

# Motorized Bikes — A New Cycling Trend

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Electric bikes or e-bikes are becoming increasingly popular. Although at first glance they may look like a traditional bicycle, they have a battery-operated motor to assist the rider in travel. E-bikes are not all the same, and their usage varies. Use of e-bikes may represent a higher liability exposure than traditional manually pedal-operated bicycles. Helping clients understand the possible insurance implications and exposures of e-bikes is a value-added service of the professional insurance agent.

Although the terms are sometimes used interchangeably, e-bikes and pedelecs, or pedal electric bikes, are not the same. While both have motors to assist the rider, pedelecs do not have a throttle – the motor only works to assist when pedaling. E-bikes have a throttle and the rider has the option to ride without pedaling, ride while pedaling with motor assisting, or ride with pedaling only.

E-bikes are attractive to commuters as they provide a boost to make cycling easier and eliminate sweating. The motor also helps provide extra power to carry change of clothes, laptop and other items. E-bikes can reach speeds of 20 miles per hour, or about twice that of traditional bicycles. During the pandemic, people who were hesitant to use public transportation turned to e-bikes as an alternative. A typical e-bike charge will last from 25-75 miles, depending on usage. E-bikes are also popular with urban delivery services.

E-bikes are powered by lithium batteries, which are highly combustible, but fires can be avoided with proper care. Most batteries must be charged separately – operation of the motorized bike will not recharge the battery. Batteries are usually removable and the charger can be used in a standard power outlet.

There are several generally recognized types of motor-assisted bicycles: Type 1 – Pedal-Assist (Pedelec) – the motor only works when rider is pedaling. Type 2 – Throttle Only – the motor on these is controlled by cranking the throttle – no pedaling required. Type 3 – Pedal-Assist 28 mph – the fastest legal motor-assisted bicycle. It may or may not have a throttle. Regulation of the operation of motorized bicycles is still evolving. Some states do have restrictions on the maximum speed and power, the minimum age of the rider, and whether or not a helmet is required.

With pedelecs, the motor measures how hard the rider is pedaling and supplements that effort. Throttle-controlled e-bikes are similar to motorcycles. The throttle is usually mounted on the handlebar and activated by twisting. Throttle-controlled e-bikes may or may not have a pedal-assist option.

Standard homeowners policies offer very limited coverage for damage to, theft of or liability for operation of an e-bike that could be considered a motorized vehicle. Since in most jurisdictions no license is required to operate an e-bike, they are not required to be registered, and they have less than four wheels, a typical automobile insurance policy will not provide coverage. In fact e-bikes can be attractive transportation for those without a driver's license.

Theft of e-bikes are on the rise. The New York Times reported that 328 e-bikes were reported stolen in the city in 2020. In some cases, it is just the battery that is taken. Locking the e-



bike, removing the battery and keeping the e-bike inside whenever possible can help to reduce the possibility of theft. Some e-bikes have GPS systems that may help track the location of the stolen e-bike.

Insurance for e-bikes is becoming more common. Coverage is available for damage or theft of the e-bike itself, medical payments for injuries to the rider, and liability for injury to or damage to property of others. Coverage generally applies to owned e-bikes only, so care should be taken to procure coverage when renting an e-bike.

Even before the pandemic in 2020, sales and popularity of e-bikes were surging. Worldwide sales are estimated to reach 40 million in 2023, or about \$20 billion in revenue. E-bike owners may be unaware that they need to purchase specialty insurance coverage. Helping clients navigate the uninsured exposures and risks of e-bikes is another value-added service of the true insurance professional.

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