

A Guide to Motorcycle Insurance

Introduction

Insurance seems to be just one of the many expenses associated with motorcycling and it is easy to resent the moment when we pass over the credit card number or send off the cheque. But insurance is there for our own good and unfortunately accidents do happen, and when they do, we need to be protected from the expense and risk that those accidents can cause.

When it comes to looking for the best policy for us there are many questions that come to mind. Why, for example is there such a variation in costs of insurance. Why are we rated on where we live rather than our own record of riding? Is the most expensive cover necessarily the best, and alternatively – does the cheapest really represent value for money?

Below we look at motorcycle insurance and try to provide some answers to some of those questions.

Types of Policy

There are a number of options when it comes to the type of policy that you can buy and each one offers you a different level of protection.

The three most common types of policy are :

- **Fully Comprehensive:**

A Fully Comprehensive policy covers the rider for all damage caused to their own machine and any other vehicle involved in an accident. It will also cover any liabilities for injury caused to third parties usually including pillion passengers. It will also cover theft, and damage caused by fire or other external incidents. Many policies will also incorporate other elements such as personal injury cover, and maybe even breakdown cover. These policies are – as they state – comprehensive, and will usually be the most expensive option.

- **Third Party, Fire and Theft:**

This cover will insure you against the cost of any damage or injury caused by you in an accident, but will not cover any damage to your bike. It will usually cover any liability for injury to a pillion passenger. It will also provide cover against theft and damage by fire or external incidents.

- **Third Party:**

Third party basically just covers you against any liabilities you have to another person or vehicle in the case of an accident. It will not provide any cover if you bike is stolen or damaged by fire or any other incident.

The choice of insurance is down to you – however the considerations that you need to take into account are the value of your motorcycle, where you live, and how many miles that you ride.

Getting the right quotation

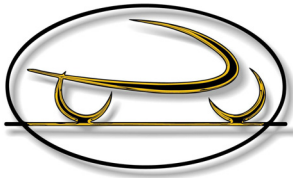
There are a number of key factors that you should take into account when buying your insurance.

To most bikers their bike is more than just a means of transport and as such should be protected as well as you can afford. Obviously, fully comprehensive insurance will provide you with the very best cover, but this may prove to be too expensive in some cases.

There are certain things that you can do to reduce the cost of your insurance:

- **Check out the market**

Have a look at all the options and see if you can get a better deal elsewhere – however, make



sure that you are comparing like with like. Make sure you provide the same information to each company and keep a note of the cover that they will provide and make sure that your comparisons are reasonable.

- **Overnight storage:**

Your insurance cost will be greatly affected by where you keep your motorcycle overnight. If you can garage it, or place it in a secure building that will reduce your costs. If this is not possible, then the ability to store the bike off the road overnight will be the next most important factor. It is also advisable to make use of the best possible security devices that you can. Top quality alarm systems and the use of ground anchors will impact on your premium. It may well be worth getting the best security that you can... you will get some of the investment back in reduced premiums.

- **Limited Mileage:**

Try to work out how far you ACTUALLY ride during the year. Many insurers will quote according to a mileage limit and this can really save you money. When you get your quotation, tell the insurer what your anticipated mileage will be for the year ahead. They will ask for a mileage declaration with your documents – but remember to tell them if you exceed this limit.

- **Modifying your bike:**

It may be your wish to modify your bike in some way. It is always worth checking with your insurer to see if this will affect your premium. In some cases a modification may well result in an increase in the costs of insurance and it may not be worth making that change.

- **Excess:**

You may be able to reduce your costs by increasing your excess. This is the amount of money that you will effectively be paying toward any repair costs. The excess will be deducted from the value of any payout that you may be entitled to. Usually, the higher the agreed

excess, the lower the premium.

- **Further Training:**

Post test training will provide a route to further discounts. Courses run under the DSA's Enhanced Rider Scheme will provide a discount as will IAM and RoSPA schemes. However, not only will you get a direct benefit through discounts but if you maintain and improve your level of skill you will be less likely to be involved in an accident and you will make even bigger savings through increased NO CLAIMS DISCOUNTS.

- **Being Female:**

It may be a little extreme to suggest that the male bikers out there go and get a sex change, but female riders usually get cheaper insurance... they are a better risk and that is reflected directly in the premiums they pay.

- **Length of Ownership:**

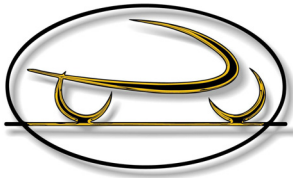
It is, in most cases, true that the longer you own a bike the lower the premium will be. This may result in premiums being reduced each year – or not increased as much as they would be if you switched bikes.

- **Telling the truth**

It is vital to take on board one fact. You should never lie to your broker or insurer. All the time that you make no claim you will be safe – BUT when you need to make a claim your sins will find you out. A bike stolen from the front of your house when you claimed it was garaged every night, a No Claims Bonus that is unsubstantiated, or an IAM certificate claimed, but never earned – these could all cost you dearly when the insurer refuses to pay out your claim.

Specialist Insurers

Another reason for shopping around is that in the motorcycle market many insurers specialise in a



specific sector of the market. Some will be better suited to quote for a young person, or for a sports bike as opposed to a cruiser. There are specialist insurers for classic bikes and also for female riders. Do your research on the internet to find out who these are, and ask your insurer if they specialise to ensure that you are getting the best possible deal.

Manufacturer schemes

When you buy a new motorcycle or scooter you will often find that these come with an insurance package thrown in. Usually these are comprehensive packages and will provide you with all the cover you need – but do not take this for granted, and remember if you fail to disclose any material fact which could affect your level of cover then you will suffer the consequences if you need to make a claim!

No Claims Discount (NCD):

Most companies will offer a “no claims discount” (NCD) for every year that you do not make a claim. This is, in fact, the biggest influence on the cost of your insurance – with a full NCD benefiting you with as much as 65% off your premium. Most insurers will offer you the option of protecting your no claims discount in the event of a claim. This means that you can make a claim and still get the benefit of the discount in the following year. For an additional cost, you can protect your maximum NCD.

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