



**STATE OF CALIFORNIA  
MOTORCYCLE MANUAL  
STREET LEGAL / OFF-ROAD PROGRAM**

**EFFECTIVE: October 10, 2016**

**Pacific Specialty Insurance Company  
Motorcycle Manual**

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**I. POLICY TERM**

Policies will be written for 12 month terms only. Direct bill premium invoicing is available. A premium invoice will be mailed directly to the insured 20 days prior to the monthly policy anniversary date if the insured is not set up for Electronic Withdrawal. The service fee is \$3 if installments are paid electronically using automatic payments and \$10 if installments are invoiced and paid manually.

**II. APPLICATION PROCEDURES**

**A. For policies bound online using our website rating facility:**

All application questions must be fully completed by producer and applicant. After policy has been bound and a policy number has been issued, the application can then be printed and wet signed by both the producer and the applicant. The application and supporting documentation are retained at the point of sale by the producer. The records shall be open at all reasonable times inspection by the Company.

**B. For policies NOT bound online using our website rating facility:**

A Pacific Specialty Insurance Company ("PSIC") motorcycle application must be fully completed and mailed to PSIC (or its representative). No coverage is bound unless all of the following provisions are satisfied when the application is submitted:

- *All underwriting rules are followed; and*
- *A PSIC application (including any/all necessary disclosures) is fully completed and signed by both the applicant and producer (Note: If PSIC's general agent, McGraw Insurance Services, is the producer of record on the policy, a producer signature is not required); and*
- *If physical damage coverage is purchased at the time the application is executed, a signed self-certification form is acceptable.*
- *If physical damage coverage is purchased or a motorcycle is added mid-term, clear photographs of left and right side of motorcycle accompanies application unless:
  1. *A copy of the sales contract from a licensed dealer is attached and the purchase date is the same as the requested effective date, or*
  2. *A copy of an insurance policy with physical damage coverage for the motorcycle is attached and the policy expires no later than the requested effective date*
  3. *A fully completed/signed (by producer) inspection form is attached.**
- *Required premium (or minimum required down payment) accompanies application; and*
- *All of the above referenced items are mailed to PSIC (or its representative) and postmarked within two (2) business days of requested effective date.*

Applications not bound online received in our office that are not postmarked within the required binding period specified above, provided all other underwriting criteria are met, will be made effective the date received in our office.

All licensed drivers under the age of 35 who reside in the household **MUST** be listed on the application as an operator or excluded from the policy.

The Applicant/Named Insured must be the registered owner of the vehicle and must be at least 18 years of age or older. Accordingly, we require a signed application by the registered owner of the vehicle. If multiple registered owners exist, either signature is acceptable. Each excluded driver requires a signature of the named insured.

In the event a producer designates a risk "bound" which does not conform to our underwriting rules, PACIFIC SPECIALTY INSURANCE COMPANY will seek reimbursement from the producer for any claims it must pay incident to the aforescribed binder.

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Once an application is bound, it can only be cancelled by the insured or the company. To void a fax bound application, send the voided, completed original of the bound application signed by the customer and producer, in a separate envelope marked "VOID" on the front of the envelope.

**III. COVERAGES AVAILABLE**

The following is a breakdown of the ONLY coverages offered under our program

**A. LIABILITY (BI & PD) – Liability BI & PD are required coverages**  
The following liability limits are available in this program

- 15-30-5
- 15-30-10
- 25-50-10
- 25-50-15
- 50-100-25
- 100-300-50
- 250-500-100

We do not offer liability limits greater than 250/500/100 to any applicant, including good drivers. Guest passenger liability is included with Liability (BI & PD)

**B. EXCESS MEDICAL PAYMENTS (MP) - limits of \$1,000 per person.**  
The EMP coverage is available only as excess insurance over any other valid and collectible medical coverages.

**C. UNINSURED MOTORISTS (UMBI) (includes Underinsured Motorists Coverage.)**  
The following uninsured motorists bodily injury limits are available in this program:

- 15-30
- 25-50
- 30-60
- 50-100
- 100-300

NOTE: UMBI limits not to exceed BI limits

**D1. UNINSURED MOTORISTS PROPERTY DAMAGE (UMPD) \$3,500 per occurrence.**  
UMPD coverage is available only when Uninsured Motorists coverage is written and there is no Collision coverage on the applicable vehicle. Please note, if Collision coverage is provided by any carrier on the applicable vehicle, UMPD coverage will not apply.

**D2. UNINSURED MOTORISTS DEDUCTIBLE REIMBURSEMENT (UMDR)**  
UMDR coverage is available only when Uninsured Motorists and Collision coverages are written on the applicable vehicle. The amount of UMDR coverage must equal the Collision coverage deductible.

