

Motorcyclists want rates retooled

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by Pat Healy
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BOSTON — Massachusetts motorcyclists are roaring about the lack of insurance coverage options available to them.

At this summer's insurance rate hearings, representatives from the Massachusetts Motorcycle Association (MMA) made their voices heard, and in response the Auto Insurers Bureau (AIB) has established a subcommittee to meet on Oct. 30 to explore retooling motorcycle coverage and premium rate setting.

Betsy E. Lister rides a custom, fuel-injected Harley Davidson Road King and thinks it's high time some changes were made to the system. Lister also owns and operates the Medford-based Lister Insurance Agency and is the MMA's safety, education and awareness director.

"We feel it's unfair for experienced operators to pay the same as newly-licensed operators," she said. "And to have only two territories penalizes people, too. The rates are disproportionate and we're looking to revamp the whole system."

Lister has been riding for about as long as she has been in insurance, which is about 30 years, but she said the system has been broken for longer than that.

"The last time anybody looked at this was 1925," she said. "The system has been out of whack for a while and I'm sure the reason it has never been fixed is that nobody ever paid any attention to it."

Chris Goetcheus, spokesperson for the Mass. Division of Insurance, said Lister is correct about this. "It's only been over the past two years that we have heard testimony from the MMA," he said, "and their testimony was very interesting."

At the hearing Lister explained to policymakers the difference between a cruiser motorcycle and a sports bike, and opined on why the two types should be written as different classes, the way different classes are written for automobiles. A sports bike is a cheaper vehicle built for the purpose of speed, where a cruiser is a bigger, more expensive bike made for long trips, and as Lister reasoned, driven by more responsible drivers. To illustrate the difference, she mimicked the obnoxious loud revving noise made by the sports bikes. Those present laughed, an indication they knew exactly what she was talking about.

"People who ride cruisers are generally not fond of the people riding what they call 'crotch rockets,'" she said. "It takes something to come up with \$20,000 to buy a cruiser, and anyone can come up with two grand for a sports bike."

Mike Sloman, vice president and general counsel for the AIB, said what is difficult about lowering rates for more responsible bikers and establishing different classes of bikes is that it means raising rates for the people on sports bikes.

"At this point in time the actual data on motorcycles is thin and from an actuarial standpoint the question is going to be whether or not we make changes based on that data," he said.

"What the association has asked for has a significant effect and whenever there are rates at stake, some people are going to make out good and some are not going to feel as good about it, and we really want to maximize the benefits and minimize the harm."

Paul W. Cote, legislative director of the MMA, said motorcycle fatalities had been reduced this year by effective public awareness use of the State's Motorcycle Safety Program, funded by \$2 of each annual motorcycle registration. He called upon the insurance industry to add to that \$185,000 state fund.

"Besides the heartache our efforts prevent in reducing accidents and injuries, the industry saves money on each accident that doesn't happen," he said.

Cote also addressed other coverages motor vehicles have but motorcycles cannot obtain, such as limited anti-theft discounts for motorcycles with anti-theft devices. He also bemoaned the fact that bikers cannot get multi-vehicle discounts the way car drivers can, and how there is no substitution transportation or towing and labor coverage for motorcycles.

Lister, who insures over 100 motorcycles, said the difference between car and bike coverage is a disgrace.

"To not offer or limit these coverages to the more than 130,000 consumers who own, register, pay excise taxes and insure their bikes, which are motor vehicles, in this state is unfair, discriminatory and should be deemed against public policy."

Cote said the MMA is hoping to get these issues resolved for 2004 with the Division and not have to bring the issues to legislators' attention. He also said that Massachusetts is one of the first states addressing bikers' demands.

"Massachusetts is leading the way," he said. "Other states are contacting us for information."

Daniel Johnston, president of AIB, said Massachusetts is leading the way in reforming its motorcycle insurance because other states just don't need reform as badly. It all comes back to what is flawed with the Mass. auto system in general.

"What's unique is that the Commissioner sets the rates here," he said. "No other state would have to do that because there's a market for bikes in other states at prices that the companies want to offer them at, and the prices are set competitively." □