
A BILL FOR AN ACT

RELATING TO INSURANCE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

SECTION 1. Chapter 431, Hawaii Revised Statutes, is amended by adding a new article to be appropriately designated and to read as follows:

"ARTICLE

ELECTRIC BICYCLE INSURANCE

PART I. GENERAL PROVISIONS

§431: -101 Definitions. As used in this article:

"Accidental harm" means bodily injury, death, sickness, or disease caused by an electric bicycle accident to a person.

"Class 3 electric bicycle" means an electric bicycle equipped with a motor that provides assistance only when the rider is pedaling and that ceases to provide assistance when the electric bicycle reaches the speed of twenty-eight miles per hour and equipped with a speedometer.

"Electric bicycle" means a bicycle equipped with fully operable pedals and an electric motor of no more than seven



1 hundred fifty watts that meets the requirements of a class 3
2 electric bicycle.

3 "Electric bicycle accident" means an accident arising out
4 of the operation, maintenance, or use of an electric bicycle,
5 but not involving a motor vehicle.

6 "Injury" means accidental harm not resulting in death.

7 "Person" means, when appropriate to the context, not only
8 individuals, but also corporations, firms, associations, and
9 societies.

10 **§431: -102 Applicability.** This article shall only apply
11 to a county with a population of five hundred thousand or more.

12 **§431: -103 Conditions of operation and registration of**
13 **electric bicycles.** No person shall operate an electric bicycle
14 upon any public street, road, or highway of this State at any
15 time unless the electric bicycle is insured at all times under a
16 liability policy as provided in section 431: -301.

17 **§431: -104 Electric bicycle self-insurance.** The
18 electric bicycle insurance required by section 431: -103 may
19 be satisfied by any owner of an electric bicycle if:

20 (1) The owner provides proof of qualifications as a self-
21 insurer, and a surety bond or other securities



1 affording security substantially equivalent to that
2 afforded under a policy meeting the requirements of
3 section 431: -301 and providing coverage at all
4 times for the ownership period, as determined and
5 approved by the commissioner under rules; and

6 (2) The commissioner is satisfied that in case of injury,
7 death, or property damage, any claimant would have the
8 same rights against such owner as the claimant would
9 have had if a policy meeting the requirements of
10 section 431: -301 had been applicable to the
11 electric bicycle.

12 **§431: -105 Tort liability.** (a) With respect to
13 accidental harm incurred in or arising out of an electric
14 bicycle accident, tort liability shall not be abolished.

15 (b) Any owner or operator of an electric bicycle involved
16 in a motor vehicle accident as defined in section 431:10C-103
17 and who incurs accidental harm as defined in section 431:10C-
18 103, including the person's representative or legal guardian,
19 shall have a cause of action in tort as provided in section
20 431:10C-306.



1 **§431: -106 Verification of insurance.** Every insurer
2 shall issue to each of its insureds a paper or electronic proof
3 of insurance card for each electric bicycle for which a
4 liability policy under this article is written. The electronic
5 proof of insurance card may be accessed directly through the
6 licensed insurer's website, application, or database. The proof
7 of insurance card shall show the following:

8 (1) Name, make, year, and factory or serial number of the
9 electric bicycle; provided that insurers of five or
10 more electric bicycles that are under common
11 registered ownership and used in the regular course of
12 business shall not be required to indicate the name,
13 make, year, and the factory or serial number of each
14 electric bicycle;

15 (2) Policy number;

16 (3) Names of the insured and the insurer; and

17 (4) Effective dates of coverage including the expiration
18 date.

19 The proof of insurance card shall be carried on, or accessible
20 on a mobile electronic device, as defined in section 291C-137,
21 by the person operating the insured electric bicycle at all



1 times and shall be exhibited to a law enforcement officer upon
2 demand.

3 **§431: -107 Penalties.** Any person who violates this
4 article shall be subject to a citation by the police and shall
5 be subject to a nonsuspendable fine of no less than
6 \$ and no more than \$ for each violation.

