

N.C. MH-F Program/Multi-sectional Program Policy Forms

The following pages are RPM’s adaptation of the MH-F policy form and the endorsements available for the N. C. MH-F Program. These are replicas of the actual policy forms and endorsements your customer will receive with his/her new Aegis Security policy. *Some are standard with this program, others are optional. Please refer to these forms as you discuss standard coverage, optional coverage, definitions, exclusions, etc. with your customer.

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**Note: This is the basic policy form used by Aegis in the
North Carolina Multi-sectional Program.
(Owner Occupied / Primary Residence)
YOUR AEGIS MOBILE HOMEOWNER POLICY
MH-(F)**



*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
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AGREEMENT

We will provide the insurance described in this policy in return for the premium and compliance with all applicable provisions of this policy.

DEFINITIONS

Throughout this policy, “you” and “your” refer to the “named **insured**” shown in the Declarations and the spouse if a resident of the same household. “We”, “us” and “our” refer to the Company providing this insurance. In addition, certain words and phrases are defined as follows:

1. “bodily injury” means bodily harm, sickness or disease, including required care, loss of services and death resulting there from.

2. “business” includes trade, profession or occupation.

3. “insured” means you and the following residents of your household:

a. your relatives

b. any other person under the age of 21 who is in the care of any person named above.

Under Section II, “**insured**” also means:

c. with respect to animals or watercraft to which this policy applies, any person or organization legally responsible for these animals or watercraft which are owned by you or any person included in 3a or 3b. A person or organization using or having custody of these animals or watercraft in the course of any **business**, or without permission of the owner is not an **insured**;

d. with respect to any vehicle to which this policy applies, any person while engaged in your employment or the employment of any person included in 3a. or 3b.

4. “insured location” means:

a. the **residence-premises**;

b. the part of any other premises, other structures, and grounds, used by you as a residence and which is shown in the Declarations or which is acquired by you during the policy period for your use as a residence;

c. any premises used by you in connection with the premises included in 4a. or 4b.;

d. any part of a premises not owned by any **insured** but where any **insured** is temporarily residing;

e. vacant land owned by or rented to any **insured**. This does not include farm land;

f. land owned by or rented to any **insured** on which a one or two family dwelling is being constructed as a residence for any **insured**;

g. individual or family cemetery plots or burial vaults of any **insured**;

h. any part of a premises occasionally rented to any **insured** for other than **business** purposes.

5. “motor vehicle” means:

a. a motorized land vehicle designed for travel on public roads or subject to motor vehicle registration. A motorized land vehicle in dead storage on an **insured** location is not a **motor vehicle**;

b. a trailer or semi-trailer designed for travel on public roads and subject to motor vehicle registration. A boat, camp, home or utility trailer not being towed by or carried on a vehicle included in 5a. is not a **motor vehicle**;

c. a motorized golf cart, snowmobile or other motorized land vehicle owned by any **insured** and designed for recreational use off public roads, while off an **insured location**. A motorized golf cart while used for golfing purposes is not a **motor vehicle**;

d. any vehicle including a mobile home described in the Declarations being towed by or carried on a vehicle included in 5a., 5b. or 5c.

6. “property damage” means physical injury to or destruction of tangible property. This includes loss of use of the property.

7. “residence employee” means an employee of any **insured** who performs duties in connection with the maintenance or use of the **residence premises**, including household or domestic services, or who performs duties elsewhere of a similar nature not in connection with the **business** or any **insured**.

8. “residence premises” means the mobile home and other structures located on the land owned or leased by you where you reside and which is shown as the “residence premises” in the Declarations.

SECTION I – COVERAGES

COVERAGE A – DWELLING

We cover:

a. the mobile home on the **residence premises** shown in the Declarations used principally as a private residence. Included are all parts and accessories built into the structure and utility tanks

attached.

b. appliances, furniture and equipment furnished by the maker or dealer. We will also include replacements of these.

c. materials and supplies located on or next to the **residence premises**. They must be used in the construction or repair of the mobile home.

COVERAGE B OTHER STRUCTURES

We cover:

a. other structures, additions and equipment attached to or appurtenant to the mobile home. They must not be used in whole or in part for business purposes.

b. materials and supplies located on or next to the **residence premises**. They must be used in the construction or repair of these other structures or additions.

COVERAGE C – PERSONAL PROPERTY

We cover personal property:

a. owned or used by an **insured** while it is anywhere in the world.

b. owned by others while it is on the part of the **residence premises** occupied by an **insured**. This is at your option.

c. owned by a guest or a **residence employee** while it is in any residence occupied by an **insured**. This is at your option.

Our limit of liability for personal property while off the **residence premises** is 10% of the amount specified for Coverage C or \$300.00, whichever is greater. If you move to another permanent residence, we will insure your personal property at each location on a pro rata basis. This coverage applies up to 30 days from the date you begin to move. It does not extend beyond the expiration date of this policy.

Special Limits of Liability. These limits do not increase the Coverage C limit of liability. The special limit for each following numbered category is the total limit for each occurrence for all property in that numbered category.

- 1.** \$100. on money, bullion, bank notes, coins and medals;
- 2.** \$500. on securities, accounts, deeds, evidences of debt, letters of credit, notes other than bank notes, manuscripts, passports, tickets and stamps.
- 3.** \$500. for loss by theft of jewelry,

watches, platinum, furs, precious and semi-precious stones;

4. \$500. for loss by theft of silverware;

5. \$500. for loss of fine arts;

6. \$500. on business property while on premises described in the Declarations.

