

# Researcher investigates why insurance companies don't ask about gun ownership

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For every million scuba divers, 164 die during a dive each year. For every million gun owners or those with a gun in the home, a University of Michigan math professor estimates between 240 and 450 gun owners die from gunshot wounds each year.

While [insurance companies](#) do ask whether their customers scuba dive, they don't assess the risk of firearms in the home. Researcher Kristen Moore, an actuary who studies firearm ownership, suggests that [insurance](#) companies might benefit from studying the risk of [gun ownership](#).

## What prompted you to study whether insurance companies assess the risk of owning firearms when underwriting insurance policies?

Moore: I always felt frustrated and heartbroken when I read the headlines about [gun violence](#). I'm a mom, and my kids are 11 and 9. Sandy Hook happened the year my son was a kindergartner, and that really impacted me.

But separate from the emotion, there is an underlying actuarial question. There are about as many firearm deaths as there are auto fatalities each year in this country. If there is a death, injury or an accident, there may be an insurance claim. I started wondering, "Are insurers addressing this?" As far as I can tell, they're not.

## **What types of risk factors do insurance companies routinely consider?**

Moore: When you apply for homeowner's insurance, they will ask whether you have a swimming pool, trampoline or an aggressive breed dog. If you apply for [life insurance](#), the agent is going to ask whether you smoke, are overweight or whether you're a private pilot. They will ask if you scuba dive. But they won't ask if you keep a firearm in your home or how it's stored.

In our paper, we estimate the number of scuba deaths per million scuba divers versus the number of gun deaths per million firearm owners. What we found is the death rate attributable to firearms is higher than the death rate attributable to scuba diving, so I think it's perfectly reasonable to ask why they are not treated the same way in the underwriting process.

## **What types of insurance could be affected by gun ownership?**

Moore: There are 33,000 [gun deaths](#) per year in the U.S.—many of which will lead to life insurance claims. There are roughly 80,000 nonfatal gunshot injuries per year in this country, and those people can end up with catastrophic, life-altering conditions after a gunshot wound. There are many studies on the cost of treating a gunshot wound, but it is always a single snapshot: here's the cost of the first emergency room visit or here's the cost of the first inpatient hospitalization. We have not found any studies that follow gunshot victims longitudinally to look at the long-term health insurance costs related to nonfatal [gunshot wounds](#).

I think liability could also be significant. People don't think about this, but the Columbine mass shooting resulted in a homeowner's liability

claim. The Newtown mass shooting resulted in a homeowner's liability claim. Insurance executives have estimated that the Vegas shooting will result in a billion dollars in claims across multiple lines of insurance. Of course, these are very rare occurrences—we're talking about high profile mass shootings—but I could pull up headlines about accidental shootings every day that could result in homeowner's liability claims.

There is also workers' compensation insurance, commercial liability insurance and disability insurance. All of these lines could be impacted by claims related to firearms.

## **How much would insurance companies change if they do start studying the impact of gun ownership?**

Moore: The first thing insurers should do is quantify the risk. It could be the risk is negligible and nothing changes. But studies in medical and public health literature indicate that gun ownership is positively associated with suicide, domestic violence homicide and accidental shootings. So, it seems that a firearm increases risk. Then, the question would be, how much does it increase risk?

Suppose insurers found that yes, indeed, there's a significantly higher suicide or homicide or accidental death rate among gun owners, then life insurance premiums might go up for gun owners.

You pay a premium increase if you have a trampoline and a premium increase if you have a swimming pool, but there are measures you can take to ameliorate that risk. You can fence in your pool, for example. Perhaps the same could be done for firearm ownership. If you take a safety training class, or if you have a gun safe, then there might not be as much of a premium increase.

## What do you want people to understand about insurance companies and gun ownership?

Moore: Gun violence exacts a significant toll in both human and economic cost. There's economic impact for insurers, insureds and taxpayers, but insurers aren't studying this. They're not taking this risk into account in their underwriting process. That might be a reasonable decision to make, but only after they've studied it and really quantified the risk.

In the Society of Actuaries mission statement, the SOA promise stakeholders that it will "provide trusted and objective actuarial research, analysis and insight on important societal issues." Actuaries have studied other difficult issues, such as smoker versus nonsmoker mortality, the impact of AIDS and HIV, and right now actuaries are working on quantifying the risks of obesity and climate change. If you're looking at 110,000 preventable deaths and injuries per year, that's an important societal issue, one even the American Medical Association calls a public health crisis.

**More information:** [Firearm Risk: An Insurance Perspective.  
theactuarymagazine.org/firearm-risk/](https://theactuarymagazine.org/firearm-risk/)

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