

North Carolina Travel Trailer Policy

NATIONAL
GENERAL[®]
an **Allstate**[®] company

10954NG (01012022)

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Integon National Insurance Company

11709 (04012016)

**NORTH CAROLINA TRAVEL TRAILER POLICY
POLICY AGREEMENT**

11709 (04012016)

YOUR TRAVEL TRAILER POLICY QUICK REFERENCE

DECLARATIONS PAGE

Your Name, Address, Travel Trailer, Policy Period, Coverages and Amounts of Insurance

This policy is a legal contract between you and us. These policy provisions, along with the Declarations Page, statements made at the time of application and any endorsements issued, complete this policy.

Read your policy carefully. Provisions of this contract and its endorsements (if any) restrict coverage. Be certain you understand all of the coverage terms, the exclusions, and your rights and duties. This policy specifically addresses under what conditions coverage will be afforded for any insured and any person who may use your covered trailer.

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AGREEMENT

This policy is issued and renewed in reliance upon the truth and accuracy of the representations made in the application for this insurance. The terms of this policy impose obligations on all persons defined as **you**. The responsibilities, acts and/or omissions, in connection with this insurance, of any person defined as **you** shall be binding upon all other persons defined as **you**.

In return for payment of the premium and subject to all the terms of this policy, **we** agree with **you** as follows:

DEFINITIONS

- A. Throughout this policy, "**You**" and "**Your**" refer to:
1. The named insured shown in the Declarations; and
 2. The spouse if a resident of the same household.
- B. "**We**," "**us**" and "**our**" refer to the Company shown in the Declarations as providing this insurance.
- C. For purposes of this policy, a **travel trailer** shall be deemed to be owned by a person if leased:
1. Under a written agreement to that person; and
 2. For a continuous period of at least 6 months.

The following words or phrases, when printed in bold-faced type or in quotation marks, are defined as follows:

- A. "**Accident**" means: a sudden, unexpected, and unintended event arising out of the ownership, maintenance, or use of an **travel trailer** that results in a claim for damages either by an **insured** or against an **insured** under the terms of **your** policy.
- B. "**Actual Cash Value**" means: the fair market value of the stolen or damaged property at the time of **loss**.
- C. "**Business**" means: trade, profession or occupation.
- D. "**Customized equipment and parts**" means: equipment, devices, accessories, changes and enhancements, which alter the appearance or performance of a **travel trailer**. This includes, but is not limited to, such items as: body or suspension alterations; custom or special wheels or tires; side exhausts; roll bars; light bars; spoilers; ground effects; bedliners; side exhausts; utility boxes; custom windows; custom painting; murals; or decals or graphics and also, includes but is not limited to, such items as any electronic equipment; antennas; and other devices used exclusively to send or receive audio, visual or data signals; or play back recorded media; which are permanently installed in **your covered trailer** using bolts, brackets or slide-out brackets.
- E. "**Depreciation**" means: decline of value due to wear and tear or obsolescence.

- F. "**Diminution in value**" means: the actual or perceived reduction, if any, in the **actual cash value** by reason of the fact that the property has been damaged and repaired.
- G. "**Family member**" means: a person related to **you** by blood, marriage or adoption who is a resident of **your** household. This includes a ward or foster child, or stepchild.
- H. "**Loss**" means: sudden, direct, and accidental destruction or damage. "**Loss**" does not include **diminution in value**.
- I. "**Non-owned trailer**" means: Any **travel trailer** not owned by or furnished or available for the regular use of **you** or a **family member** while in the custody of or being operated by **you** or any **family member** and while being used within the scope of the owner's express or implied permission.
- J. "**Occupying**" means in; upon; getting into, out of, on or off. A person or pet cannot be **occupying** more than one trailer at a time.
- K. "**Pet injury treatment**" means reasonable and customary veterinary costs incurred by **you** or a **family member** for treatment of **your pet** that is injured in a covered **loss** while **occupying your covered trailer**. Reasonable and customary veterinary costs include any medications or procedures prescribed by a veterinarian.
- L. "**Pet replacement**" means the cost to replace **your pet** with one of like kind and quality, if **your pet**:
1. Dies as the result of a covered **loss**; or
 2. Is **occupying** the **your covered trailer** during a covered total theft **loss** and **your pet** is not recovered.
- This does not include any training, grooming, veterinary bills, or any other expenses other than the cost to replace the pet itself.
- M. "**Property damage**" means: physical injury to, destruction of, or loss of use of tangible property.
- N. "**Travel Trailer**" means a non-motorized recreational or camping trailer designed to be towed or carried by a motor vehicle, which includes the following:
1. Built in cooking facilities; and
 2. Sleeping quarters.
- Travel trailer** does not include any type of wheeled living quarters not designed for regular use on public roads such as, but not limited to:
1. Park Models;
 2. Mobile homes; or
 3. Manufactured housing.

