



NEW YORK STATE SENATOR

Brian Kavanagh

Senators Skoufis, Bailey, and Kavanagh Launch Joint Investigation of Residential Property Insurance Industry

BRIAN KAVANAGH August 25, 2025

| COMMITTEE: **HOUSING, CONSTRUCTION AND COMMUNITY DEVELOPMENT**

Senators James Skoufis (D-Orange County), Jamaal T. Bailey (D-Bronx), and Brian Kavanagh (D-Manhattan), as chairs of the standing committees on Investigations and Government Operations, Insurance, and Housing, Construction, and Community Development, respectively, announced the start of a joint investigation into New York's residential property insurance market. The investigation seeks to identify the causes of reported increases in premiums and other obstacles to insuring new and existing single- and multi-family homes, including those occupied by homeowners and renters, and to identify legislation and policy changes that New York State should implement.

According to a 2024 National Bureau of Economic Research study, average residential insurance premiums rose by 33% nationally between 2020 and 2023, with increases varying significantly based on geography. These rising costs contribute to the housing affordability crisis in many areas. In addition to high costs, property owners have been contending with loss of coverage and limited choices. Many states are seeing increased enrollment in insurance of last resort (FAIR) plans, which provide basic coverage for property owners who cannot otherwise obtain standard insurance for their homes. Nearly half a million New York homeowners, or roughly 5% of all homeowners are simply uninsured.

Industry analysts cite extreme weather impacts, rising reinsurance costs, inflation, and increased litigation expenses as factors contributing factors to premium increases. The Senate's investigation and subsequent public hearing will evaluate available evidence regarding the extent to which these or other factors are driving cost increases in New York. The investigation will also explore whether New York policyholders may be subsidizing insurance company profitability nationally. As extreme weather events become more frequent, insurance companies may be adjusting how they pool and distribute risk across regions, potentially placing New York property owners in risk pools that do not accurately reflect the actuarial risk appropriate for New York rates. To the extent that risks of extreme weather resulting from climate change are driving increased insurance costs, the committees will explore the question of which are the most appropriate parties to bear these costs.

"While New York maintains a more robust regulatory environment for its insurance industry than in many other states, property owners continue to face significant premium increases, restrictions in coverage, or outright denials – through no fault of their own," said **Senator Skoufis**. "Importantly, while the industry has lost money in many other states around the country, they post enormous profits year after year here in New York, an indication that our residents are being taken advantage of. Our investigation aims to uncover the causes of this insurance squeeze and arrive at real legislative solutions to protect policyholders."

"Across our state, constituents are reaching out to us about the affordability crisis on all fronts," said **Senator Bailey**. "One specific area of concern is the increase in insurance premiums and the effects they potentially are having on the housing market. Our responsibility is to get to the bottom of what's driving changes and to ensure that policyholders are treated fairly, and that companies can adequately insure those who request coverage. By looking into the current conditions, we can make sure we do our best to ensure the availability, coverage terms, and general health of the industry across the state

are efficiently protecting policyholders across the state.”

“If insurance costs continue to rise to unsustainable levels, this will undermine our efforts to ensure that all New Yorkers have access to housing they can afford; prevent builders, property owners, and homebuyers from obtaining financing; and require homeowners to face unacceptable risks of losing their most valuable asset,” said **Senator Kavanagh**. “I look forward to working with my colleagues to better understand how insurance market dynamics, extreme weather, and other factors are affecting insurance costs and accessibility, and what we can do to protect both property owners and tenants.”

As of 2023, more than 1,150 property and casualty insurance companies operated in New York, with total assets of approximately \$2.6 trillion. The Chairs commenced their investigation last week by delivering information and document requests to the New York State Department of Financial Services and 32 of the state’s carriers, associations, and trade groups. These requests seek ten years of relevant data and focus on costs of premiums and the impacts of recent carrier withdrawals from the state, consumer policy change and cancellation notifications, climate severity impacts, and more. The investigation will further seek information from stakeholders impacted by the rising costs of insuring residential properties including multifamily residential property developers and owners, affordable housing operators, and homeowners, as well as experts on the causes and impacts of climate change and extreme weather events.

The Chairs anticipate the investigation will continue through the fall, culminating with a joint hearing later this year and a published report of the Committees’ findings and recommendations.