**E1. COMPREHENSIVE – Base Deductibles are displayed on page 12 of the manual. Optional deductibles are shown in the rate section of the manual.**

**E2. COLLISION - Base Deductibles are displayed on page 12 of the manual. Optional deductibles are shown in the rate section of the manual.**

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- Deductibles for Comprehensive Coverage and Collision Coverage may be different. Physical damage deductibles for a motorcycle on a multi-vehicle policy may be different. Collision coverage can be purchased without Comprehensive coverage only by statutory Good Drivers as defined under CIC Section 1861.025

E3. ROADSIDE ASSISTANCE – Roadside Assistance is an optional coverage that may be purchased for \$12 per vehicle per annual policy.

E4. ACCESSORY COVERAGE

\$2,000 of coverage for insurable special equipment (accessories) is included with the purchase of comprehensive coverage. Additional accessories may be insured at a premium charge of 5% of their new cost up to \$10,000.

**PLEASE NOTE THAT ANY VEHICLE WITH MORE THAN \$10,000 NON-FACTORY EQUIPMENT, REGARDLESS WHETHER COVERAGE IS REQUESTED OR NOT, IS AN UNACCEPTABLE VEHICLE.**

**The Following Items Are Insurable Accessories**

*SADDLE BAGS, FAIRINGS, CUSTOM SEATS, TANK BAGS, SISSY BARS, CRASH BARS/SLIDERS, SIDE CARS, TRAILERS, SAFETY APPAREL, CUSTOM PAINT AND CHROMED PARTS.*

**The Following Items are NOT Insurable Accessories:**

- 1) *Any internal engine or drive train part designed to enhance performance or handling characteristics, or the cost of labor for their installation.*
- 2) *The labor of performing the process or the cost of labor for the installation of any powder coated or custom painted part.*
- 3) *Any substituted stock part from another model or model year cycle, or the cost of labor for their substitution.*

As motorcycles age and are sold or traded, the closer the vehicles are to their original stock configuration the more valuable they become.

Motorcycles are insured on an Actual Cash Value (ACV) basis. Accessories are also insured on an ACV basis. In almost all circumstances, adding \$5,000 of insurable accessories to a vehicle does not increase the value of the vehicle by \$5,000.

E5. DISAPPEARING DEDUCTIBLES:

- A coverage option is available to reduce the physical damage deductibles by 25% each claim-free year\*. No deductible will apply on the fifth policy period and thereafter if no physical damage losses are paid during the previous 4 policy periods.

\* Claims free applies to comprehensive or collision losses for which the company has paid any amount.

E6. EMERGENCY EXPENSE:

- A coverage option of up to \$750 of emergency expenses is available. Coverage is afforded if a covered Comprehensive or Collision loss occurs which:
  - Renders the covered motorcycle or non-owned motorcycle inoperable;

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- Requires the covered vehicle to be repaired; or
  - Is one in which the covered motorcycle is stolen;
- and such loss occurs more than 50 miles from the residence shown on the declarations page.

We will pay for:

- Temporary living facilities;
- Transportation back to the insured's residence;
- The cost of returning the covered motorcycle or non-owned motorcycle to the insured's residence, if we have not declared it a total loss; and
- Rental charges if the insured rents a motor vehicle from a rental agency or vehicle repair shop while the covered motorcycle is being repaired.

*The maximum limit of coverage for Emergency Expense is \$750.*

#### **E7. TRANSPORTATION TRAILER COVERAGE:**

- Coverage provides physical damage protection for loss to an owned transport trailer subject to the limits of the policy.
- Maximum insurable value of a transport trailer is \$2,500.
- A \$250 deductible applies

#### **MISCELLANEOUS:**

Lienholder Deductibles are \$250 in the event of a vehicle repossession where the lienholder is making a claim under the loss payee coverage provided.

If any vehicle on the policy has liability coverage, all vehicles on the policy must have the same liability coverages.

All coverage(s), including Uninsured Motorists, will not apply when any covered vehicle is operated by any "Persons Excluded" (listed on the application and/or policy), regardless of where the "Person Excluded" resides or whether the person is licensed to drive.

**PRODUCERS ARE ENCOURAGED TO FULLY EXPLAIN AND SELL ALL AVAILABLE COVERAGES WHENEVER POSSIBLE. APPLICANT MUST SIGN WAIVERS FOR UNINSURED MOTORISTS COVERAGES IF THEY ARE NOT DESIRED. IF THE APPLICANT DOES NOT SIGN THE WAIVER THE POLICY WILL BE ISSUED WITH THE APPLICABLE UNINSURED MOTORIST COVERAGE AND THE APPROPRIATE PREMIUM CHARGE WILL BE INCLUDED.**

#### **IV. FINANCIAL RESPONSIBILITY FILINGS**

A SR-1P or SR-22 filing will be issued until cancelled with a \$25 charge made for the filing. This fee is non-refundable.

