



DOG-RELATED CLAIMS MADE UNDER PROPERTY AND CASUALTY INSURANCE POLICIES

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ISSUE

This report provides information on the number of dog-related claims made under property and casualty (e.g., homeowners and renters) insurance policies over a five-year period (2010 through 2014) and the types of dog breeds involved in claims. It also addresses how insurance companies adjust rates for policyholders who own certain dog breeds.

SUMMARY

To gather data for this report, we contacted the Insurance Information Institute (III), Connecticut Insurance Department (CID), and Insurance Association of Connecticut (IAC).

The III tracks data on dog-related claims on a nationwide basis. In 2014, there were an estimated 16,550 dog-related claims under property and casualty insurance policies nationwide with an average cost per claim of \$32,072.

According to CID, the department allows insurers to handle a dog's breed and bite history through the underwriting process. If an insurer uses a breed restriction list in its underwriting process, it generally will not issue a policy to a prospective insured who owns a dog of a breed included on that list.

At our request, the IAC surveyed its property and casualty insurer clients for information about dog-related claims and underwriting processes. Few companies responded to the request. The specific information gathered is provided below, including lists of dog breeds excluded from coverage.



INSURANCE INFORMATION INSTITUTE DATA ON DOG-RELATED INJURIES

According to the III's May 2015 [article](#) on dog bite liability issues:

- 68% of U.S. households, or 83.3 million homes, own a pet;
- about 4.5 million people are bitten by dogs each year and about 885,000 require medical attention for these injuries; and
- some insurance companies will not insure homeowners who own certain dog breeds categorized as dangerous, while others decide on a case-by-case basis.

Table 1 provides the estimated number and cost of dog-related injury claims on a nationwide basis from 2010 through 2014. The information comes from III, which works with State Farm to develop its dog bite liability database.

TABLE 1: ESTIMATED NUMBER AND COST OF DOG-RELATED INJURY CLAIMS NATIONWIDE (2010-2014)

YEAR	NUMBER OF CLAIMS	VALUE OF CLAIMS (Millions)	AVERAGE COST PER CLAIM
2010	15,770	\$ 412.6	\$ 26,166
2011	16,695	490.8	29,396
2012	16,459	489.7	29,752
2013	17,359	483.7	27,862
2014	16,550	530.8	32,072

Source: Insurance Information Institute article at <http://www.iii.org/issue-update/dog-bite-liability>

At our request, State Farm isolated Connecticut data for 2010 through 2014, as shown in Table 2. This information is specific to State Farm and does not include data from other insurers. State Farm is the fifth largest writer in Connecticut, according to CID, behind Liberty, Chubb, Travelers, and Allstate.

State Farm's data shows a five-year average of 28 dog-related claims per year in Connecticut with an average cost per claim of \$40,074. In 2014, State Farm had 28 dog-related claims under Connecticut property and casualty insurance policies with an average cost per claim of \$28,406.

TABLE 2: STATE FARM'S DOG-RELATED CLAIM DATA FOR CONNECTICUT (2010-2014)

YEAR	NUMBER OF DOG-RELATED INJURY CLAIMS	TOTAL PAID FOR DOG-RELATED INJURY CLAIMS	AVERAGE COST PER CLAIM
2010	25	\$ 924,319	\$ 36,972.76
2011	31	1,488,677	48,021.84
2012	17	628,860	36,991.76
2013	38	1,899,187	49,978.61
2014	28	795,357	28,405.61
Five-Year Total	139	5,736,400	---
Five-Year Average	27.8	1,147,280	40,074.12

Source: State Farm email to author dated May 19, 2015

CONNECTICUT INSURANCE DEPARTMENT'S POSITION ON UNDERWRITING A DOG'S BREED

According to CID, the department does not collect or track specific claims data from insurers. However, it reviews insurers' rate filings, which are the insurers' requests to change the premiums they charge for policies. Rate filings are developed using actuarially based data.

In general, CID does not allow rate filings that contain a specific surcharge for a dog's breed. Instead, it allows insurers to handle a dog's breed and bite history through the underwriting process.

Underwriting is the process insurers use to assess risk and determine whether they want to write policies covering the risk. If an insurer uses a breed restriction list in its underwriting process, it generally will not issue a policy to a prospective insured who owns a dog that is on the list.

After underwriting is completed, if an insurer determines it is willing to write a policy covering the risk, it will continue with the rating process to calculate the premium to be charged. CID also allows an insurer, with the insured's consent, to attach a rider to a policy excluding coverage for a specifically named dog.

INSURANCE ASSOCIATION OF CONNECTICUT'S SURVEY OF INSURERS

At our request, the IAC surveyed its property and casualty insurer clients for information about dog-related claims and underwriting processes. Few companies responded to the request and those that did replied anonymously.

One insurer replied that it had 60 reported dog-related claims in Connecticut from 2010 through 2014. Of the 60 claims, 34 did not identify the dog's breed. The other 26 claims identified the following breeds were involved:

- German shepherd: 6 claims
- Bulldog: 3 claims
- Pit Bull: 3 claims
- Cockapoo: 2 claims
- Labrador: 2 claims
- Mastiff: 2 claims
- Beagle: 1 claim
- Boxer: 1 claim
- Chihuahua: 1 claim
- Mixed breed: 1 claim
- Poodle: 1 claim
- Rottweiler: 1 claim
- Shih-Tzu: 1 claim
- Weimaraner: 1 claim

For the 60 reported claims, the insurer noted that the average cost per claim increased as follows from 2010 through 2014, which it attributes in large part to rising medical treatment costs:

- 2010: \$23,299
- 2011: \$18,766
- 2012: \$34,399
- 2013: \$21,294
- 2014: \$53,112

The insurer also noted that, through its underwriting process, it does not issue coverage for the following breeds:

- Pit Bull, including American Pit Bull, American Staffordshire, and Staffordshire Terrier
- Doberman Pinscher
- Rottweiler
- Chow-Chow
- Presa Canario

- Wolf hybrid

Another insurer informed IAC that it does not issue coverage for the following breeds:

- Akita
- Chow-Chow
- Dogo Argentino
- Mastiff, including American Mastiff, Bullmastiff, Neapolitan Mastiff, Tibetan Mastiff, English Mastiff, Bull Terrier, Miniature Bull Terrier, American Bull Terrier, English Bull Terrier, Staffordshire Bull Terrier, American Bull Dog, Cano Corso, Dogue de Bordeaux, and Boerboel
- Pit Bull, including American Staffordshire Terrier and American Pit Bull Terrier
- Presa Canario
- Rhodesian Ridgeback
- Rottweiler
- Tosa Inu
- Wolf hybrid
- Mix with any of the above breeds

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