

For Immediate Release

Study: Dog breed discrimination by insurance companies is unjustified

February, 16, 2005, Albany, NY---FIREPAW, Inc., a national research and education foundation focusing on animal welfare recently conducted a study on the controversial issue of discrimination in homeowner's policies by insurance companies based on the breed of dog homeowners have. The study was funded by The Toby Fund and sought to answer the question 'Does it make economic and financial sense for insurance companies to deny coverage or greatly elevate premiums based on dog breed?' The results indicate that even high-risk breeds present only a very minor risk to insurance companies and the practice of large premium changes or outright cancellation of insurance coverage over such a relatively minor risk is unreasonable. FIREPAW Executive Director Joshua Frank said, "These allegedly high-risk breeds also have among the highest death rates at shelters, so insurance discrimination can not only have dire consequences for consumers but can also mean life or death for these animals. The most surprising finding was just how little sense it makes financially for insurance companies to deny policies based on breed. The risk of even the most supposedly 'dangerous' justifies a premium increase of only 5% to 10% at most."

RESEARCH HIGHLIGHTS

- Dog bites are a minor cost relative to many other homeowners insurance hazards.
- Even pit bulls, the most maligned breed, do not have a risk high enough to justify a premium increase of more than 5%-10%.
- The research most commonly cited by insurance companies to justify breed discrimination is *inappropriate* to be used for this purpose as indicated by the authors themselves.
- Applicable research studies show that "high risk" breeds have only 2 to 5 times the bite risk. When combined with insurance financial data, this implies these breeds only have a risk of 6 cents per dollar in premiums.
- Dog bites liability costs have increased less rapidly than insurance premiums.
- Insurance companies typically fail to address other equally important bite risks such as spaying/neutering of dogs or address some risks inappropriately (chaining).
- Although it may not seem logical for insurance companies to make poor economic choices, there are a number of possible explanations.

For a copy of the full Report of the Breed Discrimination Study contact the authors at: Info@firepaw.org.



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