We do not issue financial responsibility filings for states other than California.

#### **V. UNACCEPTABLE RISKS\***

PACIFIC SPECIALTY INSURANCE COMPANY will not accept the following risks:

A. NON-OWNED VEHICLES (named insured must be the registered owner of vehicle)

B. UNACCEPTABLE OPERATORS

1. Any operator with more than two at-fault accidents in the 36 months prior to inception date.

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2. Operators without a valid Driver's License. Operators who do not have a valid U.S. or Canadian license but have a valid foreign license or international driver's license must provide a copy of the valid license. If we are unable to verify the validity of any of the insured's licenses, the risk is subject to cancellation or nonrenewal.
3. Any operator convicted in the last 7 years of:
  - a) A felony while driving a motor vehicle
  - b) Vehicular manslaughter
  - c) Causing bodily injury or death while evading a police officer
  - d) Illegal transportation of explosives
  - e) More than one offense of driving a motor vehicle with a blood alcohol level equal to or in excess of 0.08 percent as evidenced by the DMV.
  - f) Driving while under the influence of any illegal narcotic and causing bodily injury to any person other than the operator.
4. Operators employed or attending school outside of the State of California are unacceptable.
5. Operators with restricted drivers licenses pertaining to use of illegal narcotics are unacceptable. All other restrictions are acceptable.
6. Garaging address must be in the State of California.

**VI. UNACCEPTABLE VEHICLES\***

1. Comprehensive and Collision coverages may not be written on:
  - Models over 15 years old. However, we will offer comprehensive and collision coverage on models over 15 years if coverage is requested and the current market value exceeds \$2,500.
  - Salvaged motorcycles
  - Motorcycles with pre-existing damage
  - Trikes\*\* (3-wheeled motorcycles)
  - Harley-Davidson replicas
  - Custom built motorcycles (Motorcycles manufactured domestically by other than major manufacturers where at least 5,000 units or less are made available for retail sales on an annual basis)
  - Motorcycles with any structural change/modification or physical alteration of frame or change in cc size.
  - Turbo or other performance enhancement
  - Units that are homemade, go-cart, dune buggy, tractors, or not produced by original equipment manufacturers. Units re-powered by engine castings not produced by the motorcycle manufacturer.
  - Special Construction motorcycles
  - Motorcycles with a value (excluding accessories) of \$45,000 or more

\*\*On a submit risk basis, PSIC will allow for physical damage (Comprehensive & Collision) coverages on a limited number of 3-wheeled motorcycles. This list includes, but is not limited to, the following motorcycle models:

- Can-Am Spyder models
- Harley Davidson Street Glide Trike and Tri Glide Ultra Classic
- Honda Goldwings with trike conversion kits
- Piaggio MP3 models

2. Vehicles modified for high performance.

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3. Vehicles with accessory coverage over \$10,000 (regardless of whether accessory coverage is requested or not)
4. Motorcycles used for:
  - Racing/speed contest
  - Any business or commercial purposes
  - Emergency services

**\*The Unacceptable Operators and Vehicles provisions do not apply to applications where all operators qualify as a Good Driver under CIC section 1861.025.**

## **VII. RATING CLASSIFICATIONS**

### **A. INSURED'S DRIVING RECORD**

1. All operators in the household shall be evaluated unless they are a named insured or a principal operator of an auto insured under a separate policy with PACIFIC SPECIALTY INSURANCE COMPANY. In-force PSIC policy number must be provided.
2. In determining Point Rating Factors, use only those convictions and at-fault accidents which occurred in the 3 years preceding the effective date of the policy (use conviction date). If violation is for Driving Under the Influence of Alcohol or Drugs violations in accordance with CIC 1861.025, the evaluation period will be extended to 10 years prior, but only as they effect GDD discount application. In determining violations counted, use the COMMON CALIFORNIA VEHICLE CODE VIOLATIONS USED IN NEGLIGENT OPERATOR COUNT list published by the California Department of Motor Vehicles.

