

Motorcycle Justice

Q: Harry, have you written about recommended motorcycle insurance coverage? My hunch is that you have, and I just missed it in MCN. I'm hoping you can tell me how much insurance I need to buy.

Thanks so very much,

Darrel Wilson
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Darrel, first ask yourself, "How much risk am I willing to accept?"

If you own a house free and clear, or if you have significant personal assets or investments, you will want to purchase much more coverage than you would without having substantial personal savings at risk. For example, if your home equity is over \$100,000, you would certainly want at least that much in coverage. The whole purpose is to have enough insurance that the Bodily Injury Liability Coverage, and not your personal savings, will be the source that compensates a person whom you injure in a crash.

Be aware that the corresponding increase in premium cost (the amount you pay for the insurance) is much less as you move up to the higher levels of coverage.

For example, it may be that you can go from \$100,000 of coverage to \$500,000 of coverage (a five-fold increase) but increase your cost by a factor of less than two. Moving from \$500,000 to \$1 million of coverage might only raise your premium cost another 15%.

The bulk of the insurance company's expense is for payment of claims at the threshold levels. Even though the bigger claims involve much more money per claim, the number of large claims is very small. The sheer volume of smaller claims offsets the cost exposure of the larger claims, and therefore insurance companies do not have to charge you as much to increase your policy limit.

In the final analysis, you should balance your exposure to risk against the cost of the coverage. Buy as much coverage as you can reasonably afford to protect your home and lifelong savings.

Once you have determined the amount of liability coverage that protects your nest egg and fits within your budget, the next concern is protecting yourself. Most likely in a motorcycle crash, you will be injured much more severely than anyone in a vehicle that your motorcycle strikes.

Also, it is more likely than not that the other driver will be at fault and will not have anywhere near enough insurance or coverage to compensate you and your passenger for your injuries.

As I said in the April 2010 issue, be sure to buy as much uninsured (UM) and underinsured (UIM) motorist coverage as your insurer will allow. Most insurers will only sell that coverage up to the amount of your liability coverage. Uninsured or underinsured coverage may be your only source of payment when an irresponsible and inadequately insured driver injures you. Buy the maximum!

—Harry Deitzler

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Please Note: The information in this column is intended for general purposes only and is not to be considered legal or professional advice of any kind. You should seek advice that is specific to your problem before taking or refraining from any action and should not rely on the information in this column.

Street Strategy Driver vs. Rider

by Ken Condon

YOU ARE SO excited to be on your motorcycle. It was only two weeks ago that you attended a beginner riding course at your local community college. You completed the course and passed the written and riding tests with decent results, and since you had never been on a motorcycle before, you were pretty proud of your accomplishment.

One thing from the course that stood out for you was how unsafe surface hazards can be. As a car driver, you rarely paid attention to sand, gravel, manhole covers and pavement crack filler. Even rainy roads were never of much concern to you. But the instructors spent a lot of time describing many types of hazards that can cause a motorcycle to become unstable and fall.

Since then you've tried to identify these hazards when driving in your car. Last week you spotted a dark spot on the pavement that would normally go unnoticed; is it oil or just a stain? This new awareness kind of scares you, because there seemed to be so many potential hazards to avoid.

Today, you are putting this knowledge into practice. Already you've avoided gravel in the middle of a corner, an oil spill at an intersection and a pothole that just might have swallowed your front wheel whole. Up ahead is a new hazard that you hadn't thought of and cannot easily avoid—a collection of steel plates at a construction zone.

You remember your instructors saying that when a hazard can't be avoided, do nothing abrupt, including steering, braking or



accelerating. So you slow before reaching the plates and brace yourself. You are anxious about how the bike will react to the smooth surface, but you are pleasantly surprised to find that riding over the plate was no big deal. The rest of your ride is uneventful and you are feeling more confident that you are getting the hang of riding a motorcycle.

Unfortunately, your newfound confidence is shattered on your next ride a week later when you slip and fall while braking around a slow-speed corner. When you investigate what happened, you see sand scattered across the lane. You are unhurt, so you pick up the bike and go on your way, understanding the need to keep an eagle eye for every kind of surface hazard.