

## **Written evidence submitted by the International Underwriting Association of London**

### **About the IUA**

The International Underwriting Association of London (IUA) represents international and wholesale insurance and reinsurance companies operating in or through London. It exists to promote and enhance the business environment for its members. The IUA's London Company Market Statistics Report shows that overall premium income for the company market in 2018 was £28.437bn. Gross premium written in London totalled £19.559bn while a further £8.877bn was identified as written in other locations but overseen by London operations.

### **Reason for submitting**

The IUA's membership encompasses insurers and reinsurers that write an extensive range of insurance policies, both in respect of UK risks and those overseas. Therefore, our members will have a real interest in the development of e-scooters, as well as other forms of micromobility, from a variety of perspectives. For example, some members will provide (re)insurance policies for companies involved in the design and manufacture of e-scooters and service providers operating rental schemes, whilst some will provide reinsurance policies in respect of motor and / or general liability insurance policies provided by direct insurers.

### **Whether the legislation for e-scooters is up to date and appropriate**

There is a need for absolute clarity in respect of the regulation of e-scooters in the UK. A regulatory framework must be developed that makes it obvious to all users of micromobility, other vehicles on the road, designers, manufacturers, rental scheme providers and insurers, exactly what their obligations in respect of micromobility are. Each stakeholder may have a key role to play in the uptake and safe, sustainable use of micromobility. This clarity will support the development of a system that can be trusted by the stakeholders impacted by it, and one which provides the foundation for any future micromobility regulation, based on the understanding gained from the uptake of vehicles upon their eventual legalisation.

It is our suggestion that a micromobility device permitted by government for use in the UK, only be considered for use on the road as opposed to pavements. There are a number of reasons for this, which apply equally to the case of bicycles, centring around the need for pedestrians to be protected.

More broadly, we do not think there should be a blanket approval for micromobility use on UK roads, given the variety of technology available. It is our opinion that case-by-case consideration is required in respect of the size, speed and danger of individual micromobility vehicle types to users and the public, prior to permission for use on UK roads. Views amongst our members vary as to how exactly such vehicles should be regulated, though there is broad agreement on the need for any regulation to provide certainty and clarity. One of our members has suggested that it may be appropriate to only consider micromobility vehicles with handlebars / steering columns, such as e-scooters, for use in the UK.

We think that careful and thorough analysis is required as to which roads e-scooters should be permitted for use on. It seems appropriate to limit the use of e-scooters, as with any other form of micromobility that is permitted for use in the UK, to low speed roads. It has been suggested that EAPCs be utilised as a case study when developing an approach to e-scooters, in respect of both manufacturer and user requirements.

We would like to draw attention to the fundamental need for comprehensive trialling and testing of micromobility vehicles prior to their rollout. This is particularly pertinent in light of the probability that demand for alternative transport will likely increase earlier than anticipated, as a response to the phased return to work for some individuals during the COVID-19 crisis. We are aware of the recent announcement from Secretary of State for Transport, Grant Shapps, announcing some trials of micromobility within the UK. Any expedited rollout of micromobility would be of substantial concern, were it to infringe on a comprehensive testing programme prior to approving vehicles for use on UK roads. Our members providing insurance and reinsurance policies with regard to other road users would warn strongly against any shift that would infringe upon their safety, as well as that of pedestrians. Insurers will be monitoring the trials closely and would welcome access to any data and outcomes arising, which will support their ability to analyse the risks involved in the use of this rapidly evolving range of technologies.

We think that each individual micromobility type should be examined in detail by the relevant safety bodies before being permitted for use in the UK. This is in order to ensure that they do not endanger other road users and pedestrians. We would expect this approval to be issued alongside rules for exactly where these vehicles can be used. Additionally, we would presume that specific safety requirements/parameters would be implemented in each circumstance where a micromobility type is approved, dictating how that technology can be used, should be developed / manufactured and some minimum requirements for operators of rental schemes. This is particularly pertinent in light of the evidence to date regarding the uptake of e-scooters in Europe and the prevalence of rental schemes. It seems reasonable to expect that providers be required to demonstrate their competence before being permitted to provide such schemes in the UK. Providers should be judged to be prudent, reliable and well funded, in order to ensure that sustainable rental schemes be developed that operate effectively in the long, as well as the short-term.

