

# Markel product manual

## Bicycle



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This manual is intended to provide an overview of the Markel recreational vehicle product. State by state variations may occur. This manual is protected by legal privilege and should not be shared with anyone unauthorized.

## Program highlights

Markel bicycle insurance will be the premier bicycle insurance product in the market. Our annual policies offer a wide variety of optional coverage targeted to fitness cyclists for private pleasure and competitive usage. The program is available in all 50 states and the District of Columbia.

Our target customer is an affluent, health oriented cyclist who owns, or is purchasing, a high-value bicycle and understands the benefits of protecting the purchase investment with an insurance policy.

### Highlights

- Provides coverage while racing/competing
- Highly customizable, all coverages are optional
- Bicycle physical damage
  - Primary coverage
  - Replacement cost for components and fixed accessories, less deductible
  - Competitive fee reimbursement included at no cost
  - Rental reimbursement included at no cost
  - Cycle apparel included at no cost
  - Spare parts included at no cost
- Bicycle liability
  - Primary coverage
  - CSL limits of \$25K, \$50K, and \$100K
- Medical payments
  - Excess of major medical
  - Per person limits from \$1K to \$10K
- Vehicle contact protection
  - Covers rider in involved in an accident with an uninsured/underinsured motorist
  - CSL limits of \$10K and \$25K
- Roadside assistance
  - 35-miles per tow, five tows per policy term
  - Must also purchase at least one of the four main coverages

*Not all coverage options are available in all states.*

## General information

### General policy conditions

- Available to US residents
- All policies are written on an annual term
- Minimum written and earned premium is \$100, or as required by state regulations
- Territory includes on land within the United States and Canada, or while in transit by land or air from and to a location within the US and Canada (see coverage section for optional extension)
- Highly segmented rating; insurance scoring is also utilized in pricing

## Application and issuance

The Markel bicycle product will be quoted and issued thru the MAGIC system. There are no applications for this program.

### Eligibility

This program is designed to accept most all bicycles and cyclists. The MAGIC system will alert you to potential eligibility issues. A warning message will be provided if an attribute is entered that renders the quote ineligible. If you receive a message that the risk is ineligible, do not proceed. Please contact Markel for clarification.

The following are acceptable risks in this program:

- Human, pedal-power only cycles are eligible
- Human, pedal-power cycles with auxiliary electric power assist are eligible provided the rated wattage of the electric power assist motor does not exceed 750 watts and the bicycle manufacturer's published design speed does not exceed 28 miles per hour while under pedal assist only or 20 miles per hour while under throttle assist only.

The following are unacceptable risks in this program:

- Bicycles with an auxiliary power source (other than electric assist)
- Named insured/owner less than 18 years of age
- Primary operator less than 12 years of age
- More than three owners

### Quote indications

To provide a quote, enter the required fields that are highlighted in yellow. If the order is placed, the fields highlighted in blue will be required to issue.

If the risk is outside of your authority, a quote indication will be provided. The system will alert you that approval is required. Quotes may be released as an indication without being submitted to the company. When releasing an indication to an applicant, please be sure to notify them that coverage and premium is subject to company review and approval.

### Referral process

Any risk requiring referral will follow an established hierarchy. For instance, a risk entered by a sub-producer will be referred to the general agent. If the general agent does not have the authority to approve the risk, they will refer the risk to Markel Personal Lines. Once approved, the risk will follow the chain back down to the sub-producer.

### Issuance

If the risk attributes are within your authority or you have received company approval on a referral, you may issue the policy in MAGIC after completing the fields required for issuance and securing proper payment.

