

<p style="text-align:center">LIBERTY MUTUAL MASSACHUSETTS MOTORCYCLE PHYSICAL DAMAGE RATING COMPLIANCE GUIDELINES</p>
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Executive Summary

When determining the premium for Liberty Mutual Massachusetts motorcycle physical damage coverages the “Rated Value” or “Current Value” must be used as the basis of the premium calculation. This bulletin provides guidance on the Massachusetts Motorcycle Current Value (“MA MC CV”) form collection process and breaks out the steps by transaction type. It is critical that the guidelines contained within are followed and all applicable documentation is collected. **In the event that a valuation form cannot be collected, physical damage coverage shall not be written for that motorcycle exposure.** These changes are effective immediately.

The “Current Value” is the average retail value as determined by the valuation methods below. These values do not consider options, mileage, or condition of the bike, nor are they used in determining the amount of a claims settlement. When determining a current value for new business or mid-term changes, the hierarchy below should be followed in order.

1. Kelley Blue Book Value

A Kelley Blue Book value can be determined by following the steps below:

- A. Go to <http://www.kbb.com/motorcycle/retail>
- B. Select model year of motorcycle
- C. Select make
- D. Select model
- E. Copy and paste “Suggested Retail Value” into CF “Current Value” field

If no KBB value is found then go to #2.

2. Nada Guides Value

A Nada Guides value can be determined by following the steps below:

- A. Go to <http://www.nadaguides.com/>
- B. Select “Motorcycles” at the top of the webpage
- C. Click “Used Powersports Center” for consumer pricing from 1995 to 2010
- D. Click on the beginning letter of the Manufacturer's Name
- E. Select make and model year
- F. Select model
- G. Select “Get Used Value” (don’t select any options or mileage)
- H. Copy and paste “Average Retail” into CF “Current Value” field

3. In the event that a current value cannot be determined either through Kelley Blue Book or Nada Guides, sufficient proof of current value must be provided. Sufficient proof would include: Red Book average retail value, a copy of a sales receipts, a motorcycle appraisal, or a motorcycle excise tax evaluation. These documents must be under 1 year old in order to be valid.

Documentation of the “Current Value” of a motorcycle must be submitted with the new business application or policy change request. and the document labeled “MA MC CV” for the following situations:

Note: In the event your office does not have access to URVN, skip to the second step of the above process.

Mid-term Vehicle Adds or Subs/Phys Dam Added:

1. Follow Step 1 from the New Business process above.
2. Print out the Kelley Blue Book or Nada Guide webpage, or collect a copy of the sales receipt, appraisal, or tax excise valuation from the customer.
3. Write "MA MC CV" at the top of the current value documentation. If this name isn't at the top of the document, it may not be entered into VIEWS correctly.
4. Write the policy holder name, policy number, check digit, and policy effective date on the document.
5. Fax the document to Imaging at 1-888-528-4191 or send in the form with the Request for Policy Change package.

Renewal Business:

1. Values are ordered from Kelley Blue Book in batch for pre-renewal processing
2. Product Management will send a file with policy numbers and KBB values to Production to be used in processing renewals.
3. For all motorcycles that do not return a value, the policies will be forwarded to you to reach out to the policyholder for more information on the motorcycle.
4. If after customer contact a value can be determined, the valuation should be stored in VIEWS with the "MA MC CV" label and the renewal will be processed with the new value.
5. If no valuation can be determined at renewal after the above steps, the current rated value will be depreciated by 6% and the renewal will be processed with the new value.

What happens if the form is either not collected or is not submitted?

A monthly compliance audit will be conducted to identify Massachusetts motorcycle new business and endorsed policies where physical damage coverage is added. In the event that the "MA MC CV" form is not collected or imaged, physical damage coverage may be stripped from the motorcycle policy.

Effects

These changes apply to all Massachusetts motorcycle policies written with physical damage coverage effective immediately.