

SENATE BILL REPORT

EHB 1016

As of March 24, 2005

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 and Simpson.

Brief History: Passed House: 3/14/05, 71-25.

Committee Activity: Financial Institutions, Housing & Consumer Protection: 3/23/05, 3/24/05.

SENATE COMMITTEE ON FINANCIAL INSTITUTIONS, HOUSING & CONSUMER PROTECTION

Staff: Jennifer Arnold (786-7471)

Background: The Office of the Insurance Commissioner (OIC) licenses and regulates insurance companies doing business within Washington. The OIC's authority includes the oversight of homeowner's insurance policies and rates, which are filed with the OIC for review and approval.

Current law prohibits "unfair discrimination" between insureds that have substantially similar risk factors, exposure factors, and expense elements. There is no express prohibition against allowing insurers of homeowners' policies to underwrite restrictions based on the type or breed of dog.

A "dangerous dog" is statutorily defined as a dog that: (1) inflicts severe injury on a person without provocation; (2) kills a domestic animal outside the dog owner's property without provocation; or (3) has previously inflicted injury on a person and the owner has received prior notice of that dog's earlier aggressive actions towards people.

Summary of Bill: An insurer cannot deny an application for a homeowner's insurance policy, nor can the insurer cancel, modify, or refuse to renew an existing policy based upon the specific breed of dog on the insured's property, unless that dog falls within the statutory definition of a "dangerous dog."

An insurer, providing homeowner's insurance, can opt to require the insured to submit information demonstrating that the dog poses a low-risk of danger, given the dog's nature and history. This information may be required in the form of: (1) a written statement from a licensed veterinarian, who is familiar with the dog; (2) a written statement from a licensed dog trainer at an obedience school; or (3) a canine good citizen certificate from the American Kennel Club.

In addition to the above, a written statement from the insured that the dog poses a low-risk may also be required.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: This would allow homeowners that have dogs that pose no risk, to obtain homeowners' insurance. It does not apply to dangerous dogs, only dogs that have a demonstrated history of low-risk. A dog owner should be able to prove that their dog is not a risk before they are denied coverage on the basis of the dog's breed, not actions. Most dog owners of certain breeds are denied insurance entirely, without even an option for higher rates; this bill is an issue of fairness. No breed of dog is inherently vicious.

Testimony Against: Insurers do not have uniform policies on dog ownership; therefore, there is a wide enough array in the current market to cover all homeowners. Certain breeds provide for a disproportionate share of dog-bites in Washington, making this a breed-specific issue. At least one carrier has had more than \$300 million in claims related to dog attacks. Persons that do not own a dangerous breed should not have to subsidize those that do.

Who Testified: PRO: Representative Campbell, prime sponsor; Glen Bui, American Canine Foundation; Bice Harrington, Old English Sheepdog Club of Seattle; Jeff Helsden, Seattle Kennel Club; Lisa Christensen, Puget Sound Doberman Pinscher Club; Julia Jones.

CON: Mel Sorenson, Property Casualty Insurance, Allstate Insurance, Professional Insurance Agents; Jean Leonard, State Farm Washington Insurers; Cliff Webster, American Insurance Association; Gary Strannigan, SAFECO; Mike Kapphann, Farmers Insurance.