

## Q&A with Unica Broker Brent Murphy

Recently, we met with Brent Murphy, an avid snowmobiler and the owner of Murphy Insurance & Financial Services in Barrie, to ask some of your key sled insurance questions. Brent is a broker for the OFSC-endorsed Power Sports Insurance Program from Unica Insurance.

**Q: Why are fewer companies offering sled insurance?**

**A:** Canada is becoming a more expensive place for insurance. We are an increasingly litigious society, more like the U.S. where everyone seems to sue everyone else at the drop of a hat. More law offices are earning more of their revenue from lawsuits and more people are looking for someone else to pay compensation. Within this context, snowmobiling has a high risk factor and stand-alone sled insurance is becoming almost impossible to get. As companies like TD Insurance have discovered, more often than not the severity of damage to property and or person while snowmobiling far outweighs the premium that was charged. These companies are losing money on snowmobiling – and that's why they are withdrawing from stand-alone as fast as possible.

**Q: What's so different about snowmobiling that makes it unattractive to most insurers?**

**A:** First, snowmobiling is a small market within powersports, and powersports is a drop in the bucket compared to other markets like auto and home insurance. Also, the premiums for sleds are lower, but incur much of the same level of administrative care and cost as markets with higher premiums. And as I already indicated, the payouts on sled claims can be as substantial as those markets with higher premiums. While the sledding market is smaller and not as lucrative, fewer insurers are willing to take the time or go to the trouble to truly understand what's involved. Second, like all motorized recreational activities, snowmobiling has more inherent risks from occurring in an unpredictable, uncontrollable, natural off-road setting. Third, too many normally responsible drivers make foolish mistakes or take unnecessary risks while sledding, get into trouble, and then expect someone else to compensate them instead of assuming responsibility for their own actions. And remember, when a sled or a snowmobiler gets into trouble, it's usually a pretty expensive claim.

**Q: So if stand-alone sled insurance can't be had, what's the alternative?**

**A:** Use your buying power. Find a company like Unica that encourages insuring snowmobiles as part of a multi-line portfolio (i.e. bundled with car, home, etc.). When you put all your insurance with one company, it offers multi-line discounts and measures its risk against a bigger picture. Also, a company like Unica specifically targets a certain demographic. In order to develop a long-term relationship with these customers, Unica is also willing to insure their other interests, such as snowmobiling or cottaging.

**Q: What is this bigger picture you mentioned?**

**A:** It can be a serious mistake to focus solely on your sled insurance. A sledding loss can impact the future of everything you love, own and do. That's why it's important to take the time up front and get



Unica broker Brent Murphy knows snowmobiling!

the best possible advice from a professional Unica broker about how to properly align all of your various insurance needs. This is the bigger picture. Remember, a claim can show itself in many forms, from physical loss of your property to loss of income and loss of life. Being properly covered across the board insulates you from losing the lifestyle you have worked so hard to achieve.

**Q: Why not buy the cheapest sled insurance available?**

**A:** Assuming you can still find "cheap" sled insurance, it often has inadequate coverages and settlement options which can come back to haunt you in time of need. What good is cheap if it doesn't do the job for you when tested? If you have a relatively affluent lifestyle, why would you scrimp on the only thing that can restore it for you if trouble strikes?

**Q: What are the typical coverages available for sled insurance?**

**A: Liability**, which protects you from bodily injury and property damage to a third party due to your negligence (minimum \$1 million).

**Accident Benefits**, which covers you for physical and financial rehabilitation in the event of a claim.

Remember, significant changes occurred in September 2010 to the accident benefit portion of your policy that limits the coverage available. Make sure to discuss this with your Unica broker so you are properly covered.

**Collision**, which, subject to your deductible, will help repair or replace your sled in the event of a claim.

**Comprehensive**, which subject to your deductible, will cover you for fire, theft and vandalism.

There are several other coverages available. Your advice-based Unica broker can assist you with this, identifying the proper ones for you.

**Q: What's the difference if I purchase sled insurance directly through a call centre operation or through a broker?**

**A:** A Unica broker will customize coverage to fit your insurance needs versus just selling you a boilerplate policy. When purchasing sled insurance through a call centre, you are just a number and speak with a different representative each time, so there's no personal relationship, empathy or long-term understanding. Most times, call centre personnel are not familiar with a snowmobiler's specific needs. In your time of greatest crisis, do you want to be put on hold and bounced around between anonymous voices on the phone or have someone you know and trust advocating for you? It's critical to be dealing with the same person throughout a claim.

**Q: How much do I have to pay the broker?**

**A:** Broker compensation is paid by the insurance company, not the customer.

Check out the OFSC-endorsed Power Sports Insurance Program and Find a Broker at: [www.psip.ca](http://www.psip.ca) or contact Brent Murphy at [www.murphyinsurance.ca](http://www.murphyinsurance.ca).

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