O. **"Your covered trailer"** means:

1. Any **travel trailer** shown in the Declarations.
2. A newly acquired **travel trailer**.

If the **travel trailer you** acquire replaces a **travel trailer** shown in the Declarations, it will have the same coverage as the **travel trailer** it replaced, if **you**:

- a. acquire the **travel trailer** during the policy period and it is eligible for coverage pursuant to our underwriting guidelines; and
- b. ask **us** to insure it within 30 days after **you** become the owner; and
- c. insure all of the **travel trailers you** own with **us**.

If **you** do not notify **us** within the time limit noted in b., no coverage exists for the replacement **travel trailer**.

If the **travel trailer you** acquire is in addition to any shown in the Declarations, it will have the broadest coverage **we** now provide for any **travel trailer** shown in the Declarations, if **you**:

- a. acquire the **travel trailer** during the policy period and it is eligible for coverage pursuant to our underwriting guidelines; and
- b. ask **us** to insure it within 30 days after **you** become the owner; and
- c. insure all of the **travel trailers you** own with **us**.

If **you** do not notify **us** within the time limit noted in b., no coverage exists for the newly acquired **travel trailer**.

3. Any **travel trailer** not owned by **you** while used on a temporary basis as a substitute for any other **travel trailer** described in this definition which is out of normal use because of its:
 - a. breakdown;
 - b. repair;
 - c. servicing;
 - d. **loss**; or
 - e. destruction.

P. **"Your pet"** means a dog or cat owned by **you** or a **family member**.

PART D - COVERAGE FOR DAMAGE TO YOUR TRAVEL TRAILER

INSURING AGREEMENT

- A. If **you** pay a premium for this coverage, **we** will pay for direct and accidental **loss to your covered trailer** or any **non-owned trailer**, including their equipment. **We** will pay for **loss to your covered trailer** caused by:

1. **Collision** only if the Declarations indicate that Collision Coverage is provided for that **travel trailer**.
2. **Other Than Collision** only if the Declarations indicate that **Other Than Collision** Coverage is provided for that **travel trailer**.

If there is a **loss** to a **non-owned trailer**, **we** will provide the broadest coverage applicable to any of **your covered trailers** shown in the Declarations provided the **non-owned trailer** would be eligible for coverage pursuant to our underwriting guidelines.

Our payment will be reduced by any deductible shown in the Declarations.

- B. **Collision** means the upset of **your covered trailer** or a **non-owned trailer** or its impact with another vehicle or object.
- C. **Other Than Collision** means **loss** caused by a peril other than **collision** such as:
1. Missiles or falling objects;
 2. Fire;
 3. Theft or larceny;
 4. Explosion or earthquake;
 5. Windstorm;
 6. Hail, water or flood;
 7. Malicious mischief or vandalism;
 8. Riot or civil commotion;
 9. Contact with bird or animal; or
 10. Breakage of glass, except as a result of **collision**.

TOWING AND STORAGE CHARGES

In addition, after an **accident** to which Part D applies, **we** will pay reasonable charges for transporting and storing **your covered trailer** or any **non-owned trailer** to a repair facility near the location of **loss**.

EMERGENCY EXPENSE COVERAGE

Losses Occurring Away from Home:

In the event of a **loss** covered under Part D which causes **your covered trailer** to be rendered uninhabitable or inoperable more than 50 miles from the principal garaging or storage location, **we** will pay **you** for the expenses **you** incur for lodging, transportation, and meals.

We will pay up to \$250 per day up to the maximum limit displayed on **your** declaration page per **loss**, until the **travel trailer** is repaired or returned to its principal garaging or storage location.

The maximum limit displayed on **your** declaration page is the most **we** will pay for such expenses regardless of any other emergency expense allowance, additional living expenses, or transportation expense coverage in **your** policy.

The following supplementary payments are added. They apply only to **your covered trailer** that has both **Collision** and **Other Than Collision** Coverage as shown by a premium for those coverages in the Declarations. No deductible applies to these payments.

