



## Highlights of the Markel Cyclist Insurance Product

**Overview:** Markel Cyclist Insurance will be the premier cycle insurance product on the market. Our annual policies offer a wide variety of optional coverage targeted to serious cyclists for private pleasure and competitive usage.

**Target Market:** Target market is fitness and competitive cyclists, likely members of a cycling association or participants in cycling competitions, with the need to purchase specialized coverage for their higher-end cycles. The 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. They do much of their own maintenance but also frequent their regular cycle shop. Estimated average cycle value is \$1,250, with no min/max value.

**Term/Territory:** Annual policies covering units on land within the United States and Canada or while in transit by land or air from and to a location within the United States of America and Canada. Optional endorsement is available to extend Physical Damage coverage worldwide.

**Pricing:** Rating is highly segmented and allows for future fine-tuning; Insurance Scoring is utilized to better price each risk. Typical riding season is also considered.

**Coverage Highlights:** All coverages are optional and are include loss while racing/competing.

- 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 shown.
  - Deductible Options: \$100, \$200, \$300 and \$500
  - Includes four additional coverages at no charge:
    - Rental Reimbursement: \$250 toward reimbursement for the expenses incurred to rent a substitute 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/\$1K total toward the non-refundable portion of pre-paid entry fee if unable to compete because of a covered loss to the insured bicycle.
    - Spare Parts: \$500 occurrence/\$1K total toward sudden, accidental direct physical loss or damage to spare parts for the insured bicycle. Spare Parts 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/\$1K 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.
- Bicycle Liability
  - Primary Coverage with CSL limits at \$25K, \$50K or \$100K
- Medical Payments
  - Excess coverage with per person limits of \$1K, \$2.5K, \$5K, \$7.5K or \$10K
- Vehicle Contact Protection
  - CSL limits at \$10K or \$25K
  - Similar to Uninsured and Underinsured Motorists on an automobile policy, this coverage provides coverage for bodily injury to insured on a covered unit if struck by uninsured or underinsured motor vehicle.
- RoadSide Assistance
  - Optional at \$10 per unit
  - 35 mile allotment per service, 5 services per year

## PIU / Markel Cyclist

Markel American's Cyclist program was originally created as a direct to consumer product, excluding retail insurance agents from offering it to their clients. Because of PIU's longstanding relationship with Markel American, we've made an agreement with them to add it to our lineup of other Markel American products available on Magic. Now you can offer the best coverage to your avid cyclists, as opposed to the limited coverage available on most Homeowners policies.

Take a look:

<b>Policy Coverage</b>	<b>Typical Homeowner Policy</b>	<b>Markel Policy</b>
Insured at Full Value*	Not Likely	Yes
Crash Damage	No	Yes
Theft Coverage	Limited	Yes
Theft Away from Home	Limited	Yes
Vehicle Contact Protection	No	Yes
Personal Liability	Yes	Yes
Replacement Bike Rental	No	Yes
Event Fee Reimbursement	No	Yes
Cycling Apparel	Not Likely	Yes
Medical Payments	Not Likely	Yes
Racing Coverage	No	Yes
Spare Parts Insured	Not Likely	Yes
Covered in Transit	Not Likely	Yes
Worldwide Physical Damage	Not Likely	Yes
Roadside Assistance	Not Likely	Yes

### How to quote:

- 1) Log into Markel Magic (If you do not have access to Markel please forward your agency name and one email address to [brian@piuinc.com](mailto:brian@piuinc.com). There will be just one login per agency. Access will be granted for the following business day.)
- 2) Select "New Quote" and choose Markel Cyclist as the product.
- 3) Quote away! As this product was designed to be quoted online by the consumer themselves, we feel very confident you won't need any assistance with quoting for your applicant.
  - Keep in mind all of the orange fields are "required fields."
  - You quote, bind, issue, take payments, and make policy changes online.
  - Bikes over \$12,500 will require additional documentation including photos and receipts which can be uploaded on the system.

If you have any problems just call us at 425-771-8988!

# Markel Product Manual

Bicycle



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This manual is intended to provide an overview of the Markel Cyclist 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 Cyclist Insurance will be the premier cycle insurance product on the market. Our annual policies offer a wide variety of optional coverage targeted to serious cyclists for private pleasure and competitive usage. The program will be available in all 50 states and District of Columbia, pending regulatory approval.

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 as 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 if involved in accident with Uninsured/Underinsured Motorist.
  - CSL limits of \$10K and \$25K
- Roadside Assistance
  - 35-miles per tow, 5 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:

- Available to U.S. 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 for optional extension.)
- Highly-segmented rating; Insurance Scoring is also utilized in pricing.

## Application/Issuance

The Markel Cyclist product will be quoted and issued thru the MAGIC system. There are no applications for this program. Instead information is gathered via the consumer web access and/or phone system and entered into MAGIC.

**Eligibility:** This program is designed to accept most all cycles 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 MAIC for clarification.

