



To: The Honorable Pat Spearman, Chair
The Honorable Dina Neal, Vice Chair
Senate Committee on Commerce and Labor

From: Mark Sektnan, Vice President

Re: **SB 103 - Prohibits property insurers from discriminating based on the breed of dog at a property**
APCIA Position: OPPOSE

Date: Wednesday, February 24, 2021
8:00 a.m., Online

Chair Spearman and Members of the Committee:

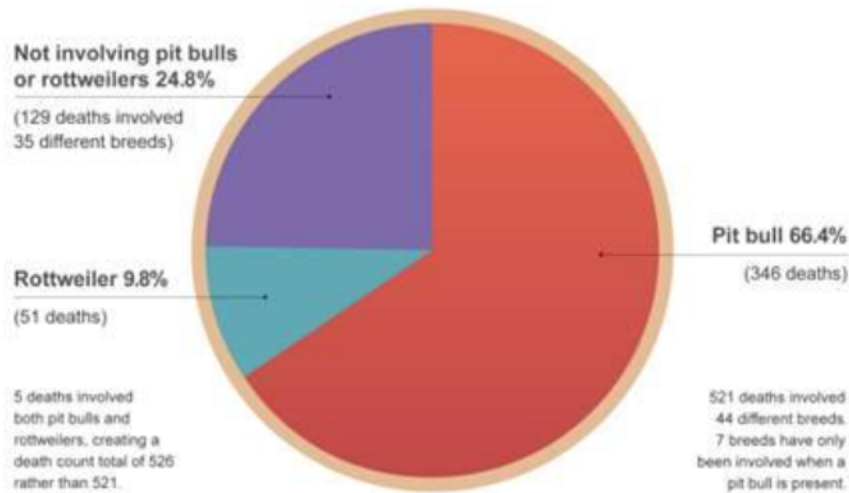
The American Property Casualty Insurers Association of America (APCIA) is **opposed to SB 103** which would require insurers to provide insurance to policyholders who have dangerous dogs on their property. Representing nearly 60 percent of the U.S. property casualty insurance market, the American Property Casualty Insurance Association (APCIA) promotes and protects the viability of private competition for the benefit of consumers and insurers. APCIA represents the broadest cross-section of home, auto, and business insurers of any national trade association. APCIA members represent all sizes, structures, and regions, which protect families, communities, and businesses in the U.S. and across the globe.

APCIA opposes legislative or regulatory efforts that would require insurers to wait for a potentially devastating personal injury loss before being able to decide whether to provide, or continue to provide, coverage. 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 severely injure 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.

According to the Insurance Information Institute, children comprise half of the 900,000 dog bite victims who require medical attention after a bite. Two-thirds of injuries to children ages four years and younger were to the head or neck region. Plastic and reconstructive surgeons all too often see these tragic consequences as they treat young patients with severe lacerations to the face and head that carry the potential of lifetime disfigurement.

15 Year U.S. Dog Bite Fatality Chart - 2005 to 2019

During this 15-year period, 521 Americans suffered death due to dog bite injury.



Breeds of Dogs Involved in the Most Human Fatalities

Dog Breed	Fatalities	% of Total
Pit bull	346	66.4%
Rottweiler	51	9.8%
Mixed-breed	27	5.2%
German shepherd	22	4.2%
Mastiff/Bullmastiff ₁	18	3.5%
American bulldog	16	3.1%
Husky	14	2.7%
Combination of 37 dog breeds ₂	≤ 9	

Numerous studies have been published on dog bite injuries and fatalities by breed. More than 4 million dog bites occur each year in the U.S., with associated liability claims totaling \$797 million in 2019 — an increase of 134% since 2003, according to the Insurance Information Institute (III) and State Farm®. The number of dog bite claims nationwide rose to 17,802 in 2019 from 17,297 in 2018—a 2.9 percent increase, according to an analysis of homeowners insurance data by the III. The average cost per claim increased by 14.7 percent in 2019. The average cost paid out for dog bite claims nationwide was \$44,760 in 2019 up from \$39,017 in 2018. The average cost per claim nationally has risen 134 percent from 2003 to 2019, due to increased medical costs as well as the size of settlements, judgments and jury awards given to plaintiffs, which are trending upwards.

APCIA understands the concerns of those who advocate for restrictions on underwriting based on dog ownership. Some people believe that insurers should avoid the assumption that a dog may be vicious merely because of breed, and they want to ensure coverage is available for those who may face the risk of a significant liability claim.

However, insurance companies must be able to properly underwrite and rate risks. If insurers are forced to insure those homeowners with an increased chance of loss, whether

it is a poorly maintained woodburning stove, a leaky roof, or an aggressive dog, then they must be able to charge an adequate rate. Where the hazard is too great, the rate would simply not be affordable, and some insurers may find it necessary to refuse to accept a new policy or to non-renew an existing policy. Further, it would be unfair to charge a higher rate to all insureds to continue to accommodate those with a controllable exposure.

While some have cited an insurance availability problem for dog owners, there is no evidence that dog owners are consistently unable to obtain liability coverage. There is great variance in insurer underwriting practices and ample consumer choice in the marketplace. Before bringing home a dog, homeowners should check with their insurer about the type of dog they are considering. If there is an issue with the specific breed, a homeowner can shop around for a different insurer or consider a different dog breed. There is ample choice in the marketplace for consumers.

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 propensities of a particular animal or breed of dog to cause injury.

Accordingly, for all these reasons, APCIA urges you to **oppose** this legislation.