



# The Importance of E-bike Insurance

**Gallen Insurance**

Electric bikes (commonly referred to as e-bikes) are expensive, high potential risks on the road typically not fully covered by homeowners, renters or auto insurances. It's a risky move for your e-bike to be uninsured. Fortunately, there's bicycle insurance specifically for e-bikes to give you the peace of mind you deserve. Let's take a closer look at why e-bike insurance is a good move.

### ***E-bikes can be expensive.***

If you own an electric bicycle or are planning on buying one, then you know it's a significant investment. A good quality entry-level e-bike costs upwards of \$1,000, an average value e-bike runs around \$3,000, and a high-end e-bike costs as much as \$12,000. With an investment like that, you want to make sure you have adequate coverage for theft or damage. Additionally, electric bikes are usually complex with mechanical, electrical and computer driven systems that tend to travel fast, for great distances at a time, making them more susceptible to damage or loss. They are broken down by the following characteristics.

#### **Class 1: Pedal Assist**

The electric drive system on the ebike can only be activated through a pedaling action and is limited to relatively low speeds. The sensor usually measures pedal movement, pedal torque or bicycle speed (sometimes all three) and sensors are located in the bottom bracket, rear hub or rear wheel. In parts of Europe this class is limited to 15 mph (25 kph) with motor wattage <= 250 watts. In America, because of our more liberal vehicle definition, this class is limited to a motor powered speed of 20 mph (32 kph) with motor wattage of <= 750 watts. Due to the low speed of operation and required pedaling action this class should benefit from the same rights and access privileges as non-assist bicycles and should be able to be used on streets, bike lanes, multi-use bike paths and off-road trails.

#### **Class 2: Throttle On Demand**

The electric drive system on the ebike can be activated through a throttle element such as a grip-twist, trigger or button and is limited to low speeds. The motor system may also be activated through a pedaling action as with Class 1. In parts of Europe this class would be considered a motor vehicle and is prohibited from use on trails and other bicycle-specific infrastructure and is therefore less common. For those locations where it is allowed in Europe,

the top speed is limited to 15 mph (25 kph) with motor wattage  $\leq$  250 watts as with Class 1. In America this class is currently less restricted and therefore more common. The top speed is limited to 20 mph (32 kph) with motor wattage of  $\leq$  750 watts as with Class 1. Due to the low speed of operation without the required pedaling action, this class may be a bit more restricted but still benefit from the same rights and access privileges on paved surfaces as non-assist bicycles and should be able to be used on streets, bike lanes and multi-use bike paths.

### **Class 3: Speed Pedaling**

The electric drive system on the ebike can be activated through a pedaling action to reach higher top speeds. In parts of Europe this class is also considered a motor vehicle and requires special licensing, the use of an identification plate at the rear of the bike may be required and use is limited to roads or private property only with a maximum speed  $\sim$ 28 mph ( $\sim$ 45 kph). In America this class could still be considered a “low-speed electric bicycle” if human power propels the bike above 20 mph and as such, does not require special licensing but may be even more restricted to roads, adjacent bike lanes or on private property with a maximum speed  $\sim$ 28 mph ( $\sim$ 45 kph) and motor wattage of  $\leq$  750 watts. In America this class is often combined with Class 2 which produces bikes that have a throttle element capable of powering the rider up to 20 mph (32 kph) on motor power only, as well as a pedal assist mechanism capable of powering the rider up to 28 mph (45 kph). In parts of Europe, where throttles are less common, most Class 3 electric bikes only offer pedal assist.

The electric drive system can be activated through a pedaling action or throttle. The top speed is above 28 mph (45 kph) and/or the motor wattage may be greater than 750 watts. In all major geographies this class would be considered a motor vehicle which requires licensing and registration and is limited to certain motorized off road trails or traditional roads. There has been some confusion in America where machines that resemble bicycles (having pedals) that are capable of high speed and power are used inappropriately without licensing or insurance and on infrastructure reserved for bicycles such as paths and mountain bike trails. This behavior is subject to the same legal action as driving a gas powered motorcycle or car and may result in severe legal ramifications.

### ***E-bikes are high potential risks.***

E-bikes have a greater need for liability coverage. Electric bikes tend to travel faster and are heavier than bicycles, making them high potential risks for causing damage to someone else's property or bodily harm to another. Without insurance, an e-biker who caused an accident could be personally responsible and face devastating financial liabilities.

### ***Homeowners, renters and auto insurances offer very limited e-bike coverage.***

Traditional homeowners and renters insurances typically offer limited coverage (if any) for theft, damage, or liability related to e-bikes because an electric bike is considered a motorized

vehicle. In addition, auto insurance companies may not offer e-bike insurance because e-bikes do not need to be registered and e-bike riders are not required to have a valid driver's license.

***E-bike insurance is readily available and affordable.***

Electric bike insurance does exist and it provides coverage between auto, home, and renters insurances where there are gaps and fine print exclusions. Many carriers are offering a stand-alone e-bike insurance policy that insures e-bikes with power assist up to 750 watts and covers theft, damage and more. E-bike policies can start as low as \$100 per year and offer a variety of coverage levels and deductible options.

Each policy can be customized to fit you and your riding style. Coverages include protection for damage caused by theft, crash, collision, fire, attempted theft, vandalism or hitting another object. Coverage of spare parts, cycle apparel, and rental reimbursement are also included at no additional cost.

Additional optional coverages include: Liability coverage to cover the costs for a third party in case of injuries or property damage caused by the insured cyclist; medical payments to cover medical costs of the insured cyclist associated with a cycling accident; and vehicle contact protection for medical costs of the insured cyclist associated with accidents caused by an automobile.

It's your move. Take action today and protect yourself and your e-bike. Call our Personal Lines department today at 610-777-4123.

