

# Thinking About Buying an Expensive New Bicycle?

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## *I.I.I. Offers Tips to Properly Insure Your Bike*

### **INSURANCE INFORMATION INSTITUTE**

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**NEW YORK, October 11, 2007** - Almost 1,000,000 bicycles were stolen in the U.S in 2006, according to the FBI and most of them were never seen again. With the increasingly popularity of cycling as both a sport and a means of transportation, bicycles have become a target for thieves, according to the Insurance Information Institute (I.I.I.).

"A good bike can cost several thousand dollars," says Jeanne Salvatore, senior vice president, and consumer spokesperson at the I.I.I. "To protect it, always lock your bike, and make sure you have adequate insurance coverage."

Bicycles are stolen most often in densely populated areas such as cities and suburbs, but university and college towns are another hot spot, with bicycle theft representing over half of property crimes on campuses.

Bicycles are covered under the personal property section of standard homeowners and renters insurance policies. This coverage will reimburse you, minus your deductible, if your bike is stolen or damaged in a fire, hurricane or other disaster listed in your policy.

There are two types of coverage for personal property:

- **Actual Cash Value**

Actual cash value is what the bicycle is actually worth given its age. A ten year old bicycle, for example, would be valued at the cost of a new bicycle minus ten years depreciation.

- **Replacement Cost Coverage**

Replacement cost coverage reimburses you for what it would cost to replace your ten year old bicycle with one of like kind and quality at today's cost. The price of replacement cost coverage is about 10 percent more than actual cash value, but it can be a good investment.

Homeowners and renters insurance also provide liability protection for harm you cause to someone else or their property. So if you injure someone in a bicycle accident, and they decide to sue, you will be covered. This portion of your policy also includes no-fault medical coverage; in the event you injure someone, he or she can simply submit medical bills to your insurance company. This way, medical bills can be paid without having to go to court. You can generally get \$1,000 to \$5,000 worth of this type of coverage.

To make sure your bicycle is adequately protected, the I.I.I. suggests the following:

- **Save all your receipts**

When you buy your bicycle you will probably purchase expensive equipment to go with it. Be sure to save your receipts for everything. The cost of a helmet, patch kits, pumps, extra inner tubes and other essentials can add up quickly. If your bike is damaged or stolen, having receipts will speed the claims process.

- **Add your bike to your home inventory**

Everyone should have an up-to-date home inventory of their personal possessions. This can help you purchase the correct amount of insurance and speed the claims process if there is a loss. To make creating a home inventory easier, the I.I.I. provides free, downloadable software located at <http://www.knowyourstuff.org> . A recently updated version of the software is available which allows you to add a digital photograph of your valuables and save scanned receipts

To protect yourself and your bike while cycling, follow some simple rules:

- Always wear a helmet. The most serious bike injuries are to the head.
- Wear reflective clothing so motorists can see you.
- Do regular maintenance on your bicycle. Repair tires and brakes as they get old.
- Obey the rules of the road. Follow the same rules that apply to cars and other vehicles, such as stopping at stop signs and yielding to pedestrians.
- Ride in the same direction as cars, never against traffic.
- Ride well to the left of parked cars. This will help you avoid being "doored" when a motorist unexpectedly opens the driver's side door as you ride by.

To learn more about bicycle theft and safety visit the National Bike Registry and the National Highway Traffic Safety Administration.

For more information about insurance and safety, go to the I.I.I. Web site.

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