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# **NCOIL PROPERTY AND CASUALTY COMMITTEE: OFF-HIGHWAY VEHICLES**

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# THE GROWING OHV MARKET

- The recreational Off-Highway Vehicle (OHV), All-Terrain Vehicle (ATV), and Utility Terrain Vehicle (UTV) market is exploding, partially in the wake of COVID-19 when Americans were looking for outdoor family activities.
- OHV clubs span the country – more than 1.2 million Americans own OHV's while countless others rent them each year. The off-road vehicle market is currently valued at around \$20 billion and estimated to reach \$28 billion by 2024.





# ALL FUN AND GAMES UNTIL SOMEONE NEEDS COVERAGE

- As recreational OHV use has risen, so have collisions and subsequent claims.
- The US Consumer Product Safety Commission reports approximately 85,000 injuries and 900 OHV related fatalities per year
- Standards vary widely from state to state and are being debated everywhere:
  - Registration / Title issues
  - Driver's license requirements
  - Training courses
  - Safety features / helmets / seatbelts
  - ***Most importantly: OHV's on public roads***
    - They were not designed for it, they spend most of their time off it, but when they are on, they create and share risks with other drivers – of the OHV fatalities noted above, more than half were on roads
- Insurance should be part of these conversations moving forward, and NAMIC is committed to helping find constructive solutions



# COVERAGE CHALLENGES AND SOLUTIONS

- Some good news: Many carriers already offer specific endorsements for ATV ownership
  - As rider on homeowners' or farm coverage
  - As a standalone policy
- Many insurance questions will need to be answered moving forward:
  - Coverage areas and uses
  - Mandatory minimums
  - PIP coverage
  - Triggers – vehicle size, features, number of wheels, use, engine size, speed?
  - Short-term / Usage-based coverage
  - Proof of insurance
  - Group / blanket coverage
- Definitions will be critical to fostering markets and addressing coverage gaps







# OPPORTUNITY KNOCKS – OR RIDES

- States recognize opportunities for tourism
  - Hatfield-McCoy Trail in WV
    - Economic impact of trail tourism approaching \$38 million
  - Eastern KY connected trail system
    - Cooperation between KY Mountain Regional Recreational Authority, Transportation Cabinet, and Insurance Industry led to widespread endorsement of HB
  - Trend is to allow legal OHV access to roads, but key is *how*
    - State law? Local ordinance?
    - Who controls or polices the road?
  - Adventure tours are increasingly bundling OHV rentals into their offerings
- Future legislation should carefully consider requirements, exceptions, enforcement, and insurance





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**QUESTIONS?**