PET PROTECTION

If **your pet** is **occupying your covered trailer** during the time a **loss** to which Collision Coverage or Other than Collision Coverage applies, **we** will provide up to:

1. \$1000 per incident, regardless of the number of **your pets** involved, up to \$3,000 per policy period for **pet injury treatment** or **pet replacement**;
2. \$25 per day up to \$125 per policy period for boarding fees if **you** are hospitalized and unable to care for **your pet**;
3. \$75 per policy period for recovery costs if **your pet** is missing after the **accident**; and
4. \$125 per policy period for replacing pet-related travel equipment damaged in the **accident**.

CHILD RESTRAINTS

In the event of a **loss** to which Collision Coverage or Other than Collision Coverage applies and **we** determine that the integrity of a child safety seat or restraint system is compromised, **we** will pay up to \$250 to replace it with a child safety seat or restraint system of like kind and quality. The child safety seat or restraint system must have been in **your covered trailer** at the time of the covered **loss**. No deductible applies to this child safety seat or restraint system.

LOCKSMITH SERVICES

We will pay up to \$50 for the expense **you** incur for locksmith's service if **your covered trailer's** ignition or door key is lost, stolen, or locked in **your covered trailer**.

THEFT REWARD

We will pay \$1,000 to any person providing information which directly results in the conviction of any person(s) involved in the total theft of **your covered trailer** or any **non-owned trailer**. The total amount **we** will pay for any such conviction is \$1,000 regardless of the number of persons who may provide information resulting in any such conviction and regardless of the number of persons convicted of the crime.

FIRE DEPARTMENT SERVICE PROTECTION

If **Other Than Collision** coverage applies to the **your covered trailer**, **we** will pay up to \$1000 for **your** liability assumed by contract or agreement for fire department charges incurred when the fire department is called to save or protect the **your covered trailer** from a covered **loss**. No deductible applies to this coverage.

EXCLUSIONS

We will not pay for:

1. **Loss to your covered trailer** or any **non-owned trailer** which occurs while it is being used to carry persons or property for compensation or a fee. This exclusion does not apply to a share-the-expense car pool.
2. Damage due and confined to:
 - a. wear and tear;
 - b. freezing;
 - c. mechanical or electrical breakdown or failure; or
 - d. road damage to tires.
 - e. latent defect;
 - f. rust or corrosion;
 - g. gradual deterioration;
 - h. improper maintenance or lack of routine maintenance;
 - i. gradual accumulation of snow and ice on the **travel trailer**;
 - j. gradual leakage of water; or
 - k. prior loss or damage

This exclusion does not apply if the damage results from the total theft of **your covered trailer** or any **non-owned trailer**.

3. **Loss** due to or as a consequence of:
 - a. radioactive contamination;
 - b. war, whether declared or undeclared;
 - c. civil war;
 - d. insurrection;
 - e. rebellion or revolution; or
 - f. discharge of any nuclear weapon, even if accidental.
4. **Loss to your covered trailer** or any **non-owned trailer** due to forfeiture ordered by the courts or destruction or confiscation by governmental or civil authorities. This exclusion does not apply to the interests of Loss Payees in **your covered trailer**.
5. **Loss to your covered trailer** and any **non-owned trailer** being maintained or used by any person while employed or otherwise engaged in the **business** of:
 - a. selling;
 - b. repairing;
 - c. servicing;
 - d. storing;
 - e. parking;
 - f. road testing; or
 - g. delivering;vehicles designed for use on public highways.
6. **Loss to your covered trailer** while maintained or used by any person employed or otherwise engaged in any **business** not described in Exclusion 5. If a **business** or artisan use is noted in the Declarations for a **travel trailer** shown in the Declarations, this exclusion does not apply to the ownership, maintenance, or use of that **travel trailer** by:

