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The retreat of State Farm from the insurance pool leaves some dog owners scrambling to find insurance

By Erin Sullivan

When Shanda Drawdy decided to relocate from Central Florida to Delray Beach in April, she knew finding a place to live might be a challenge. Drawdy, a grad student from Gainesville, owns two dogs, so she'd need to find a dog-friendly rental. And it couldn't just be dog friendly – it would have to be pit bull friendly because one of her dogs is a gray-faced 12-year-old American pit bull terrier named Ruadh.

She prepared a doggie rental “résumé” outlining Ruadh’s accomplishments: Canine Good Citizen award from the AKC, letters of recommendation from previous landlords, copies of certificates from completed training classes. After searching around, she finally found a nice apartment that was OK with the dogs. All she needed to do, the landlord said, was obtain a renter’s insurance policy that included liability coverage for them.

Drawdy didn't think that'd be a problem since she already had renter's insurance from State Farm that included liability coverage for Ruadh and her Boston terrier. Similar to a homeowner's insurance policy, the renter's policy would cover her in the event that one of the dogs bit someone. But when she looked into it Drawdy discovered, just like thousands of homeowners and renters across Florida, that State Farm no longer writes new policies in the state – not even for existing customers. In 2009, the company stopped issuing new policies due to the high-risk nature of insuring property in a hurricane-prone state and the tightly regulated insurance market. In spring 2010, the company took it a step further: In February, it started cutting back the number of policies it held in the state. Non-renewal notices were sent to 125,000 homeowners, letting them know that as of Aug. 1, they'd have to find new insurance.

Which poses a problem for owners of certain breeds of dog: State Farm was one of the last major companies in the state that does not have an “aggressive breed” prohibition automatically written into its policies. It's common for many insurance companies to refuse coverage to people who own some breeds of dog. Typically, the list includes Rottweilers, pit bulls, American Staffordshire terriers, German shepherds and Dobermans, but huskies, chow chows, Akitas and other breeds are increasingly turning up on those lists as well.

As Drawdy called various insurance agents, she was told multiple times that her elderly pit bull, docile as he may seem, was considered too great a liability by every insurer doing business in Florida. She would have to find a policy that excluded the dog from coverage (sometimes possible through the government-created Citizens insurance group), lie about the breed of her dog and hope no one discovered her or try to find an understanding company that'd work with her. Fat chance.

“A couple of insurance reps even told me that I should get rid of my dog, that I wouldn't find coverage,” she says, but that wasn't something she was willing to consider.

When I moved to Florida in late May, I faced a similar problem: I happen to own three rescued dogs; though I don't have papers for any of them, two of them are, clearly, pit bulls. I've owned my dogs for years without so much as a complaint from a neighbor about noise or fear that the dogs would injure someone. In the five years I owned my home, I had no problem finding a company that would offer me an insurance policy with liability coverage for the dogs.

Not so in Florida.

When I began looking for a place to live in Orlando, I was startled when I called agent after agent, only to be told that they could not come up with a single company that would cover me unless I got rid of the dogs. I was eventually directed to the Lester Kalmanson Agency in Maitland, which specializes in “rare and unusual risks.” Lions, chimpanzees, pet alligators. Dogs that bite. Pit bulls.

“Our reputation is built on providing insurance for the wild, weird, and wacky,” the company notes on the main page of its website.

But my dogs aren't wild, weird or wacky – honestly, they aren't even all that interesting – and it seemed hugely inappropriate to lump them into the same insurance category as carnivorous reptiles. There had to be another option, I thought. But as Drawdy and I both found out, there's really not much.

According to Michael Letcher, president of the Home Insurance Buyers' Guide (www.homeinsurancebuyers.org), a subscription-based organization created to help Floridians find private homeowners insurance, residents in this state have a hard time finding someone to cover their properties at all.

“There are probably over 400 companies licensed to do homeowners insurance [in Florida],” he says. “Of that 400, only 112 are active. Of that 112, only 46 will actually write a new policy, then that 46 gets watered down before you even get to the dog restrictions, due to age of the home. Many will only write 2004 and newer, others 2005 and newer. Then you start getting to the distance from the water. In many counties you’re only left with three to five companies to choose from.”

And if you happen to have a dog that’s on a list those companies deem dangerous, he says, you’re out of luck completely.

“I don’t know of another private carrier [besides State Farm] who will take that list of 10 or so vicious dog breeds,” says Letcher.

I contacted the Florida Office of Insurance Regulation to get some information on what people do when they’re told they can’t get insurance to cover a dog.

“The best advice would be to be to contact various insurance companies and inquire about the liability portion of a homeowners insurance policy and whether they cover a specific breed of animal,” spokeswoman Brittany Benner wrote in response to a list of questions about the matter. “Companies are allowed to ‘exclude’ certain things, including coverage for dog breeds they believe are dangerous.”

Which basically means they’ll write you a policy – it just won’t cover the dogs. It’s an option some people I’ve talked to feel they have to choose due to the shallow pool of insurers doing business here.

“This has been an ongoing problem for probably the last 20 years,” according to Susan Smith, president of the Florida Association of Kennel Clubs. She says that over time the list of breeds prohibited by insurers has gotten longer; meanwhile, the list of companies here that will insure them has gotten shorter.

Drawdy was not willing to get rid of her dog – neither was I – and we both found resolutions to the insurance issue. Not terribly satisfactory ones, but Band-Aids until a better solution can be found. I’m buying a separate policy for the dogs. Drawdy found a company through Geico that was willing to write her. She has no idea what their reputation is or whether they’d ever come through for her in an emergency, but she didn’t have another option. “I never heard of them, know nothing about them, and they cost more,” she says. “But it was the best I could do.”