7 Any person cited under this section shall have an
8 opportunity to present a good faith defense, including but not
9 limited to lack of knowledge or proof of insurance. The general
10 penalty provision of this section shall not apply to:

11 (1) Any operator of an electric bicycle owned by another
12 person if the operator's own insurance covers such
13 operation;

14 (2) Any operator of an electric bicycle owned by that
15 person's employer during the normal scope of that
16 person's employment; or

17 (3) Any operator of a borrowed electric bicycle if the
18 operator holds a reasonable belief that the subject
19 vehicle is insured.



1 **§431: -108 Rules.** The commissioner may adopt rules
2 pursuant to chapter 91 necessary for the purposes of this
3 article.

4 **PART II. RATES AND ADMINISTRATION**

5 **§431: -201 Making of electric bicycle insurance rates.**

6 (a) All premium rates for electric bicycle insurance shall be
7 made in accordance with the following provisions:

8 (1) Rates shall not be excessive, inadequate, or unfairly
9 discriminatory;

10 (2) Due consideration shall be given to:

11 (A) Past and prospective loss experience within and
12 outside this State, catastrophe hazards, if any,
13 reasonable margin for profit, and contingencies,
14 dividends, savings, or unabsorbed premium
15 deposits allowed or returned by insurers to their
16 policyholders, members, or subscribers;

17 (B) Past and prospective expenses both country-wide
18 and those specially applicable to this State in
19 the sale and administration of electric bicycle
20 insurance; and



1 (C) Investment income from reserves, unearned
2 insurance premiums, and other unearned proceeds
3 received on account of electric bicycle insurance
4 sold, and all other factors that may be deemed
5 relevant, if they are established to have a
6 probable effect upon losses, expense, or rates,
7 such as but not limited to types of vehicles,
8 occupations, and involvement in past accidents;

9 (3) The systems of expense provisions included in the
10 rates for use by any insurer or group of insurers may
11 differ from those of other insurers or groups of
12 insurers to reflect the requirements of the operating
13 methods of any insurer or group with respect to any
14 class of insurance, or with respect to any subdivision
15 or combination thereof for which subdivision or
16 combination separate expense provisions are
17 applicable; and

18 (4) Risks may be grouped by classifications for the
19 establishing of rates and minimum premiums.

20 Classification rates may be modified to produce rates
21 for individual risks in accordance with rating plans



1 that establish standards for measuring variations in
2 hazards or expense provisions, or both. The standards
3 may measure any differences among risks that can be
4 demonstrated to have a probable effect upon losses or
5 expenses.

6 (b) Except to the extent necessary to meet the provisions
7 of subsection (a)(4), uniformity among insurers in any matters
8 within the scope of this section is neither required nor
9 prohibited.

10 **§431: -202 Rate filings.** (a) Every insurer shall file
11 with the commissioner every manual of classification, rule,
12 rate, rating plan, designation of rating territories, or
13 standard for electric bicycle insurance which it proposes to
14 use. Every filing shall state the proposed effective date of
15 the filing and the character and extent of the coverage
16 contemplated.

17 (b) The commissioner also may accept from an advisory
18 organization basic standards, manuals of classification,
19 territories, endorsements, forms, and other materials, not
20 dealing with rates, for reference filings by insurers.



1 (c) Each filing shall be accompanied by a \$ fee
2 payable to the commissioner, which fee shall be deposited in the
3 commissioner's education and training fund.

4 (d) A filing and any supporting information shall be open
5 to the public upon filing with the commissioner.

6 **§431: -203 Rate review: request by aggrieved party.**

7 (a) Any person aggrieved by the application as to the person of
8 any classification, rule, standard, rate, or rating plan made,
9 followed, or adopted by an insurer may make written request to
10 the commissioner to review the application and grant the relief
11 requested. If the commissioner finds that probable cause for
12 the complaint exists or that the complaint charges a violation
13 of this article, the commissioner shall conduct a hearing on the
14 complaint according to the procedure set forth in section
15 431:14-118.