Property not covered:

- 1.** property covered under Coverage A or B;
- 2.** animals, birds or fish;
- 3.** motorized land vehicles, their equipment and accessories. Those not licensed for road use, used to service an **insured** residence are covered;

Motorized Land:

- 4.** property which may be operated from a **motor vehicle** power supply;
 - a.** Equipment including accessories and antennas for the recording, reproduction, receiving or transmitting of sound.
 - b.** Tapes, records or other devices for use with the above equipment. This applies only while such property is in or on a **motor vehicle**.
- 5.** aircraft; and parts;
- 6.** watercraft, their furnishings, equipment, and outboard motors;
- 7.** trailers, licensed or not;
- 8.** property of roomers, boarders and other tenants. Property of roomers and boarders related to an **insured** is covered;
- 9.** **business** property in storage or held as a sample or for sale or delivery after sale;
- 10.** property contained in an apartment regularly rented or held for rental to others by an **insured**;
- 11.** property rented or held for rental to others away from the **residence premises**;
- 12.** **business** property away from the **residence premises**;
- 13.** articles separately described and specifically **insured** in this or other insurance.

COVERAGE D LOSS OF USE

The limit of liability for Coverage D is the total limit for all the following coverages;

- 1. Additional Living Expense.** If a loss covered under this Section makes the **residence premises** uninhabitable, we cover any necessary increase in living expenses incurred by you so that your household can maintain its normal standard of living. Payment shall be for the shortest time required.
 - a.** to repair or replace the premises; or
 - b.** if you permanently relocate, the shortest time required for your household

to settle elsewhere; or

c. the period of time between the date of loss and thirty days after the date we offer cash settlement based either on a repair estimate or the actual cash value of the mobile home.

2. Prohibited use. If a civil authority prohibits you from use of the **residence premises** as a result of direct damage to neighboring premises by a Peril **Insured Against** in this policy we cover any resulting Additional Living Expense for a period not exceeding two weeks during which use is prohibited. This period of time is not limited by the expiration of this policy. We do not cover loss or expense due to cancellation of a lease or agreement. No deductible applies to this coverage.

ADDITIONAL COVERAGES

1. Debris Removal. We will pay the reasonable expense incurred by you in the removal of debris of covered property. Loss must be due to a covered peril. Debris removal expense is included in the limit of liability applying to the damaged property.

2. Reasonable Repairs. We will pay the reasonable cost incurred by you for necessary repairs made solely to protect covered property from further damage. The peril causing the loss must be covered. This coverage does not increase the limit of liability applying to the property being repaired.

3. Trees, shrubs, and other plants. We cover trees, shrubs, plants or lawns on the **residence premises** owned by the **insured**. Loss must be caused by fire or lightning, explosives, riot or civil commotion, malicious mischief or vandalism, or aircraft. The limit of liability for this coverage shall not exceed \$300 in the aggregate. It shall not be more than \$100 for one tree or lawn or \$50 for one plant or shrub including the cost of debris removal.

4. Fire Department Service Charge. We will pay up to \$100 for your liability assumed by contract or agreement for fire department charges incurred when the fire department is called to save or protect covered property from a Peril **Insured Against**. We do not cover fire department service charges if the property is located within the limits of the city, municipality or protection district furnishing the fire department response. This coverage is additional insurance. No deductible applies to this coverage.

5. Property Removed.

a. Covered property while being removed from a premises endangered by a Peril **Insured Against** and for not more than 30 days while removed is covered for direct loss from any cause. This coverage does not change the limit of liability applying to the property being removed

b. If, at anytime, the mobile home is endangered by a Peril **Insured Against** and removal is necessary to avoid damage, we will pay the reasonable expense incurred by you, not to exceed \$100, for the removal and the return. No deductible applies to this coverage.

SECTION I - PERILS INSURED AGAINST

We insure for direct loss to the property described in Coverages A, B and C caused by:

1. Fire or lightning.

2. Windstorm or hail. This peril does not include loss to the interior of a building or the property contained in a building caused by rain, snow, sleet, sand or dust unless the direct force of wind or hail damages the building causing an opening in a roof or wall and the rain, snow, sleet, sand or dust enters through this opening. This peril does not include loss caused directly or indirectly by frost, cold weather or ice other than hail, snow or sleet, all whether wind driven or not.

3. Explosion

4. Riot or civil commotion.

5. Aircraft, including self-propelled missiles and spacecraft.

6. Vehicles, excluding loss:

a. by vehicles owned or operated by an **insured**, tenant, or transporter of the mobile home.

b. while the **insured** property is on any part of a vehicular right-of-way.

7. Smoke, meaning sudden and accidental damage from smoke. This peril does not include loss caused by smoke from farming or industrial operations.

8. Vandalism or malicious mischief. This peril does not include loss to property on the residence premises if the dwelling has been vacant for more than 30 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant.

9. Theft, including attempted theft and loss of property from a known location when it is likely that the property has been stolen. Property placed for safekeeping in

any bank, trust or safe deposit company, public warehouse or occupied dwelling not owned or rented to an **insured** shall be considered on the **residence premises**. This peril does not include loss caused by theft:

- a. committed by an **insured**;
- b. in or to a dwelling under construction; or of materials and supplies for use in the construction until the dwelling is completed and occupied; or
- c. from part of a **residence premises** rented by an **insured** to other than an insured,
 - (1) caused by a tenant, members of the tenants household, or the tenant's employees;
 - (2) of money, bank notes, bullion, gold, silver, silverware, pewterware, platinum, coins and medals;
 - (3) of securities, accounts, deeds, evidences of debt, letters of credit, notes other than bank notes, manuscripts, passports, tickets, or stamps;
 - (4) of jewelry, watches, furs, precious and semi-precious stones.

