



Property Casualty Insurers
Association of America

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STATEMENT

PROPERTY CASUALTY INSURERS ASSOCIATION OF AMERICA (PCI)

H.B. No. 5443 – AN ACT CONCERNING THE USE OF BREED OF DOG AS AN UNDERWRITING FACTOR FOR HOMEOWNERS AND TENANTS INSURANCE POLICIES

The Property Casualty Insurers Association of America (PCI) appreciates the opportunity to comment on H.B. 5361 which would prohibit insurers from underwriting or rating homeowners or tenants insurance based upon the breed of dog owned by the insured unless other criteria other than breed is utilized. PCI is a national trade association representing over 1,000 insurance companies. In Connecticut, PCI members write 36% of the personal lines insurance in the state.

PCI strongly opposes this legislation because dog bite liability claims account for more than one-third of homeowners liability claim dollars paid by insurers and this bill would prohibit insurers from considering in underwriting or rating the increased risk posed by ownership of certain dog breeds. It is estimated that dog bites cost insurance companies more than \$530 million and the average cost paid out for dog bite claims nationwide in 2014 was \$32,072. About 4.5 million people are bitten by dogs each year.

Common sense would tell us that, while any dog may attack and while any dog may be as gentle as a lamb, dogs of certain breeds may be more dangerous than others. While there is no definitive list of “dangerous” breeds, a joint study by the Center for Disease Control, the American Veterinary Medical Association and the Humane Society on breeds involved in fatal human attacks is considered a type of “benchmark” on the issue. The study, released in 2000, tracked dog attack fatalities from 1979 to 1998. Not surprisingly, Pit Bulls and Pit Bull mixes far and away top the list of those breeds involved in fatal attacks. Rottweilers, German Shepards, Huskys, Malamutes, Dobermans, Chow, Great Danes and Saint Bernards round out the list.

Pit Bulls illustrate well how the breed (regardless of training) bears on the likelihood of dangerous attacks. Not only are Pit Bulls incredibly strong, but they don’t bite like most dogs, instead they clamp on to their enemy with their jaws and tear. Each year there are an alarming number of vicious injuries and fatal attacks against humans by certain breeds of dogs. Certain breeds can bite with a force averaging 1,000 pounds per square inch, and some can even bite with twice that force - enough to brutalize a child or adult in seconds. The oftentimes unprovoked and fierce nature of such attacks further supports an insurer’s need to incorporate such information in its assessment of risk.

It is important to note that not all insurers impose restrictions based on breed of dog and insurance coverage is generally available for dog owners. Depending on the insurer’s individual loss experience and underwriting practices, some insurers may impose restrictions upon specific breeds of dogs, while others do not. PCI opposes legislative or regulatory efforts that would require insurers to wait for a potentially devastating personal injury loss before being able to decide whether or not to provide, or continue to provide, coverage. Each insurer must retain the ability to provide

homeowners insurance based upon its own reasoned judgment of risk factors and the related anticipated loss, including the company's own assessment of the potential vicious propensities of a particular animal or breed of dog.

While this bill purports to allow the use of dog breed in underwriting or rating if additional criteria with respect to the dog other than dog breed is utilized, in practice, this language will result in a complete ban on the consideration of dog breed in underwriting or rating. It is not practical for insurers to have to collect additional criteria other than breed in order to consider the breed of a dog in underwriting or rating. Other than bite history, it is unclear what the other criteria contemplated by the bill might be and homeowners and renters would likely not disclose bite history. Furthermore, insurers should not be forced to wait until a dog bites someone prior to considering such an important factor as breed of dog in underwriting and rating. One bite from a large breed dog with an enormously strong jaw can have a horrific outcome and insurers should not have to wait for that bite to happen prior to being able to incorporate the increased risk posed by certain breeds into underwriting or rating.

It should be noted additionally that if insurers are prohibited from considering dog breed in underwriting and rating, the higher costs associated with increased dog bite liability claims will have to be passed along to all policyholders, thereby resulting in policyholders without dogs or high-risk dogs being unfairly required to subsidize policyholders that do own high-risk dogs.

For the foregoing reasons, PCI urges your Committee to not favorably advance H.B. 5443.