



Insurance | Risk Management | Consulting

## Cycling BC Bike Insurance Program FAQ's

### 1. Why did the policy deductibles increase this year?

The Cycling BC program has only been in existence for two years, and to the benefit of insured members has paid out almost \$100,000 in claims in that time. Unfortunately, the program has taken in less than \$30,000 in premium in those two years and as a result, along with all the general issues affecting insurance globally, we have had to make some changes to keep the program available for members.

The insurance business in Canada is a for-profit enterprise, and to improve the results insurers required a drastic change in underwriting. In fact, the renewal process took much longer than normal to have an insurance company be willing to provide coverage.

To keep the program alive with premiums at a manageable level, a large increase in deductibles was mandated by the insurers. So members will have to share a bigger cost of any loss to their bicycles. We know that your visceral reaction to this change is that the coverage is no longer worth the premium and that is of course up to you and your risk tolerance. What we can say is that the majority of claims have not been partial losses (with just a wheel or fork replaced) but total losses where the cost to replace damaged frames and components has exceeded the replacement cost of the bicycle.

Additionally, the program wording remains solid, and provides coverage for theft, along with damage to your bicycle while you are commuting, taking part in a club ride, or racing. Many other policies will not provide coverage for damage during races or training rides, so we feel that the program can still be of benefit to members. And hopefully with losses stabilized, we will be able to return to lower deductibles at the next policy renewal.

### 2. What value do I declare for replacement cost?

You should declare the value of current replacement cost, including all taxes, of your bike and wheels. If you do not know the current replacement cost, contact your local bike shop for an "insurance replacement estimate". If you do not have a local bike shop that you use, feel free to contact La Bicicletta in Vancouver (604-872-2424), and they will give you a replacement estimate, regardless of the brand.

Then declare this value for replacement. You should declare the replacement value of the frame, groupset, and all upgraded parts such as saddles, cockpits, and wheels.

### **3. How will settlement work in the event of damage or loss?**

If your bike is damaged while riding, the insurance policy will pay for repair or replacement, whichever is less. In the event you do not wish to have your bike repaired or replaced, the insurance policy will pay a cash settlement for the Actual Cash Value of the bike. This is the replacement cost value of the bike, less depreciation.

Example: Your bike is a 2019 Giant Propel Advanced Disc with Ultegra mechanical groupset, and Zipp 303 Tubeless wheels. Replacement cost is \$4,900 for the bike and \$3,740 for the wheels. The bike is damaged during a training ride crash, and requires replacement of the frame and fork, shift lever, rear derailleur, and replacement of the front wheel. Replacement value of the bike is \$8,640, and this is the value that is declared. The repair cost is \$5,400. The insurers will pay the repair cost, less your \$2,500 deductible (for a \$2,900 total payment) and put you back on the road.

In the event the bike was stolen, you would receive the full \$8,640 amount to replace, again less your \$2,500 deductible. If the cost to replace exceeded \$8,640, you would only receive up to the declared value.

If you had insured this bike at up to the \$5,000 value, then the maximum amount paid for repair or replacement would be \$5,000, less your \$1,000 deductible, despite a replacement value of \$8,100.

Unfortunately, because of losses in the program, increased deductibles are required for insured bikes this year.

So for a \$12,500 bike and wheels, the maximum payout will be \$7,500 (\$12,000 less the \$5,000 policy deductible).

### **3. What happens if I have two sets of wheel with my bike?**

Declare the replacement value of both when itemizing the custom amount for the bike.

### **4. How is damage during transit covered?**

The only transit damage that will be paid is if the bike is damaged while being transported in a hardshell case.

Example: <https://ca.sciconbags.com/en/aerotech-evolution-x-tsa-bike-travel-case>

### **5. Is previous crash damage covered?**

No, only damage that occurs after the policy is put in place will be covered. As part of the application process, you will need to submit two photographs – drive side and non-drive side - taken the day of application (will show date of photo in meta data).

**6. If my bike is stolen from home or inside a hotel room, is it covered?**

It will be covered if there are signs of forced entry. You should lock your bike inside the hotel room if you are concerned about it being stolen. You will also need to file a police report as part of your claim.

**7. Is all damage to my bike covered, regardless of when I was riding it?**

If your bike is damaged during a Cycling BC sanctioned or registered event (race or Cycling BC registered club ride) then the damage will be covered.

If you are a member of a Cycling BC registered team, you will also be covered while on solo training rides.

The policy is also covers damage that takes place during commutes, and when you're just out riding for fun.