

HOUSE BILL REPORT

HB 1105

As Reported by House Committee On:

Insurance, Financial Services & Consumer Protection

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, Kirby, Appleton, Conway, Haigh, Moeller and Simpson.

Brief History:

Committee Activity:

Insurance, Financial Services & Consumer Protection: 1/23/07, 2/1/07 [DP].

Brief Summary of Bill

- Prohibits an insurer writing homeowner's insurance from taking underwriting actions based on whether the applicant or insured owns or harbors a specific breed of dog.
- Does not apply if the homeowner owns or harbors a dangerous dog.

HOUSE COMMITTEE ON INSURANCE, FINANCIAL SERVICES & CONSUMER PROTECTION

Majority Report: Do pass. Signed by 5 members: Representatives Kirby, Chair; Kelley, Vice Chair; Hurst, Santos and Simpson.

Minority Report: Do not pass. Signed by 3 members: Representatives Roach, Ranking Minority Member; Strow, Assistant Ranking Minority Member and Rodne.

Staff: Sarah Beznoska (786-7109).

Background:

The Office of the Insurance Commissioner (OIC) licenses and regulates insurance companies doing business in the state. The OIC's authority includes oversight of homeowner's insurance policies. Homeowner's policies and rates are filed with the OIC for review and approval.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Insurers are prohibited from discriminating between insureds having substantially similar insuring factors, risk factors, exposure factors, and expense elements. There are no statutes or rules related to underwriting restrictions based on type or breed of dog.

State statutes related to dogs define "dangerous dog" as any dog that: (a) inflicts severe injury on a human being without provocation on public or private property; (b) kills a domestic animal without provocation while the dog is off the owner's property; or (c) has been previously found to be potentially dangerous because of injury inflicted on a human, the owner having received notice of such and the dog again aggressively bites, attacks, or endangers the safety of humans.

Summary of Bill:

An insurer writing homeowner's insurance cannot deny an application nor can the insurer cancel, refuse to renew, or modify an existing policy, based on whether the applicant or insured owns or harbors a specific breed of dog.

The prohibition does not apply if the dog in question is a dangerous dog as defined under current law.

Appropriation: None.

Fiscal Note: Not requested.

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

Staff Summary of Public Testimony:

(In support) This is an issue that was before the committee in 2005 and passed the House. It is a serious issue for families with dogs. These families have a choice to lie about having the dog, remove the animal, or lose their insurance. A growing number of people lie about having a dog. This is not an issue of whether a dog is dangerous. A dangerous dog is already defined by law using a behavior standard.

(Opposed) The principle purpose of insurance is to give insurers latitude to evaluate risks and determine if coverage can be placed. This bill prohibits insurers from accounting for risks associated with certain dogs. There are different practices among insurers with respect to the issue of dogs and some insurers never ask. There are market options for consumers with dogs and there is an absence of evidence that the market is not working.

There are dog risks. Insurance companies rate similar risks in a like manner and they rely on statistics to do so. Even municipalities are naming certain dogs as dangerous dogs. The Center for Disease Control has estimated 4.5 million dog injuries and \$300 million in claims paid out per year. Dogs of a certain breed, such as Pit Bull and Rottweiler, are in a different

class. This is an appropriate reason to account for risks. We should not subsidize people who own dangerous dogs.

Persons Testifying: (In support) Representative Campbell, prime sponsor.

(Opposed) Mel Sorensen, Allstate, Property Casualty Insurance and American Family Insurance; Jean Leonard, State Farm and Washington Insurers; and Cliff Webster, American Insurance Association.

Persons Signed In To Testify But Not Testifying: None.