
A BILL FOR AN ACT

RELATING TO INSURANCE.

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

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

4 "ARTICLE

5 ELECTRIC BICYCLE INSURANCE

6 PART I. GENERAL PROVISIONS

7 §431: -101 Definitions. As used in this article:

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

10 "Class 1 electric bicycle" means an electric bicycle
11 equipped with a motor that provides assistance only when the
12 rider is pedaling and that ceases to provide assistance when the
13 electric bicycle reaches the speed of twenty miles per hour.

14 "Class 2 electric bicycle" means an electric bicycle
15 equipped with a motor that may be used exclusively to propel the
16 electric bicycle and that ceases to provide assistance when the
17 electric bicycle reaches the speed of twenty miles per hour.



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

6 "Electric bicycle" means bicycle or tricycle equipped with
7 fully operable pedals, a seat or saddle for the use of the
8 rider, and an electric motor of less than seven hundred fifty
9 watts that meets the requirements of a class 1 electric bicycle,
10 class 2 electric bicycle, or class 3 electric bicycle.

11 "Electric bicycle accident" means an accident arising out
12 of the operation, maintenance, or use of an electric bicycle,
13 but not involving a motor vehicle.

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

15 "Person" means, when appropriate to the context, not only
16 individuals, but also corporations, firms, associations, and
17 societies.

18 **§431: -102 Conditions of operation and registration of**
19 **electric bicycles.** No person shall operate an electric bicycle
20 upon any public street, road, or highway of this State at any



1 time unless such electric bicycle is insured at all times under
2 a liability policy as provided in section 431: -301.

3 **§431: -103 Electric bicycle self-insurance.** The
4 electric bicycle insurance required by section 431: -102 may
5 be satisfied by any owner of an electric bicycle if:

6 (1) Such owner provides proof of qualifications as a self-
7 insurer, and a surety bond or other securities
8 affording security substantially equivalent to that
9 afforded under a policy meeting the requirements of
10 section 431: -301 and providing coverage at all
11 times for the ownership period, as determined and
12 approved by the commissioner under rules; and

13 (2) The commissioner is satisfied that in case of injury,
14 death, or property damage, any claimant would have the
15 same rights against such owner as the claimant would
16 have had if a policy meeting the requirements of
17 section 431: -301 had been applicable to such
18 electric bicycle.

19 **§431: -104 Tort liability.** (a) With respect to
20 accidental harm incurred in or arising out of an electric
21 bicycle accident, tort liability shall not be abolished.



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

§431: -105 Verification of insurance. Every insurer shall issue to each of its insureds a paper or electronic proof of insurance card for each electric bicycle for which a liability policy under this article is written. The electronic proof of insurance card may be accessed directly through the licensed insurer's website, application, or database. The proof of insurance card shall show the following:

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

(2) Policy number;



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

2 (4) Effective dates of coverage including the expiration
3 date.

4 The proof of insurance card shall be carried on, or accessible
5 on a mobile electronic device, as defined in section 291C-137,
6 by the person operating the insured electric bicycle at all
7 times and shall be exhibited to a law enforcement officer upon
8 demand.

9 **§431: -106 Penalties.** Any person who violates this
10 article shall be subject to a citation by the police and shall
11 be subject to a nonsuspendable fine of no less than
12 \$ and no more than \$ for each violation.

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

17 (1) Any operator of an electric bicycle owned by another
18 person if the operator's own insurance covers such
19 operation;



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

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

§431: -107 Rules. The commissioner may adopt rules pursuant to chapter 91 necessary for the purposes of this article.

