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Consultation Statement to the Implementation of the Directive for Motor Vehicle Insurance (2009/103/EG)

About NMA

The Nordic Micromobility Association is a joint initiative by micromobility companies primarily e-scooter operators. It started operating in 2019 and current members are Bird, Bolt, Dott and Lime. The association work to promote the industry, encourage competition, and continue to establish dialogue with cities and governments across the Nordics. Our primary goal is to maintain high standards of scooter operations across the Nordic countries in line with our existing agreements in cities.

Background

In order to reach the climate goals, increased electric shared micromobility is essential, partly for trips to and from public transport (so-called "first/last mile"), partly to relieve the same, in line with creating attractive alternatives to private cars in cities. During 2022, approx. 13 million trips, which equals nearly 22 million kilometers, were driven in Finland alone with NMA members' shared electric scooters. In total, we estimate that today there are approx. 50,000 thousand electric bicycles for rental purposes in Finland (the estimate also includes the operators who are not members of the NMA, but not private vehicles).

NMA members are constantly working to improve the safety of their vehicles and to promote safe user behavior and a traffic infrastructure that is both safer and more user-friendly for electric scooter riders.

About the New EU Directive

The members of the NMA believe that electric scooters with a maximum speed of 25 km/h, regardless of weight, should be exempted from a broad Finnish road insurance obligation for the following reasons.

The proposed traffic insurance may lead to less safe vehicles

The product development of the e-scooters has undergone noticeable changes over the past five years, and innovation has led to the introduction of new features that have drastically increased safety, such as significantly better brakes, more stable kickstands, shock absorption and larger wheels and indicators, as well as replaceable batteries to further reduce the vehicle's climate footprint. The development has also meant a certain increase in the weight of the vehicle (from approx. 12 kg in 2019 to approx. 34 kg today), especially for electric scooters developed for rental purposes. The latest models of shared e-scooters are more robust and safer and have significantly longer lifespans than previous models. The latest models have a lifespan of over 5 years, which also means reduced carbon dioxide emissions. The development is illustrated by the images below, which compare an older lighter model (first generation vehicle for rental purposes in line with today's private electric scooters) weighing around 12 kg, with a new generation electric scooter weighing over 25 kg.



Older, lighter, versions of e-scooters.



Examples of newer, more developed and heavier, versions of e-scooters.

A threshold weight of 25 kg therefore risks leading to impaired conditions for safety. It also risks leading to safer electric scooters developed for rental purposes being discriminated against in comparison to private electric scooters, which are usually of simpler and lighter models without the safety features that vehicles for rental purposes usually have today. In the long run, the new regulation could lead to the development of even safer vehicles being slowed down, as the financial burden would be far too great for vehicles that are not exempt from the traffic insurance requirement.

The Need of Insurance and Risk of Injury Today

More and more e-scooter rental companies today have liability insurance. The liability insurance referred to then is a liability insurance maintained by the owner of the vehicle (rental operator or private owner). Liability insurance is specifically designed to cover damage to third parties (property damage as well as bodily injury) arising from the use of the vehicle (eg a traffic collision). An insurance amount of EUR 1 million per damage is today the market standard for this type of insurance, which should be considered more than enough to cover the type of damage associated with electric scooters. Statistics from one of NMA's member companies as well as statistics from insurance companies on the market indicate that an average damage to a third party is in the range of EUR 2,000 - 5,000 for e-scooters in Europe.

The insurance obligation accompanying the EU Directive would be a disproportionate and discriminatory burden on certain electric single-person vehicles such as e-scooters, as their accident rate, accident severity, speed, size, use and applicable traffic rules are comparable to those of mechanical and e-bikes, rather than other motor vehicles.