### **B. DEFINITIONS OF CLASSIFICATION SYSTEM FACTORS (Rating Section)**

#### **Mandatory Factors**

##### **1. Driver Safety Record/Points**

- a. Number of 1-point traffic convictions
- b. Number of greater than 1-point traffic convictions
  - i. Refer to the driving record of the principal and each additional operator to determine the convictions of each operator. For this purpose, use the California Department of Motor Vehicles public record of traffic violations.
  - ii. If multiple violations occur on the same date, only the violation with the highest point count will be charged. If a violation occurs with an accident, both will be charged.
- c. Number of "principally at-fault" accidents of all drivers.
  - i. An accident is chargeable if an operator is found to be "principally at-fault" in an accident which resulted only in property damage, no bodily injury, and the amount of the property damage exceeds \$1,000. Principally at-fault" is determined as follows:
    - (a) the accident was a solo vehicle accident, subject to the Exceptions outlined in subsection vi. below; or

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- (b) multiple vehicle accident where the operator's actions and/or omissions were at least 51% of the legal cause of the accident subject to the presumptions outlined in subsection vi. below.
- ii. An accident is chargeable if an operator is found to be "principally at-fault" in an accident which resulted in bodily injury to or in the death of any person. An operator is "principally at-fault" if the operator's actions and/or omissions were at least 51% of the legal cause of the accident subject to the presumptions outlined in subsection vi. below.
- iii. In the absence of contrary information from an independent source, a driver's declaration, under penalty of perjury, attesting to his or her at-fault history, shall be sufficient proof of accident history.
- iv. Proof of non-fault or no bodily injury must be provided or applicable points will be charged. Acceptable proof of non-fault is either:
  - (a) A traffic collision report which lists the other driver at fault under primary collision factor and indicates a vehicle code section violated,
  - (b) A copy of a draft from the opposing insurance carrier which clearly states the date of the accident and shows the applicant as the payee, or
  - (c) A letter from the opposing insurance carrier claims representative stating non-fault for the accident.
- v. Acceptable proof of non-injury is either:
  - (a) Copy of a police report which indicates no persons injured, or
  - (b) Letter from claims department indicating no payments under bodily injury liability.

**ATTORNEY'S LETTERS AND COUNTER POLICE REPORTS ARE NOT ACCEPTABLE  
PROOF OF NON-FAULT OR NON-INJURY.**

vi. Exceptions:

An operator is not "principally at-fault" for an accident under any of the following circumstances:

- (a) The vehicle was lawfully parked at the time of the accident. A vehicle rolling from a parked position shall not be considered lawfully parked and shall be considered in the operation of the last operator;
- (b) The vehicle was struck in the rear by another vehicle, and the driver has not been convicted of a moving violation in connection with the accident;
- (c) The operator was not convicted of a moving violation and the operator of another vehicle involved in the accident was convicted of a moving traffic violation;
- (d) The driver's vehicle was damaged as a result of contact with a vehicle operated by a "hit and run" operator of another vehicle and the accident was reported to legal authorities within a reasonable time after the accident;



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- (e) The accident resulted from contact with animals, birds or falling objects;
  - (f) The accident was a solo vehicle accident that was principally caused by a hazardous condition of which a driver, in the exercise of reasonable care, would not have noticed (for example, “black ice”) or in the exercise of reasonable care could not have avoided (for example, avoiding a child running into the street).
- vii. The company will not make a determination that a driver was “principally at-fault” for an undisclosed accident unless we first conduct an investigation. In conducting an investigation and determining whether the driver is “principally at-fault” for an accident, we shall diligently pursue a thorough, fair and objective investigation and shall maintain records detailing the investigation.
- viii. Every chargeable accident will be counted as 2 points in the rating structure, each major will counted as 2 points, and each minor as 1 point. A minor is defined as a conviction of a violation resulting in 1 point according to the California vehicle code. A major is defined as a conviction of a violation resulting in 2 or more points according to the California vehicle code.
2. Annual Vehicle Mileage

Number of miles a vehicle is driven in a year.

- a. The estimated annual mileage for the insured vehicle during the 12 month period following the inception of the policy.
- b. Refer to annual vehicle mileage factors for the rating factor corresponding to the annual vehicle mileage for each insured vehicle.

3. Driver Class (Marital Status and Number of Years Driving Experience as a Licensed Motorcyclist)

The driver class is a combination of the driver’s marital status (married or single) and the number of years driving experience as a licensed motorcyclist. Drivers that are legally married will be classified as married. Widowed and Registered Domestic Partners will be classified as married. The definition of a registered domestic partner is two people who file a declaration of domestic partnership with the state of California. All other drivers will be classified as single. Refer to the driver class factor table for the rating factor for each operator.

