

For Immediate Release

Insurance rates disastrous for Ontario's billion dollar motorcycling industry

Insurance rates have climbed so high that they are starting to threaten the financial viability of the motorcycle business sector in Ontario.

(Toronto, ON – March 30, 2004) – While the rest of Canada continues to enjoy strong sales increases of over 10.9%, Ontario sales of new motorcycles are down by 8.4% and the decline is accelerating. Moreover, this decrease in sales is entirely attributable to increases in motorcycle insurance rates.

But now, the rapid drop in motorcycle sales and the equally disastrous drop in usage are starting to have a tremendous effect throughout the entire industry.

Family businesses that have survived two world wars, the Great Depression and dozens of different changes in government may not be able to survive the biggest threat of all – out-of-control motorcycle insurance rates. While car drivers are starting to glimpse some relief, Ontario's motorcycle industry and motorcyclists are fighting to stay in business and enjoy the thing they like most – their motorcycle.

"Thousands of potential riders thinking of purchasing a new motorcycle are simply walking away in frustration because of the high insurance rates in Ontario," said Robert Ramsay, president of the Motorcycle and Moped Industry Council. "Long time, experienced motorcyclists are saying they are going to leave their motorcycles in the garage this year and not ride."

Un-affordably high insurance rates mean fewer riders, which in turn mean lost jobs, closed businesses and less contribution to the economy and vital social services in Ontario.

In Ontario, the motorcycle industry and motorcycling contributed over 1.25 billion dollars to the economy in 2003 and employs, through the manufacturers, distributors, dealers and related-services, over 8,000 people.

In 2002, there were over 118,000 motorcycles registered for on-road use in Ontario and an estimated 250,000 people in Ontario ride a motorcycle on a regular basis. As well, motorcyclists and the motorcycle industry contribute millions of dollars each year to charitable organizations.

Because the motorcycle industry and motorcyclists are much more vulnerable to rising insurance rates than automobile owners, the MMIC and its insurance actuaries and consultants are developing insurance policy proposals that will be presented to the government of Ontario within the next few days.

"We are only asking the government for policies that do not discriminate or treat motorcyclists and the motorcycle industry like second class citizens," continued Ramsay. "The policies we have developed will benefit all the people of Ontario while aiming to ensure the viability the motorcycle industry and motorcycling."

About MMIC

The Motorcycle and Moped Industry Council (MMIC) is a national, non-profit, trade association that represents the responsible interests of the major motorcycle distributors, as well as the aftermarket manufacturers and distributors of motorcycle related products and services, the retail outlets, and the over 50,000 individual owners and riders of motorcycles in Canada.

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