Statement
Insurance Association of Connecticut
Insurance & Real Estate Committee

February 3, 2016

HB 5443 AN ACT CONCERNING THE USE OF BREED OF DOG AS AN UNDERWRITING FACTOR FOR HOMEOWNERS AND TENANTS INSURANCE POLICIES

My name is Dallas Dodge, and I serve as Counsel to the Insurance Association of Connecticut (IAC). The Insurance Association of Connecticut (IAC) opposes **HB 5443 An Act Concerning the Use of Breed of Dog as an Underwriting Factor for Homeowners and Tenants Insurance Policies**.

First, it is important to recognize that the use of dog breed as an underwriting or rating factor is not a universal practice. There are currently a number of well-respected homeowners' insurance companies doing business in Connecticut that do not take dog breed into account at all. In other words, affordable and comprehensive homeowners insurance is readily available to owners of dogs of all breeds.

Some insurers, of course, do take dog breed into account in underwriting or rating risk. The reason for this is that dog bites are some of the most costly liability claims paid by insurers, and some dog breeds are indisputably more dangerous than others.

According to the Centers for Disease Control (CDC), roughly 4.5 million people are bitten by dogs each year. About half of the victims are children, most of whom are bitten on the face, head or neck. Dog bites and other dog-related injuries accounted for more than one-third of all homeowners insurance liability claim dollars paid out in 2014, costing in excess of $530 million, according to the Insurance Information Institute. In

Connecticut, dog bite claims are especially costly because dog owners are strictly liable for damages caused by their dogs' actions. Conn. Gen. Stat. § 22-357.

All dogs have the potential to bite. Although some parties may wish to debate whether certain breeds have a more aggressive temperament, it is beyond dispute that the bite of some breeds is more dangerous than others. Common sense dictates that a large muscular dog with a powerful jaw is more dangerous than a small dog with a weak jaw. All things being equal, a larger dog's bite will cause greater injuries that are more likely to be catastrophic in nature.

Like any line of insurance, in order to be fair, insurers must have the flexibility to underwrite and rate homeowners insurance according to the risk presented. By the restrictions it would establish, HB 5443 would prevent insurers from engaging in legitimate underwriting and rating efforts in order to properly reflect the risks associated with certain breeds of dogs and potential liability from dog claims.

HB 5443 would result in unwarranted and unfair premium cost shifts, as non-dog owners and owners of dog breeds that present minimal risk will be forced to subsidize the premiums of dog owners who choose to own a more dangerous breed of dog.

In sum, not only is HB 5443 unnecessary, but there is a real risk that it will do harm to the insurance marketplace. Connecticut consumers benefit from a highly competitive homeowners insurance marketplace, as there are scores of insurers actively writing the business in this state. HB 5443 will reduce, not increase, competition in that marketplace to the detriment of all homeowners' insurance consumers. This is because some insurers may be forced to reexamine their presence

in the Connecticut market if they are prevented from underwriting and pricing their products according to the risk presented.

For the reasons set forth above, the IAC urges rejection of HB 5443. Thank you for the opportunity to testify on this legislation.