



How Do I Determine the Value of my Totaled Motorcycle after a Washington Accident?

Your motorcycle is worth what the market says it is worth. If your motorcycle is totaled, the insurance company is required to pay you the fair market value of your bike, regardless of how much you owe on it or how much you think it is worth.

Fair market value is the amount your motorcycle is selling for on the open market at the time of the accident. This should not be confused with what you would ask for if you were to sell it. It should also not be confused with what you owe on it or what you have invested in it. These things are not important and often irrelevant in determining what your bike is worth.



“Fair market value... should not be confused with what you owe on it or what you have invested in it.”

The insurance companies will look to see what similar motorcycles are selling for in your geographic area. You should do the same by looking at websites that sell motorcycles in the same make, model, condition, mileage as you can find compared to your bike within 150 miles of your zip code. Get a feel for the range of prices that bikes like yours are selling for at the moment. That way you will have a feel for whether the offer being made on your totaled motorcycle is fair or not.

We often get complaints that the insurance company is not taking into consideration aftermarket items, like additional chrome, in computing the value of a client's motorcycle. While extras and modifications can increase the value of a motorcycle, the fair market value is not computed by taking what you paid for the bike and adding up all that you have invested in it.

If you add \$1,500 worth of chrome to your bike that does not necessarily mean the bike is worth \$1,500 more than before you added it. The insurance company will want to know how old those parts are because they look for the market value of those parts, so the age determines what value they have as "used" parts. The insurance company will also ask for receipts if you have them. So, it's a good idea to keep receipts for all the parts you put on your motorcycle.

So, what can you do to protect your bike? **First and foremost, if you are financing your motorcycle consider gap insurance. Gap insurance pays the difference of what**



the motorcycle is worth and what you owe. It keeps you from being upside down on your loan if your bike is totaled.

Let's say that you buy a bike for \$13,000. Two years down the road you owe \$11,500 but the fair market value is now \$9,000. If you are in an accident and your bike is totaled, the insurance company is going to pay you \$9,000. That takes care of the defendant's obligations with regard to your bike. You will still owe \$2,500 on a motorcycle that you do not own. If you bought gap insurance, it would make up the \$2,500 difference so that you would not owe any more on the bike.

You can also insure your motorcycle for a certain amount, often called scheduled or stated value. If you do that and your bike is totaled, the insurance company will pay that pre-set amount. Take that \$13,000 bike that you bought in the previous scenario. You schedule the bike at \$13,000. The same two years go by and it is worth \$9,000. If you are in an accident and your bike is totaled the insurance company will pay you \$13,000.

If you do not want to pay for a scheduled or stated value, many policies will offer specific protection for accessories, which guarantees that you will receive value for your accessories. It does not protect you from natural depreciation in value that all motorcycles experience over time. If you do purchase coverage for accessories, make sure to save the receipts.



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To summarize, if your motorcycle is totaled you will get the actual cash value of that motorcycle. If you see your motorcycle as a personal investment, then you want to protect that investment by making sure your insurance policy coverage is adequate. Otherwise, your investment is at the mercy of the free market, and the free market will almost always determine that your motorcycle is worth less than you think it is.

If you or a loved one has been injured in a motorcycle accident, call us for a free consultation at **425-970-9300**.

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The Toy Run Lives Without the Ride in 2020!

The Olympia Toy Run Coalition has sadly announced that this year's Olympia Toy Run ride is cancelled due to COVID-19. We have been a proud sponsor of this event the last several years and are a sponsor this year as well despite the ride itself being canceled. We want to show our continued support for this great cause.

The Olympia Toy Run has teamed up with The Salvation Army and will still be collecting toys and cash (Please NO stuffed animals or used toys). There will be toy drop locations stationed around Thurston County along with a large shipping container located at:

Northwest Harley-Davidson
8000 Freedom Lane NE Lacey, WA (off I-5, exit 111)

With this pandemic and the fact that more families are not working, please consider a donation. The need will be even greater this year than previous years. To find out more, please visit www.olytoyrin.com. We appreciate all your support, and remember...



"It's all about the kids!"



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