**Additional Rating Factors**

4. Gender (Gender and Number of Years Driving Experience as a Licensed Motorcyclist)  
The factor is a combination of the driver’s gender and the number of years driving experience as a licensed motorcyclist.
5. Academic Standing (Academic Standing and Number of Years Driving Experience as a Licensed Motorcyclist)  
The factor is a combination of the driver’s academic standing and the number of years driving experience as licensed motorcyclist. Acceptable academic standing applies to drivers with 5 or less years [license] experience, attending public or parochial school or college on a full time basis and maintaining a “B” or better grade point average in the previous semester. Full time means enrollment in 12 or more units of study for an undergraduate student and 8 or more units as a graduate student.

Evidence of good standing in the form of a grade report card completed by a school official must accompany the request.

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6. Engine Size

Pacific Specialty Insurance Company groups motorcycles into the following engine size categories:

Group	Engine Size (ccs)
1	0-80
2	81-125
3	126-350
4	351-550
5	551-650
6	651-850
7	851-950
8	951-1150
9	1151-1250
10	1251-1450
11	1451+

7. Motorcycle Type

Pacific Specialty Insurance Company groups motorcycles into the following types:

Group	Motorcycle Type
A	BMW's (Except Sport Bikes)
B	Sport Bike
C	Dual Sport
D	Standard Bike
E	Standard Bike (High Performance)
F	Scooters
G	Touring/Sport Touring
H	Cruisers
I	Harleys (Other than XL's) and Similar Cruisers
J	Harleys – XL (or Similar Sportsters)
K	Off-Road Vehicles
L	Electric Bikes

Motorcycles are manufactured with very diverse purposes in design. To a non-cyclist it may be more difficult to decipher, however, they are as diverse as automobiles. The underwriting results from the various classes are as diverse as the cycles themselves.

Below we have outlined the above referenced categories:

Grp A- European Luxury Design Motorcycles. Primarily BMW Motorcycles (except BMW Sport Bikes). Similar to Expensive European Luxury Automobiles.

Grp B- Café design motorcycles. Sport fairinged racing style cycles with all emphasis on performance and handling. Similar in design and purpose as the new extremely high performance Chevrolet Corvettes, Dodge Vipers, Porches and Ferraris.

Grp C- On/Off road design motorcycles. Enduro type cycles designed to be ridden off road, however, still perform safely on public road ways. Dual purpose cycles. Design emphasis on durability for off road use. Similar in purpose to 4x4 off-road sport utility vehicles.

Grp D- Standard design cycles designed to utilitarian, not specializing in any one area. Higher performance engines and suspension systems, however, no aero dynamic fairing and body

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panels have been added. These units are similar to sport performance sedans.

- Grp E- These cycles are manufactured with extremely high performance engines. They are designed with more emphasis on acceleration and raw power and less emphasis on handling. No or limited aero dynamic fairings. Similar to the Ford V-8 Mustang and similar muscle cars.
- Grp F- Scooter Design motorcycles. Step through design scooters with emphasis on inexpensive reliable short distance transportation. Not designed for freeway use or other high speed long range usage. Basic errand running capabilities.
- Grp G- Touring Design motorcycles. Cycles designed specifically for long range touring, including full touring fairings and a full compliment of luggage compartments to carry necessary clothing and other necessities. Most similar to customized conversion vans. Recent touring design motorcycles also designed with an emphasis on handling and performance (“Sport Touring”).
- Grp H- Cruiser Style motorcycles. Cycles designed with an upright relaxed riding position with much less emphasis on performance and handling and more on rider comfort and style. Almost exclusively two cylinder lower performance motorcycles.
- Grp I- Harleys – Other American Made Cruiser Design. Specifically and limited to motorcycles manufactured by Harley Davidson (except XL models) and select companies manufacturing Harley-type “clones”. US made expensive cruiser style cycles.
- Grp J- Harleys – XL. Specifically and limited to the XL (Sportster) models manufactured by Harley Davidson and select companies manufacturing Harley (XL)-type “clones”.
- Grp K- Off-Road – Any motorcycle that is not licensed for road use, such as dirt bikes, ATVs, golf carts and similar vehicles.
- Grp L- Electric Bikes – Any battery-powered motorcycle or scooter.

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**BASE DEDUCTIBLE SCHEDULE (Physical Damage including Accessories Coverage):**

<b>Code</b>	<b>Type</b>	<b>Deductible</b>
<b>A</b>	BMW (except Sports Bikes)	350
<b>B</b>	Sport Bike	500
<b>C</b>	Dual Sport	300
<b>D</b>	Standard Bike	300
<b>E</b>	4 Cyl. High Perf.	500
<b>F</b>	Scooters	200
<b>G</b>	Touring/Sport Touring	350
<b>H</b>	Cruisers	350
<b>I</b>	Harley – Other	500
<b>J</b>	Harley - XL Models	500
<b>K</b>	Off-Road / ATV	See Below
<b>L</b>	Electric Bike	200

<b>OFF-ROAD / ATV DEDUCTIBLES</b>		
<b>Deductible</b>	<b>CC Size</b>	<b>Vehicle Type</b>
\$150	0-80	All
\$250	81-125	All
\$350	126-350	All
	351 & Up	4-Wheel ATV (2WD)
\$500	126 -350	4-Wheel ATV (Race)
	351 & Up	All 4-Wheel ATVs (except 2WD)

8. **Persistency**

The number of annual renewals with the company.

