

# TECHNICAL ADVISORY

## INDEPENDENT INSURANCE AGENTS OF LOUISIANA

TA 178

February 12, 2001

**SUBJECT:            MOTORIZED WHEELCHAIRS AND MEDICAL SCOOTERS**

**BACKGROUND:**    Wheelchairs were used in China as early as the 6<sup>th</sup> Century AD. They were in use in Europe as early as the 17<sup>th</sup> Century, but did not see widespread service in the United States until after the Civil War. Until the 1980's, wheelchairs remained simple devices, but the development of lightweight materials and computer technology totally revolutionized them into high-tech marvels and medical wonders.

**MAIN POINTS:**    While motorized wheelchairs and medical scooters afford mobility to many people, they also present certain coverage issues in Homeowners insurance.

A recent call from a member agent to the IIAL Education Department illustrates the problem. The insured had suffered a serious, permanent injury, and had just purchased a new motorized wheelchair for \$6,000. The agent had tried to find coverage in various markets, but to no avail. In addition to property coverage, the agent sought liability coverage for the operation of the wheelchair, which the insured used both on and off her residence premises, including at her job.

The agent was happy to learn that both property and liability coverage for motorized wheelchairs and medical scooters is included in the standard Homeowners Policy. Here is a coverage analysis for the HO-91 Program, which is currently in use in most states, and the HO-2000 Program, which is being phased in across the country this year.

**Coverage C.** Coverage C applies to "*personal property owned or used by an insured while it is anywhere in the world.*" (Same wording in HO-91 and HO-2000.)

**Coverage C – Property Not Covered.** While the Homeowners Policy excludes “motorized land conveyances” from Coverage C, there is an exception which applies to vehicles such as motorized wheelchairs and medical scooters:

HO-91: *“We do cover vehicles or conveyances not subject to motor vehicle registration which are:*

*b. Designed for assisting the handicapped.*

HO-2000: *“We do cover motor vehicles not required to be registered for use on public roads or property which are:*

*b. Designed to assist the handicapped.*

**Section II – Liability and Medical Payments.** Section II in the Homeowners Policy contains an exclusion for the ownership, maintenance or use of motorized land conveyances, but provides an exception which applies to vehicles such as motorized wheelchairs and medical scooters:

HO-91: *This exclusion does not apply to:*

*(4) A vehicle or conveyance not subject to motor vehicle registration which is:*

*(b) Designed for assisting the handicapped.*

HO-2000: *If exclusion 1.a. does not apply, there is still no coverage for “motor vehicle liability” unless the vehicle is:*

*(3) Designed to assist the handicapped and, at the time of the “occurrence,” it is:*

*(a) Being used to assist a handicapped person; or*

*(b) Parked on an “insured location.”*

While the Section II exclusion in the HO-2000 is slightly more restrictive, it would still provide coverage for the normal operation of a motorized wheelchair or motorized scooter by the handicapped insured, both on and off premises.

**NECESSARY  
ACTION:**

Circulate this Technical Advisory to all Personal Lines staff.