The following lists the program's unacceptable risks:

- Cycles with an auxiliary power source
- Named Insured/Owner less than 18 years of age
- Primary Operator less than 12 years of age
- More than 3 owners

**Quote Indications:** To provide a quick quote, enter the required fields that are marked with an asterisk (yellow fields). Addition information 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 subproducer will be referred to the General Agent. If the General Agent does not have the authority to approve the risk, the General Agent will refer the risk to MAIC. 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 (blue fields) and securing proper payment.

## Payment

Initial payment is due upon issuance of the policy.

### Payment Plans:

- Full Pay ..... Payment due upon effective date of policy
- 2 Pay ..... 50% down, 50% due 60 days (\$200 minimum)
- 3 Pay ..... 40% down, 30% due 60 & 150 days (\$250 minimum)
- 6 Pay ..... 30% down, 15% due 60, 90, 120 and 150 days, 10% due 180 days (\$400 minimum)

### Installment Fees:

- \$5 per each non-EFT/ACH installment payment (or as allowed by state regulations)
- \$1 per each EFT/ACH installment payment
- Installment fee is waived on the first installment

## Required Information in MAGIC

MAGIC is designed to ask all required information at the appropriate time. The following is a high-level review of the required information.

**Named Insured/Owner:** As insurance scoring is part of rating, where allowed, we strongly encourage using the owner's Social Security number for the most accurate rate.

**Manufacturer/Model:** The list in MAGIC is of 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. Be as descriptive and complete as possible for claims purposes.

**Unit Type:** MAGIC contains a list of 7 unit types to be used when rating. See below for description:

- Road/Track ..... Ridden on pavement. Typically sport bicycle with drop handlebars, narrow tires.
- Mountain ..... Intended for off-road use. Typically with wide fat tires, 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 & motocross. Typically with a freewheel & 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 cycle being quoted.

- Casual..... Cycle is used for recreation and not as a means of transportation.
- Fitness ..... Cycle is used primarily for fitness/exercise and at a higher intensity than casual.
- Commuter ..... Cycle is used as a means of transportation to/from work/school.
- Competitive ..... Cycle is used primarily for training for and competing in cycling events.

**Unit Value:** Unit value includes the cost of the cycle as well as fixed accessories and removable parts. Accessories includes equipment added and fixed to the bicycle in addition to the manufacturer's original specifications. This does not include Cycle Apparel or Spare Parts.

**Frame Serial Number:** The manufacturer's serial number, 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 crank, 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 of age. Each rider's specific information must be listed in the system. This information is used for rating and eligibility. If the operator is a member of one of the associations listed, select one from the 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. *User MUST review the Assignment tab after any changes to units/operators to confirm that a primary operator is assigned.*

**Lienholder/Additional Insured & Premium Finance:** This program does not contemplate addition of a lienholder and/or an additional insured.



## Endorsements/Renewals/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 are generated by MAGIC according to state required guidelines, but 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 also generated by MAGIC according to state-required guidelines. All other cancellations must be processed by Customer Service.

## Claims

All claims are adjusted in the Claims Department at Markel American Insurance Company. First loss notices are taken by Markel Customer Service, 800-236-2453.

## 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 cycle and replacement and newly acquired cycles. 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: \$100, \$200, \$300 and \$500

#### **Spare Parts**

\$500 occurrence/\$1K total toward sudden, accidental direct physical loss or damage to spare parts for the insured bicycle. Spare Parts 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/\$1K 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 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/\$1K 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.

## Coverage Options (continued)

### 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 at \$25K, \$50K and \$100K

### MEDICAL PAYMENTS

- Medical Payments coverage provides excess protection for the reasonable charges for necessary medical, surgical, x-ray, dental, ambulance, 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 an insured bicycle.
- Per person limits of \$1K, \$2.5K, \$5K, \$7.5K and \$10K

### 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 at \$10K and \$25K

### ROADSIDE ASSISTANCE

- Optional at \$10 per unit
- 35 mile allotment per service, 5 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 cycle and the types of losses that would be covered. With a cycle insurance policy from Markel, you'll have the peace of mind in knowing that your policy is built specifically for you and your cycle 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 cycles 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 cycle 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 5 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'. Depreciation is not factored in to the calculations but understand that technology and pricing change. What that means is it may only cost \$2.5K 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 \$3K limit to buy a bike with the configuration of the insured bicycle, the maximum amount paid would be \$3K. Along with other valuation tools, we may work with a reputable bicycle shop to determine the amount necessary to replace the stolen bicycle.

## Common Questions (continued)

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

Whether you're replacing your current bicycle or adding to your collection, we'll automatically extend your current coverage to the new cycle 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 cycle 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 cycle when the loss occurred) and apparel (clothing or gear worn exclusively when riding the insured cycle). 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 cyclist, cycle, 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 cycle 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 cyclist and cycle is unique. The coverages you select, the type of cycle 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 cycle 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 Cycle 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 cycles 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 cycle.

### **Where am I covered? Are cross-country cycle 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 cycle 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 cycle 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 cycle for which it serves as a substitute.

## Common Questions (continued)

### **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 onetime payment or set up automatic recurring payments so you never miss a payment.

### **Is Markel a financially sound company?**

Yes. Markel American 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 American Insurance Company the highest ratings 'A' (Excellent/Strong). For more information about our financial standing, visit the Markel website.