's interest in this policy.

YOU or the lienholder must let US know of any change of ownership or any increase in hazard which comes to YOUR or the lienholder's knowledge. If an increase in hazard requires an additional premium, YOU must pay the additional premium.

If YOU fail to pay any premium due for this policy, YOUR lienholder may be requested to pay that premium

If YOU fail to give US proof of loss within that required 90 days, the lienholder is given an additional 30 days to notify US of the loss.

LIMITS OF LIABILITY

The insuring of more than one person by this policy does not increase OUR Liability Limits or the Amount of Insurance.

OUR RIGHT TO RECOVER FROM OTHERS

After WE have made payment under this policy, except for Medical Payments To Others, WE have the right to recover the payment from anyone who may be held responsible. YOU will be required to sign any papers and do whatever else is necessary to transfer this right

to US. Neither YOU nor anyone WE insure in this policy has the right to do anything to prejudice OUR right.

OTHER INSURANCE

Occasionally other insurance pays YOU or pays for the loss or damage which is also insured by this policy. When this happens, the following rules apply.

If the other insurance isn't provided by US, WE'LL pay only for OUR share of any coverage for any loss or damages in excess of any applicable deductibles. OUR share is determined by adding up the limits or amounts of all collectible insurance benefits and finding the percentage of the total which OUR limits or amount represents.

This policy is excess coverage for Comprehensive Personal Effects Coverage if there is other insurance coverage which will pay first. After the other policy has paid up to its limit, OUR policy will provide coverage up to its amount, but not exceeding the remainder of YOUR loss.

LOCATION

YOUR policy provides coverage for the mobile home and adjacent structures anywhere in the United States or Canada. If YOU move YOUR mobile home, please let US know within 30 days. YOUR policy provides coverage for personal effects and liability anywhere in the world, subject to all terms and conditions of the policy.

TRANSFER OF THIS POLICY

No interest in this policy can be transferred without OUR written consent. If YOU die, this policy will continue in force for the remainder of the time between the "From" and "To" dates shown on Page One. This policy will only continue for other members of YOUR family entitled to coverage at the time of YOUR death or for YOUR legal representative.

WHAT TO DO WHEN YOU HAVE A LOSS

Any theft, robbery, or burglary loss must be reported to the police within 24 hours after YOU discover the loss.

When YOU have a loss, YOU or someone on YOUR behalf must notify US at once. The quickest way is to phone YOUR agent or US.

When YOU notify YOUR agent or US, please RPM's reprint of the NC-ER-02

give YOUR name, policy number, how the loss happened, including the extent of the damages or injuries, names of witnesses, and all other pertinent facts at the time YOU report the loss.

If we need other information to investigate the loss, WE'LL ask YOU for it. WE may require this information in writing.

If YOU have a loss, YOU must protect YOUR mobile home from any further damage. If YOU fail to do so, any further damage won't be recoverable by this policy. WE'LL pay any actual reasonable expenses for necessary emergency repairs incurred in protecting the mobile home, adjacent structures and personal effects from further loss if that loss is insured by this policy.

WE may require that YOU file with US a notarized statement of loss within 90 days after the loss or damage. YOU may be required to show US the damaged property and submit to examination under oath. YOU will be required to cooperate with US in OUR effort to investigate the accident or loss, settle any claims against YOU and defend YOU. If YOU fail to cooperate, WE have the right to deny YOU coverage in this policy.

If WE make a payment under Medical Payments To Others, this isn't an admission of liability by YOU or US.

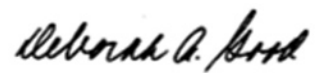
YOU, except at YOUR own cost, may not voluntarily make any payment, assume any obligation or incur any expenses other than First Aid Expenses or emergency repair.

When YOU have a loss that WE insure, WE'LL make settlement within 60 days after WE receive an acceptable proof of loss from YOU and the amount of loss determined as provided in this policy.

This policy is signed at the Home Office of Aegis Security Insurance Company by OUR authorized representative(s). It's countersigned on Page One by OUR authorized representative(s) if required.



President



Secretary

SECURED INTEREST PROTECTION ENDORSEMENT

If YOU borrowed money to buy YOUR mobile home, YOUR lienholder and mobile home dealer needed some security for that loan. In most cases YOUR mobile home will be the security. In other words, the loan is secured by YOUR mobile home. YOUR lienholder and mobile home dealer have a secured interest in YOUR mobile home and may require that the Secured Interest Protection Endorsement be added to YOUR policy. Any additional premium may have to be paid by YOU.

COLLISION OR UPSET

WE'LL pay the lienholder or the mobile home dealer for direct and sudden accidental loss to the mobile home caused by collision while the mobile home is being moved from one place to another. Collision which damages only wheels, tires, axles and running gear isn't covered. In each claim for loss or damage, \$100 will be deducted from the amount of loss.

ALTERATION

WE'LL pay the lienholder or the mobile home dealer if the Named Insured caused deliberate damage to the mobile home or made substantial changes in its structure with the intention of reducing its value without permission of the lienholder or the mobile home dealer.

Total Alteration results when the damage or change reduces the value of the mobile home so that the cost of repair plus the salvage value exceed the actual cash value of the mobile home before such damage or change. Damage resulting from neglect or omission to act, or from wear and tear or hard usage won't be considered as alteration.

In each claim for loss or damage, \$100 will be deducted from the amount of the loss.