This peril does not include loss caused by theft that occurs away from the **residence premises** of:

- a. property while at any other residence owned, rented to, or occupied by an **insured** except while any **insured** is temporarily residing there;
- b. unattended property in or on a motorized land vehicle or trailer, other than a public conveyance. Coverage applies if there is forcible entry into the vehicle while all its doors, windows and other openings are closed and locked and there are visible marks of forcible entry; or the vehicle is stolen and not recovered within 30 days. Property is not unattended when the **insured** has entrusted the keys of the vehicle to a custodian.
- c. Unattended property in or on any watercraft unless the loss results from forcible entry into a securely locked compartment and there are visible marks of the forcible entry.

10. Breakage of glass or safety glazing material which is part of a building, storm door or storm window. This peril does not include loss on the **residence premises** if the dwelling has been vacant for more than 30 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant.

11. Falling objects. This peril does not include loss to the interior of a building or property contained in the building unless the roof or an exterior wall of the building is first damaged by a falling object. Damage to the falling object itself, outdoor equipment, awnings, and fences, is not included.

12. Weight of Ice, snow or sleet which causes damage to a building or property contained in the building. This peril does not include loss to an awning, fence, patio, pavement, swimming pool, foundation, retaining wall, bulk-head, pier, wharf, dock, or outdoor equipment.

13. Collapse of a building or any part of a building.

This peril does not include loss to an awning, fence, patio, pavement, swimming pool, underground pipe, flue, drain, cesspool, septic tank, foundation, retaining wall, bulkhead, pier, wharf or dock. Coverage applies if the loss is a direct result of the collapse of a building. Collapse does not include settling, cracking, shrinking, bulging, or expansion.

14. Accidental discharge or overflow of water or steam from within a plumbing, heating or air conditioning system or from within a household appliance. We also pay for tearing out and replacing part of the building on the **residence premises** necessary to repair the system or appliance from which the water or steam escaped. This peril does not include loss:

- a. to a building caused by continuous or repeated seepage or leakage which occurs over a period of weeks, months or years;
- b. on the **residence premises**, if the dwelling has been vacant for more than 30 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant;
- c. to the system or appliance from which the water or steam escaped.
- d. caused by or resulting from freezing;

15. 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. This peril does not cover loss caused by or resulting from freezing.

16. Freezing of a plumbing, heating or air conditioning system or of a household appliance.

This peril does not include loss on the **residence premises** while the dwelling is

vacant, unoccupied or being constructed. Coverage applies if you have used reasonable care to:

- a. maintain heat in the building; or
- b. shut off the water supply and drain the system and appliances of water.

17. Sudden and accidental damage from artificially generated electrical current.

This peril does not include loss to a tube, transistor or similar electronic components.

18. Flood or rising water.

SECTION I – EXCLUSIONS

We do not cover loss resulting directly or indirectly from:

1. Ordinance or Law, meaning enforcement of any ordinance or law regulating the construction, repair, or demolition of a building or other structure, unless specifically provided under this policy.

2. Earth Movement. Direct loss by fire, explosion, theft, or breakage of glass or safety glazing materials resulting from earth movement is covered.

3. Power interruption, meaning the interruption of power or other utility service if the interruption takes place away from the residence premises. If a Peril Insured Against ensues on the **residence premises**, we will pay only for loss caused by the ensuing peril.

4. Neglect, meaning neglect of the **insured** to use all reasonable means to save and preserve property at and after the time of a loss, or when property is endangered by a Peril **Insured** Against.

5. War, including undeclared war, civil war, insurrection, rebellion, revolution, warlike act by a military force or military personnel, destruction or seizure or use for a military purpose, and including any consequence of any of these. Discharge of a nuclear weapon shall be deemed a warlike act even if accidental.

6. Nuclear Hazard, to the extent set forth in the Nuclear Hazard Clause of Section I – Conditions.

SECTION I – CONDITIONS

1. Insurable Interest and Limit of Liability. Even if more than one person has an insurable interest in the property covered, we shall not be liable:

- a. to the **insured** for an amount greater than the **insured's** interest; nor
- b. for more than the applicable limit of

RPM's reprint of the MH(F) 2NC (7-80)

liability.

2. Your Duties After Loss. In case of a loss to which this insurance may apply, you shall see that the following duties are performed:

- a. give immediate notice to us or our agent, and in case of theft also to the police;
- b. protect the property from further damage, make reasonable and necessary repairs required to protect the property, and keep an accurate record of repair expenditures;
- c. prepare an inventory of damaged personal property showing in detail, the quantity, description, actual cash value and amount of loss. Attach to the inventory all bills, receipts and related documents that substantiate the figures in the inventory.
- d. as often as we reasonably require:
 - (1) exhibit the damaged property;
 - (2) provide us with records and documents we request and permit us to make copies; and
 - (3) submit to examination under oath and subscribe the same.
- e. submit to us, within 60 days after we request, your signed, sworn proof of loss which sets forth, to the best of your knowledge and belief:

- (1) the time and cause of loss;
- (2) interest of the **insured** and all others in the property involved and all encumbrances on the property;
- (3) other insurance which may cover the loss;
- (4) changes in title or occupancy of the property during the term of the policy;
- (5) specifications of any damaged building and detailed estimates for repair of the damage;
- (6) an inventory of damaged personal property described in 2c.;
- (7) receipts for additional living expenses incurred and record supporting the fair rental value loss;
- (8) evidence or affidavit supporting a claim under the Credit Card, Forgery and Counterfeit Money coverage, stating the amount and cause of loss.

