

**Testimony of  
American Property Casualty Insurance Association  
Commerce Finance and Policy Hearing on House File 1532**

The American Property Casualty Insurance Association (APCIA) is the primary national trade association for home, auto, and business insurers. Our members write more than 66% of all property and casualty sold in Minnesota. On behalf of our members, we offer this testimony in opposition to House File 1532.

The American Property Casualty Insurance Association understands and recognizes how important dogs are to their families and no one should ever have to choose between the roof over their head or the canine member of the family. Unfortunately, we must also recognize that the cost, frequency, and severity of dog bites are significant.

More than 4 million dog bites occur each year in the U.S., with associated liability claims totaling \$882 million in 2022, an increase of 44 percent since 2012. Dog bite related claims costs have been steadily climbing, with the average cost per claim \$49,025 in 2021. Further, the average cost per claim nationally has risen 156 percent from 2003 to 2021, due to increased medical costs and the upward trend in the size of settlements, judgments, and jury awards.

While insurers recognize that dog bites are common and can occur from any breed, the severity of injury that can occur from dog attacks, including potentially fatal injuries from larger breeds, is of significant concern to insurers due to the large medical bills and costly litigation that often follows.

Insurers must be able to charge an adequate rate for each risk. Thus, if an individual insurer can demonstrate actuarial data to support the underwriting or rating of individual dog breeds, they should be permitted regulatory flexibility to do so. Otherwise, an insurer will need to collect additional premium to cover these risks; costs which will be unfairly passed on to all policyholders through higher rates.

It should be noted that household pet restrictions under homeowner's insurance policies are generally not limited to dog breeds considered high risk. For insurers which are not in a position to cover the higher costs associated with high-risk pets, insurers may similarly decline or exclude other exotic animals deemed high risk, including, but not limited to, tigers, monkeys, and venomous or poisonous animals.

With that said, consumers have options in today's insurance market. Several homeowner's insurance companies have publicly indicated they do not underwrite or rate according to dog breed, including State Farm, the largest homeowner's insurer in the U.S. In addition, other options available to consumers include canine liability policies that are specifically designed to cover bodily injury and property damage to 3rd parties, for "dangerous" breeds. On behalf of our members, we urge the Commerce and Finance Policy committee to vote no House File 1532.

Respectfully,



Brooke Kelley

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