PART II. RATES AND ADMINISTRATION

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

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

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

(2) Due consideration shall be given to:

(A) Past and prospective loss experience within and outside this State, catastrophe hazards, if any, reasonable margin for profit, and contingencies, dividends, savings, or unabsorbed premium



1 deposits allowed or returned by insurers to their
2 policyholders, members, or subscribers;

3 (B) Past and prospective expenses both country-wide
4 and those specially applicable to this State in
5 the sale and administration of electric bicycle
6 insurance; and

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

15 (3) The systems of expense provisions included in the
16 rates for use by any insurer or group of insurers may
17 differ from those of other insurers or groups of
18 insurers to reflect the requirements of the operating
19 methods of any insurer or group with respect to any
20 class of insurance, or with respect to any subdivision
21 or combination thereof for which subdivision or



1 combination separate expense provisions are
2 applicable; and

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

5 Classification rates may be modified to produce rates
6 for individual risks in accordance with rating plans
7 which establish standards for measuring variations in
8 hazards or expense provisions, or both. The standards
9 may measure any differences among risks that can be
10 demonstrated to have a probable effect upon losses or
11 expenses.

12 (b) Except to the extent necessary to meet the provisions
13 of subsection (a) (4), uniformity among insurers in any matters
14 within the scope of this section is neither required nor
15 prohibited.

16 **§431: -202 Rate filings.** (a) Every insurer shall file
17 with the commissioner every manual of classification, rule,
18 rate, rating plan, designation of rating territories, or
19 standard for electric bicycle insurance which it proposes to
20 use. Every filing shall state the proposed effective date of



1 the filing and the character and extent of the coverage
2 contemplated.

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

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

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

12 **\$431: -203 Rate review: request by aggrieved party.**

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



(b) If, after a hearing conducted pursuant to subsection (a), the commissioner finds that the complainant is entitled to relief or that any classification, rule, standard, rate, rating territory, or rating plan violates this article, the commissioner shall issue an order granting the complainant's claim for relief or prohibiting the insurer from using such classification, rule, standard, rate, rating territory, or rating plan. The order shall contain the commissioner's findings of fact and conclusions of law, including a specification of the respects in which a violation of this article exists and specifying a reasonable time period within which the insurer shall comply with the terms of the order. Any such order shall be subject to judicial review in the manner provided in chapter 91.

§431: -204 Rate review: rate methods in noncompliance with article. (a) If the commissioner has good cause to believe that a classification, rule, standard, rate, rating territory, or rating plan made, followed, or adopted by an insurer does not comply with the requirements of this article, the commissioner shall, unless the commissioner has good cause to believe that such noncompliance is wilful, give notice in



1 writing to each insurer, stating in what manner and to what
2 extent such noncompliance is alleged to exist and specifying a
3 reasonable time, not less than ten days thereafter, within which
4 such noncompliance may be corrected. Notices under this
5 subsection shall be confidential as between the commissioner and
6 the parties unless a hearing is held as provided in subsection
7 (b).

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

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

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

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

18 **§431: -205 Rate administration.** Except as otherwise
19 provided in this article, the commissioner shall implement and
20 evaluate electric bicycle insurance rates in compliance with
21 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 property owned by, being transported by, or in charge of the insured that arise out of the ownership, operation, maintenance, or use of the electric bicycle:

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

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

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



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

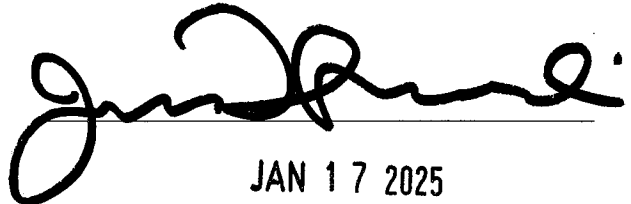
(2) Offer an income disability plan; and

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

(c) Any operator or passenger of an electric bicycle who receives injuries or dies in a motor vehicle accident may not claim personal injury protection benefits under a motor vehicle insurance policy, unless expressly provided for in the motor vehicle policy."

SECTION 2. This Act shall take effect on January 1, 2026.

INTRODUCED BY:



JAN 17 2025



H.B. NO. 708

Report Title:

Electric Bicycles; Insurance

Description:

Imposes insurance coverage as a prerequisite for the operation of electric bicycles in the State. Establishes a regulatory framework for electric bicycle insurance. Effective 1/1/2026.

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

