

HOUSE BILL REPORT

HB 1895

As Reported by House Committee On:
Financial Institutions & Insurance

Title: An act relating to homeowner's insurance.

Brief Description: Limiting when the presence of a dog may affect the availability of homeowner's insurance.

Sponsors: Representatives Campbell and Kirby.

Brief History:

Committee Activity:

Financial Institutions & Insurance: 1/21/04, 1/30/04 [DP].

Brief Summary of Bill

- Prohibits an insurer from discriminating against a homeowner based upon a homeowner's possession of a specific breed of dog, unless the dog meets the statutory definition of "dangerous dog."

HOUSE COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCE

Majority Report: Do pass. Signed by 10 members: Representatives Schual-Berke, Chair; Simpson, G., Vice Chair; Benson, Ranking Minority Member; Newhouse, Assistant Ranking Minority Member; Cairnes, Cooper, Hatfield, Roach, Santos and Simpson, D..

Minority Report: Do not pass. Signed by 1 member: Representative Carrell.

Staff: Carrie Tellefson (786-7127).

Background:

Authority of the Insurance Commissioner. The Insurance Commissioner (Commissioner) is responsible for the licensing and regulation of insurance companies doing business in this state. The authority of the Commissioner includes the oversight of homeowner's insurance policies. Current law prohibits "unfair discrimination" between insureds that have substantially similar risk factors, exposure factors, and expense elements.

Dangerous dogs. A "dangerous dog" is defined to include the following:

- a dog that inflicts severe injury on a human being without provocation on public or private property;
- a dog that kills a domestic animal without provocation while the dog is off the owner's property; or
- a dog that has been previously found to be potentially dangerous because it injured a person and the dog again aggressively bites, attacks, or endangers the safety of a person.

Summary of Bill:

In making underwriting decisions, property and casualty insurers offering homeowner's policies are prohibited from discriminating against an applicant or insured because he or she owns or harbors a "specific breed" of dog. Insurers are specifically prohibited from denying an application as well as canceling, modifying, or refusing to renew a policy based upon the type of dog an insured or applicant possesses. This prohibition does not apply if the applicant or insured owns or harbors a "dangerous dog" as defined by statute.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.

Testimony For: They have no objection to insurers denying coverage for people who own "dangerous dogs" as defined in statute. Statistics will show that insurers discriminate against homeowners who have a big dog. It is the behavior of the dog that should matter, not the breed of the dog. This has become a national issue - breed profiling.

A dog owner and exhibitor was advised by her insurance agent that she should not tell the insurance adjuster that she has a dog. She has Basset Hounds and evidently they are on the list of concerning dogs. Any dog can be a problem if they aren't cared for properly.

Progressive Animal Welfare Society (PAWS) has 3,500 members. Every year they take dogs into their shelter whose owners were told to get rid of their dog or lose their homeowners insurance. It is hard for an expert to identify the exact breed of a dog, let alone an insurance agent. It is even harder for mixed breeds.

Two Rottweilers were rescued, trained, and spayed. They were taken to obedience training and were put in an AKC certified "good citizen" program. One dog passed the program and the other did not because he was too busy socializing with the testers. They

participate as temperament test aids. Her insurance company would not give her renters insurance. Her agent told her to lie on her application and she would not do it. She called several companies and they turned her down on the phone. She may have to move out of state to be able to keep her dogs.

The Michigan Insurance Commissioner recently determined that breed profiling is not legal. A recent study from 2002 showed that between 1965 and 2001 there were 431 dog bite fatalities for 36 different breeds. There are 53 million dogs in the United States. The percentage of dogs that are inflicting significant harm is minuscule.

Testimony Against: Insurance companies oppose the bill. Some insurers ask whether an applicant has a dog and others do not ask. In a competitive market, it is not a problem. There have been recent dog problems that have been in the media. There was recently a Pit Bull mauling in Tacoma. Local governments have been introducing ordinances regarding dangerous dogs. Dog bites generally fall under the doctrine of strict liability. If a dog bites someone, it is the owners responsibility.

Persons Testifying: (In support) Representative Campbell, prime sponsor; Sylvie McGee, Heaven Scent Basset Hounds; Tamar Puckett, PAWS; Taj Melvin, citizen; and Jeff Helsdon, Seattle Kennel Club.

(Opposed) Mel Sorensen, PCI, Professional Insurance Agents Association, and Allstate Insurance Company; and Mike Kapphahn, Farmers Insurance Company.

Persons Signed In To Testify But Not Testifying: None.