CONVERSION

WE'LL pay the lienholder or the mobile home dealer if they are unsuccessful in their efforts to recover possession of the mobile home or its missing parts due to the Named Insured's

transfer of ownership without permission of the lienholder or the mobile home dealer. In each claim for the loss or damage, \$100 will be deducted from the amount of the loss.

CONCEALMENT

WE'LL pay the lienholder or the mobile home dealer if they are unable to locate the mobile home or its missing parts within 120 days after WE receive all of the lienholder's or mobile home dealer's papers, documents and records regarding the loan as long as the Named Insured hasn't made a loan payment to the lienholder or mobile home dealer during that 120 days. A police report must be filed for each loss contained in this paragraph.

In each claim for loss or damage, \$100 will be deducted from the amount of loss.

REPOSSESSION EXPENSE

If the mobile home is repossessed by or on behalf of the lienholder or mobile home dealer, this coverage provides payment by US to the lienholder or mobile home dealer for an amount equal to the expense of transporting the mobile home from the place of repossession to the shortest of the following:

The place where it was sold by the lienholder or mobile home dealer; or

To the nearest business location of the lienholder or mobile home dealer.

Repossession Expense applies only to the expense of returning the entire mobile home but not to the expense of returning only separate parts, equipment, or accessories. In each claim for loss, \$100 will be deducted from the amount of the loss.

OUR PAYMENT METHODS

The amount WE pay the lienholder or the mobile home dealer for loss covered by Secured Interest Protection will be the lowest of:

The cost without overhead or profit to the lienholder or the mobile home dealer for repairing or replacing the mobile home and parts with property of similar quality and value; or

The amount of interest of the lienholder or mobile home dealer in any Alteration,

Conversion, or Concealment loss, measured by the unpaid balance, not more than 60 days past due; less:

Unearned interest, insurance, finance and other carrying charges computed as of the date of claim, and also minus any penalties or other charges which may have been added to the loan after the loan was finalized; or

Replacement of the property with property of similar kind, quality and value; or

Actual cash value of the mobile home or of the missing parts immediately before the loss.

Repossession Expense is limited to: the rate per mile for transportation up to \$0.70 per mile.

This is subject to a maximum payment of \$600.

DEDUCTIBLE

If in one claim for loss or damage, collision or Upset, Alteration, Conversion, Concealment or Repossession Expense is involved, a \$100 deductible applies to each, but the total deductible from each such combination of losses shall not exceed \$200.

SECURED INTEREST PROTECTION DOESN'T PROVIDE COVERAGE:

If the loan transaction wasn't entered into in accordance with normal and usual credit standards. WE don't pay when the lien instrument, at the time of its execution, wasn't legally enforceable and didn't represent a bona fide security transaction entered into in good faith by both parties to secure the repayment of the amount of the total loan amount;

If at the date this coverage became effective, payment was more than 30 days past due under the lien instrument covering the mobile home;

For the gas bottles, fuel tanks, steps, skirting, beds, curtains, spreads, drapes, furniture or equipment. WE don't pay for appliances that have worn out or have been discarded, even if replaced;

If the loss is caused by failure of anyone to maintain the mobile home, its parts and RPM's reprint of the NC-ER-02

equipment in good working order; Unless the Named Insured has defaulted on the loan and the mobile home has been repossessed.

GENERAL CONDITIONS OF SECURED INTEREST PROTECTION

Other Insurance

If there is other collectible insurance for loss by Collision or Upset, the other insurance coverage pays first and Secured Interest Protection will pay next, but only if the entire loss isn't covered by the other insurance.

Our Right to Recover From Others

After WE have made a Secured Interest Protection payment, WE give up the right to recover the payment from the lienholder or the mobile home dealer, except for fraudulent actions of the lienholder or mobile home dealer.

WE give up the right to recover payment from the Named Insured. In Kansas, Pennsylvania and New York WE don't give up the right to recover payment from the Named Insured.

What to Do When a Loss Occurs

The lienholder or mobile home dealer must tell US as soon as there is suspicion of or actual knowledge loss has occurred. If the mobile home has been repossessed, WE must be told within 30 days after repossession.

The lienholder or mobile home dealer must give US, as part of the notice of loss or potential loss, the following:

Inspection report prepared at the time of repossession describing the condition of the mobile home and a listing, in detail, of the parts which are missing;

Manufacturer's invoice;

Any letters or other papers detailing their efforts to locate any item(s);

Retail sales contract;

Credit application;

Detailed description of damage and alterations;

All available evidence showing exactly how

the mobile home was equipped and sold;

Summary of collection efforts;

Statement from the local law enforcement agency to which the loss was reported.

The lienholder or mobile home dealer must, at its own expense, use every reasonable effort, including litigation, until settlement of the loss to:

Secure, protect and preserve the mobile home from loss;

Locate the Named Insured, the mobile home and any missing parts;

Declare the loan in default;

Repossess the mobile home for which any claim is to be made;

Collect all amounts.

The lienholder or mobile home dealer must allow US to review and copy any other books, records and files that will assist US in settling a claim.

All losses must be promptly reported to the police.

The General Policy Condition of the Mobile Home Owner Policy titled WHAT TO DO WHEN YOU HAVE A LOSS doesn't apply to this endorsement.

The day WE receive all the required information will be the effective date of claim and all computations will be made as of that day.

The General Policy Conditions of the Mobile Home Owner Policy apply to the Secured Interest Protection Endorsement unless WE have already changed it in writing.

Named Insured means the person or persons named on Page One and is not intended necessarily to acknowledge legal title or ownership of the insured property.