With a view to increasing safety, it is possible that micromobility vehicles could be permitted for use on cycle lanes and cycle tracks as opposed to roads in the first instance, while data is gathered on their appropriateness as road-using vehicles. In this case, test sites should be chosen in light of how comprehensive the cycle lane / path networks are. However, we accept that in the long-term this will not be feasible as cycle lanes and tracks do not cover a significant portion of UK road networks and are congested. We would encourage government to ensure that there is suitable capacity available for the use of e-scooters and that road infrastructure is present to accommodate their use.

As with many new technologies, various industry stakeholders will call for compulsory insurance to help manage concerns relating to safety and liability arising from accidents. As an association, we do not call for compulsory insurance and instead prefer to allow the market to evolve naturally and develop its own solutions. We do, however, acknowledge that as micromobility vehicles remain illegal, but are classified as vehicles within the widened scope of the Motor Insurance Directive (MID) (discussed further below), incidents involving them are paid for by the Motor Insurers' Bureau (MIB) as they are technically uninsured vehicles. This situation is problematic for both policyholders and insurers, given that the insurance market funds the MIB via a levy, which has a direct impact upon policyholders' premiums. Broadly speaking, any discussion pertaining to compulsory insurance should consider that it would be disproportionate to expect that RTA level insurance coverage be required in respect of micromobility vehicles and that there are currently no insurance requirements for bicycles or EAPCs.

Should the government legislate for the use of micromobility, it would be pertinent to ensure that the implications of the 2014 Court of Justice of the European Union (CJEU) case of *Damijan Vnuk v Zavarovalnica Triglav*, as well as subsequent cases pertaining to the scope of the Motor Insurance Directive (MID), are considered alongside this process. We are aware that the MIB and DfT are in discussions regarding this particular issue and would support any action to provide certainty to insurers and reinsurers, and in turn policyholders, in the UK. It is imperative to establish the boundaries of the MID and to limit its scope to that which was intended when the RTA was developed, both in respect of the definition of 'vehicle' and 'use of vehicle', and in capturing vehicle use on private land. Addressing these concerns is paramount in preventing adverse effects to the MIB fund, which is there to protect road users in the event of collisions with uninsured drivers.

**To what extent e-scooters have positive benefits, for instance relating to congestion and promoting more sustainable forms of transport**

There is a clear potential for environmental and social benefits that may arise through the take-up of micromobility, including reduced congestion and pollution. It has been widely cited that micromobility will likely lead to a reduction in 'traditional' vehicle use, however, as we will discuss later in this response, it is possible that micromobility may lead to more accidents.

Members noted that in respect of first party risks associated with the use of micromobility vehicles, there is the potential for accidents to be caused by poor road infrastructure, which is exacerbated by the nature of some micromobility devices being less stable in comparison to bicycles. Consequently, it is important for the government to ensure that the transport infrastructure that these vehicles may be used on is adequate to ensure the safety of users.

**Where in the urban environment e-scooters could be used (e.g. road, pavement, cycle lanes), and how this could impact on other road users and pedestrians, including people who have visual impairments or use mobility aids.**

It is fundamental that other road users' safety be central to the considerations of the UK government when analysing the impact of e-scooters.

We think that there should also be requirements for the parking of vehicles to ensure that vulnerable pedestrians are not adversely affected by the presence of parked vehicles. Docking stations or a similar system would be an acceptable provision available to safeguard pedestrians, as well as protect vehicles from accidental damage.

