

It's a "Dog-Eat-Dog" World: Avoid Being Bitten with a Lawsuit

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I.I.I. Study Shows Dog Bite Claims Rising to More Than \$350 Million Annually

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NEW YORK, June 25, 2008 - Man's best friend is sinking its teeth into homeowners insurance costs. Dog bites now account for one-third of all homeowners insurance liability claims, costing \$356.2 million in 2007, up 10.5 percent from the previous year, according to the Insurance Information Institute (I.I.I.).

An analysis of homeowners insurance data by the I.I.I. found that the average cost of dog bite claims increased by 11.5 percent in 2007 (the most recent figures available) to \$24,511. Since 2003, the cost of these claims has risen nearly 28 percent. However, the actual number of claims paid by insurers has remained relatively stable over the past three years at about 14,500.

According to the Centers for Disease Control and Prevention (CDC), more than 4.7 million people are bitten by dogs annually, resulting in an estimated 800,000 injuries that require medical attention. With more than 50 percent of bites occurring on the dog owner's property, the issue is a major source of concern for insurers.



"While the number of dog bite claims has remained about the same in the last three years, the average cost per claim continues to rise because of increased medical costs as well as the size of settlements, judgments and jury awards which have risen well above inflation in recent years," said Loretta Worters, vice president of the I.I.I.

Dog Owner Liability

Dog owners are liable for any injuries their pets cause in the following instances: if the owner knew the dog had a tendency to cause that kind of injury; if a state statute makes the owner liable, whether or not the owner knew the dog had a tendency to cause that kind of injury; or if the injury was caused by unreasonable carelessness on the part of the owner.

There are three kinds of law that impose liability on owners:

- **Dog-bite statute:** The dog owner is automatically liable for any injury or property damage the dog

causes, even without provocation.

- **"One-bite" rule:** In some states, the owner is not held liable for the first bite the dog inflicts. Once an animal has demonstrated vicious behavior, such as biting or otherwise displaying a "vicious propensity", the owner can be held liable. Some states have moved away from the one-bite rule and hold owners responsible for any injury, regardless of whether the animal has previously bitten someone.
- **Negligence laws:** The dog owner is liable if the injury occurred because the dog owner was unreasonably careless (negligent) in controlling the dog.

In most states, dog owners are not liable to trespassers who are injured by a dog. A dog owner who is legally responsible for an injury to a person or property may be responsible for reimbursing the injured person for medical bills, lost wages, pain and suffering and property damage.

"Although some people purchase dogs for the purpose of guarding their homes, deadbolt locks and home security systems are proven burglary deterrents and that will often earn you a discount on your insurance premium," said Worters.

How to Protect Yourself-and Your Assets

Homeowners and renters insurance policies typically cover dog bite liability. Most policies provide \$100,000 to \$300,000 in liability coverage. If the claim exceeds the limit, the dog owner is personally responsible for all damages above that amount, including legal expenses.

Most insurance companies will insure homeowners with dogs. However, once a dog has bitten someone, it poses an increased risk. In such a case, the insurance company may charge a higher premium or exclude the dog from coverage. Some companies will require dog owners to sign liability waivers for dog bites. Some will cover a pet if the owner takes the dog to classes aimed at modifying its behavior.

A single lawsuit-even if won-can end up costing hundreds of thousands of dollars. And the greater a person's assets, the *more* potentially is at risk. The personal liability coverage available through a standard homeowners or automobile policy simply may not be enough. Therefore, the I.I.I. advises homeowners to consider purchasing a personal excess liability policy. Also known as an umbrella liability policy, it protects you against personal liabilities-such as dog bites-that could impact a substantial portion of your assets.

The amount of umbrella liability coverage usually ranges from \$1 million to \$10 million, and covers broad types of liability. Most insurance companies have required minimum amounts of underlying coverage-typically at least \$250,000 of protection from your auto policy and \$300,000 of protection from your homeowners policy. If you own a boat, then you must also have boat insurance with a specified minimum amount of coverage. Personal excess liability insurance is relatively inexpensive. The first \$1 million of coverage costs about \$150 to \$300 per year, the second million about \$75, and subsequent increments of \$1 million cost about \$50 per year.

Another way to protect yourself is to prevent a dog from biting in the first place. The most dangerous dogs are those that fall victims to human shortcomings such as poor training, irresponsible ownership and breeding practices that foster viciousness or neglect and abuse. To reduce the chances of a dog biting, the following steps are recommended by the CDC when getting a dog:

- Consult with a professional (e.g., veterinarian, animal behaviorist, or responsible breeder) to learn about suitable breeds of dogs for your household and neighborhood.
- Spend time with a dog before buying or adopting it. Use caution when bringing a dog into a home of with an infant or toddler. Dogs with histories of aggression are inappropriate in households with children.
- Be sensitive to cues that a child is fearful or apprehensive about a dog and, if so, delay acquiring a dog. Never leave infants or young children alone with any dog.

- Have your dog spayed or neutered. Studies show that dogs are three times more likely to bite if they are NOT neutered.
- Socialize your dog so that it knows how to act with other people and animals.
- Discourage children from disturbing a dog that is eating or sleeping.
- Play non-aggressive games with your dog, such as "go fetch." Playing aggressive games like "tug-of-war" can encourage inappropriate behavior.
- Avoid exposing your dog to new situations in which you are unsure of its response.
- Never approach a strange dog and always avoid eye contact with a dog that appears threatening.
- Immediately seek professional advice from veterinarians, animal behaviorists, or responsible breeders if the dog develops aggressive or undesirable behaviors.

"Most dogs are friendly, loving members of the family," said Worters. "But even normally docile dogs may bite when they are frightened or when protecting their puppies, owners or food. Ultimately, the responsibility for properly training and controlling a dog rests with the owner."

For more information about insurance, go to the I.I.I. Web site.

For related audio, go to I.I.I. Study Shows Dog Bite Claims Rising to More Than \$350 Million Annually.

For related video, go to:

How Can Children Avoid Dog Bites

Dog Bite Liability

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