- a. **you**; or
 - b. any **family member**.
7. **Loss to your covered trailer** or any **non-owned trailer** which occurs while being operated in, or while in practice or preparation for any prearranged or organized:
- a. race;
 - b. hill climb;
 - c. demonstration;
 - d. speed contest;
 - e. stunting contest; or
 - f. performance contest.
8. **Loss** to equipment designed or used for the detection of radar or laser.
9. **Loss** to wearing apparel, tools or personal effects.
10. **Loss** to tapes, records, compact discs, or other media, or any other accessories used with electronic equipment designed to receive or transmit audio, visual or data signals.
11. **Loss** due to and resulting from intentional acts committed by **you** or any **family member**.
12. **Loss** to, or loss of use of, a **non-owned trailer** rented by:
- a. **you**; or
 - b. any **family member**;
- if a rental vehicle company is precluded from recovering such **loss** or loss of use, from **you** or that **family member**, pursuant to the provisions of any applicable rental agreement or state law.
13. **Loss to your covered trailer** while it:
- a. is being rented or leased to others;
 - b. has been sold to another; or
 - c. is under a conditional sales agreement by **you** to another.
14. **Loss to your covered trailer** and its equipment while **you** or any **family member** or anyone driving with express or implied permission from **you** or a **family member**:
- a. is using **your covered trailer** in any unlawful activity (other than a traffic violation), illicit trade or transportation; or
 - b. using or operating **your covered trailer** in an attempt to flee a law enforcement agent; and such person is a willing participant in such activity listed in a. or b. above.
15. **Loss** of the entire **your covered trailer** or any part thereof:
- a. due to conversion, embezzlement, secretion, theft, larceny, robbing, or pilferage committed by any person in lawful possession or custody of the **your covered trailer**; or
 - b. resulting from any person voluntarily parting with the title to or possession of the **your covered trailer** if induced to do so by any fraudulent scheme, trick, device, or false pretense.
16. **Loss** to internal equipment or furnishings, whether permanently attached to the **your covered trailer** or not, caused by scorching, marring, scratching or breakage unless:
- a. the breakage is to glass which is permanently a part of or attached to **your covered trailer**; or
 - b. the cause of such damage is malicious mischief, vandalism, riot or civil commotion.
17. **Loss** to a **your covered trailer, non-owned trailer**, caused directly or indirectly by any of the following:
- a. water leakage or seepage unless caused by any other **loss** covered under this Part D.
 - b. wet or dry rot;
 - c. rust or corrosion;
 - d. dampness of atmosphere or extremes of temperature;
 - e. deterioration or disintegration; or
 - f. delamination unless caused by any other **loss** covered under this Part D.
- This exclusion does not apply to sudden and immediate damage caused by the failure or breakage of a hot water heater, fresh water or wastewater plumbing system, dishwasher, refrigerator, washing machine or similar appliances.
18. **Loss to your covered trailer** or any **non-owned trailer**, caused directly or indirectly by mold, mildew, fungus or other microbes, including any type or form of:
- a. decomposing or disintegrating organic material;
 - b. organic surface growth on moist, damp, or decaying matter;
 - c. yeast or spore bearing plant-like organism; or
 - d. spores, scents, toxins, mycotoxins, bacteria, viruses, or any other by-products produced or released by any mold, mildew, fungus or other microbes. However, this exclusion does not apply to **loss** caused by mold, mildew or fungus, if such **loss** is caused by any other **loss** covered in this Part D.
19. **Loss** to any **customized equipment and parts** permanently installed by **you**.

LIMIT OF LIABILITY

- A. **Our** limit of liability for **loss** will be the lesser of the:
- 1. **Actual cash value**;
 - 2. Amount necessary to repair or, at **our** option, replace the property with other property of like kind and quality less deduction for any applicable **depreciation**;

3. Stated amount shown in the Declarations, if applicable; or
 4. Difference between the fair market value of **your covered trailer** immediately before the **loss** and its fair market value immediately after the **loss**.
- B. An adjustment for **depreciation** and physical condition will be made in determining **actual cash value** in the event of a total **loss**.
- If a repair or replacement results in better than like kind or quality, **we** will not pay for the amount of the betterment.
- C. Further, if there is a stated amount **you** declared on the application or endorsement for a specific **travel trailer** listed and shown in the Declarations, that stated amount will be the maximum Limit of Liability applicable for **loss** to that **travel trailer**.
- D. **Customized equipment and parts** - the limit of liability for **loss** to **customized equipment and parts** is: the amount necessary to repair or replace such **customized equipment and parts** with parts of like kind and quality, reduced by the applicable deductible.
- E. **Our** liability for the cost of repairing **your covered trailer**, or any **non-owned trailer** is limited to the amount needed to perform physical repairs to the stolen or damaged property. Part D of **your** policy-Coverage for Damage to Your covered trailer-does not cover, and **we** will not pay for, **diminution in value**.
- F. **Our** payment for **loss** will be reduced by any applicable deductible shown in the Declarations for **Collision** and/or **Other Than Collision** if selected. **Loss** to TV antennas, awnings, cabanas or equipment designed to create additional living facilities that are permanently attached to the **your covered trailer** is covered.

