

Aligning Public and Private Interest on Gun Ownership through Insurance

11 November 2018

Concept Description: The United States was founded partially on the backs of private gun ownership in the face of an oppressive non-representative government. Consider the founders' language in the Second Amendment:

“A well regulated Militia, being necessary to the security of a free State, the right of the people to keep and bear Arms, shall not be infringed.”

There exists little doubt that weapons were critical to the identity and culture of America from its founding and that identity remains prevalent, but the purpose and method of that private gun ownership has been debated and argued ever since. We acknowledge that modern gun violence kills more than 10,000 people annually from all walks of life with isolated mass shootings shocking our senses of what humanity is capable of and just how vulnerable we are in modern times when considering modern weapons. The most likely gun used in gun violence is a semi-automatic handgun because of its high market saturation and ease for concealed or even public carry. The most dangerous gun, as defined as the gun creating the most victims per gun violence incident, is the semi-automatic rifle that realizes nearly four times as many fatalities per shooting incident than manual action rifles or handguns. Modern versions of these weapons enable weapon employment capabilities identical to modern military small arms.

This same phenomenon of access does not exist for other arms available to modern militaries. We, as a society, have made it clear that arms such as high explosives, and the raw materials to make them or similar homemade explosives, are not just to be tracked when purchased in particular quantities from all vendors, but also require extensive training and certification in order to possess even of reasonably small quantities. The intent of this document is to acknowledge that modern small arms used in modern military applications are akin to high explosives, automatic weapons, or incendiary devices when it comes to private ownership. Let us be clear, this is not to deny any provision within the Second Amendment that we as a society have not already accepted for other highly effective arms, but to address the blight that gun violence levies upon our society.

The provisions to be recommended are as follows:

1. All guns are legal. All guns, period. Keep or don't keep, ownership is up to the private citizen.
2. VOLUNTARY national buyback program put in place: gas operated long guns (36 gauge/.506 caliber or larger): \$5000; gas operated hand guns: \$4000. Estimated cost in Figure 1 below. Buy back would be no questions asked, any condition weapon with a 10-year program life (anticipate a great deal of US weapons being repatriated from overseas or Latin America, again, no questions asked).
3. All persons convicted of violent crime or domestic violence lose their right to own or possess a firearm outside of military service. This right can be restored by local Sheriff's office after 10 years for a single offense. No restoration of rights if a repeat offender.

4. No state or local taxes can be exacted on gun manufacturers, retailers, or private gun owners following the sale of arms or ammunition (government completely out of gun market).
5. Only governmental requirements would be:
 - a. Every weapon sold by a retailer or gun dealer to an individual must have an insurance policy applied per serial number for the life of the gun with no personal information of the individual gun owner provided. Guns already in the market place only require insurance if sold to an individual.
 - b. Every resident in the United States is due an insurance payout if killed in a homicide/accidental death worth a minimum of \$800,000.
 - c. Every weapon sold by a retailer or gun dealer to an individual must have a ballistic finger printing associated with the weapon.

Objective & Payoff: The public has the right to bear arms at the state and Federal levels. Private markets and public safety are juxtaposed on how to solve this as current discussions pit interests against one another. Allowing for the private market and gun owners to take lead on solving gun violence in order to reduce their costs at the point of sale maximizes the chances for gun violence reduction outside of excessive government spending and additional restrictions on liberty. The value of the insurance policy would be passed on in any subsequent sale of the firearm ensuring that gun owners can realize a complete return on their insurance investment by passing on the cost to the subsequent firearm owner. Voluntary buyback programs have shown to be immensely valuable in the reduction of gun violence in other parts of the world. Liberty of the gun owners and public safety interests align around minimizing loss of life.

What current problems does this project address and how does it affect improvement?