An exception to the EU directive within the framework of Finland's implementation, like an exception that Sweden intends to introduce, would be compatible with recital 6 of the directive: "*(...) certain motor vehicles are smaller and thus less likely to cause significant personal or damage to property than other vehicles. It would be disproportionate and not future-proof to include them in the scope of Directive 2009/103/EC*". It is clear that the EU has intended to make exceptions for certain smaller motor vehicles. The concept of smaller motor vehicles should be interpreted in the light of the motor vehicles that have typically been subject to insurance, e.g. passenger cars, i.e. the term should also include the latest models of shared electric scooters that are on the market today. Thus, an exception similar to the one proposed by the Ministry of Justice in Sweden should also be possible in Finland then it should be considered to be in accordance with the purpose of the directive.

As follows from the proposed wording of the new §2a of the traffic damage act in Sweden, some of the vehicles covered by the traffic insurance obligation may continue to be used without traffic insurance, provided that they are designed for a

speed of no more than 20 km/h (legal speed in Sweden). This exception probably affects all commercially shared electric scooters in Sweden in its current design. These vehicles are instead proposed to be covered by the national guarantee fund in Sweden (Trafikförsäkringsföreningen). Corresponding exemptions can also be implemented in Finland through the [Trafikförsäkringscentralen]. This is something NMA strongly advocates and thus recommends that Finland also consider.

Clarification regarding speed limit

NMA sees a possible need for clarification regarding the concept of "designed for" in Finnish law. Like many other electric vehicles, e-scooters primarily use a digital speed limit, which means that the vehicles owned by rental companies cannot be driven at more than 25 kilometers per hour in Finland (20 km/h in the other Nordic countries) regardless of the maximum speed set by the hardware can allow. Previous practice in many countries states that such a digital speed limit can be interpreted as synonymous with the speed limit for which the vehicle is designed. This is something that should also be clarified in Finland to avoid ambiguities.

Abstract

Suggested Implementation Puts the Development at Risk

The development of electric scooters for rental purposes has meant that the later models have become both safer and heavier, due to e.g. better brakes, more stable stand plate, shock absorbers and bigger wheels. A weight restriction related to exemptions from the traffic insurance requirement risks inhibiting further development.

The Insurance Situation Today

Most rental companies of electric scooters currently already have liability insurance that covers damage to third parties, both personal injury and property damage. Taking into account that the risk and severity of accidents with electric scooters is on a par with the same risk for electric bicycles and mechanical bicycles, the same insurance rules should also apply to electric scooters as for other types of bicycles.

Promote sustainable travel

Finally, we at NMA want to highlight the role of micromobility for the green conversion of passenger traffic. Motor insurance for single-person electric vehicles and shared micromobility is very likely to significantly impact the use of shared micromobility services, as the cost of such motor insurance is four times higher than the liability insurance that NMA members currently have for their vehicles.

The cost increases brought about by traffic insurance could mean that operators cannot maintain a provision of services that contribute to the green transformation of our cities. Alternatively, the cost for customers may increase sharply, which may lead to a reduced use of the service in favor of other, less sustainable, travel. The cost increases also jeopardize the ability to provide shared micromobility services in already underserved areas, such as suburbs and peri-urban areas. In these areas, the need for shared micromobility is often great due to limited access to public transport.

Increased insurance costs, and thus higher prices, risk discouraging citizens from using shared micromobility services. New regulations should instead focus on rewarding and supporting more environmentally friendly modes of transport, in order to achieve both national and regional sustainability goals of reduced car transport and lower carbon dioxide emissions. A new road insurance requirement for light electric vehicles risks doing the opposite.

Conclusion

Shared micromobility, and in particular shared e-bikes and e-bikes, have become an established mode of transport in cities. The NMA strongly advises against requiring traffic insurance for electric one-person vehicles such as electric scooters and shared micromobility in general based on the above-mentioned justifications. We also urge the Finnish authorities to look at the proposed exception presented in Sweden, where the state guarantee fund is proposed to step in as a guarantor for vehicles such as electric bicycles as a traffic insurance requirement is not considered appropriate for this type of vehicles.

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