



Motorized Stuff you ride in or on! What coverage do I have in my Home Insurance?

MOTOR Vehicles - No coverage at all – exceptions noted below in red.

WATERCRAFT

Water craft liability in home insurance is covered on sailboats and I/O, “inboard or inboard out drive”, boats with a motor of less than 50 hp and less than 26 feet in length FREE. For outboard motor boats of less than 25 horsepower and also less than 26 feet it is also FREE. Some companies have different rules and extend broader coverage, such as increasing allowed outboard motor horsepower. You need to know which companies have what horsepower limitation whenever there is an outboard powered boat. I/O powered boats generally must be listed and a charge made to obtain liability insurance.

Physical damage on boats must be endorsed and added for each boat and its motors and equipment as well as trailers. The home insurance policy has some basic coverage, but the causes of loss are limited and so the limit of insurance.

What about everything else Motorized – can you make it easy to understand?

Sure, if anything is motorized that you ride in or on, “except watercraft-discussed above”, assume that there is no coverage for it on your home insurance. There is no liability insurance and no physical damage insurance. This is true even if it is an electric powered bicycle or a little electric kid’s car.

Exception: “this applies to some policies not all”

Motor vehicle, not required to be registered for use on public roads or property which are.

- a. **Used solely to service an “insured’s” residence. Or**
- b. **Designed to assist the handicapped.**

Your lawn mower, “if solely used at your premises to maintain your yard and garden”, is covered free on your home insurance policy.

That is IT!

Following are answers to questions often asked concerning motorized anything.

Is my ATV, UTV, small farm tractor, skid steer, Snowmobile covered – if I use it solely on my residential property? It never even crosses a public road?

The answer should always be NO. But, you can ask the company to confirm whether there is physical damage and liability for such use. Even the words, “solely to service your property”, implies that its use is not for pleasure or fun and used even one time for another purpose – then you have no coverage.

The answer should always be NO, because our customer is going to use it sometime for something else? Further, in some instances, by endorsement, ATVS, UTVS, and snowmobiles, etc may have been specifically excluded by the carrier by endorsement. If so, another reason to say no unless verified by the insurance company underwriter with good file documentation. Generally – don't try to get free insurance on any motorized anything that might be used for another purpose, because it will be!

However, if you owned a small skid steer, or a farm tractor, "these aren't designed for fun generally", maybe these are exclusively used to service the premises? Maybe you have a ¼ mile driveway???

It is possible, even likely then that the insurance company underwriter would have to agree there is coverage? Document the file and don't say Yes it is covered without confirmation from the insurance company. If he/she ever uses it away from the premises or it gets used for farming or a business practice of some kind, all free coverage would be gone, and this is true even then when he/she does use it to maintain the residence premises.

No coverage for **Electric... or motorized bicycle, scooter, skateboard, even a KIDS car that is on the sidewalk and only goes 3 miles per hour?**

Are you kidding me, no coverage for an electric bicycle?

If you look at the definition above of a motorized vehicle, an electric assist bicycle fits that definition. The same is true for motorized skate boards, scooters, even little kids cars, etc. Same is true for a golf cart, except golf carts in standard home policies are generally covered for liability while on the golf course, but not off, "policy discussed golf carts specifically".

How do I get liability coverage on my E bicycle and what does it cost?

The safest and best way is to schedule the bicycle on the auto or home policy and extend liability insurance. If you do it on a home policy, coverage just applies to you and your resident family. If you do it through an auto policy, coverage is extended to any person you give permission to operate it. The cost is usually that of a moped, usually less than \$50. There likely will be a small fee to add it to the umbrella also, another \$10 to \$20 per year.

If I can't get insurance until I own one. What happens if I rent or borrow one or even try one out before buying it? **I don't have insurance?**

Correct, a bicycle is not an auto, so you don't have borrowed or rented coverage like an auto policy has. The way to cover this is from a **personal umbrella policy**, such as those provided by TRICOR insurance companies Auto owners, Acuity and West Bend. There are others also, just not confirmed as of the date this document was written. All three of these companies

- Cover liability insurance for the use of non-owned watercraft.
- Cover liability insurance for the use of non-owned motorcycles. "for your motorized bicycle"
- They don't require underlying limits be in place and will drop down to the retention limit, which is usually \$250 to \$1,000 and you have \$1 Million or more in liability protection.

And this is FREE.

Remember, once you buy one – the Umbrella then requires you to insure it to get liability coverage. It no longer is free.

How do I get Physical damage on my \$2,500 E bicycle and what does it cost?

The charge will either be that of a moped, if it gets added to an auto/cycle policy or that of a bicycle if it gets added to a home policy. As a bicycle it often is \$10 per \$100, but you can elect a higher deductible which can help a lot. Likely less if added to an auto or cycle policy.

This is really a bicycle - why can't this be free and treated like a bicycle if it qualifies as such?

Auto owners may decide to call it a bicycle and cover it free for both liability and physical damage. You would need to present proof that it qualifies as a bicycle to underwriting and they also want to confirm it is meant for pleasure and personal use. Document the facts carefully, and the owner of the E bike needs to know that he/she must keep it in compliance with the B bike laws of the State and **not modify it such that it no longer qualifies**. Assuming it does qualify as a bicycle, the worst they will do is charge for liability, “\$30-\$35 and then no worry - worth it?? And Auto Owners will for e-bikes that qualify as bicycles include physical damage coverage from the homeowner’s policy free – regardless. Acuity and West Bend want both a charge for liability and a charge for physical damage and a \$2,500 E bike might have a cost of up to \$250 to insure, “each bike”. At some point in the future, they may have better solutions – but this is the status as of now.

When can an E Bike be operated as a bicycle and NOT be subject to licensing and other requirements as apply to a Moped?

Refer to the chart below. This outlines the current state laws concerning when an E bike is allowed to operate as a bicycle and who are allowed to drive them.

Legislations periodically changes & this requires update – last check was August 2018. Google each states requirements, “E Bicycle Law Wisconsin = example “

Regulation	Bicycle WI	Bicycle IA	Bicycle MN	Bicycle IL Class 1e	Bicycle IL Class 2e	Bicycle IL Class 3e
Pedals	Must have	Must have	Must have	Must have	Must have	Must have
Motor <	<750W 1hp	<750W 1hp	< 1000w	<750W	<750w	?? speed managed
Max speed powered solely by motor	<20mph	<20mph	Max speed 20 – even if solely human powered	Motor shuts off at 20	Motor shuts off at 20	Motor shuts off at 28 mph – must always pedal or motor is off regardless
Minimum age	Yes- below	No	15	No	No	no
Required pedaling to activate motor	No	No	No	Yes	No	Yes
Drivers License / Permit required	License	NO	No	No	No	Yes-Either