PAYMENT OF LOSS

We may pay for the **loss** in money or repair or replace the damaged or stolen property. **We** may, at **our** expense, return any stolen property to:

1. **You**; or
2. The address shown on the Declarations Page of this policy.

If **we** return stolen property, **we** will pay for any direct physical damage to **your covered trailer** or any **non-owned trailer** or its equipment resulting from the theft, subject to the provisions of the LIMIT OF LIABILITY section. **We** may keep all or part of the property at an agreed or appraised value. **You** do not have the right to abandon salvage to **us**.

IN THE REPAIR OF **YOUR COVERED TRAILER** UNDER THE PHYSICAL DAMAGE COVERAGE PROVISIONS OF THIS POLICY, WE MAY REQUIRE OR SPECIFY THE USE OF PARTS NOT MADE BY THE ORIGINAL MANUFACTURER. THESE PARTS

ARE REQUIRED TO BE AT LEAST EQUAL IN TERMS OF FIT, QUALITY, PERFORMANCE AND WARRANTY TO THE ORIGINAL MANUFACTURER PARTS THEY REPLACE.

When **we** make payment of any amounts due under Part D to **you** or the loss payee, as interests may appear, or to anyone on **your** behalf, **we** may deduct from the payment any premium or fees that are due and unpaid under the policy.

NO BENEFIT TO BAILEE

This insurance shall not directly or indirectly benefit any carrier or other bailee for hire.

OTHER SOURCES OF RECOVERY

If other insurance also covers the **loss**, **we** will pay only **our** share of the **loss**. **Our** share is the proportion that **our** limit of liability bears to the total of all applicable limits. Any applicable deductible of this policy will be taken in a proportionate share based on the applicable deductibles of each policy. However, any insurance **we** provide with respect to a **non-owned trailer** shall be excess over any other collectible source of recovery including, but not limited to:

1. Any coverage provided by the owner of the **non-owned trailer**;
2. Any other applicable physical damage insurance; or
3. Any other source of recovery applicable to the **loss**.

APPRAISAL

- A. If **we** and **you** do not agree on the amount of **loss**, either may demand an appraisal of the **loss**. In this event, each party will select a competent appraiser. The two appraisers will select an umpire. The appraisers will state separately the **actual cash value** and the amount of **loss**. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:
1. Pay its chosen appraiser; and
 2. Bear the expenses of the appraisal and umpire equally.

- B. **We** do not waive any of **our** rights under this policy by agreeing to an appraisal.

PART E - DUTIES AFTER AN ACCIDENT OR LOSS - FILING A CLAIM

GENERAL DUTIES

- A. **We** must be notified promptly of how, when and where the **accident** or **loss** happened. Notice should also include the names and addresses of any injured persons and of any witnesses. Failure to give notice as required herein may affect coverage provided under this policy. Failure to comply with any of the duties under this Part E may result in denial of coverage and relieve **us** of all duties to investigate, settle, defend, pay any judgment or otherwise honor any claims made against an **insured**.

- B. A person seeking coverage must:
1. Cooperate with **us** in the investigation, settlement or defense of any claim or lawsuit.
 2. Promptly send **us** copies of any notices or legal papers received in connection with the **accident** or **loss**.
 3. Submit as often as **we** require:
 - a. to physical exams by physicians **we** select. **We** will pay for these exams.
 - b. to examinations under oath outside the presence of any person other than **your** attorney.
 - c. to recorded statements.
 4. Authorize **us** to obtain:
 - a. medical reports; and
 - b. other pertinent records.
 5. Submit a sworn statement as proof of loss as **we** require.
 6. Provide **us** with records and documents **we** request and permit **us** to make copies.
 7. Not voluntarily assume any obligation to pay, make any payment or incur any expense, other than to provide first aid to others, for bodily injury or **property damage** arising out of an **accident**.

ADDITIONAL DUTIES FOR COVERAGE FOR DAMAGE TO YOUR COVERED TRAILER

A person seeking Coverage For Damage To Your covered trailer must also in addition to the duties stated above:

1. Notify the police within 24 hours after discovery of the **loss**, if **your covered trailer** or any **non-owned trailer**, including their equipment is stolen or vandalized.
2. Take reasonable steps after **loss** to protect **your covered trailer** or any **non-owned trailer**, including their equipment from further **loss**. **We** will pay reasonable expenses incurred to do this.
3. Permit **us** to inspect and appraise the damaged property before its repair or disposal.