## Payment

### Payment plans

The following payment plans are available, dependent upon the total premium:

Pay plan	Terms	Minimum premium	Installment fees
<b>Full pay</b>	Premium paid at policy inception	Applies to all	No fees
<b>2-pay</b>	50% down, 50% due in 60 days	\$200	\$6 or as allowed by state regulations
<b>3-pay</b>	40% down, 30% due in 60, and 150 days	\$250	\$6 or as allowed by state regulations
<b>6-pay</b>	30% down, 15% due in 60, 90, 120, and 150 days, 10% due in 180 days	\$400	\$6 or as allowed by state regulations
<b>12-pay</b> (Recurring payments only)	Set-up and managed online by the insured. The insured must go to <a href="http://www.markelamerican.com/pay">www.markelamerican.com/pay</a> . Instructions are provided on the invoice as well. (Agents can chose 12-pay if the customer advises that they will set up recurring payments.)		\$1 per installment

## Required information in MAGIC

### Named insured/owner

As insurance scoring is part of rating, we strongly encourage using the owner's social security number for the most accurate rate.

### Manufacturer/model

The list in MAGIC includes the most popular bicycle manufacturers at this time. If the manufacturer is not listed, select "other" from the bottom of the list. A new field will appear for you to enter the specific manufacturer. Model is a free-form field and required for issuance. Please be as descriptive and complete as possible for claims purposes.

### Unit type

MAGIC contains a list of seven unit types to be used when rating.

Road/track	Ridden on pavement; typically sport bicycle with drop handlebars and narrow tires
Mountain	Intended for off-road use; typically with wide, fat tires and straight handlebars
Hybrid/cruiser	Cross between a mountain bike and a road bike
Recumbent	Rider is reclined with feet forward
Tandem	Accommodates two or more riders, one in front of the other
BMX	Used in dirt-track and motocross; typically with a freewheel and rear hand brake
Tricycle	Has three wheels

## Frame construction

Rating for bicycle physical damage considers the frame construction when rating.

- Aluminum
- Carbon fiber
- Titanium
- Steel
- Wood
- Other

## Usage type

Select all usage types that apply to the bicycle being quoted.

Casual	Bicycle is used for recreation and not as a means of transportation
Fitness	Bicycle is used primarily for fitness/exercise and at a higher intensity than casual
Commuter	Bicycle is used as a means of transportation to/from work/school
Competitive	Bicycle is used primarily for training for and competing in bicycling events (\$500 deductible is mandatory anytime competitive usage is selected)

## Unit value

Unit value includes the cost of the bicycle, as well as fixed accessories and removable parts. Accessories include equipment added and fixed to the bicycle, in addition to the manufacturer's original specifications. This does not include bicycle apparel or spare parts.

## Frame serial number

The manufacturer's serial number is required for issuance. The majority of serial numbers are located under the bottom bracket, where the two pedal cranks meet. Other common serial number locations include: the headset, rear stays, seat downtube next to the crank, or top of crank.

## Risk location

All units must be within the same state, but may be in different addresses.

## Operators

The primary operator must be at least 12 years old. Each rider's specific information must be listed in MAGIC. This information is used for rating and eligibility. If the operator is a member of one of the associations listed, please select it from the drop down list. If the operator is a member of an association not listed, select "other".

## Assignment

Each unit may have only one primary operator, but an operator may be primary on multiple bicycles. Please review the assignment tab after any changes are made to units/operators to confirm that a primary operator is assigned.

## Lienholder/additional insured and premium finance

This program does not allow for the addition of lienholder and/or an additional insured.

## Auxiliary power source

MAGIC requires classification of units by auxiliary power source, if the unit is electric or e-bike. Standard human-pedaled bicycles select *No*.

No	Unit has no power source other than manual pedaling
Yes, pedal assist with top assisted speed of 20 mph	Class 1 e-bike
Yes, throttle assist with top assisted speed of 20 mph	Class 2 e-bike
Yes, pedal assist with top assisted speed of 28 mph	Class 3 e-bike
Yes, other	Needs to be referred

## Endorsements, renewals, and cancellations

### Endorsements

All endorsements are processed in MAGIC. Eligibility and authority are enforced as with new business. MAGIC will also enforce any date restrictions. Any additional premium due will be invoiced.

### Renewals

Renewals are direct-bill and generated by MAGIC according to state required guidelines, at least 35 days prior to the expiration of the current term. Policies will receive a lapse notice if payment is not received prior to expiration.

### Cancellations

Cancellations for non-payment are generated by MAGIC, according to state required guidelines. All other cancellations must be processed by customer service.