16 (b) If, after a hearing conducted pursuant to subsection
17 (a), the commissioner finds that the complainant is entitled to
18 relief or that any classification, rule, standard, rate, rating
19 territory, or rating plan violates this article, the
20 commissioner shall issue an order granting the complainant's
21 claim for relief or prohibiting the insurer from using such



1 classification, rule, standard, rate, rating territory, or
2 rating plan. The order shall contain the commissioner's
3 findings of fact and conclusions of law, including a
4 specification of the respects in which a violation of this
5 article exists and specifying a reasonable time period within
6 which the insurer shall comply with the terms of the order. Any
7 such order shall be subject to judicial review in the manner
8 provided in chapter 91.

9 **§431: -204 Rate review: rate methods in noncompliance**
10 **with article.** (a) If the commissioner has good cause to
11 believe that a classification, rule, standard, rate, rating
12 territory, or rating plan made, followed, or adopted by an
13 insurer does not comply with the requirements of this article,
14 the commissioner shall, unless the commissioner has good cause
15 to believe that noncompliance is wilful, give notice in writing
16 to each insurer, stating in what manner and to what extent
17 noncompliance is alleged to exist and specifying a reasonable
18 time, no less than ten days thereafter, within which the
19 noncompliance may be corrected. Notices under this subsection
20 shall be confidential as between the commissioner and the
21 parties unless a hearing is held as provided in subsection (b).



(b) If the commissioner has good cause to believe noncompliance to be wilful, or if, within the period prescribed by the commissioner in the notice given under subsection (a), the insurer does not:

(1) Correct the noncompliance specified by the commissioner; or

(2) Establish to the satisfaction of the commissioner that noncompliance does not exist,

then the commissioner may proceed with a hearing that shall be subject to the hearing procedure provided in section 431:14-118.

§431: -205 Rate administration. Except as otherwise provided in this article, the commissioner shall implement and evaluate electric bicycle insurance rates in compliance with article 14.

PART III. COVERAGES AND RIGHTS

§431: -301 Required electric bicycle policy coverage.

(a) An insurance policy covering an electric bicycle shall provide insurance in the following amounts to pay, on behalf of the owner or any operator of the insured electric bicycle, sums that the owner or any operator may legally be obligated to pay for injury, death, or damage to the property of others, except



1 property owned by, being transported by, or in charge of the
2 insured that arise out of the ownership, operation, maintenance,
3 or use of the electric bicycle:

4 (1) Liability coverage of no less than \$ per
5 person, with an aggregate limit of \$ per
6 accident, for all damages arising out of accidental
7 harm sustained as a result of any one accident; and

8 (2) Liability coverage of no less than \$ for all
9 damages arising out of injury to or destruction of
10 property, including electric bicycles and including
11 the loss of use thereof, but not including property
12 owned by, being transported by, or in the charge of
13 the insured, as a result of any one accident.

14 (b) At the option of the owner, each insurer shall:

15 (1) Offer medical payment coverage up to \$ to
16 pay all reasonable expenses incurred within one year
17 from the date of accident for necessary medical,
18 surgical, dental, ambulance, hospital, professional,
19 and nursing services;

20 (2) Offer an income disability plan; and



1 (3) Offer liability coverage in excess of the minimum
2 coverages required by this section.

3 (c) Any operator or passenger of an electric bicycle who
4 receives injuries or dies in a motor vehicle accident as defined
5 in section 431:10C-103 shall not claim personal injury
6 protection benefits under a motor vehicle insurance policy,
7 unless expressly provided for in the motor vehicle policy."

8 SECTION 2. This Act shall take effect on July 1, 3000.



Report Title:

Electric Bicycles; Insurance

Description:

Imposes insurance coverage as a prerequisite for the operation of electric bicycles in a county with a population of five hundred thousand or more. Establishes a regulatory framework for electric bicycle insurance. Effective 7/1/3000. (HD1)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