9. **Multi-Cycle**

If there are two more motorcycles on a policy, the multi-cycle category is “yes” and the corresponding factor in the multi-cycle factor table should be applied to the policy. For policies with one motorcycle, the multi-cycle category is “no” and the corresponding factor in the multi-cycle factor table should be applied to the policy.

Refer to Multi-Cycle factor table for the rating factor for the policy.

10. **Multi-Policy**

If the named insured has another in force policy with Pacific Specialty or an extended service contract from our affiliate Western Service Contract Corporation, the multi-policy category is “yes” and the corresponding factor in the multi-policy factor table should be applied to the policy. For all other policies, the multi-policy category is “no” and the corresponding factor in the multi-policy factor table should be applied to the policy.

Refer to Multi-Policy factor table for the rating factor for the policy.

11. **Motorcycle Age**

The motorcycle age factor applies to all coverages. The age of the motorcycle is determined by taking the current model year less the model year of the motorcycle. The current model year shall change effective October 1 of the calendar year regardless of the actual introductory date

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of new model year motorcycles.

Refer to motorcycle age factor table for the appropriate model year factor for the vehicle.

12. Vehicle Performance

A motorcycle that is classified as a "Sport Bike – Grp B" with an engine size of 1,251 CCs or greater is considered Increased Performance.

13. Vehicle Use

The factor accounts for the primary use of the vehicle – Pleasure or Other than Pleasure.

14. Frequency Band

Refer to Frequency Band factor table for the rating factor corresponding to the applicable frequency band. The applicable frequency band for each zip code is in the Frequency and Severity Band Assignment table. The Frequency and Severity Band Assignment table displays only one band for each zip code. The frequency band for each zip code equals the severity band. Also, the frequency and severity band assignments do not vary across coverages. For example, the frequency band for all coverages for 90001 is 10 and the severity band for all coverages for 90001 is 10.

15. Severity Band

Refer to Severity Band factor table for the rating factor corresponding to the applicable severity band. The applicable severity band for each zip code is in the Frequency and Severity Band Assignment table. The Frequency and Severity Band Assignment table displays only one band for each zip code. The frequency band for each zip code equals the severity band. Also, the frequency and severity band assignments do not vary across coverages. For example, the frequency band for all coverages for 90001 is 10 and the severity band for all coverages for 90001 is 10.

**C. DRIVER ASSIGNMENT**

The rating factor for each vehicle is determined by applying the highest rated driver to the highest rated vehicle in descending order. The highest rated operator is the driver with the highest BI factor when the following factors are calculated: Driver Safety Record/Points Factor X Driver Class Factor. The highest rated vehicle is the vehicle with the highest Collision factor when the following factors are calculated. Model Year Factor X Annual Mileage Factor X Motorcycle Type Factor X Engine Size Factor. If there are more drivers than vehicles, rate the highest rated driver with the highest rated vehicle in descending order. If there are more vehicles than drivers, rate the highest rated vehicle to the highest rated driver in descending order. The remaining vehicles shall be assigned the Excess Vehicle Factors by coverage. The Good Driver Discount applies to the remaining vehicle(s) only if all drivers on the policy are Good Drivers. If the Non-Good Driver(s) are excluded from the policy, the Good Driver Discount will apply.

**VIII. DISCOUNTS**

**GOOD DRIVER DISCOUNT**

**A. Twenty percent (20%) - for all coverages.**

Eligibility for the above Good Driver Discount on a policy is determined through the assignment of points for convictions and accidents. In order to qualify for a Good Driver Discount, the operator must:

1. Have been licensed in the United States or Canada with a motorcycle endorsement for the previous three years. Any person who claims that he or she meets the criteria of the Good Driver Discount based entirely or partially on a driver's license and driving experience acquired anywhere other than in the United States or Canada is rebuttably presumed to be qualified to

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purchase a Good Driver Discount policy if he or she has been licensed to drive in the United States or Canada for at least the previous 18 months and meets all other criteria for that period;  
AND

2. In the last ten years have not been convicted of a DUI, DWI, or vehicular manslaughter while under the influence of alcohol and/or drugs, AND
3. Have a total of NO more than one point for accidents and convictions which occurred in the three years preceding the effective or renewal date of the policy, as determined below:

a. Convictions

Refer to the driving record of each principal and additional operator to determine the convictions of each operator. For this purpose, use the California Vehicle Code violations used in negligent operator count.