3. Loss Settlement. Covered property losses are settled at actual cash value at the time of loss but not exceeding the amount necessary to repair or replace.

4. Loss to a Pair or Set. In case of loss to a pair or set we may elect to:

- a. repair or replace any part to restore

the pair or set to its value before the loss;
b. pay the difference between actual cash value of the property before and after the loss; or

c. pay in any loss involving part of a series of pieces or panels:

- (1)** the reasonable cost of repairing or replacing the damaged part to match the remainder as closely as possible; or
- (2)** the reasonable cost of providing an acceptable decorative effect or utilization as circumstances may warrant. However, we do not guarantee the availability of replacements, or in the event of damage to a part, be liable for the value of or to repair or replace the entire series of pieces or panels.

5. Glass Replacement. Loss for damage to glass caused by a Peril **Insured** Against shall be settled on the basis of replacement with safety glazing materials when required by ordinance or law.

6. Appraisal. If you and we fail to agree on the amount of loss, either one can demand that the amount of the loss be set by appraisal. If either makes a written demand for appraisal, each shall select a competent, independent appraiser and notify the other of the appraiser's identity within 20 days of receipt of the written demand. The two appraisers shall then select a competent, impartial umpire. If the two appraisers are unable to agree upon an umpire within 15 days, you or we can ask a judge of a court of record in the state where the **residence premises** is located to select an umpire. The appraisers shall then set the amount of the loss. If the appraisers shall then set the amount of the loss. If the appraisers submit a written report of an agreement to us, the amount agreed upon shall be the amount of the loss. If the appraisers fail to agree within a reasonable time, they shall submit their differences to the umpire. Written agreement signed by any two of these three shall set the amount of the loss. Each appraiser shall be paid by the party selecting that appraiser. Other expenses of the appraisal and the compensation of the umpire shall be paid equally by you and us.

7. Other Insurance. If a loss covered by this policy is also covered by other insurance, we will pay only the proportion of the loss that the limit of liability that applies under this policy bears to the total amount of insurance covering the loss.

8. Suit Against Us. No action shall be brought unless there has been compliance

with the policy provisions and the action is started within three years after the occurrence causing the loss or damage.

9. Our Option. If we give you written notice within 30 days after we receive your signed, sworn statement of loss, we may repair or replace any part of the property damaged with equivalent property.

10. Loss Payment. We will adjust all losses with you. We will pay you unless some other person is named in the policy or is legally entitled to receive payment. Loss will be payable 60 days after we receive proof of loss and:

- a.** reach an agreement with you;
- b.** there is an entry of a final judgment; or
- c.** there is a filing of an appraisal award with us.

11. Abandonment of Property. We need not accept any property abandoned by any **insured**.

12. No Benefit to Bailee. We will not recognize any assignment or grant any coverage for benefit of any person or organization holding, storing or transporting property for a fee regardless of any other provision of this policy.

13. Nuclear Hazard Clause.

a. "Nuclear Hazard" means any nuclear reaction, radiation, or radioactive contamination, all whether controlled or uncontrolled or however caused, or any consequence of any of these.

b. Loss caused by the nuclear hazard shall not be considered loss caused by fire, explosion, or smoke, whether these perils are specifically named in or otherwise included within the Perils **Insured** Against in Section I.

c. This policy does not apply under Section I to loss caused directly or indirectly by nuclear hazard, except that direct loss by fire resulting from the nuclear hazard is covered.

14. Loss Payable Clause. The word "Leinholder" includes trustee. If a leinholder is named in this policy, a loss payable under Coverage A, B or C will be paid to the leinholder and you, as interests appear. If more than one leinholder is named, the order of payment will be the same as the order or precedence of the liens. If we deny your claim, that denial will not apply to a valid claim of the lienholder, if the lienholder:

- a.** notifies us of a change in ownership, occupancy, or substantial change in risk of which the lienholder is aware.

b. pays any premium due under this policy on demand, if you have neglected to pay the premium.

c. submits a signed, sworn statement of loss within 60 days after receiving notice from us of your failure to do so. Policy conditions relating to Appraisal, Suit Against Us, and Loss Payment apply to the lienholder.

If we cancel or non-renew the policy, the lienholder will be notified at least 10 days before the cancellation or non-renewal takes effect. If we pay the lienholder for a loss and deny payment to you:

a. we are subrogated to all the rights of the lienholder granted under the lien on the property; or

b. at our option, we may pay to the lienholder the whole principal on the lien plus accrued interest. In this event, we will receive a full assignment and transfer of the lien and all securities held as collateral to the lien.

Subrogation will not impair the right of the lienholder to recover the full amount of the lienholder's claim.

SECTION II – LIABILITY COVERAGES

COVERAGE E – PERSONAL LIABILITY

If a claim is made or a suit is brought against any **insured** for damages because of **bodily injury** or **property damage** to which this coverage applies, we will:

a. pay up to our limit of liability for the damages for which the **insured** is legally liable; and

b. provide a defense at our expense by counsel of our choice. We may make any investigation and settle any claim or suit that we decide is 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.

