



Understanding Insurance for Motorcycles, Snowmobiles, and Other Motorized Vehicles



Tips on finding
insurance coverage.

Know the factors
affecting cost.



Insurance for Your Motorcycle and Snowmobile

Insurance for motorcycles and snowmobiles is mandatory in Ontario, except in certain situations.

Motorcycle

To drive a **motorcycle**, you must have a valid motorcycle licence.

For **motorcycles**, insurance is not required while the vehicle is driven on private property.

Snowmobile

If you are 16 years of age or older, to drive a **snowmobile** across a road, on roadways, and on trails, you must have a valid driver's licence, motorized snow vehicle operator's licence, or a licence from another jurisdiction.

If you are 12 years of age or older, to drive a **snowmobile** on a trail, you must have a valid motorized snow vehicle operator's licence, or a licence from another jurisdiction that allows you to drive a snowmobile.

For **snowmobiles**, insurance is not required while the snowmobile is being driven on the private property of the snowmobile's owner.

In all other cases, the law requires that you have the following minimum coverages.

- *Third-Party Liability Coverage* of at least \$200,000 to protect you if another person is killed or injured, or if their property is damaged. If you're sued, this coverage pays claims up to the limit of your coverage, and the cost of settling the claims.
 - *Statutory Accident Benefits Coverage* to provide supplementary medical, rehabilitation, attendant care, caregiver, non-earner, income replacement, and death benefits if you are killed or injured in an accident, regardless of who caused it.
 - *Direct Compensation – Property Damage (DCPD) Coverage* to pay for damage to your vehicle and its contents, if another driver is at fault for an accident that occurs in Ontario and that driver is insured by an insurance company licensed in the province.
 - *Uninsured Automobile Coverage* to provide financial compensation for you and your family if you're injured or killed by an unidentified driver or by an uninsured motorist. It also covers damage to your vehicle caused by an identified uninsured driver, up to \$25,000.
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Extra Coverages

In addition to mandatory minimum coverages that are required by law, you may purchase extra endorsements or coverages.

Your insurance broker, agent, or insurance company representative can provide you with a complete explanation of optional coverages that are available.

Finding Motorcycle and Snowmobile Insurance

Motorcycle and snowmobile insurance is a specialty insurance product, and not all insurance companies offer it.

If you already have automobile insurance, you may want to check with your broker, agent, or insurance company to see if your insurance company also sells coverage for motorcycles or snowmobiles. Your insurance company may offer a discount on the motorcycle or snowmobile premium if your automobile is insured by them as well.

You can also purchase “stand-alone” motorcycle or snowmobile insurance that is separate from any other automobile insurance policy you may possess. However, the premium for a stand-alone motorcycle or snowmobile insurance policy may be more expensive than if the motorcycle or snowmobile is added to your existing automobile insurance policy.

Finding a Broker, Agent, or Insurance Company That Sells Motorcycle or Snowmobile Insurance

To find a broker, agent, or insurance company that sells motorcycle or snowmobile insurance, you can start by asking friends, relatives, and co-workers where they bought their insurance.

Your local cycle shop or dealer may be aware of insurance companies or group plans that provide motorcycle or snowmobile insurance. Also, if you belong to a motorcycle club or snowmobile association, you can check with its members to see if they have any information about brokers, agents, or insurance companies in your community.

Check local motorcycle or snowmobile magazines or newspapers for insurance representatives who sell insurance.

Finally, the Insurance Brokers Association of Ontario website, www.ibao.org, contains a section where consumers can search online for brokers.

Facility Association

In some cases, you may be unable to purchase motorcycle or snowmobile insurance in the regular insurance market. This may happen because of your driving record, accident history, or because of the type of motorcycle or

snowmobile that you own. If you are unable to find insurance coverage in the regular insurance market, the Facility Association will be able to provide it. However, the Facility Association insurance premium may be higher than the regular insurance market.

Your insurance broker, agent, or insurance company representative can provide you with a complete explanation of the Facility Association and the coverage that is available.

Cost of Insurance

Many factors play a role in determining the cost of your insurance. Your age, your driving record, how often you drive, your rider training, where you live, and the type of motorcycle or snowmobile you own can all affect your insurance premium.