As with cyclists, there is a potential issue with traceability of the vehicle and user in the event that it is not part of a rental / fleet scheme from a service provider. Fleet providers may hold the key to gathering the required data to evaluate the use of such vehicles in terms of geography, crashes/injuries and use patterns. One comparison that may support the regulation of micromobility vehicles is the Civil Aviation Authority (CAA) work in respect of Unmanned Aerial Vehicles (UAVs). UAV technology is easily accessible and poses a risk of both property damage and bodily injury, both in the air in respect of other aircraft and on the ground when utilised near people or buildings. The CAA now require all operators of UAVs above a minimum weight, below which they are considered to be toys, to register and take a short online test affirming that they understand key aspects of applicable drone regulation. Data published by the CAA would be of great interest to insurance market participants in understanding the scale of the risk presented, which would apply equally to any scheme developed for micromobility. This CAA work has also established a framework for any further regulation. This could include the requirement of identification stickers to be placed on

aircraft, the introduction of a mobile application to pre-register your drone flight or advanced Unmanned Traffic Management (UTM) systems. This case study could be considered in light of micromobility use, were the government to identify a need for greater control of the use and uptake of micromobility vehicles. However, we would recommend the careful consideration of any regulation to ensure that a balance is established between safety, privacy and data protection concerns, whilst encouraging the uptake of the technology.

It may also be of value to consider the approach taken to micromobility vehicles in other jurisdictions, for example, in Germany, micromobility vehicles are developed with unique serial numbers, which can be checked against a database by police. We would refer to the International Transport Forum Safe Micromobility report referenced below, which provides a useful breakdown of the approach taken to micromobility in different jurisdictions.

[https://www.itf-oecd.org/sites/default/files/docs/safe-micromobility\\_1.pdf](https://www.itf-oecd.org/sites/default/files/docs/safe-micromobility_1.pdf)

There needs to be consideration of the risk to children using micromobility vehicles. We are aware of the tacit understanding that children are able to cycle on pavements, which is in line with the understanding that criminal responsibility cannot be assigned to an individual aged 10 or under. We believe there needs to be thought around a minimum age requirement for use of micromobility vehicles in public spaces to protect all road users. This may need to be varied by vehicle type or category of micromobility, were micromobility vehicles to be placed into type categories.

#### **Whether there should be advice or compulsory requirements to use specific safety equipment when using an e-scooter**

We are aware of the widely discussed Austin (Texas) study on micromobility use and the injuries associated, referenced within the consultation on micromobility issued by the DfT. As outlined, we would also refer to The International Transport Forum Safe Micromobility paper, which provides a substantial amount of valuable insight to injury data, regulatory approaches in different jurisdictions and vehicle design / technical specifications, among other topics.

It is evident that the majority of injuries from micromobility use are first party and, as with cyclists, users would generally not be held liable in an incident with a vehicle. The experience from the studies mentioned highlights the need for adequate safety equipment to be utilised by users. It may be pertinent to consider alternative enforcement of compulsory safety equipment, in light of the current lack of requirements in place for bicycles and EAPCs. One member has suggested that through careful regulation of service providers permitted to operate rental schemes in the UK, best practice around the safe use of vehicles and equipment to support this would likely emerge. This is in light of the inherent responsibilities of those providers to the users of their vehicles. Such an approach would also create a more flexible system of self-regulation, rather than place the onus on Government to maintain a constant system of monitoring and legislative amendment.

It has also been relayed that, in general, there is the potential for service providers to play a key role in the rollout of micromobility vehicles. Their funding, expertise and digital infrastructure allow for controlled use of vehicles utilising technology such as geo-fencing installed in scooters and tracked through apps to allow the use of vehicles in certain areas of cities. Improvements to vehicle design can also be implemented faster and more widely to create a best practice framework in design and use of such vehicles, which can limit the need for government intervention.

**Whether there should be safety and environmental regulation for the build of e-scooters, and what this might entail**

We acknowledge that service providers may have a role to play in ensuring safety requirements on these vehicles are met, this will likely be supported by their past-experience in operating such schemes. We also believe that there should be clear safety and environmental regulation for those manufacturing e-scooters for use in the UK. We are not best placed to suggest what this regulation may entail.

**The experience of other countries where e-scooters are legal on the roads**

It has been relayed by one member that the presence of appropriate road infrastructure is key to the use of e-scooters on roads. Cities with old road infrastructure such as narrow streets or cobbling tend to suffer with more significant issues in implementing the use of e-scooters, as the lack of stability and sturdiness of the vehicles causes issues. Cities that have planned for more sustainable modes of transport will likely better support the uptake of micromobility.

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