COVERAGE F – MEDICAL PAYMENTS TO OTHERS

We will pay the necessary medical expenses incurred or medically ascertained within one year from the date of an accident causing **bodily injury**. Medical expenses mean reasonable charges for medical, surgical, xray, dental, ambulance, hospital, professional nursing, prosthetic devices and funeral services. This does not apply to you or regular residents of your household other than **residence employees**. As to others, this

coverage applies only:

a. to a person on the **insured location** with the permission of any **insured**; or

b. to a person off the **insured location**, if the **bodily injury**:

(1) arises out of a condition in the **insured location** or the ways immediately adjoining;

(2) is caused by activities of any **insured**;

(3) is caused by a **residence employee** in the course of the **residence employee's** employment by any **insured**; or

(4) is caused by an animal owned by or in the care of any **insured**.

SECTION II – EXCLUSIONS

COVERAGE E – PERSONAL LIABILITY AND COVERAGE F – MEDICAL PAYMENTS TO OTHERS

do not apply to **bodily injury** or **property damage**:

a. which is expected or intended by the **insured**;

b. arising out of **business** pursuits of any **insured** or the rental or holding for rental of any part of any premises by any **insured**.

This exclusion does not apply to:

(1) activities which are ordinarily incident to non-business pursuits; or

(2) the rental or holding for rental of a residence of yours:

(a) on an occasional basis for the exclusive use as a residence;

(b) in part, unless intended for use as a residence by more than two roomers or boarders; or

(c) in part, as an office, school, studio or private garage;

c. arising out of the rendering or failing to render professional services;

d. arising out of any premises owned or rented to any **insured** which is not an **insured location**;

e. arising out of the ownership maintenance, use, loading or unloading of:

(1) an aircraft;

(2) a **motor vehicle** owned or operated by, or rented or loaned to any **insured**; or

(3) a watercraft:

(a) owned by or rented to any

insured if the watercraft has inboard or in-board-outdrive motor

power of more than 50 horsepower or is a sailing vessel, with or without auxiliary power 26 feet or more in overall length; or

(b) powered by one or more outboard motors with more than 25 total horse-power, owned by any **insured** at the inception of this policy. If you report in writing to us within 45 days after acquisition, an intention to insure any out-board motors acquired prior to the policy period, coverage will apply.

f. caused directly or indirectly by war, including undeclared war, civil war, insurrection, rebellion, revolution, warlike act by a military force or military personnel, destruction or seizure or use for a military purpose, and including any consequence of any of these. Discharge of a nuclear weapon shall be deemed a warlike act even if accidental.

Exclusion e. (3) does not apply while the watercraft is stored and exclusion d. and e. do not apply to **bodily injury** to any **residence employee** arising out of and in the course of the **residence employee's** employment by any **insured**.

2. COVERAGE E – PERSONAL LIABILITY, does not apply to:

- a.** liability assumed under, any unwritten contract or agreement, or by contract or agreement in connection with any **business** of the **insured**;
- b. property damage** to property owned by the **insured**;
- c. property damage** to property rented to, occupied or used by or in care of the **insured**. This exclusion does not apply to **property damage** caused by fire, smoke or explosion;
- d. bodily injury** to any person eligible to receive any benefits required to be provided or voluntarily provided by the **insured** under any worker's or workmen's compensation, nonoccupational disability, or occupational disease law; or
- e. bodily injury** or **property damage** for which any **insured** under this policy is also an insured under a nuclear energy liability policy or would be an insured but for its termination upon exhaustion of its limit of liability. A nuclear energy liability policy is a policy issued by the Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance

Association of Canada, or any of their successors.

COVERAGE F – MEDICAL PAYMENTS TO OTHERS, does not apply to **bodily injury**:

- a.** to a **residence employee** if it occurs off the **insured location** and does not arise out of or in the course of the **residence employee's** employment by any **insured**;
- b.** to any person provided benefits under workers' or workmen's compensation, non-occupational disability or occupational disease law.
- c.** to any person, other than a **residence employee** of an **insured**, regularly residing in a part of the **insured** location.

SECTION II – ADDITIONAL COVERAGE

We cover the following. These are in addition to the limits of liability:

- 1. Claim Expenses.** We pay:
 - a.** expenses incurred by us and costs taxed against any **insured** in any suit we defend;
 - b.** premiums on bonds required in a suit defended by us. We do not pay for bond amounts greater than the limit of liability for Coverage E. We are not obligated to apply for or furnish any bond;
 - c.** reasonable expenses incurred by any insured at our request. This includes actual loss of earnings (but not loss of other income) up to \$25 per day for assisting us in the investigation or defense of any claim or suit;
 - d.** interest on the entire judgment which accrues after entry of the judgment and before we pay or tender, or deposit in court that part of the judgment which does not exceed the limit of liability that applies.
- 2. First Aid Expenses.** We will pay expenses for first aid to others incurred by any insured for bodily injury covered under this policy. We will not pay for first aid to you or any other insured.
- 3. Damage to Property of Others.** We will pay up to \$250 per occurrence for **property damage** to property of others caused by any **insured**.

