

Good evening I'm George Kool and I have been a rider for the past fifteen years. I was also the director of the Harley Owners group for four years and past director for another three years. As well I'm a retired insurance broker with some thirty years' experience in the insurance industry.

First I appreciate being able to address the rate review panel. I believe that there is more to look at other than just rates.

With respect to **physical damage** and the incurred loss ratio's. The bases of insurance is that everyone pays into a pool to offset the losses of few. SGI has done a good job in being able to track and identify those vehicle that are in more accidents prone and are more expensive to repair. Example a Ford escort vs. a Lexus The premiums are charged based on the number of each model licensed, Claims frequency and the cost of repairs. We don't see this on the motorcycle side. It appears that more work is required to identify the classes, makes and models that are causing the loss ratio's. If you haven't noticed there is a big difference between Sport Bikes and Cruisers. Both on size and also where they are operated City vrs Highway usage.

On the physical losses it's apparent that you have acquired a number of write off's. One only has to drive by your salvage center and see the number of motorcycles sitting there. Interesting to note that the great majority of these are in fact sport bikes or in our terminology go fast bikes. The other thing that is worth noting on the salvage side is that there are very few Harley Davidsons in that line. It's apparent that when a Harley comes up for salvage it usually goes through your tender process and are usually sold to the highest bidder. In a lot of cases these bike fetch a higher than normal price. On the auto side you have a great market and selection of used car and truck parts. We don't see that parts selection with respect to motorcycles parts.

At fault accidents and with respect to your release of facts where motorcycles sustain a higher than normal at fault accident loss ratio that concerns us a riders and also question how these accidents are recorded. My question? Is it a case that rather than placing the blame it's a case that adjusting either place, 100% or 50% against the MC. With respect to wild life accidents is it the case that these fall into at fault category. We know that ever year some riders are going to tangle with wild life.

With respect to the **injury payments**. We recognize that injuries are more prevalent in motorcycle accidents than they are in autos. Irregardless these coverage's became part and parcel when no fault was introduced some years ago. Any licensed auto that is owned by a person who didn't opt to switch to tort receives these coverage's on all his or her auto's licensed. Now saying that in most cases owners of motorcycles have more than just the motorcycle licensed .I don't see any discount or credit for having more than one auto licensed and in most cases when one or the other vehicle is being operated the other one is parked. Yes there is exemptions to this but not the norm. Correct me if I'm wrong but injury coverage's should be rated and underwritten across the board and shouldn't discriminate against two wheels vs. four wheels. Injury payments protects the operator not the motorized vehicle and therefore should be looked at by class of driver's license and experience of all operators and not the class of vehicles they operate.

In closing it would be recommended that you consider holding the line on any rate increases until the newly formed review panel has had the time to get organized and look at all aspects of licensing and insurance for Motorcycle's. I believe that this panel has to look at lot of different things make, models ,sport vs. touring and losses in each category. Then they have to look at coverage's Physical damage, Injury payments, how claims are tracked, salvage recovery and disposal of salvage.

Thank You

George Kool