For motorcycles, you can expect to pay a lower premium if you have at least one year of motorcycle riding experience, or if you have completed a motorcycle riding course. The type, size, and age of your motorcycle or snowmobile will also affect the premium you pay. Usually, the bigger the motorcycle or snowmobile, the higher the premium. Also, some insurance companies may not insure certain types of motorcycles or snowmobiles, such as high-performance/sport models.

You may be able to take advantage of special discounts offered by your insurance company to members of motorcycle or snowmobile associations and mature riders. You may also save money by insuring more than one motorcycle or snowmobile under a policy.

Your insurance broker, agent, or insurance company representative can provide you with a complete explanation of what options are best for you.

For more tips on how to find and save money on insurance, read *Understanding Automobile Insurance*, available online at www.fSCO.gov.on.ca.

Limited-Speed Motorcycles

Limited-speed motorcycles are motorcycles that have a maximum engine displacement of 50 cubic centimetres or less, reach a maximum speed of 70 km per hour and cannot be driven on certain highways.

To drive a limited-speed motorcycle, you must have a restricted class M licence for limited-speed motorcycles and mopeds or a valid motorcycle licence. You must also have the same insurance coverage as a motorcycle.

Your insurance broker, agent, or insurance company representative can provide you with a complete explanation of coverages available for limited-speed motorcycles.

Motor-Assisted Bicycles (Mopeds)

Motor-assisted bicycles or mopeds generally possess fitted pedals, a motor, and reach a maximum speed of 50 km per hour. They cannot be driven on certain highways.

To drive a moped, you must have a restricted class M licence for limited-speed motorcycles and mopeds or a valid motorcycle licence. You must also have the same insurance coverage as a motorcycle.

Your insurance broker, agent, or insurance company representative can provide you with a complete explanation of coverages available for mopeds.

Off-Road Vehicles

Off-road vehicles are two-wheeled motorized vehicles and certain vehicles with four or more wheels, intended for recreational use. These vehicles include moto-cross bikes and four-wheel all-terrain vehicles, which are normally driven over rugged terrain.

To drive an off-road vehicle, you must have at a minimum, a valid G2/M2 or greater driver's licence unless you are driving on your private property. If you plan to drive the vehicle anywhere other than on the private property of the vehicle's owner, you must also have the same mandatory insurance coverage as an automobile.

Your insurance broker, agent, or insurance company representative can provide you with a complete explanation of coverages available for off-road vehicles.

Other Motorized Vehicles

Many other kinds of motorized vehicles, such as the Segway™ human transporter and pocket bikes, are now available in the marketplace. These vehicles are generally not permitted on public roads. You should check with the Ministry of Transportation, local police, and municipalities for the specific restrictions that apply to these vehicles.

You should contact your insurance broker, agent, or insurance company representative to find out more about what insurance options exist for these types of vehicles.

More Information

Contact the Insurance Bureau of Canada at 1-800-387-2880 or www.ibc.ca for more information about companies that specialize in insuring motorcycles, snowmobiles, and other motorized vehicles.

To help locate a broker near you, you can visit the Insurance Brokers Association of Ontario website at www.ibao.org.

More information about insurance is available on the Financial Services Commission of Ontario (FSCO) website at www.fSCO.gov.on.ca.

About FSCO

FSCO is an arm's-length agency of the Ministry of Finance. In addition to insurance, FSCO regulates pension plans, credit unions, caisses populaires, mortgage brokers, loan and trust companies, and co-operatives.

FSCO works with consumers, industry stakeholders and investors to enhance public confidence in, and access to, a fair and efficient financial services industry in Ontario.

For more information on any of these sectors, visit our website at www.fSCO.gov.on.ca, or call our Contact Centre at: (416) 250-7250, Toll-free: 1-800-668-0128, TTY toll-free: 1-800-387-0584.

Remember to visit FSCO's website at www.fSCO.gov.on.ca for more information on:

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Financial Services Commission of Ontario
5160 Yonge Street, Box 85
Toronto, Ontario
M2N 6L9

Telephone: (416) 250-7250
Toll-free: 1-800-668-0128
TTY (416) 590-7108, 1-800-387-0584

FSCO website: www.fSCO.gov.on.ca

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