We will not pay for **property damage**:

- a.** to property covered under Section I of this policy;
- b.** caused intentionally by any **insured** who is 13 years of age or older;
- c.** to property owned by or rented to any

insured, a tenant of any **insured**, or a resident of your household; or

d. arising out of:

- (1) business** pursuits;
- (2)** any act or omission in connection with a premises owned, rented or controlled by any **insured**, other than the **insured location**; or
- (3)** the ownership, maintenance, or use of a **motor vehicle**, aircraft or watercraft.

SECTION II – CONDITIONS

1. Limit of Liability. Regardless of the number of **insureds**, claims made or persons injured, our total liability under Coverage E stated in this policy for all damages resulting from any one occurrence shall not exceed the limit of liability for Coverage E stated in the Declarations. All **bodily injury** or **property damage** resulting from any one accident or from continuous or repeated exposure to substantially the same general conditions shall be considered to be the result of one occurrence. Our liability under Coverage F for all medical expenses payable for **bodily injury** as a result of one accident is not more than:

- a.** the limit of liability shown in the Declarations for “each person”;
- b.** \$25,000 total per accident.

2. Severability of Insurance. This insurance applies separately to each **insured**. This condition shall not increase our limit of liability for any one occurrence.

3. Duties After Loss. – How to File A Claim - In case of an accident or occurrence the **insured** shall perform the following duties that apply. You shall cooperate with us in seeing that these duties are performed:

- a.** give written notice to us or our agent as soon as practicable, which sets forth:
 - (1)** the identity of the policy and **insured**;
 - (2)** reasonably available information on the time, place and circumstances of the accident or occurrence; and
 - (3)** names and addresses of any claimants and available witnesses;
- b.** forward to us every notice, demand, summons or other process relating to the accident or occurrence;
- c.** at our request, assist in:
 - (1)** making settlement;
 - (2)** the enforcement of any right of contribution or indemnity against any

person or organization who may be liable to any **insured**;

(3) the conduct of suits and attend hearings and trails;

(4) securing and giving evidence and obtaining the attendance of witnesses:

d. under the coverage – Damage to the Property of Others – submit to us within 60 days after the loss, a sworn statement of loss and exhibit the damaged property, if within the **insured’s** control:

e. the **insured** shall not, except at the **insured’s** own cost, voluntarily make any payment, assume any obligation or incur any expense other than for first aid to others at the time of the **bodily injury**.

4. Duties of an Injured Person

– Coverage F – Medical Payments to Others. The injured person or someone acting on behalf of the injured person shall:

- a.** give us written proof of claim, under oath if required, as soon as practicable;
- b.** execute authorization to allow us to obtain copies of medical reports and records; and
- c.** the injured person shall submit to physical examination by a physician selected by us when and as often as we reasonably require.

5. Payment of Claim – Coverage F

– Medical Payments to Others. Payment under this coverage is not an admission of liability by any **insured** or us.

6. Suit Against Us. No action shall be brought against us unless there has been compliance with the policy provisions. No one shall have any right to join us as a party to any action against any **insured**. Further, no action with respect to Coverage E shall be brought against us until the obligation of the **insured** has been determined by final judgment or agreement signed by us.

7. Bankruptcy of any Insured.

Bankruptcy or insolvency of any **insured** shall not relieve us of any of our obligations under this policy.

8. Other Insurance – Coverage E

– Personal Liability. This insurance is excess over any other valid and collectible insurance except insurance written specifically to cover as excess over the limits of liability that apply in this policy.

SECTION I AND SECTION II – CONDITIONS

1. Policy Period. This policy applies only to loss under Section I or **bodily**

injury or **property damage** under Section II, which occurs during the policy period.

2. Concealment or fraud. We do not provide coverage for any **insured** who has intentionally concealed or misrepresented any material fact or circumstance relating to this insurance.

3. Liberalization Clause. If we adopt any revision which would broaden the coverage under this policy without additional premium within 60 days prior to or during the policy period, the broadened coverage will immediately apply to this policy.

4. Waiver or change of Policy Provisions. A waiver or change of any provision of this policy must be in writing by us to be valid. Our request for an appraisal or examination shall not waive any of our rights.

5. Cancellation.

a. You may cancel this policy at any time by returning it to us or by notifying us in writing of the date cancellation is to take effect.

b. We may cancel this policy only for the reasons stated in this condition by notifying you in writing of the date cancellation takes effect. This cancellation notice may be delivered to you, or mailed to you at your mailing address shown in the Declarations. Proof of mailing shall be sufficient proof of notice.

(1) When you have not paid the premium, whether payable to us or to our agent or any finance or credit plan we may cancel at any time by notifying you at least 10 days before the date cancellation takes effect.

(2) When this policy has been in effect for less than 60 days and is not a renewal with us we may cancel for any reason by notifying you at least 10 days before the cancellation takes effect.

(3) When this policy has been in effect for 60 days or more, or at any time if it is a renewal with us, we may cancel if there has been a material misrepresentation of fact which if known to us would have caused us not to issue the policy or if the risk has changed substantially since the policy was issued. This can be done by notifying you at least 30 days before the date cancellation takes effect;

(4) When this policy is written for

a period longer than a year, we may cancel for any reason at anniversary by notifying you at least 30 days before the date cancellation takes effect.

c. When this policy is cancelled the premium for the period from the date of cancellation to the expiration date will be refunded. When you request cancellation, the return premium will be based on our short rate table. When we cancel, the return premium will be pro rata.

d. If the return premium is not refunded with the notice of cancellation or when this policy is returned to us, we will refund it within a reasonable time after the date cancellation takes effect.