1. The “Invisible Hand” will align the gun owners, gun manufacturers, and gun insurance providers around a single effort to promote safe gun ownership in order to reduce costs and increase sales. The combined efforts will immediately improve overall gun safety in our communities and homes.
2. Get government out of the business of regulating a tool used by desperate people without the ability to evaluate or respond to the market trends while improving public safety.
3. Reduction in semi-automatic firearm market availability.
 - a. Fewer incorporated manufacturers will reduce new gun purchase availability and increase market price for new weapons reducing the number of semi-automatic firearms purchased.
 - b. Semi-Automatic weapons currently in the market will appreciate significantly in value and thereby reduce the prevalence of these arms in typical in most violent crime events.
 - c. Reduction in “Mass shootings” and gun deaths associated with gun violence and suicide by gun.
 - i. Of note, gun violence is predominately associated with low socioeconomic regions where affordable firearms create an easy access to power/force that would otherwise not be available.
 - ii. Suicides have been found to be extremely short notice actions with the thoughts of suicide being not more than hours before the event. Fewer guns

available in the market will reduce the likelihood that some suicide efforts will be executed.

4. Reduction in mass shooting events directly proportional to the number of guns turned in via the buyback program.
5. Registration for arms with insurance companies would produce distribution and management of criminal records a priority of the private market.
6. The responsibility to secure weapons is on the individual owner until the weapon is sold to another party (original insurance remains with the weapon). The insurance is applied to the individual weapon regardless of who owns it or uses it ensuring all victims have a path to some degree of compensation.
7. Removes the government from influencing the 2nd Amendment with influence that could be perceived as denying the right to our citizens.

Benefit to the Individual: The point of sale is open to anyone interested in purchasing a firearm without the government’s interference or delays. Gun ownership becomes a private transaction. Individuals are only paying for their weapons lethality with the market value of the weapon including the insurance for the gun of the life.

Funding / Cost: The cost of a firearm will be dependent on the weapon purchased and the respective considerations levied by the gun insurance entity. Estimates for muzzle loaded weapons is that insurance would only cost \$20 while semiautomatic handgun insurance could increase by more than \$750 given their prevalence in gun violence. Insurance costs could be offset by associated training and equipment (safes, locks, biometric lower receivers, etc) based on insurance company policies. Figure 1 depicts potential impacts and cost of the buy back program.

Potential Impact of Gun Buy Back Proposal												
Inputs		Qty	Market Value									
Gun Homicide (Low)		9,000	\$	1,800,000,000								
Gun Homicide (High)		11,000	\$	48,400,000,000	https://www.ncbi.nlm.nih.gov/pmc/articles/PMC2835847/							
Semi-Automatic Rifles		12,000,000	\$	1,500								
Semi-Automatic Handguns		83,250,000	\$	250								
Calculations		% Markup for Buy Back with Total Cost			Annual Value to Society							
Buy Back Rate		Qty				Low	High					
70% Semi-Automatic Rifles		8,400,000	\$	14,490,000,000	\$	18,900,000,000	\$	25,200,000,000	\$	33,910,000,000	\$	23,200,000,000
70% Semi-Automatic Handguns		58,275,000	\$	16,754,062,500	\$	21,853,125,000	\$	29,137,500,000	\$	31,645,937,500	\$	19,262,500,000
30% Semi-Automatic Rifles		3,600,000	\$	6,210,000,000	\$	8,100,000,000	\$	10,800,000,000	\$	42,190,000,000	\$	37,600,000,000
30% Semi-Automatic Handguns		24,975,000	\$	7,180,312,500	\$	9,365,625,000	\$	12,487,500,000	\$	41,219,687,500	\$	35,912,500,000

Metrics/Measures of Success:

1. 50% reduction in hand gun homicide rates.
2. 60% reduction in mass shootings.
3. 20% reduction in suicide rates.

Potential Transition Plans to Action: The plan can be executed at the state or federal levels.

Primary Point of Contact for Concept:

- Chris Thobaben crthobaben@gmail.com