TESTIMONY of Big I New York
before the New York State Senate Committees on:
Insurance, Investigations and Government Operations, and Housing, Construction, and Community Development

Joint-Public Hearing: Cost and Availability of Insurance for Residential Property
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250 Broadway, New York, NY
Presented by:

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Good morning, Senators Skoufis, Kavanagh, Bailey, and members of the Committees.
My name is Lisa Lounsbury, and I am the President and CEO of Big I New York, representing 1,450 independent insurance agency locations and more than 13,000 employees across the state.

Independent agents are the direct link between insurance carriers and consumers. Our members work with families, homeowners, and small businesses every day to protect what matters most to them. And like you, we share a common goal — to keep New Yorkers safe and ensure they have access to affordable, reliable insurance coverage.
We share your concern about rising residential insurance costs. Independent agents see this firsthand: homeowners struggling to find coverage or facing premiums that have doubled in just a few years.

Across the country, affordability is being driven by a perfect storm of factors. Some are outside anyone's control:

- The rising cost of materials and skilled labor,
- Supply chain issues that linger post-pandemic, and
- Increased weather-related claims fueled by climate volatility and inflation.

But here in New York, there's something more troubling: our own laws and regulations are making insurance unaffordable. While it's easy to blame insurance companies, the truth is that the legislative and legal climate in New York is a major driver of high premiums— and this is where legislative leadership can make the greatest impact.
Over decades, state laws and regulations have created one of the most expensive insurance environments in the country.

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New York's absolute liability standard under Labor Law Sections 240 and 241 makes it nearly impossible for insurers to defend against certain claims, driving up costs for every homeowner, taxpayer, contractor and business owner. There are few effective pathways to mount a scaffold law defense.

This absolute liability standard means that even when an accident occurs due to worker negligence, property owners, homeowners and insurers are on the hook. That drives up construction costs, discourages development, and ultimately inflates the insurance premiums of everyday homeowners and taxpayers. It is baffling that there is not bipartisan support to modernize this law. It has not made workplaces safer and costs New Yorkers billions of dollars in increased taxes and insurance premiums. Worse yet, it is driving businesses and individuals to other states.

Legal system abuse and third-party litigation funding are fueling a "lawsuit culture" that increases settlements and defense costs. The American Tort Reform Foundation recently named New York a "Lawsuit Inferno," and ranked New York City as the #2 "Judicial Hellhole" in the nation. Lawsuits are financed, advertised, and manufactured that sometimes involve staged accidents and exaggerated medical claims. All at consumers' expense. These schemes don't just hurt insurers; they hurt New York families who end up paying the price through higher premiums and fewer carrier options.
Fraud and lawsuit abuse are not victimless — they rob honest New Yorkers of affordability, stability, and opportunity.

Meanwhile, delays at the Department of Financial Services are slowing the approval of rate and form filings. According to Perr&Knight, the median time for a homeowners filing to be approved in New York has grown from 75 days in 2020 to 233 days in 2025 — nearly a 190% increase. To put this in perspective, according to the same source, 33 states average less than 60 days and only 1 other state, California takes longer than New York.

These delays mean that carriers can't update products or rates to reflect real costs. So, they pull back, tighten underwriting, or exit the market altogether. When that happens. Independent agents are turning more frequently to nonstandard and excess & surplus markets, where rates are higher and consumer protections are fewer.

It's worth briefly highlighting what's happening elsewhere. Lawmakers in other states have had the courage to tackle legal system abuse directly, and their constituents are reaping the benefits. These states have modernized outdated tort laws, strengthened fraud enforcement, and brought transparency to litigation funding. The results are undeniable: more competition among carriers, rate reductions, and even refunds in certain lines of business. Their legislatures demonstrated the political will to make difficult decisions and now their constituents are reaping the benefits.

New Yorkers deserve that same leadership. For too long, our state has harmed consumers in the name of protecting them. Whether at the Department of Financial Services or in the Legislature, well-meaning "consumer protection" policies have actually created a deteriorating market that ultimately hurts the very people they were intended to help.

We can restore balance and affordability in New York by focusing on practical solutions. The Senate has an opportunity and responsibility to fix what's broken. To make residential insurance affordable again, we must:

- Modernize our liability laws to reflect fairness and shared responsibility.
- Require disclosure of third-party litigation funding and strengthen penalties for fraud and staged accidents.
- Modernize the Department of Financial Services so it can clear its backlog and allow timely, data-driven rate approvals.
- Encourage innovation by fast-tracking approval of new loss-prevention technologies that protect homes and reduce claims.
- Foster a business climate that invites more carriers to write policies here, because affordability only comes with competition.

Every policymaker in this room wants to protect New York homeowners. But we cannot protect them by driving out the very companies that insure them. We must confront the legal and regulatory conditions that make New York uniquely expensive and unstable. Independent agents are your partners in this effort. We share your concern for consumers, and we stand ready to work together to restore balance so that insurance is accessible, affordable, and a reliable safeguard for every New Yorker.

New Yorkers deserve the same leadership, courage, and results that other states have already shown.

Thank you for your time and commitment to this critically important issue. We look forward to your questions and further discussion.