PART F - GENERAL PROVISIONS

ADDITIONAL DEFINITION USED IN THIS PART

Mail, mailing or mailed means:

1. Delivery by **us** to any of the following:
 - a. United States Postal service;
 - b. Public or private mail carrier; or
2. Sent by us through electronic transmission, if not prohibited by state law.

BANKRUPTCY

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

CHANGES

- A. The premium for each of **your covered trailers** is based on information **we** have received from **you** or other sources. **You** agree:
 - a. That if any of this information material to the development of the policy premium is incorrect, incomplete or changed, **we** may adjust the premium accordingly during the policy period.
 - b. To cooperate with **us** in determining if this information is correct and complete, and to advise us of any changes in this information.
 - c. To advise **us** of any changes such as new drivers, residents of **your** household, garaging location of **your covered trailer**, or the way **you** use **your covered trailer**.
- B. Any adjustment of **your** premium will be made using **our** rules in effect at the time of the change. Premium adjustments may include, but are not limited to, changes in:
 1. **Travel trailers** insured by the policy, including changes in use;
 2. Drivers;
 3. Coverages or coverage limits;
 4. Place of principal garaging of **your covered trailers**;
 5. Eligibility for discounts or surcharges or other premium credits or debits; or
 6. Other factors permitted by law
- C. **We** may revise **your** policy coverages to provide more protection without additional premium charge. If **we** do this and **you** have the coverage which is changed, **your** policy will automatically provide the additional coverage as of the date the revision is effective in North Carolina. This does not apply to changes made with a general program revision that includes both broadening and restrictions in coverage, whether that general program revision is made through introduction of a subsequent edition of **your** policy or an amendatory endorsement. Otherwise, this policy contains all of the coverage agreements between **you** and **us**. Its terms may not be changed or waived except by an endorsement issued by **us**.

LEGAL ACTION AGAINST US

- A. No legal action may be brought against **us** until there has been full compliance with all the terms of this policy.
- B. No person or organization has any right under this policy to bring legal action against **us** or to make **us** a party to any legal proceeding to determine the liability of the **insured**.

OUR RIGHT TO RECOVER PAYMENT

- A. If **we** make a payment under this policy and the person to or for whom payment was made has a right to recover damages from another, **we** shall be subrogated to that right. That person shall:
1. do whatever is necessary to enable **us** to exercise **our** rights; and
 2. do nothing after an **accident** or **loss** to prejudice them; and
 3. deliver to **us** any legal papers relating to that recovery; and
 4. take the necessary or appropriate action, through a representative designated by **us**, to recover payment as damages from the responsible person or organization. If there is a recovery, then **we** shall be reimbursed out of the recovery for expenses, costs and attorney's fees incurred in connection with this recovery; and
 5. execute and deliver to **us** any legal instruments or papers necessary to secure the rights and obligations of the **insured** and **us** as established here.

However, **our** rights under this paragraph A. do not apply to Part D- COVERAGE FOR DAMAGE TO YOUR COVERED TRAILER of this policy, against any person using **your covered trailer**, as defined under that Part, with the express or implied permission of the owner.

- B. If **we** make a payment under this policy and the person to or for whom payment is made recovers damages from another, that person shall:
1. Hold in trust for **us** the proceeds of the recovery; and
 2. Reimburse **us** to the extent of **our** payment.

POLICY PERIOD AND TERRITORY

- A. This policy applies only to **accidents** or **losses** which occur:
1. During the policy period as shown in the Declarations; and
 2. Within the policy territory.
- B. The policy territory is:
1. The United States of America, its territories or possessions;
 2. Puerto Rico; or
 3. Canada.

This policy also applies to covered **accidents** or covered **losses** while **your covered trailer** is being transported between their ports.

PREMIUM DUE ON POLICIES

An affiliate or business partner of **ours** may provide **you** with special offers that may be applied toward the premium to purchase a policy issued by **us**, and **we** may provide **you** with special offers that may be applied toward the purchase of products offered by an affiliate or business partner of **ours**.

In addition, **our** affiliate or business partner may:

1. provide **you** special offers toward the purchase of a product or service provided through or by **our** affiliate or business partner;
2. make a contribution on **your** behalf to an educational or charitable fund under a program sponsored through or by **our** affiliate or business partner; or
3. make a contribution toward any educational or charitable fund of **your** choice.

