



Mobile and Manufactured Homes: Insurance Protection in the Event of Natural Disasters

The worst time to think about your homeowners insurance is when a hurricane is approaching or the weather forecast predicts that 3+ inches of rain is headed your way. Your home is often your most valuable asset and it's worth protecting. e2Value's goal in this article is to help you better understand the availability and options to protect your mobile/manufactured home against damage from severe weather and disasters.

Mobile/Manufactured home insurance can be tricky to find since not every insurance company, broker or agent sells it. But it is available. Some of your best options will be with companies that focus on mobile/manufactured homeowners. Two insurance carriers to consider are: [Aegis Insurance](#) and [American Reliable](#). Each has a specialize program for mobile/manufactured homes. These are just two options. There are other carriers with specialized programs, as well as standard carriers that offer this coverage. A good course of action is to contact your agent or go online to search for local agents who can compare policies and coverages with you. Once you purchase a policy take the time at least once a year – perhaps when you receive the renewal declaration in the mail – to review your **Insurance Coverage**.

- **Flood Coverage:** Since a standard home policy does not cover flood, you need to consider coverage in the event of heavy rains, tropical storms or hurricanes. Just a few inches of rain can cause significant flooding. In 1968, Congress created the National Flood Insurance Program (NFIP). You can buy coverage through the NFIP or possibly through a private insurance company, depending on where you live and the age of your home. Whether your home has a low risk or high risk of flood, it's something everyone should consider. Visit: https://www.floodsmart.gov/floodsmart/pages/residential_coverage/rc_overview.jsp
- **Coverage for Other Perils:** Besides flood coverage, your home policy should include all the coverages and features you need. Are you covered for wind, hail, tornado damage, wildfire and earthquake? There could be special limits or exclusions for some of these perils, so you may need to add coverage to include them. Depending on your location, wind damage will have a separate, higher deductible, so check that as well.
- **Replacement Cost or Actual Cash Value?** Check your loss settlement provision. In the event of a loss will you be covered for your home's Replacement Cost or Actual Cash Value? Often mobile/manufactured home policies are covered for actual cash value only. These amounts can be significantly different and can leave you with a claim payment that falls short of putting you back in a home similar to what you lost.
 - a. Replacement Cost (RC) claim settlement: RC is what it will cost to replace the home with materials of like or similar quality and in the shortest amount of time. This means replacing the manufactured home with an equivalent new home, all associated labor and material costs of preparing the site, and placing the replacement home at the site ready for the homeowner to move back into.
 - b. Actual Cash Value (ACV) settlement: ACV is Replacement Cost minus depreciation. The depreciation is based on the age and condition of the home. So a newer home's ACV value will be closer to RC, while an older home's value will be reduced further based on the calculated depreciation. Carriers can vary

slightly on the definition or settlement of ACV. Some may even use market value or the NADA guide value. No matter which is used, it is typically lower than full RC coverage. If you have the option to select Replacement Cost versus ACV, we would recommend selecting Replacement Cost.

Those companies mentioned above that have specialized programs for mobile/manufactured homeowners will often provide coverage for those harder to insure and older homes. They may offer Replacement Cost settlement for owner occupied homes up to 20 years old, and in some locations provide loss assessment coverage for the mobile/manufactured home park.

Lastly, no matter what coverage or settlement option you have, you also need to be sure your agent completes a home valuation to ensure you are covered to the proper limit. One such valuation tool is [e2Value](#).