## Claims

All claims are adjusted in the Markel Personal Lines claims department. First loss notices are taken by Markel customer service at 800-236-3113.

## Coverage options

This section will provide information regarding available coverage options. Always refer to the policy for specific coverage details. The policy language will always prevail. All coverages are optional and include loss while racing/competing.

### Bicycle physical damage

Bicycle physical damage provides coverage for the insured bicycle and replacement for newly acquired bicycles. Rate is charged for bicycle physical damage, and includes four additional coverages at no charge.

#### Bicycle physical damage

Provides coverage for the value of the unit (replacement cost) including accessories for sudden, accidental direct physical loss or damage to the insured bicycle. This would include occurrences such as collision, fire, theft,

vandalism, or hitting another object. Deductible options are available as follows: \$200, \$300 and \$500. Note, if "competitive" is selected as the bicycle usage type, the only deductible option available is \$500.

### **Spare parts**

\$500 occurrence/\$1,000 total toward sudden, accidental direct physical loss or damage to spare parts for the insured bicycle. Spare parts coverage includes a replacement for an item normally a part of the insured bicycle that is not currently in place on the insured bicycle.

### **Cycle apparel**

\$500 occurrence/\$1,000 total toward any associated loss or damage to your cycling apparel, if a covered loss occurs to an insured bicycle. Cycling apparel includes clothing or gear worn by the rider exclusively used in conjunction with the insured bicycle.

### **Rental reimbursement**

\$250 toward reimbursement for the expenses incurred to rent a substitute bicycle for an organized cycling event, if a covered loss occurs to an insured bicycle more than 50 miles from home.

### **Competitive fee reimbursement**

\$500 occurrence/\$1,000 total toward the non-refundable portion of pre-paid entry fee, if unable to compete because of a covered loss to the insured bicycle.

### **Worldwide physical damage endorsement**

Optional endorsement is available to extend physical damage coverage worldwide.

## **Bicycle liability**

Bicycle liability coverage provides protection for bodily injury or property damage for which an insured becomes legally liable through ownership, maintenance, use, loading, or unloading of an insured bicycle

CSL limits available at \$25,000, \$50,000, and \$100,000

## **Medical payments**

Medical payments coverage provides excess protection for the reasonable charges for necessary medical, surgical, x-ray, dental, hospital, and professional nursing services, and funeral service expenses incurred within one year from the date of an accident causing bodily injury to an insured, while using the insured bicycle.

Per person limits of \$1,000, \$2,500, \$5,000, \$7,500, and \$10,000

## **Vehicle contact protection**

This coverage provides protection for those sums the insured is legally entitled to recover, as damages for bodily injury from the owner or operator of an uninsured/underinsured motor vehicle as a result of physical contact between the insured bicycle and the motor vehicle.

CSL limits available at \$10,000 and \$25,000

## **Roadside assistance**

Optional coverage at \$12 per unit; 35 mile allotment per service, five services per year.



## Common questions

### **Isn't my bicycle covered under my homeowners insurance?**

While your bicycle may have some coverage under your homeowner's policy, there are usually restrictions on the value of the bicycle and the types of losses that would be covered. With a bicycle insurance policy from Markel, you'll have the peace of mind in knowing that your policy is built specifically for you and your bicycle alone. Plus, coverage through Markel means your homeowners insurance rates won't increase if you have to file a claim.

### **How do you determine how much my bicycle is worth?**

You tell us. We know bicycles can get pretty expensive and want to make sure we provide just the right coverage. When setting up your policy, simply add up the cost of your bicycle, as well as its fixed accessories and components. And of course, keep your receipts. While we may not need to see your receipts before issuing your policy, we may need to see them in case you file a claim.

### **My bike was bought in 2007 for \$3,000. If I buy bike insurance today and it gets stolen next week, will I receive a check for the full \$3,000 or some lesser amount since it's now five years old?**

Our policy states that we will pay for the amount necessary to repair or replace the insured bicycle with like kind and quality, less the deductible and up to the insured value shown on the declarations page for 'bicycle physical damage'. Deprecation is not factored in to the calculations, but understand that technology and pricing change. That means it may only cost \$2,500 to procure a similar bike with the same quality components; in that case the insured would get \$2,500, less the deductible. If it costs more than the \$3,000 limit to buy a bike with the configuration of the insured bicycle, the maximum amount paid would be \$3,000. Along with other valuation tools, we may work with a reputable bicycle shop to determine the amount necessary to replace the stolen bicycle.