Out-of-state convictions count the same as in-state convictions, provided the violation would have resulted in a point assignment, had it occurred in California.

Regardless of whether or not the following violations occurred during the hours of employment:

(1) Assign two points for convictions of the following:

- (a) Failure to stop at the scene of an accident.
- (b) Reckless driving.
- (c) Driving a motor vehicle with a blood alcohol level equal to or in excess of 0.08 percent.
- (d) Driving under the influence of any alcoholic beverage, drug, or any combination of the two, and causing bodily injury to any person other than the operator.

The following point assignments do not count toward the insured's point count if an insured was convicted of a violation while operating a motor vehicle for compensation during the hours of employment, and if that insured's employer has submitted a sworn statement that the insured was at that time, operating a motor vehicle during the hours of his or her employment.

(2) Assign two points for convictions of the following;

- (a) Driving the wrong way on a divided highway.
- (b) Driving on a highway at speeds in excess of 100 miles per hour.
- (c) Engaging in, or aiding or abetting in any motor vehicle speed contest on a highway.
- (d) Illegal transportation of explosives.

(3) Assign one point for convictions of all other moving violations, not specifically noted in either (1) or (2) above.

b. Accidents

(1) Determine the "principally at-fault" accidents of all principal and occasional operators.

(2) One good driver point is assigned if an operator is found to be "principally at-fault" and is determined as follows:

- i. An accident is chargeable if an operator is found to be "principally at-fault" in an accident which resulted only in property damage, no bodily injury, and the property damage

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exceeds \$1,000. "Principally at-fault" is determined as follows:

- ii. The accident was a solo vehicle accident subject to the Exceptions outlined below; or
  - iii. Multiple vehicle accident where the operator's actions and/or omissions were at least 51% of the legal cause of the accident subject to the presumptions outlined below.
- (3) Two good driver points are assigned if an operator is found to be "principally at-fault" in an accident which resulted in bodily injury to or in the death of any person. An operator is "principally at-fault" if the operator's actions and/or omissions were at least 51% of the legal cause of the accident subject to the presumptions outlined below.

EXCEPTIONS: An operator is not "principally at-fault" for an accident under any of the following circumstances:

- (a) The vehicle was lawfully parked at the time of the accident. A vehicle rolling from a parked position shall not be considered lawfully parked and shall be considered in the operation of the last operator;
- (b) The vehicle was struck in the rear by another vehicle, and the driver has not been convicted of a moving violation in connection with the accident;
- (c) The operator of a vehicle was not convicted of a moving violation, and the operator of another vehicle involved in the accident was convicted of a moving traffic violation;
- (d) The driver's vehicle was damaged as a result of contact with a vehicle operated by a "hit and run" operator of another vehicle, and the accident was reported to the legal authorities within a reasonable time after the accident;
- (e) The accident resulted from contact with animals, birds or falling objects;
- (f) The accident was a solo vehicle accident that was principally caused by a hazardous condition of which a driver, in the exercise of reasonable care, would not have noticed (for example, "black ice") or in the exercise of reasonable care could not have avoided (for example, avoiding a child running into the street).

Note: Provided there is no other evidence whether an accident is at fault, the applicant / insured may present a written declaration of their driving record under penalty of perjury. The declaration must describe the operator's driving experience for the preceding three (3) years to the applicant's effective date.

- c. Not have had more than one dismissal (pursuant to the Vehicle Code), which was not made confidential in the experience period, a conviction of which would have resulted in the imposition of more than one violation point count as described in Section B1 of this rule.
- d. Not have been found to be in violation of the Vehicle Code provision which states that it is unlawful for a person under the age of 18 who has 0.08 percent of alcohol in his or her blood to drive a vehicle.

**B. MATURE DRIVER DISCOUNT**

A 5% discount may be applied to all coverages purchased by an insured for each driver age 55 or older who has successfully completed a Mature Driver Improvement Course approved by the Department of Motor Vehicles. The discount does not apply or may be discontinued if during the three years following the course completion date:

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1. The principal operator has been involved in an at-fault auto accident, or
2. The principal operator has been convicted of a violation of Division II. of the Vehicle Code, except Chapter 9 of that division, or of a traffic related offense involving alcohol or narcotics.

The discount also does not apply if the insured enrolls in and successfully completes an approved course pursuant to a court order.

The discount applies only to the vehicle rated with the operator qualifying for the mature driver discount. A copy of the certificate must accompany the application.

