



## Electric Bicycles Insurance<sup>1</sup>

- The Israeli system of Compensation to road accidents victims is a no fault system. It means, that the victim is always entitled to compensation and the question of liability is not relevant.
- The insurance for motor vehicles is mandatory. Driving a car without an insurance policy is a criminal offense.
- The whole system is based on the private insurance companies who sell the policies. If the driver of a car that is involved in an accident has no policy - the passengers as well as any person who was injured outside the car are entitled to compensation from a special Fund - called "Karnit".
- The sums of compensation under the law are lesser in some aspects in comparison with cases under the general Tort Law, but it is still considered a very convenient solution because you don't have to prove liability.
- From time to time, questions regarding the scope of the special law for road accidents rise. The law applies to any "Motor Vehicle" which is defined as a "Vehicle which moves over ground by mechanical power and its main purpose is land transportation". Private cars, buses, tracts, motorcycles are all considered as motor vehicles under the law. On the other hand, for example, karting cars are not included, because their main purpose is not "land transportation". To airplanes or boats the law also doesn't apply because they are not used to ground transportation. Usual bicycles are not included because there is no motor in them.
- In the last 4 years we met a new animal in our jungle - Electric Bicycles, that in fact, became very popular in Israel. I believe that the reason for their popularity in Israel is that we have 9-10 sunny months a year, and on the other hand - because of the warm temperatures and the humidity in summer - regular bicycles are not very convenient: you arrive to your destination all water. Electric bicycles are much more



convenient. They are relatively cheap, they are very efficient, and serve very well the young population.

The problem is, that the electric bicycles are also very dangerous. The riders ride on the pavements, without helmets at a high speed (50 km and more). You can see them with earphones so they concentrate more in the music than on the way. As a result, of course, sometimes the rider falls from the bicycles and sometimes he takes with him an elderly woman that walks on the pavement.

- In the last 3 years, more than 100,000 electric bicycles were sold in Israel.

Unfortunately - there are not enough special pathways for them, and they are involved in many accidents.

- Although the government allows to import electric bicycles, the Ministry of Transport has not arranged for the registration of them and the Commissioner of Insurance did not instruct the insurance companies to sell insurance policies for electric bicycles. No insurance company in

Israel sells the mandatory vehicle insurance for electric bicycles.

Therefore, one who is injured, can only pray to god. There is no one to compensate him. He can, of course, file a claim against the driver, but of course, a 13 years old kid doesn't have the sources to compensate him, not to mention that in many cases when the victim rises up from the ground, the driver has already vanished. The scope of the problem is quite wide: doctors from the main Hospital in Tel-Aviv reported that in 2013 more than 1000 people were treated in the emergency room and 20% of them were hospitalized.

As more and more people were injured by electric bicycles, the legal problem became more relevant: are this victims entitled to compensation under the Road Accidents Law (the question, of course, is whether Electric Bicycles should be regarded as a motor vehicle?) and if not - who is to be blamed for the anarchy in this field?

We are in the opinion, that Electric Bicycles are well within the legal definition of a motor vehicle: They have a motor, their purpose is to



transfer people from one place to another, on the ground.

As opposed to regular bicycles, electric bicycles are not used for sports activities or field trips, but only for ground transportation.

As opposed to karting cars, electric bicycles are not meant to be played within an enclosed area.

As opposed to korkinets they are not used as a toy but as a means of transportation.

On this ground, we recently submitted a claim on behalf of several victims of bicycle accidents. We ask the court to declare that Electric Bicycles are "motor vehicles" so that every victim of them is entitled to compensation under the law, from the special Fund - Karnit - that pays compensation where there is no insurance.

This is our primary request. If it's not received, we ask the court to order the authorities to compensate the victims, under the general Tort Law, because of their negligence.

By "authorities", we mean the Ministry of Transportation and the

Commissioner of Insurance. We alleged that the Commissioner of Insurance was negligent by not acting in this issue and by "abandoning" the potential injured to their own fate.

The Commissioner controls the Israeli market and in view of his broad authority he cannot "turn a blind eye" to the broad manifestation of electric bicycles and the fact that they are not insured by the mandatory insurance like every other mechanical vehicle.

It seems that the claim has already touch some nerves, and three days ago the Parliament's Comity for Domestic affairs issued new legislation that demands Electric Bicycles to be registered.

This is very important: once they are registered it's a lot easier to instruct the insurance companies to issue policies, and I hope that in the next AIDA Conference I will be able to bring good news on this subject.