

Insuring A Mobile or Manufactured Home

Many companies, including specialists, provide coverage for mobile/manufactured homes by modifying a conventional homeowner policy with provisions called endorsements. The endorsements change key definitions and other elements of a conventional policy to fit a mobile or manufactured home situation. The result is a modified homeowner package that protects the home, outbuildings (unattached garages, sheds, etc.) and personal property. They also provide insurance for personal liability. Regardless of the type of home you own or live in, it is important that you learn about the coverage options that are available. You may find that different policies vary considerably in coverage and price.

If you are a renter, your coverage options aren't affected by your residence's construction type. Your main need is to protect your personal property. A common form called a Tenants policy provides both property and liability coverage. Coverage for mobile/manufactured homes is generally offered using two approaches. Some policies include a laundry list of items (or perils) that may cause a loss. Other policies protect your home against everything EXCEPT for a host of specified perils. Either approach includes liability coverage that protects you for injuries or losses to others which you accidentally cause.

Property Insurance Needs

Any coverage option you choose is likely to reflect the fact that mobile homes are, well, mobile. Therefore coverage is affected by the fact that mobile homes:

- are able to move under their own power (or are capable of being easily transported);
- are more susceptible to wind damage,
- tend to lose value with age.

The mobility of such homes creates a special need to protect the financial interest of the business that lent the money to purchase the home. For example, a mobile home owner who lives in Ohio decides to drive his home to Arkansas. The soon-to-be Arkansas resident "forgets" to mention his plan (and his new address) to his Ohio Mortgage Company. The Ohio lender would be out of luck if the policy didn't include protection for this whimsical act. Another way in which a mobile or manufactured homeowner policy differs from conventional homeowner coverage involves coverage for unattached buildings. This coverage is usually minimal for, say, \$2,000. Such a provision helps keep the premiums for policies lower by avoiding paying claims on very low value structures. The coverage is likely to be offered on an actual cash value basis. Unfortunately, mobile and manufactured homes tend to lose value over time.

The policy is likely to include a provision that requires you to get permission to move your home. Once granted, you're likely to get thirty days of special transportation protection for collision, sinking, upset or stranding (a special, higher deductible may apply during the move). Another common coverage feature is coverage for your attempt to move the home in order to prevent damage from an insured cause of loss. For example, you move your mobile home fifty feet to get away from a neighboring trailer that is on fire. **IMPORTANT:** coverage for moving endangered property usually has a modest limit (several hundred dollars is typical) because of owners who may be too heroic or clumsy for anyone's good.

Liability Insurance Needs

The liability protection connected with mobile or manufactured homes is, for all practical purposes, identical to the liability provided to conventional home owners. Why? The likelihood of guests to be hurt at your home, or your probability of being sued, tends to be the same. The important thing to remember is that your agent is a tremendous source for getting the information you need to be sure that your home and property are adequately protected at a reasonable price.

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