

CMMG (MPI) Pre-Ask 2

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Preamble to IR:

Question:

Provide the number of motorcycle basic policies in force as of March 15, 2020.

Rationale for Question:

RESPONSE:

There is a distinction between motorcycle basic policies in force and motorcycle basic policies earning premium. In the past, MPI used to require motorcyclists to put their insurance policy in force and pay (earn) the premium whenever they wanted to ride their motorcycle. Obviously, no one would have an in force motorcycle policy during the winter months. To make things easier for motorcyclists MPI created seasonal rating. Seasonal rating allows motorcycles to keep the policy in force during the winter months but not have them be required to pay (earn) a premium during those months. During the winter months motorcycles are assuming no exposure and therefore are not paying (earning) a premium.

The motorcycle basic policy riding season is May 1 to September 30. The number of motorcycle policies in force on March 15, 2020, and earning no premium was 13,465. As stated above, MPI does not earn any premiums on these policies as all premiums for motorcycles are earned during the riding season, which does not begin until May 1, 2020.