TERMINATION - CANCELLATION, NONRENEWAL, AUTOMATIC TERMINATION, DISHONORED/INSUFFICIENT CHECKS, CREDIT CARDS, DRAFT OR OTHER REMITTANCE, OTHER TERMINATION PROVISIONS

- A. Cancellation. This policy may be cancelled during the policy period as follows:
1. The named insured shown in the Declarations may cancel by:
 - a. returning this policy to **us**; or
 - b. giving **us** advance written notice of the date cancellation is to take effect.
 2. **We** may cancel by **mailing** to the named insured shown in the Declarations at the address shown in this policy:
 - a. at least 15 days notice:
 - (1) if cancellation is for nonpayment of premium; or
 - (2) if notice is **mailed** during the first 60 days this policy is in effect and this is not a renewal or continuation policy; or
 - b. at least 15 days notice in all other cases.
 3. After this policy is in effect for 60 days, or if this is a renewal or continuation policy, **we** will cancel only:
 - a. for nonpayment of premium; or
 - b. for an act or omission by **you** or **your** representative that constitutes material misrepresentation or nondisclosure of a material fact obtaining this policy, continuing this policy, or presenting a claim under this policy; or

- c. for increased hazard or material change in the risk assumed that could not have been reasonably contemplated by the parties at the time of assumption of the risk; or
- d. for substantial breach of contractual duties, conditions, or warranties that materially affects the insurability of the risk; or
- e. for a fraudulent act against **us** by **you** or **your** representatives that materially affects the insurability of the risk; or
- f. for willful failure by **you** or **your** representative to institute reasonable loss control measures that materially affects the insurability of the risk; or
- g. for loss of facultative reinsurance, or loss of or substantial changes in applicable reinsurance as provided in G.S. 58-41-30; or
- h. if **you** are convicted of a crime arising out of acts that materially affect the insurability of the risk; or
- i. for a determination by the Commissioner of Insurance that the continuation of the policy would place us in violation of the laws of North Carolina;
- j. You become a nonresident of North Carolina and are not otherwise entitled to insurance through the Reinsurance Facility;
- k. Our contract with the agent through whom this policy is written is terminated for reasons other than the quality of the agent's **insureds**; or
- l. for any other reason permitted by the North Carolina General Statutes.

B. Nonrenewal. If **we** decide not to renew or continue this policy, **we** will **mail** notice to the named insured shown in the Declarations at the address shown in this policy. Notice will be **mailed** at least 45 days before the end of the policy period. Subject to this notice requirement, if the policy period is:

1. Less than one year, **we** will have the right not to renew or continue the policy at the end of the policy period.
2. 1 year or longer, **we** will have the right not to renew or continue this policy at each anniversary of its original effective date.

C. Automatic Termination. If **we** offer to renew or continue **your** policy and **you** or **your** representative does not accept, this policy will automatically terminate at the end of the current policy period. Failure to pay the required renewal or continuation premium when due shall mean that **you** have not accepted **our** offer.

If **you** obtain other insurance on **your covered trailer**, any similar insurance provided by this policy will terminate as to that **your covered trailer** on the effective date of the other insurance.

D. Dishonored / Insufficient Checks, Credit Cards, Draft or other Remittance. If **you** pay **your** initial premium for any new policy or any subsequent renewal by check, credit card, draft, or any remittance other than cash, the coverage offered by this Policy is conditioned on the remittance being honored upon presentment for payment. If the check, credit card, draft or other remittance is not honored, then **we** shall be deemed not to have accepted the payment and this policy, if allowed by law, shall be void from inception for a new policy and shall terminate on the renewal date if it is a renewal policy.

E. Other Termination Provisions.

1. If the law in effect in North Carolina at the time this policy is issued, renewed or continued:
 - a. Requires a longer notice period;
 - b. Requires a special form of or procedure for giving notice; or
 - c. Modifies any of the stated termination reasons; or
 - d. Adds any additional termination reasons;

we will comply with those requirements and the policy shall be deemed amended to include any such change in the law

1. If not prohibited by state law, **we** may deliver any notice in person instead of **mailing** it.
2. Proof of **mailing** of any notice shall be sufficient proof of notice.
4. If this policy is cancelled at your request, at the request of a premium finance company or nonpayment of premium, the premium refund, if any, will be computed on a ninety percent (90%) of a pro-rata basis. If we cancel this policy for any reason, the premium refund if any will be computed on a pro-rata basis. However, making or offering to make the refund is not a condition of cancellation.
5. The effective date of cancellation stated in the notice shall terminate all coverages under this policy.

