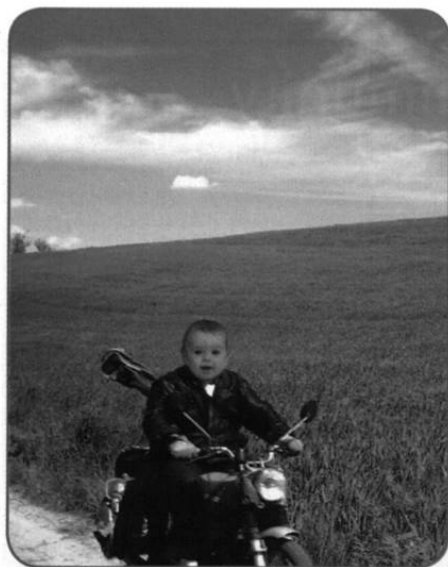


The Insurance Corner

The Bigger Picture
Sue Haley

A question I ask when writing a policy is, "How many years of experience do you have riding a motorcycle?" I have to keep from laughing out loud when a potential client responds, "Lady, I was born riding a motorcycle."

I envision this poor woman giving birth to a 185-pound infant diapered in black leather zooming out of the womb on a Road King.



Ouch! No matter how good we think we are, or how much experience we have, we are not invincible.

Coverages on a policy are pretty basic. The State Board of Insurance

mandates what's available and how it works. Every policy comes with a little booklet telling you everything you ever wanted to know about your coverages.

Determining how a claim happened, or who is at fault is not so easy to define. Some clients are reluctant to call in a claim because they are afraid their premiums will go up. They may be right. There are a few steps you should take before you make that call.

To illustrate what I mean let me tell you about a claim I came across a few years ago. I had a client who hit a pothole and did some damage to his bike. He had a \$500 deductible on the collision portion of his policy. He called the claims department and reported the accident. An adjuster looked at the bike and estimated \$493 of damages. Since the estimated damages were less than the deductible, no money was paid to the insured. The following year when his policy renewed he called my office. The premium had increased substantially. When I called the company to inquire, they told me he had reported an accident. Unfair? The insurance company looks at him as an "accident looking for a place to happen." He admitted by turning

in the claim that he was a liability. This action isn't unique to the motorcycle insurance industry. All insurance companies will look at a CLUE report (a listing of all claims reported by an individual) and depending on the claims you've had or reported, they base their premiums.

The bigger picture is that any claim or reported claim can affect any policy you purchase or currently hold. Claims, like tickets, stay on your record for three years. "Then why have an insurance policy if you can't use it?" is a question frequently asked. You have to sit in my chair to understand that all too often policyholders use their insurance for maintenance. We don't want damaged parts of our bikes fixed, we want them replaced, and we want cheap rates to boot. Like anything else, the system has been abused and the cost of that abuse is passed on to all of us who pay premiums. Insurance companies have closed their doors, or lost their good ratings, due to financial loss.

As with anything, use your common sense. If the accident warrants immediate action, call in the claim. However, if the damages are minor get an estimate. Remember that you have a deductible. Take into consideration that a claim will affect your insurance premium on all vehicles, auto and recreational for three years. Also, call your agent. Talk to them if you have any doubts or concerns.

Now I feel totally guilty about the roof I delayed replacing while I waited for a good hailstorm.