6. Non-Renewal. We may elect not to renew this policy. We may do so by delivery to you, or mailing to you at your mailing address shown in the Declarations, written notice at least 30 days before the expiration date of this policy. Proof of mailing shall be sufficient proof of notice.

7. Assignment. Assignment of this policy shall not be valid unless we give our written consent.

8. Subrogation. Any **insured** may waive in writing before a loss all rights of recovery against any person. If not waived, we may require an assignment of rights of recovery for a loss to the extent that payment is made to us.

If an assignment is sought, any **insured** shall sign and deliver all related papers and cooperate with us in any reasonable manner. Subrogation does not apply under Section II to Medical Payments to Others or Damage to Property of Others

9. Death. If any person named in the Declarations or the spouse, if a resident of the same household dies:

a. we insure the legal representative of the deceased but only with respect to the premises and property of the deceased covered under the policy at the time of death;

b. insured includes;

(1) any member of your household who is an **insured** at the time of your death, but only while a resident of the **residence premises**; and

(2) with respect to your property, the person having proper temporary custody of the property until appointment and qualification of a legal representative.

COMPREHENSIVE FORM

For the premium charged, Coverages A and B, Perils insured Against are deleted. The following is substituted:

Under coverages A and B, we cover all risks of direct physical loss except:

1. Losses excluded under Section – Exclusions.
2. Freezing of a plumbing, heating or air conditioning system or of a household appliance, or by discharge, leakage or overflow from within the system or appliance caused by freezing. The dwelling must be vacant, unoccupied or being constructed. You have coverage if you have used reasonable care to:
 - a. maintain heat in the building; or
 - b. shut off the water supply and drain the system and appliances.
3. Theft in or to a dwelling under construction, or of materials and supplies for use in the construction until the dwelling is completed and occupied.
4. Vandalism and malicious mischief or breakage of glass and safety glazing material if the dwelling has been vacant for more than 30 consecutive days immediately before the loss. A dwelling being constructed is not vacant.
5. Continuous or repeated seepage or leakage of water or steam over a period of weeks, months or years from a plumbing, heating or air conditioning system or from a household appliance.
6. Wear and tear; marring; deterioration; inherent vice; latent defect; mechanical breakdown; rust; mold; wet or dry rot; contamination; smog; smoke from farming or industrial operations; settling, cracking, shrinking, bulging, or expansion of pavements, patios, foundations, walls, floors, roofs or ceilings, birds, vermin, rodents, insects or domestic animals. If any of these cause water to escape from a plumbing, heating or air conditioning system or household appliance, we cover loss caused by the water. We also cover the cost of tearing out and replacing any part of a building necessary to repair the system or appliance. We do not cover loss to the system or appliance from which this water escaped.
7. Freezing, thawing or the weight of ice or water causing loss to a fence, pavement, patio, swimming pool, foundation, retaining wall, bulkhead, wharf, or dock.

Under items 2 through 7, any ensuing loss not excluded is covered. We cover direct loss to property in Coverage C caused by Perils Insured Against amended as follows:

10. Breakage of glass or safety glazing material deleted.
11. Falling objects. This peril does not include loss to property contained in the building unless the roof or an exterior wall of the building is first damaged by the falling object.
12. Weight of ice, snow, or sleet which causes damage to property contained in the building if the weight of ice snow or sleet first damages the building.
14. Accidental discharge or overflow of water or steam from within a plumbing, heating, or air conditioning system or from within a household appliance.

This peril does not include loss:

- a. to the system or appliance from which the water or steam escaped; or
- b. caused by or resulting from freezing.

This endorsement does not increase the limits of liability in this policy. All other provisions of this policy apply.

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MOBILEHOME LIENHOLDER'S SINGLE INTEREST

1. Agreement

For an additional premium, we also cover only the interest of the lienholder or his assignee named in the Declarations in the mobile home covered under Coverage A against:

- a.** direct loss to the mobile home while in transit caused by collision of the mobile home with another object or with the vehicle to which it is attached or by upset of the mobile home.
- b.** loss from conversion, embezzlement or secretion of the mobile home by a retail purchaser or borrower in lawful possession, under a valid bailment lease, conditional sale, purchase agreement, mortgage or other encumbrance.

2. Recovery Conditions

The following conditions shall apply prior to any recovery by the lienholder; THAT

- a.** there are no payments more than thirty days past due under any contract or encumbrance covering the mobile home as of the effective date of this coverage; and
- b.** the lienholder shall not make any loss settlement, except at his own cost, without our written consent; and
- c.** in case of loss by the Perils Insured Against and at our request, the lienholder shall use all reasonable means to save, preserve and recover the mobile home. We agree to reimburse the lienholder for all reasonable expenses incurred at our request; and
- d.** the purchaser has defaulted in payment; and
- e.** the lienholder has repossessed the mobile home; and
- f.** the purchaser or borrower has abandoned the mobile home as a result of a loss covered under this policy; and
- g.** for any loss for conversion, embezzlement or secretion the lienholder has made every reasonable effort to locate the purchaser or borrower to collect over due payments and, if that fails, to repossess the mobile home.

3. Lienholder's Duties After Loss

When the lienholder becomes aware of any loss to the mobile home that might impair his interest, the lienholder shall notify us as soon as practicable. The lienholder shall protect the mobile home from further loss. We will not pay any loss caused by the failure of the lienholder to protect the mobile home.

4. Date of Loss

The date we receive written notice that the lienholder has complied with all the Recovery Conditions, shall be the date of loss for the purpose of this coverage.

