

July 16, 2022

The Honorable Bart Rowland  
Chair, Property-Casualty Committee  
National Council of Insurance Legislators  
*c/o Will Melofchik, General Counsel, [wmelofchik@ncoil.org](mailto:wmelofchik@ncoil.org)*  
2317 Route 34 S. Suite 2B  
Manasquan, NJ, 08736

**Re: Exposure Draft – Dog Breed Insurance Underwriting Study & Breed Protection Model Act**

Dear Chairman Rowland and Committee Members:

On behalf of the National Association of Mutual Insurance Companies (NAMIC),<sup>1</sup> thank you for the opportunity to provide comments on the draft “Dog Breed Insurance Underwriting Study & Breed Protection” Model Act. There are many benefits to welcoming a dog into a home, including an increased sense of protection and companionship. As is the case with any animal, though, dogs can sometimes be unpredictable and can act in ways that create potential liability for their owners. Even friendly dogs can bite under particular circumstances, with more than 4.5 million people reporting being bitten by dogs each year in the United States, of whom at least half are children and more than 800,000 require medical attention.<sup>2</sup>

The draft model would prohibit insurers from refusing to “issue or renew, cancel, or charge or impose an increased premium or rate for such policy or contract, or exclude, limit, restrict, or reduce coverage under such a policy or contract based solely upon harboring of or owning any dog of a specific breed or mixture of breeds” while specifically preserving the potential for insurers to make use of designations based on sound underwriting and actuarial principles, the foundations of risk-based pricing for insurance.

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<sup>1</sup> NAMIC membership includes more than 1,500 member companies. The association supports regional and local mutual insurance companies on main streets across America and many of the country’s largest national insurers. NAMIC member companies write \$357 billion in annual premiums. Our members account for 69 percent of homeowners, 56 percent of automobile, and 31 percent of the business insurance markets. Through our advocacy programs we promote public policy solutions that benefit NAMIC member companies and the policyholders they serve and foster greater understanding and recognition of the unique alignment of interests between management and policyholders of mutual companies.

<sup>2</sup> American Veterinary Medical Association, <https://www.avma.org/resources-tools/pet-owners/dog-bite-prevention>, accessed 7/12/22.



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At its core, insurance is about the voluntary transfer of financial risk: the risk of being made to pay for liability and damage is transferred for premium payments. In the extremely competitive homeowner's and renter's insurance markets, one of the critical ways insurers compete is by better matching those premium rates to the risks posed. As with practically every other assessment that insurers make to determine whether to take on a risk and assign an appropriate rate, the propensity of dogs to cause damage or losses is one for which different insurers take different approaches based on the information available to them; the industry is far from monolithic. Carriers of all sizes across the country vary in their assessment of these issues, which is indicative of a competitive market that enhances consumer choice as companies take different approaches to the rating of prospective risks based on information that is never perfectly predictive.

The degree to which a dog's breed affects the risk its presence in a home creates – either for its propensity to cause damage or the extent of harm it can cause – is a matter of debate. The model's limitations established in Section 2(A) appear to reflect a policy determination that a specific breed or mixture of breeds may not be the sole basis for certain insurer actions.

In light of this determination, and for the other reasons explained below, we have significant concerns with Section 3 of the draft Model regarding the collection and reporting of data by insurers to departments of insurance through what amounts to a two-year long data call on claims involving dog-related incidents. This data will be both extremely difficult to collect and to quantify accurately or consistently. The collection and reporting of the proposed data is particularly challenging as the validity of any data will be tainted by the subjective nature of some of the required elements, including whether an injured person was "provoking" the particular dog, and whether the dog had been the subject or past training or undefined "complaints." Any such data gathering exercise will necessarily create difficulties of cataloguing potentially conflicting reports from policyholders, injured persons, observers, and previous owners where lineage or training history is concerned. Additionally, the collection of such data, particularly in a time when regulators are demanding ever more rapid and granular reporting by insurers across all lines of business, will involve costs, which will ultimately be borne by policyholders. With these thoughts in mind, and particularly in light of the fact that Sec. 2 of the bill already reflects a policy judgment as to the relevance of breed, NAMIC respectfully recommends the deletion of Section 3.



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We look forward to continued discussions with the committee and NCOIL staff on this important and evolving issue that affects the nearly 50 million households with dogs across the country. Please let us know if we can provide any additional information.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jon Schnautz', written in a cursive style.

Jon Schnautz  
Assistant Vice President, State Affairs  
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A handwritten signature in black ink, appearing to read 'Tony Cotto', written in a cursive style.

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Cc: The Honorable Kevin Cahill  
The Honorable Tammy Nuccio