APPRAISAL FOR PROPERTY DAMAGE

In the event of an **accident**:

1. If the claimant and **we** fail to agree as to the difference in fair market value of the **travel trailer** immediately before and immediately after the **accident** and the difference in the claimant's and our estimate of the diminution in fair market value of the **travel trailer** is greater than two thousand dollars (\$2,000) or twenty-five percent (25%) of the

fair market retail value of the **travel trailer** prior to the **accident** as determined by the latest edition of the National Automobile Dealers Association Pricing Guide Book or other publications approved by the Commissioner of Insurance, whichever is less; and

2. Coverage for the liability claim is not in dispute:

Then on the written demand of either the claimant or **us**, each shall select a competent and disinterested appraiser and notify the other of the appraiser selected within 20 days after the demand. Should the appraisers fail to agree, they shall then select a competent and disinterested appraiser to serve as an umpire. If the appraisers cannot agree upon an umpire within 15 days, either the claimant or we may request that a magistrate resident in the county where the **insured travel trailer** is registered or the county where the **accident** occurred select the umpire.

The umpire then shall prepare a report determining the amount of **property damage** and shall file the report with **us** and the claimant.

The claimant or we shall have 15 days from the filing of the report to reject the report and notify the other party of such rejection. If the report is not rejected within 15 days from the filing of the report, the report shall be binding upon both the claimant and us.

Each appraiser shall be paid by the party selecting the appraiser, and the expenses of appraisal and umpire shall be paid by the parties equally.

If either party elects to have an appraisal to determine the amount of **property damage**, then the amount of **property damage** cannot be decided through arbitration.

TRANSFER OF YOUR INTEREST IN THIS POLICY

Your rights and duties under this policy may not be assigned without **our** written consent. However, upon the death of the named insured shown in the Declarations, coverage will be provided until the end of the policy period or cancellation date, whichever is earlier, for:

1. The surviving spouse, if a resident in the same household at the time of death. Coverage applies to the spouse as if a named insured shown in the Declarations.
2. The legal representative of the deceased person while acting within the scope of duties of a legal representative. This applies only with respect to the representative's legal responsibility to maintain or use **your covered trailer**.

MISREPRESENTATION AND FRAUD

- A. The statements made by **you** in the application are deemed to be representations. If any representation contained in the application is false, misleading or materially affects the acceptance or rating of this risk by **us**, by: direct misrepresentation; omission; concealment of facts or incorrect statements; the coverage provided under this policy may be affected.
- B. If any representation contained in any notification of change is false, misleading or materially affects the acceptance or rating of this risk by **us**, by: direct misrepresentation; omission; concealment of facts or incorrect statements; the coverage provided under this policy may be affected.
- C. **We** do not provide coverage for **you**, a **family member** or any **insured** who has made fraudulent statements or engaged in fraudulent conduct in connection with any **accident** or **loss** for which coverage is sought under this policy.

UNPAID PREMIUM AND FEES

When we make payment to you or the loss payee, as interests may appear, or to anyone on your behalf for any first party claim made by you under this policy, we may deduct from the payment any premium or fees that are due and unpaid under the policy.

TWO OR MORE POLICIES

With respect to any **accident** to which this and any other policy issued to **you** by **us** applies, the total limit of **our** liability under all the policies shall not exceed the highest applicable limit of liability under any one policy.

PARTICIPATION CLAUSE

Having the power and authority to permit policyholders to participate in the profits of the operations, the Board of Directors of the Company, within its discretion and in accordance with the provisions of law, may from time to time make determinations concerning payment of such distributions. When distributions are payable, the Board may make reasonable classifications of policies for such distribution, as well as the conditions governing payment.

CHOICE OF LAW

This policy is issued in accordance with the laws of North Carolina and covers property or risks principally located in North Carolina. Any and all claims or disputes in any way related to this policy shall be governed by the laws of North Carolina.

IN WITNESS WHEREOF, **we** have caused this policy to be executed and attested.

A handwritten signature in black ink, appearing to read "Peter Rendall".

Peter Rendall
President

A handwritten signature in black ink, appearing to read "Christine M. DeBiase".

Christine M. DeBiase
Secretary