ADDITIONAL INSURED

RESIDENCE PREMISES

Name and Address of Person or Organization:

Interest:

The definition of the insured in this policy includes the person or organization named above with respect to:

SECTION I: Coverage A – Dwelling and Coverage B – Other Structures; and

SECTION II: Coverage E – Personal liability and Coverage F – Medical Payments to others but only with respect to the residence premises.

This coverage does not apply to bodily injury to any employee arising out of or in the course of the employee's employment by the person or organization.

MOBILE HOME TIE DOWN

The premium for this policy acknowledges that during the term of this policy, the mobile home described in the Declarations is properly secured according to the North Carolina Building Code regulations for mobile homes.

Mobile-Homeowners Replacement Cost Loss Settlement

For an additional premium Section I – Condition #3 Loss Settlement is replaced by the following:

3. Loss Settlement. Covered Property losses are settled as follows.

a. personal property, detachable building items including screens, storm doors and windows, and window air conditioners, and structures that are not buildings at actual cash value at the time of loss but not exceeding the amount necessary to repair or replace;

b. carpeting, domestic appliances, awnings, outdoor antennas, outdoor equipment, curtains and drapes, whether or not attached to buildings, furniture, and equipment furnished by the maker or dealer or replacements of these, at actual cash value at the time of loss but not exceeding the amount necessary to repair or replace;

c. mobile home buildings including all parts and accessories built into the structure and utility tanks attached, under Coverage A or B at replacement cost without deduction for depreciation, subject to the following:

(1) If at the time of loss the amount of insurance in this policy on the damaged building is 80 percent or more of the full replacement cost of the building immediately prior to the loss, we will pay the cost of repair or replacement, without deduction for depreciation, but not exceeding the smallest of the following amounts:

(a) the limit of liability under this policy applying to the building at the time of loss;

(b) the replacement cost of that part of the building damaged for equivalent construction and use on the same premises

(c) the amount actually or necessarily spent to repair or replace the damaged building on the residence premises or some other premises within the state or North Carolina.

(2) If at the time of loss the amount of insurance in this policy on the damaged building is less than 80 percent of the full replacement cost of the building immediately prior to the loss, we will pay the larger of the following amounts, but not exceeding the limit of liability under this policy applying to the building;

(a) the actual cash value of that part of the building damaged; or

(b) the portion of the cost to repair or replace without deduction for depreciation, that part of the building damaged which the total amount of insurance in this policy on the damaged building bears to 80 percent of the replacement cost of the building.

(3) When the cost to repair or replace the damage is more than \$1000 or more than 5 percent of the amount of insurance in this policy on the building, whichever is less, we will pay no more than the actual cash value of the damage until actual repair or replacement is completed.

(4) You may disregard the replacement cost loss settlement provisions and make claim under this policy for loss or damage to buildings on an actual cash value basis and then make claim within 180 days after loss for any additional liability on a replacement cost basis.

All other provisions of this policy apply.

PERSONAL PROPERTY REPLACEMENT COST

For an additional premium, coverage of this policy is extended to include the full cost of repair or replacement without deduction for depreciation. This extension applies to:

- 1.** Coverage C – Personal Property
- 2.** Outdoor radio and television antennas and aerials, carpeting, awnings, domestic appliances and outdoor equipment

“Replacement Cost” means that cost at the time of loss, of a new article identical to the one damaged, destroyed or stolen. When the identical article is no longer manufactured or is not available, replacement cost shall mean the cost of a new article similar to that damaged or destroyed and which is of comparable quality and usefulness.

Our liability for loss of any one item or items covered shall not exceed the smallest of the following amounts:

- 1.** Replacement cost at the time of loss.
- 2.** The full cost to repair.
- 3.** Any special limits of liability described in the policy.

When the full cost of repair or replacement is more than \$500, we will not be liable for any loss under any part of this provision unless and until actual repair or replacement is completed. You may elect to disregard this condition in making claim, but such election shall not prejudice your right to make further claim within 180 days after loss for any additional liability brought about by this policy condition.

This endorsement does not apply to any item or article of rarity, antiquity or which by its inherent nature cannot be replaced. On such items, the actual cash value provisions of the policy apply.

All other provisions of this policy apply.

**COMMUNICABLE DISEASE EXCLUSION
SECTION II - EXCLUSIONS
AMENDATORY ENDORSEMENT**

The following exclusion is added:

Coverage E – Personal Liability and Coverage F – Medical Payments to Others do not apply to bodily injury or property damage which arises out of the transmission of a communicable disease by any insured.

All other provisions of your policy apply.

WINDSTORM OR HAIL EXCLUSION

For a premium credit, we do not insure for loss caused directly or indirectly by windstorm or hail. Such loss is excluded regardless of any other cause or event contributing concurrently or in any sequence to the loss.

Direct loss by fire or explosion resulting from windstorm or hail damage is covered.

This exclusion does not apply to coverage D – Loss of Use.

All other provisions of this policy apply.

SPECIAL PROVISIONS

SECTION II - EXCLUSIONS

Under item 1, Coverage E – Personal Liability and Coverage F – Medical Payments to others, the following exclusion is added to all Forms:

- g.** arising out of sexual molestation, corporal punishment or physical or mental abuse.

SECTION II - ADDITIONAL COVERAGES

Under item 1. Claim Expenses the following paragraph is added:

- e.** prejudgment interest awarded against any insured 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.

All other provisions of this policy apply.