

A Consumer's Guide to Insuring your Motorcycle

A Message from the Commissioner

The North Carolina Department of Insurance recognizes that insurance is a complex issue, and it is our desire to keep consumers informed. This brochure will help explain the basics of insuring your motorcycle or motor scooter.

Your Department of Insurance is available to assist you with these complicated matters. I want every North Carolinian to know that help is available by calling our toll-free number 1-800-546-5664 or by visiting the Department's Web site www.ncdoi.com.

North Carolina motor vehicle law requires all motorcycle and motor scooter operators to purchase liability insurance for their vehicles. A valid insurance card must be kept with the motorcycle or scooter or carried by the operator at all times.

Be aware that insurance premiums can be costly and physical damage coverage may be difficult to obtain for a high performance motorcycle or if you have a poor driving record. Check with an insurance agent for a premium quote before buying a motorcycle or a motor scooter. You do not want to find out after purchasing your vehicle that you cannot ride it because you cannot afford the insurance or it is not available.

This guide is intended to aid you in understanding your insurance policy, but it is not a substitute for your policy contract. In all instances, your written policy contract language will prevail. Always read the initial issue and subsequent renewals of your policy.

Miscellaneous Type Vehicle Endorsement

In North Carolina, motorcycles along with golf carts, travel trailers and similar types of vehicles are covered by the "Miscellaneous Type Vehicle Endorsement." This endorsement, when attached to the Personal Automobile Policy, will allow your vehicle to be considered a covered auto and extends insurance coverages to your motorcycle named in the declarations.

Liability Coverage

Your liability coverage will pay for bodily injury and property damage for which any covered individual becomes legally responsible. The Personal Automobile Policy will cover you or any family member while using your covered vehicle and any person using your covered vehicle with permission. The policy will pay up to the limits listed in your policy.

Mandatory Limits

The insurance policy must include at least \$30,000 per person/\$60,000 per accident for bodily injury liability to pay claims to those whom you cause death or injury. It must also include a minimum of \$25,000 per occurrence property damage liability, which pays for vehicles or property damage for which you become legally liable.

Medical Payments Coverage

This coverage pays for reasonable and necessary medical and funeral expenses due to an auto accident. Individuals covered under this coverage include:

1. You or any family member while **occupying** any auto, or as a pedestrian when struck by a motor vehicle; or
2. Any other person while occupying your covered vehicle or any vehicle (private passenger auto or trailer) driven by you or a family member.

The policy will pay up to the limits listed in your policy for each individual injured.

Collision/Other than Collision (Comprehensive)

Collision means physical damage to your covered vehicle caused by an impact with another vehicle or object. This coverage pays the lesser of the cost of repair or actual cash value (replacement cost less depreciation) of your vehicle.

Other than Collision coverage handles damages arising from falling objects, fire theft, hail, glass breakage, contact with animals, etc. This coverage typically has a lower deductible (if any) than Collision coverage.

Uninsured/Underinsured Motorists (UM/UIM) Coverage

Uninsured Motorist (UM) Coverage will provide protection when an uninsured driver, who is at-fault, injures you or another covered individual. It also provides property damage coverage.

Underinsured Motorists (UIM) Coverage will provide protection when an underinsured driver, who is at-fault, causes injury to a covered individual. An underinsured driver is one whose limits of Liability are less than your UIM limits and not enough to cover the losses of the people they injure in an at-fault accident.

UIM coverage does not provide protection against property damage. Collision coverage would pay for property. The UIM coverage will pay a maximum of the difference between the other driver's Liability limits and your UIM limits.

Policy Requirements

To purchase a liability policy, you must meet N.C. Department of Motor Vehicles licensing requirements. The law in North Carolina requires the operator of any motorcycle to have a motorcycle endorsement shown on their driver's license. An endorsement may be obtained upon initial issuance of a driver's license, or any time thereafter, by taking a knowledge test that includes questions on motorcycling and an off-street motorcycle skills test. The knowledge test will be waived on a renewal. A duplicate license may be issued to add an endorsement to your present license if the above testing requirements are satisfied.

Insurance Tips

- Before you buy your motorcycle ask about the cost of insurance.
- Maintain a clean driving record.
- Make sure you have an insurance identification card. This will provide the necessary insurance information required from you at the time of an accident.
- Keep your coverage current. Check with your agent at least once a year to make sure that your policy provides adequate coverage.
- Shop around.
- Make sure you are dealing with licensed agents and companies. You can check this by contacting the North Carolina Department of Insurance at 1-800-546-5664 for companies and (919) 733-7487 for agents.
- Pay your premium in full. Also, pay before the due date to avoid the risk of cancellation. There is NO GRACE PERIOD. If possible, use a check or money order. Keep receipts of payment in a safe place.
- Pay your premium even if you disagree with your insurance company, then pursue your disagreement. Failure to make premium payments may cause cancellation of your policy.

- Read your policy and make sure that it lists all coverages you have requested. Know exactly what your policy does and does not cover.
- Know the name of the insurance company insuring your motorcycle as well as the name of the agency and agent. This information is found on your policy.

Additional Resources

Licensing Information:

North Carolina Department of Motor Vehicles

Web Address: www.dmv.dot.state.nc.us

NCDMV's Customer Service Office: 919-715-7000

Motorcycle Safety Information:

The National Highway Traffic Safety Administration

Web Addresses: Home Page www.nhtsa.gov

Motorcycle Safety Page: www.nhtsa.gov/people/injury/pedbimot/motorcycle/motosafety.html

Toll Free Number: 1-888-327-4236

How to Reach Us

You can reach the North Carolina Department of Insurance (NCDOI), Consumer Services Division at:

800-546-5664 (toll free)

919-733-2032 (outside of North Carolina)

919-715-0319 (TDD) Telephone Device for Deaf Caller

919-733-0085 (Fax)

You can find additional information including our complaint form on the North Carolina Department of Insurance Web site at **www.ncdoi.com**.

The address for the North Carolina Department of Insurance, Consumer Services Division is:

Consumer Services Division

North Carolina Department of Insurance

1201 Mail Service Center

Raleigh, NC 27699-1201

Related Publications Available from the NCDOI and its Web Site:

A Consumers Guide to Automobile Insurance