### **What happens when I buy a new bicycle?**

Whether you're replacing your current bicycle or adding to your collection, we'll automatically extend your current coverage to the new bicycle for up to 30 days from the time of purchase. Just let us know before the 30 days are up for coverage to extend beyond that time period.

### **What about my apparel? Spare parts? Do you cover these, too?**

In a word, yes. But only if you purchase bicycle physical damage coverage and your bicycle is involved in a covered loss. We automatically include coverage for spare parts (items that are normally part of the insured cycle but were not on the bicycle when the loss occurred) and apparel (clothing or gear worn exclusively when riding the insured bicycle). Both coverages have a separate limit of \$500 per loss and a \$1,000 limit for the policy period.

### **How much coverage do I need?**

Every bicyclist, bicycle, and situation is unique. Your insurance coverage should reflect that. It's important for you to evaluate your individual needs and your personal level of comfort when it comes to risk. From there, you can start to look at coverage options and policy limits.

### **Do you offer coverage for my car rack?**

There is no coverage for your car rack on our bicycle insurance policies. However, check with your car insurance company, as coverage is usually provided there.

## How much would it cost, on average, to insure my bicycle for a year?

As we've mentioned before, every bicyclist and bicycle is unique. The coverages you select, the type of bicycle you purchase, and how you ride are just a few of the many factors that determine the cost of insurance. In just a few minutes you can find out exactly how much it would cost to insure your bicycle for a year.

## Am I covered while riding in a race?

Yes. There is no racing exclusion, so any coverages (bicycle physical damage coverage, bicycle liability coverage, medical payment coverage, and vehicle contact protection) purchased on your Markel bicycle insurance policy are in full force while you're competing in an event. Good luck on the course!

## What happens if I am hit by a car while riding my cycle?

The fact is, there are dangers when motor vehicles and bicycles share the road. That's why we offer medical payments and vehicle contact protection. They provide coverage for you as the rider of the insured bicycle.

## Where am I covered? Are cross-country bicycle trips allowed or is it only in my state?

That's why our policies automatically allow you to ride in all 50 states (Alaska and Hawaii included) and Canada. You also have coverage for your bicycle while it's in transit (by land/air) to and from a location within the United States and Canada. You have the option to extend your bicycle physical damage coverage worldwide by purchasing our optional worldwide physical damage coverage extension.

## Is the bicycle I rent covered by my insurance?

If your insured bicycle is ever sidelined due to a covered loss or breakdown, we'll provide the same coverage to your temporary/substitute cycle. The temporary/substitute may not be owned by you and must be used with the permission of the owner. Should a loss occur involving your temporary/substitute cycle, it'll have the broadest coverage you've purchased for your insured bicycle for which it serves as a substitute.

## How do I file a claim?

We make filing a claim as easy and quick as possible. If you have an accident, you can submit your claim online or call us at 800-236-2453.

## Can I pay online?

Absolutely. Visit [www.markelamerican.com/pay](http://www.markelamerican.com/pay). From there, you can decide if you want to make a payment with a credit card, debit card, or through your checking account. You can decide if you want to make a one-time payment or set up automatic recurring payments so you never miss a payment.

## Is Markel a financially sound company?

Yes. Markel Personal Lines is part of Markel Corporation, a \$2.5 billion international company and has been a specialty insurance provider for over 35 years. Top independent rating agencies A.M. Best and Fitch Insurer give Markel Personal Lines the highest ratings 'A' (Excellent/Strong). For more information about our financial standing, visit the Markel website.

## Contact information

Please email Markel bicycle underwriting ([mplbicycle@markel.com](mailto:mplbicycle@markel.com)) with questions.

**For instructions on how to maintain a policy, please refer to the MAGIC system manual.**