

Track Daze: Get Covered (TrackdayMag.com)

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Medical insurance should be on your trackday checklist



Your corner entry is perfect. You release the brakes at exactly the right moment and flick the bike into the corner, gently skimming your knee against the asphalt as you ease on the throttle near the apex. You've gained considerably on the rider in front of you and if you can get on the gas just a little earlier than usual, you might be able to pass him before the next corner. You roll on a bit more throttle to close the gap but as you do, the rear end begins to step out wide. Suddenly, the tire regains traction and the wheels snap back into line, tossing you ten feet into the air. While it feels like you're airborne for an eternity, it has only been a fraction of a second before you begin your descent from altitude toward the hard pavement below. At this point, it's a bit late to start thinking about getting health

insurance.

As you've probably noticed, our sport can be dangerous. Most crashes on the track are fairly minor, resulting mostly in sore muscles and a bruised ego. Sometimes though, a rider can get really hurt. An injury sustained at the racetrack may prevent you from working for weeks or months on end. Going without a paycheck for that long will make your monetary situation difficult enough but if you also have to cover expensive medical bills out of your own pocket, you could be in serious financial trouble. In fact, about half of the 1.5 million personal bankruptcies filed in 2001 were directly related to medical bills. Medical bills can pile up quickly after a crash. In a getoff last year at Barber, this editor broke his collar bone and thumb. Having been transported from the racetrack in an ambulance, I was immediately put into the Emergency Room as a trauma victim. Multiple X-rays and CT scans, a five hour stay in the



hospital and the ambulance ride came to just over \$16,000 for the initial care. Then followed visits to an orthopedic specialist over the next few weeks, which included pain killers and additional X-rays. Thankfully, the shoulder did not require surgery, which could have tacked many thousands more onto the bill. Keep in mind that these injuries weren't even life threatening. Lacking insurance coverage, if you were to incur a severe trauma and throw in a helicopter ride for good measure, you could wind up owing half a million or more before you even wake up and ask, "What happened?"

We interviewed Brandon Parrish, President of Ridersurance.com, a company that specializes in finding insurance policies that will cover injuries sustained from action sports. Brandon has been racing motorcycles for over a decade and has held an AMA Professional license since 2005. He says that health insurance is important because "it only takes one wrong action on our part or one wrong action on someone else's part to put us into an expensive situation." Some policies have exclusions for motorcycle track days or racing, so Ridersurance.com only uses insurance companies that will help cover you in the event of a crash at the track.

In order to help us understand about health insurance, here are the definitions of a few words taken from the Ridersurance.com website.

- **Pre-existing condition-** *Any medical condition that you have been diagnosed with or treated for prior to your application. Typically, if you do not have a lapse in coverage for more than 63 days, most companies will give you pre-existing credit so you can receive benefits immediately. If you did not have previous coverage, they can put a waiting period on the policy before you will be eligible to receive benefits related to that condition.*
- **Deductible-** *A specific dollar amount that your health insurance company may require that you pay out of pocket each calendar year before your health insurance plan begins to make payments for claims. For instance, if your bill is \$10,000 and you have a \$500 deductible, you will pay \$500 yourself and the insurance company will pay the remaining \$9,500. Not all health insurance plans require a deductible.*
- **Co-payment or co-pay-** *A specific charge, unrelated to your deductible, that your health insurance plan may require that you pay for a specific medical service. For example, your health insurance plan may require a \$20 co-payment on top of your deductible for an office visit or brand-name prescription drug, after which the insurance company typically pays the remainder of the charges.*



There are several ways to go about getting coverage. If you work full time, your employer may provide low cost health benefits through a company insurance plan. The advantage to this is that your coverage will probably be much cheaper through your employer than if you were to purchase a plan by yourself. If your employer does not offer medical insurance, you may be eligible for coverage through your spouse's employer. Younger people can benefit from health insurance offered by a parent's employer, although the cut-off age for coverage is usually between eighteen and twenty-three years old. Also, some states offer health insurance plans for their citizens. If none of these options apply to you, you may need to purchase an individual or family medical insurance plan. Before purchasing coverage, either through an employer or individually, you will need to carefully read the policies you are considering and ask questions. For those who already have a health insurance plan which has exceptions for riding or racing, a secondary plan can be purchased, although you'll have to coordinate it with your current provider.

Next, you'll need to fill out an application for coverage. Not everyone is approved for coverage through certain providers and coverage is not guaranteed, especially if the applicant has pre-existing medical conditions. Parrish says, "This is why it is so important once you've been approved for coverage to avoid missing a payment because this would cause a lapse in coverage. If this happens you have to re-apply for new coverage and it could possibly be denied. Your best bet is to set up automatic bank drafts or credit card payments so that you do not have to think about it."

Medical coverage can be expensive but it is very important for riders to have. Get the best insurance that you can afford. If you are on a strict budget, Brandon suggests that you at least try to "get the minimum coverage possible, like a \$10,000 deductible plan. If something major happens and you accumulate \$50,000 in medical bills, then you are only responsible for \$10,000 instead of \$50,000. Some coverage is always better than no coverage at all."



So you have purchased health coverage and you've just been injured at the racetrack. It is time to use your medical insurance. Your insurance company should provide you with a health insurance card with your policy and group numbers printed on it. Mine is kept in my wallet to provide easier access for medical personnel. When an EMT, hospital worker, or other medical professional asks if you have health insurance, give them the card so that they can copy your policy information. The hospital or doctor will then file a health insurance claim with your provider, who will send a

bill for the deductible to you. Your co-payments are usually made directly at the hospital, doctor's office, or pharmacy and the remaining balance will be billed to your insurance company. Most companies also have a cap that they will pay out to, which is called a lifetime maximum. Let's say the company's maximum payout is two million dollars. This means that they will only pay up to that amount for the life of the policy.

There are options for people without coverage who have been injured at the track. Brandon says that hospitals do offer financing programs for patients and may even agree to settlements, "For example, if your bill is \$5,000 and you can't pay them but offer \$3,000 instead, they may accept the offer." However, Parrish also asks "What's easier to finance, a \$50,000 hospital bill or a \$5,000 insurance deductible?"

Health coverage is probably the most important insurance to have for track days and racing but it is not the only type of policy that you might think about. Disability, Life, and Supplemental insurances should also be considered. Did you know that disabilities account for almost 50% of home foreclosures? While probably the most expensive form of insurance, disability insurance will provide you with a monthly benefit to pay bills during an injury that keeps you out of work. Another consideration is life insurance, which pays a lump sum to a beneficiary in the event of the insured's death. The money can be used to pay off debt and provide support for a loss of income. Finally, supplemental insurance is a policy that will pay for items not covered by a primary source of insurance. Supplemental insurance companies can provide additional benefits to cover things like co-

payments or deductibles from your primary insurance provider. Again, be sure that the companies you research do not have exceptions for riding or racing.



Providing yourself with adequate insurance is not required by law, or even by many track organizations, but it could be imperative to remaining in the sport after a serious injury. While it is just another expense related to track days or racing, it is a smart idea to have some kind of medical coverage. If you have questions about obtaining health insurance or would like to get a free quote for health, disability, life, or supplemental insurance with no

exceptions for riding and racing, visit **Ridersurance.com**.

Special thanks to Brandon Parrish and members of cbr600rr.com for their crash photos.