**IX. MINIMUM PREMIUMS AND FEES**

The minimum written premium applies to the Basic Premium and is before the application of the increased limits factor and Good Driver discount. The minimum written premium for each motorcycle on the policy, regardless of term, is as follows:

Coverage	Minimum Written Premium
Liability Bodily Injury	\$38
Liability Property Damage	\$31
Comprehensive Coverage	\$44
Collision Coverage	\$56
Uninsured Motorist Bodily Injury Coverage	\$94
Uninsured Motorist Property Damage Coverage	\$6

Policy fees (fully earned) are \$30 non-good driver and \$24 good driver.

A \$1.80 fraud charge fee applies to each vehicle and each transportation trailer (if coverage is purchased).

**X. ADDITIONAL PREMIUMS**

The following schedule designates the required down payment for any additional premium generating endorsements or up rates due to rate miscalculations or MVR inaccuracies.

Schedule I  
Required Down Payments on Additional Premiums

Days from Policy Inception  
(Binder or Postmark Date  
whichever is sooner)

Days Passed	Required Down
0-30	20%
31-60	25%
61-90	35%
91-120	45%
121-150	50%
151-180	70%
181+	100%

The insured will be mailed an additional premium notification offering the insured the following three options;

- (1) to pay the additional premium in full, or;



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- (2) pay a down payment pursuant to the requirement detailed in Schedule-I (above) with the remaining balance divided in equal installments, or,
- (3) take no action and the insurer shall cancel the policy for nonpayment of premium and compute any return or additional premium pro rata based upon the original (incorrect) premium for the period coverage was afforded.

**XI. ENDORSEMENTS**

You must use our standard endorsement request form for all policy endorsements. You must include the policy number along with producer's or customer's gross check for the additional premium and submit these items within 48 hours of the insured's request. Faxed responses to suspense letters are acceptable if due date is within 72 hours.

**A. CHANGE OF POLICY**

Any policy change which deletes vehicles on a multi-vehicle policy, deletes drivers, or deletes or reduces coverages requires a written request signed by the Named Insured.

All endorsement requests must be mailed to GENERAL AGENT within 48 hours after the endorsement is taken.

**B. ENDORSEMENT DEPOSITS**

A down payment must be included with the request for all premium generating endorsements. Any remaining balance will be divided equally over the remaining installment payments, (refer to Schedule-I to determine required percentage.) For assistance regarding the calculation of additional premium amounts for endorsements call customer service at 1-800-303-5000.

**XII. RENEWALS**

- A. A notice of expiration/renewal offer will be mailed to the insured and loss payee at least 20 days prior to expiration. This is the ONLY notice sent. Insured is to pay GENERAL AGENT directly. To be renewed with no lapse in coverage, premium payment must be postmarked BEFORE the expiration date. Renewals will not be accepted beyond 30 days after expiration. The same options apply to renewals as to new business.
- B. When you are renewing a policy on behalf of the policyholder, we require the notice sent to the policyholder or a copy of the notice sent to you. WE CANNOT PROCESS A RENEWAL WITHOUT ONE OF THE AFOREDESCRIBED FORMS.
- C. Please note that the policy is subject to re-rating at each respective renewal term.

**XIII. CANCELLATIONS**

- A. No flat cancellations are allowed after the inception date except when an insured's check is returned for NSF, or proof of double coverage is provided. GENERAL AGENCY must receive a copy of the front and back of the returned check within 30 days of binder date.
- B. We charge a \$10 fee for all NSF checks.
- C. Cancellations may be requested by return of the original policy or written request signed by the insured.
- D. All cancellations will be calculated utilizing prorated factors.
- E. Once a policy has been issued, a notice of cancellation or nonrenewal shall be effective only if it is based on one or more of the following reasons:
  - (A) nonpayment of premium;
  - (B) fraud or material misrepresentation affecting the policy or insured;
  - (C) a substantial increase in the hazard insured against. (Pursuant to CCR Section 2632.19)

**XIV. CLAIMS PROCEDURE**

For fast and friendly claim service and to completely eliminate your time involvement in processing claim forms, please instruct your insureds and claimants to call our claims department directly.

This procedure will eliminate non-income producing time from your busy schedule and give PACIFIC SPECIALTY INSURANCE COMPANY the opportunity to give both your client and claimants immediate direct claim service.

CLAIM TELEPHONE NUMBER: (800) 962-1172

PRODUCER HAS NO AUTHORITY TO ASSIGN A LOSS FOR ADJUSTMENT TO AN ENTITY OTHER THAN PACIFIC SPECIALTY INSURANCE COMPANY.